

Customer commitment to luxury brands: Antecedents and consequences

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Abstract

The intensifying competition in the luxury sector necessitates the need for managers to identify the factors underpinning customers' commitment to a luxury brand. Understanding commitment not only provides an insight into the question, how customers commit, but also uncovers why customers commit to a particular brand. Using a questionnaire-based survey with customers, this research examines the antecedents and consequences of customer commitment to luxury brands. The findings indicate the differential influence of various antecedents on affective, calculative and normative commitment, and highlight the role played by these forms of commitment on consumption satisfaction and advocacy intentions. The results demonstrate the importance of affective commitment as a relationship enhancer, and identify managerial implications for customer commitment to luxury brands.

Keywords: commitment, consumption satisfaction, advocacy intentions, luxury brands, structural equation modelling

Customer Commitment to Luxury Brands: Antecedents and Consequences

1. Introduction

The luxury sector has changed substantially in recent years, given the increasing demand for luxury goods globally (Kapferer & Bastien, 2009). Vigneron & Johnson (1999) define luxury as the highest level of prestigious brands encompassing several physical and psychological values. The fundamental motives for acquiring luxury brands relate to buying to impress others or interpersonal aspects (Berry, 1994; Leibenstein, 1950; Kastanakis & Balabanis, 2014), as well as personal and hedonic factors (Dubois & Laurent, 1994; Wiedmann, Hennigs, & Siebels, 2009). Such ‘benefits’ have spurred a rapid expansion of the luxury market (Dubois, Czellar, & Laurent, 2005; Shukla, 2012). Although lacking in spending power in comparison to the affluent customers, even the middle-class customers are increasingly engaging in luxury consumption, as reflected in the substantive growth of luxury brands (Bain & Company, 2013).

Further, luxury consumption is intrinsically an act of distinguishing oneself by being conspicuous, and a luxury brand can act as a social marker (Kapferer & Bastien, 2009). Prior research suggests that luxury brands are capable of providing status elevation (Han, Nunes, & Dreze, 2010), socio-psychological benefits (Wiedmann et al., 2009), and involve higher cost of acquisition due to the increased monetary and affective sacrifices (Shukla & Purani, 2012). Customers are, therefore, expected to show greater commitment for a luxury brand than for a regularly purchased brand. However, industry analysts indicate that today’s luxury customers shop around and are less likely to rely on trusted luxury brand names alone (Luxuryfacts, 2012). Such a phenomenon highlights the challenges faced by the luxury brands in terms of decreasing customer commitment and loyalty (Euromonitor, 2014). The proliferation of luxury brands and the consequent opportunities for the customers to switch, rather than

commit, presents a paradox to the marketers and raises important questions about the issue of commitment towards luxury brands. Whilst industry reports are identifying the emergent phenomenon of changing commitment levels among the luxury customers (Euromonitor, 2014), so far, there is no academic empirical research evidence on customer commitment in the luxury sector.

The mainstream consumer research identifies commitment as a pivotal component in developing and maintaining long-term mutually beneficial relationships (e.g., Bansal, Irving, & Taylor, 2004; Morgan & Hunt, 1994). Similarly, in the customer relationship stream, commitment is recognized as a key precursor to the attainment of valuable outcomes, such as disconfirmation process (Raju, Unnava, & Montgomery, 2009 a, b), future intentions (Bansal et al., 2004), and profitability (Anderson & Weitz, 1992). In marketing, there is a growing body of research examining brand commitment, and examples include Agrawal & Maheswaran (2005), Eisengerich & Rubera (2010), Raju et al. (2009 a, b), and Rucker et al. (2014). The notion of commitment towards luxury brands, however, remains empirically unexplored. From a customer perspective, given the high price and prestige associated with the consumption of a luxury brand, customers are likely to be highly conscious of the brands used by them (Vigneron & Johnson, 1999). Since a luxury brand can signal exclusivity and a halo effect, its credibility is crucial to the customer (e.g., Han et al., 2010; Shukla, 2011). Due to the above inherently unique properties of a luxury brand, its customers are likely to display a degree of commitment for their favorite brand. In view of these well-accepted multi-layered motives behind luxury consumption, how customers commit to a luxury brand and what is the consequent impact on their behavior, are pertinent research questions that warrant attention, in order to enhance the understanding of this growing sector.

The concept of commitment is thus central to understanding customer behavior in the luxury sector and is important for the managers of luxury brands. This research, therefore,

focuses on the factors shaping customer commitment towards luxury brands, and the consequences. Consistent with prior studies that treat the concept of commitment as a multidimensional construct (Bansal et al., 2004; Eisengerich & Rubera, 2010), this research employs a comprehensive conceptual framework consisting of the affective, calculative and normative dimensions of customer commitment, originally developed by Allen & Meyer (1990) in the domain of organizational science. The framework is widely applied for empirical research in a number of disciplines, including marketing. The three components of commitment are based on well-defined constructs and capture both affective and attitudinal (i.e. calculative and normative) aspects of customer behavior. This research, therefore, adopts the Allen & Meyer (1990) framework for understanding customer commitment towards luxury brands, and examines the following research questions: (a) what are the antecedents that influence commitment components in luxury context? and (b) what is the relationship between the components of commitment, consumption satisfaction and advocacy intentions? In answering these questions, the research makes theoretical contributions to the luxury consumption literature, and offers suggestions to the managers of luxury brands for maintaining and enhancing commitment amongst their customers.

2. Conceptual background and hypotheses

Dwyer, Schurr & Oh (1987, p.19) define commitment as an implicit or explicit pledge of relational continuity between exchange partners. Moorman, Zaltman, & Deshpande (1992, p.316) state that commitment is an enduring desire to maintain a valued relationship.

Commitment also implies a willingness on the part of both partners to make short-term sacrifices to realize long-term benefits in the relationship (Anderson & Weitz, 1992). The central tenet of the definitions is that commitment is characterized by a disincentive to replace relationship partners.

The construct of commitment (Allen & Meyer, 1990; McGee & Ford, 1987) and its related literature emerge from the organizational science stream, where it is employed to investigate how employees commit to their firm. The construct is increasingly used in consumer research for examining customers' comparison of brands (e.g., Agrawal & Maheswaran, 2005; Eisengerich & Rubera, 2010; Raju et al., 2009 a, b; Rucker et al., 2014). Commitment also corresponds with other constructs such as brand loyalty, customer loyalty and brand attachment, wherein the customer demonstrates loyalty by purchasing a specific brand repeatedly (Park et al., 2010). In addition, commitment overlaps with customer relationship management, where customers' commitment often results from the efforts put in by an organization to satisfy the customer (Cailleux, Mignot, & Kapferer, 2009). Whilst the existing literature provides invaluable insights on commitment in the consumer domain, it focuses on regularly purchased brands rather than luxury brands, examining how individuals evaluate the competing options. This research, therefore, adds to knowledge on customer behavior towards luxury brands. Further, it complements the research stream on brand commitment by investigating the antecedents and consequences of commitment specifically towards the luxury brands, by employing the three-component model developed by Allen & Meyer (1990).

Allen & Meyer (1996, p. 253) define affective commitment as identification with, involvement in, and emotional attachment to the organization. More recently, in the context of customers and their relationships with organizations, affective commitment is described as a desire-based attachment (Bansal et al., 2004, p. 236), denoting the customers' desire that they want to be with the company or buy the product because they are sincerely committed to it. Fullerton (2005, p. 1385) describes affective commitment as the foundation on which relationships are built and therefore emphasizes the importance of affective commitment. Customers who are affectively committed stay with the company or the brand because of their

sincere attachment and the feeling of strong bonding. Affective commitment is usually a consequence of prior positive experiences resulting in the customer developing a strong relationship with the provider. Such positive experiences are crucial for luxury brands as they rely upon experiential positioning and continuously strive to build long-term relationships (Cailleux et al., 2009).

Calculative commitment refers to a more functional relationship the customer has with a company. The construct is defined as a constraint-based relationship that is formed due to the cost an employee would face, if they were to leave the firm (Allen & Meyer, 1990). In this sense, calculative commitment relates to the feeling of having to stay with the company, either due to less attractive alternatives or no alternatives (Bansal et al., 2004). The concept of calculative commitment is applied extensively in business and consumer research to investigate a variety of issues, such as the antecedents of brand loyalty (Li & Petrick, 2008), brand-customer relationship (Tsai, 2011), and relationship in the services (Dalziel, Harris, & Laing, 2011). The cognitive mechanism behind calculative commitment is described as the state of attachment to a partner, cognitively experienced as a realization of the benefits that would be sacrificed and the losses that would be incurred if the relationship were to end (Gilliland & Bello, 2002, p. 28). Sharma, Young, & Wilkinson (2006) argue that it implies a negative cognitive commitment – a dispassionate, though rational evaluation of the costs and penalties associated with switching. Another explanation by Bendapudi & Berry (1997) suggests that when the dedication to a service provider is low but the levels of constraints are high, the customer will have no alternative but to stay as a hostage. The above evidence suggests that a customer may calculate the potential loss of benefit due to switching, along with the attractiveness of the available alternatives. Given that luxury brands are marketed as unique products (Shukla, 2012), and are sold at high prices, customers are likely to evaluate the benefits of staying with the brand or switching to a competitor, significantly higher than

they would do so for non-luxury brands. Additionally, as discussed earlier, recent industry reports indicate increasing switching behavior in the luxury sector. Therefore, understanding the causes and consequences of calculative commitment for the luxury brands merits further attention.

Initially identified as part of the loyalty construct in the organizational behavior literature, normative commitment is conceptualized as an obligation towards the organization (Allen & Meyer, 1996). Normative commitment is defined as a form of relationship that is based on subjective norms established over time, where the customer feels that they ought to stay with the company (Bansal et al., 2004). This concept is shaped by the perception of the customer, which in turn, can be influenced by factors such as the social environment. The relevance of societal norms with regards to luxury brands is shown by Shukla (2011, 2012), suggesting that customers are influenced by their social environment and act in such a way as to please their peers, or try to integrate themselves significantly with the brand. A customer who is attached to a luxury brand due to normative commitment, will therefore, stay with the brand to demonstrate his loyalty and sense of obligation in order to align his feelings with the need to conform. Since luxury brand consumption has a strong and inherent link to an individual's desire for societal integration (Shukla, 2012), normative commitment represents an important aspect of customer commitment towards luxury brands. This research, therefore, measures the antecedents and consequences of normative commitment towards luxury brands.

The three-component framework of commitment by Allen and Meyer (1990), thus, offers a suitable platform for examining the emotional (affective), functional (calculative) and social (normative) aspects that reflect commitment towards luxury brands. The framework also complements related concepts such as brand loyalty, customer loyalty and customer relationship management. These concepts are vital for the success of luxury brands. For example, affective commitment captures emotional attachment which underpins customer

loyalty towards a luxury brand. Additionally, calculative commitment demonstrates the cost-benefits analysis customers carry out for their relationship with a luxury brand, and thus shapes the initial interaction for relationship management. Normative commitment, similarly, offers insights into customers' view of self-brand connection for a luxury brand and reflects the associated loyalty and switching behavior towards that particular brand.

2.1 Antecedents of affective commitment towards luxury brands

Prior research has identified factors such as social switching costs, service quality and trust as antecedents of affective commitment in the context of non-luxury goods. For example, social switching costs have a significant impact on affective commitment among non-luxury service firms, such as banking and retail (Hennig-Thurau, Gwinner, & Gremler, 2002; Jones, Mothersbaugh, & Beatty, 2007). According to Burnham, Frels, & Mahajan (2003), these switching barriers build up over a long period of time and involve affective components that are not available immediately with a new provider if the customer decides to switch to another brand. As Shukla (2011) suggests, since luxury goods are consumed with societal appropriateness in mind, social switching costs are likely to be crucial as they can create a strong bond, which goes beyond superficial values.

The antecedent of service quality is regarded as part of customer experience that involves the service personnel, technology, co-creation and customization (Verhoef et al., 2009). Prior research on the link between service quality and affective commitment in the non-luxury sector offers mixed results. For example, while Fullerton (2005) shows a significantly positive relationship between service quality and affective commitment, Gruen, Summers, & Acito (2000) do not find the relationship to be significant. However, examining customer relationships with the service providers, Evanschitzky et al. (2006) find a positive influence of affective commitment on customer loyalty to their service provider. Since luxury

firms tend to emphasize their exclusive service orientation in order to build affective relationships with their customers, this research posits a positive relationship between the constructs of service quality and affective commitment for luxury brands.

Regarding the antecedent of trust, Morgan & Hunt (1994) state that trust exists when one party has the confidence in the exchange partner's ability to deliver. Trust generally builds from repeat purchase of a brand, which gets reflected in long-term commitment towards the brand and the overall brand attachment (Park et al., 2010). In the luxury context, trust is expected to play a significant role in building commitment due to the increased emotional connection between the customer and the brand (Kapferer & Bastien, 2009). Hence, this research postulates a positive relationship between trust and affective commitment. The above discussion supports H1.

H1: Affective commitment towards a luxury brand is strong when (a) social switching costs are high, (b) service quality is high, and (c) trust towards the brand is high.

2.2 Antecedents to calculative commitment towards luxury brands

This research focuses on two specific antecedents of calculative commitment towards luxury brands, namely (a) lost benefit cost, and (b) alternative attractiveness. In the non-luxury context, lost benefit cost is a form of switching cost the customer will encounter before deciding to move to a new provider (Burnham et al., 2003). This cost can include the loss of benefits or monetary losses incurred by leaving one supplier. Barnes (1994) observes that the lost benefit cost is similar to extrinsic rewards, which do not lead to a deeper relationship with the company, but rather to a temporarily loyal customer. Such a temporary relationship can be easily broken by a competitor by either matching or augmenting the product benefits. Using the context of non-luxury goods context such as auto repair and hair styling, Bansal, Taylor & James (2005) argue that when competitors offer similar or even better quality, a customer

might be tempted to switch to a new provider. Furthermore, alternative attractiveness lowers the barrier of switching costs, enabling the customer to make an easier decision for switching suppliers (Jones, Mothersbaugh, & Beatty, 2000). However, in the luxury sector, the stakes for the customers are high due to the increased monetary and emotional outlay (Shukla & Purani, 2012). Higher lost benefit cost and higher alternative attractiveness will, therefore, lead to strong calculative commitment towards the luxury brand. Hence,

H2: Calculative commitment towards a luxury brand is strong when (a) lost benefit cost is high, and (b) alternative attractiveness is high.

2.3 Antecedent to normative commitment towards luxury brands

An important antecedent to normative commitment towards luxury brands is subjective norm. Subjective norms represent perceived social pressure (Ajzen & Fishbein, 1980) which gets reflected in a person's desire to perform, or not perform, a specific behavior in compliance with the approval of significant others. Subjective norm has been also examined from the conformity perspective in consumer behavior literature for luxury goods as well as non-luxury goods (e.g., Bearden, Netemeyer, & Teel, 1989; Kastanakis & Balabanis, 2012, 2014; Shukla, 2011). Subjective norms are crucial and can have a significant impact on the way customers react to the sway of others (Verhoef et al., 2009). These norms can enhance conformity, especially for luxury brands that are publicly consumed goods (Wiedmann, Hennigs, & Siebels, 2009) and can add to their bandwagon effect (Kastanakis & Balabanis, 2014). In addition, prior studies propose the need for measuring the impact of subjective norms on commitment, and highlight the importance of normative interpersonal influences in the context of luxury consumption (e.g., Kastanakis & Balabanis, 2012, 2014; Shukla & Purani, 2012; Shukla, 2011). The significant others and their influence are also shown to be highly contextual for the luxury brands (Shukla, 2010). The important relationship between

subjective norms and normative commitment towards luxury brands, therefore, merits further investigation. Hence,

H3: Favorable subjective norm leads to significant and positive normative commitment towards a luxury brand.

2.4 Consequences of commitment towards luxury brands

This research focuses on two specific consequences of commitment towards luxury brands (a) consumption satisfaction, and (b) advocacy intentions. Consumption satisfaction is the direct satisfaction obtained from consuming a product (Heitmann, Lehmann, & Hermann, 2007), and is closely related to the intentions and behavior of the customer. In the non-luxury context, there is a general consensus amongst researchers regarding the positive relationship between affective commitment and satisfaction (e.g., Mathieu, 1991; Malhotra & Mukherjee, 2004).

Furthermore, the link between normative commitment and satisfaction is shown to be positive (Meyer & Herscovitch, 2001). Additionally, Gustafsson, Johnson, & Roos, (2005) suggest that calculative commitment has a negative impact on satisfaction, possibly due to the customers feeling trapped in a relationship, owing to the absence of alternatives or high lost benefit costs. With regards to luxury goods, if a customer feels hostage to his brand that is often marketed to enhance calculative commitment, the satisfaction will be considerably low. On the other hand, if the customer shows a significantly strong relationship with his luxury brand and finds it to be socially appropriate, the consumption satisfaction will be high due to the increased affective and normative commitment. Therefore,

H4: a) affective commitment and b) normative commitment positively influence consumption satisfaction towards luxury brands; and c) calculative commitment negatively influences consumption satisfaction towards luxury brands.

Advocacy intention, another outcome of commitment, is related to the willingness of customers to recommend the brand to others. A customer with commitment towards the brand will usually act as an advocate of the brand, since word of mouth can enhance other individuals' perception of the brand (Richins, 1994). Usually advocacy intentions occur following a positive event or experience with the other party. Fullerton (2005) demonstrates that affective commitment has a positive relationship with advocacy intentions, whereas, an increase in calculative commitment will lead to a negative impact on advocacy intentions. Due to the inherent conspicuousness of luxury consumption, it is logical to assume that customers displaying affective and normative commitment are likely to generate positive word of mouth, whereas those with calculative commitment will not recommend their luxury brand to others. This research, therefore, posits that normative commitment to a luxury brand leads to positive advocacy intentions, since such behavior is deemed as socially apposite. Hence,

H5: a) affective commitment and b) normative commitment positively influence advocacy intentions towards luxury brands; and c) calculative commitment negatively influences advocacy intentions towards luxury brands.

Figure 1 shows the hypothesized relationships.

Figure 1 here.

3. Method

In order to test the hypothesized relationships, a structured questionnaire was designed. The initial sets of items were derived from established measurement scales. Social switching cost and lost benefit cost were measured with scales used by Jones et al. (2007) on a five-point Likert-type scale with strongly disagree and strongly agree as anchors. Service quality was assessed with the scale developed by Fullerton (2005), with the first two items measured

with a nine-point Likert-type scale, and the third item on a nine-point semantic differential scale with 'poor' and 'excellent' as anchors. Trust and alternative attractiveness were measured using a seven-point Likert-type scale, adapted from Bansal et al. (2005). Subjective norm was assessed on a seven-point scale using the scale employed by Bansal et al. (2004). While the affective and continuance commitment scales from Allen & Meyer (1990) consist of eight items each, scholars such as Bansal et al. (2004) and Fullerton (2005) have used a three-item subset of each scale to operationalize these constructs in the marketing context. Hence, these three-item affective and calculative commitment scales were used. Normative commitment was assessed using a seven-point scale employed by Bansal et al. (2004). Consumption satisfaction was measured using a seven-point scale developed by Heitmann et al. (2007). Advocacy intentions were measured with a nine-point scale from Fullerton's (2005) items.

Data were collected through street intercepts on Bond Street and Sloane Street in London, United Kingdom, using a self-administered structured questionnaire. Both streets are hubs of luxury brand stores and witness high international tourist traffic. Therefore, in order to avoid cultural variance, only British nationals were included. Respondents were asked to identify their favorite luxury brand that they had purchased at least once earlier. Respondents reported buying luxury brands such as LVMH, Gucci, Prada, Miu Miu, Hermes, and Cartier amongst others. Identifying the favorite luxury brand helped the respondents to orient their responses towards their preferred brand. Thus, respondents were able to respond accurately to the questions relating to their commitment towards that favorite brand. Out of the 268 respondents who participated (more than 800 were requested to participate), the final usable sample was 212 (26.5%). The data were collected during a four-week period, with survey teams rotating the location of interviews, the times of the day, and the days of the week. The respondents' age ranged from 19 to 61 years, and 53.7% were female ($M = 31.3$ years). More

than half (52.13%) held a bachelor degree, while 25.59% had secondary education, and 22.27% had a postgraduate degree or other professional qualification. A large number of respondents in the sample were single (63.03%), followed by married participants (23.70%), and 10.43% were in a relationship. On the annual family income criteria, 45.02% had an income of less than GBP 40,000; 26.07% between GBP 40-60,000; and 28.91% had an income above GBP 60,000.

4. Results and analysis

Before estimating the structural model, confirmatory factor analysis was employed to test the internal consistency of the scales using LISREL 8.8. The measurement model (see Table 1) indicators show an excellent fit [χ^2 (df) = 704.80 (463.00); RMSEA = 0.058; NNFI = 0.98; CFI = 0.98; GFI = 0.90]. Cronbach's alpha for the constructs range from 0.70 to 0.95, composite reliability (CR) exceed .70, and the average variance extracted (AVE) range from 0.59 to 0.96 (Fornell & Larcker, 1981).

Table 1 here.

In order to assess the discriminant validity, the average variance extracted was compared with the variance shared between all construct pairs (Fornell & Larcker, 1981). This test suggests that a scale possesses discriminant validity if the average variance extracted by the underlying latent variable is greater than the shared variance (i.e., the squared correlation) of a latent variable with other latent variable. This criterion was met by all constructs (Table 2). Harman's single factor test was carried out to test the common method bias and variance explained was 34.97%. Additionally, a common latent marker analysis was also carried out which did not show any violations.

Table 2 here.

Table 3 shows the path coefficients for each hypothesis. The results confirm the significant effect of social switching costs on affective commitment ($\beta = 0.51$; t-value = 8.93) supporting H1a. However, H1b and H1c focusing on the influence of service quality and trust on affective commitment are not supported. H2a and H2b, which examine the influence of lost benefit cost ($\beta = 0.38$; t-value = 4.46) and alternative attractiveness ($\beta = 0.42$; t-value = 5.17) on calculative commitment are supported. Further, subjective norm is found to be a strong predictor of normative commitment ($\beta = 0.23$; t-value = 3.19), supporting H3. While consumption satisfaction is positively influenced by affective commitment ($\beta = 0.30$; t-value = 4.68) lending credence to H4a, the influence of normative commitment ($\beta = -0.57$; t-value = -9.81) is negative (H4b). The relationship between consumption satisfaction and calculative commitment is non-significant (H4c). Advocacy intentions are significantly influenced by affective commitment ($\beta = 0.13$; t-value = 3.31), supporting H5a. However, the relationship between advocacy intentions and normative (H5b) and calculative commitment (H5c) is found to be non-significant.

Table 3 here.

5. Discussion

Historically, the acquisition of luxuries and their conspicuous display was a province of the wealthy elite. However, in recent times, luxury consumption has become more feasible for the masses with the emergence of masstige (i.e. affordable luxury) brands (Kapferer & Bastien, 2009). The increasing competition and variable loyalty among customers raise the important question of how to keep a luxury customer committed to a brand. In this regard, a

deeper understanding of customer commitment can be a key differentiator for developing and maintaining long-term mutually beneficial relationships. Using the three-component commitment model (Allen & Meyer, 1990), this paper integrates the antecedents and consequences of commitment towards luxury brands, and makes original theoretical contributions, as discussed below.

Antecedents to commitment towards luxury brands

The current research proposes and tests a framework for understanding the differential effects of antecedents of commitment, namely affective, calculative and normative commitment in the luxury sector. To this end, the research adopts a multi-dimensional approach, consisting of three components of commitment, each with well-defined antecedents. The results show that social switching costs significantly influence affective commitment, which is consistent with previous findings in the non-luxury context (e.g., Burnham et al., 2003). However, the influence of service quality and trust are not significant in influencing affective commitment in the luxury context. The finding relating to service quality provides empirical evidence for the conjecture by some experts that luxury customers today increasingly value brands but not the experience (e.g., Adams, 2013). Historically, a luxury brand offered a unique store-level experience, and from a customer's perspective, it often involved dressing up and going into a high-end boutique to consult with a salesperson about what to buy. In today's marketplace, however, many luxury firms are attempting to engage luxury customers through the Internet, which in turn, reduces the traditional luxury buying experience involving service quality dimensions such as service personnel and co-creation through employee-customer engagement. The non-significant relationship between service quality and affective commitment could be due to such reduced engagement from both the firm and the customer.

Further, the non-significant influence of trust on affective commitment highlights the impact of the change in the engagement approaches by firms and the resulting influence on shifting relationship dynamics between luxury brands and their customers. The historical one-to-one engagement created an emotional attachment with the luxury brand. However, the Internet-based and other modern marketing approaches could have reduced the attachment between the luxury firm and the customers. This phenomenon is consistent with findings in the non-luxury domain. Shukla (2014), for example, finds that customers are still inherently skeptical of Internet-based engagement due to higher risk perception and security and privacy concerns which, in turn, leads to reduced trust towards the brand.

The results relating to the antecedents to calculative commitment offer further insights. In the non-luxury domain, higher lost benefit costs is shown to be leading to higher calculative commitment (Burnham et al., 2003). The findings for the luxury sector, however, suggest that higher alternative attractiveness leads to higher calculative commitment towards a luxury brand. This result can be explained through the lens of the luxury purchase context. Unlike regularly purchased brands, luxury brands require a significant amount of monetary and emotional resource allocation for most customers. Hence, once bought, a customer may wait for a comparatively longer period of time for his next purchase. In this regard, if an alternative becomes attractive, the significant others can challenge the customer's shopping savviness. To avoid any resulting embarrassment, the customer may increase his short-term commitment to the luxury brand by advocating the brand strongly. This strategy, in turn, may make his consumption appropriate in the eyes of the significant others.

Another important theoretical contribution of this research is the empirical examination of normative commitment towards luxury brands. The finding here is pertinent to luxury consumption, given that luxury brands are often bought and displayed with significant others in mind (Kastanakis & Balabanis, 2014). The result provides empirical support to the

above notion, as subjective norm is found to be significantly influential on normative commitment. The findings of this research, therefore, reinforce the effect of social influence on luxury consumption.

Consequences of commitment towards luxury brands

The findings relating to the consequences of commitment for luxury brands are notable. The results show that affective commitment significantly influences consumption satisfaction and advocacy intentions. Since social switching cost is found to be the only significant influence on affective commitment, it assumes a central role in strategic luxury branding. The findings also show that calculative commitment has a non-significant influence on consumption satisfaction and advocacy intentions. This result suggests that when customers feel hostage to the brand, they tend to feel dissatisfied and therefore do not advocate the brand. The findings of this study on luxury products corroborate the findings for non-luxury products (e.g., Fullerton, 2005).

In a departure from previous studies in the non-luxury domain, the findings here demonstrate that normative commitment negatively influences consumption satisfaction towards luxury brands. This result can be explained through the lens of luxury value perceptions (Hennigs et al., 2012). Wiedmann et al. (2009) observe that one of the major motivations for luxury consumption amongst the middle classes is the uniqueness offered by luxury brands. If a luxury brand is consumed by many customers, the brand loses its uniqueness and becomes a me-too product. Thus, greater the number of people using a particular luxury brand, lesser is the consumption satisfaction derived by a customer from the brand. This finding corresponds to the earlier observation on social switching costs. The increased switching costs, in turn, lead to higher affective commitment, which can result in higher consumption satisfaction and advocacy intentions.

Overall, this research shows that the antecedents of affective and calculative commitment towards luxury goods differ from the findings on non-luxury goods reported in prior studies. Additionally, normative commitment shows a distinctly different effect on behavioral intentions in the luxury goods context. Although this research does not directly examine commitment towards luxury versus non-luxury goods, a comparative study offers a fruitful line of further enquiry.

Managerial implications

The findings of this research lead to important managerial implications on customer commitment towards luxury brands. From the perspective of antecedents, the results show that increasing social switching costs should be a goal for luxury brand managers in order to raise affective commitment. The findings suggest that managers vying for long-term commitment from their customers should work towards amplifying the societal appropriateness of their brand, focusing on friendships and personal relationships. In this regard, employee-customer relationship will be crucial, and therefore should be managed cautiously. The above guidelines are also consistent with the finding that subjective norm drives normative commitment, and highlight the importance of societal impact on commitment towards a luxury brand.

With regards to the consequences of commitment, affective commitment is a significant indicator of consumption satisfaction and advocacy intentions for luxury brands. Thus, a strategic luxury brand campaign focusing on building affective commitment can be highly rewarding. Affective commitment builds over a period of time and leads to higher satisfaction and advocacy intention which suggests its critical importance for luxury brands. A significant predictor of affective commitment, however, is the high social switching cost. Hence, managers should market their brands through the uniqueness dimensions that would

result in increased social switching costs. On the other hand, the results indicate that calculative commitment is non-significant in driving either consumption satisfaction or advocacy intentions. A luxury brand attempting to increase calculative commitment by demonstrating lost benefit costs may find itself vulnerable in the marketplace. Managers should, therefore, focus on enhancing the normative commitment in order to drive consumption satisfaction towards their brand.

The combination of results for the antecedents and consequences of the three-component commitment framework in this research have some caveats. For instance, the results imply that commitment can act as a relationship enhancer if a luxury brand focuses on affective commitment, but can erode relationships if the brand managers concentrate only on calculative commitment. Since customers may not consciously distinguish between the three elements of commitment, managers need to be aware of the distinction, and should orient their marketing efforts accordingly. For instance, if a luxury brand campaign focusing on building affective commitment highlights lost benefits costs, a customer may associate the campaign with calculative commitment. Such a phenomenon, in turn, may drive the customer away from the luxury brand. Thus, the results in this research provide guidelines to the managers of luxury brands on how to focus on the commitment elements specifically relevant to their customers, in order to enhance consumption satisfaction and advocacy intentions.

6. Limitations and future research

The findings of this research are contingent upon a few limitations, which also present avenues for future research. This research, for example, did not consider how customer commitment may vary with regards to established versus new, and small versus big luxury brands. While this study specifically focuses on customers who bought luxury goods, an important area for future studies is to investigate how commitment towards luxury goods

compares with non-luxury goods. It will also be worth examining the differential impact of commitment towards conspicuous versus non-conspicuous goods. Future research could also compare commitment towards a luxury brand in online versus in-store purchases. Future studies should also examine other likely antecedents to commitment such as scarcity, positive and negative emotions associated with a luxury brand, along with prior brand knowledge.

Further, this research did not include the influence of affective, normative and calculative commitment on repeat purchase intentions, thereby presenting another area for investigation. Moderators such as rarity of the luxury brand, brand attachment and self-brand association may also influence the relationships. Choice goals could also play a critical role in mediating the relationship between commitment and behavioral intentions towards luxury brands, and merits further research. Another avenue for research is examining the cross-cultural aspects of customer commitment towards luxury brands. In conclusion, this research sheds light on customer commitment towards luxury brands – a factor crucial for the growth and survival of these brands.

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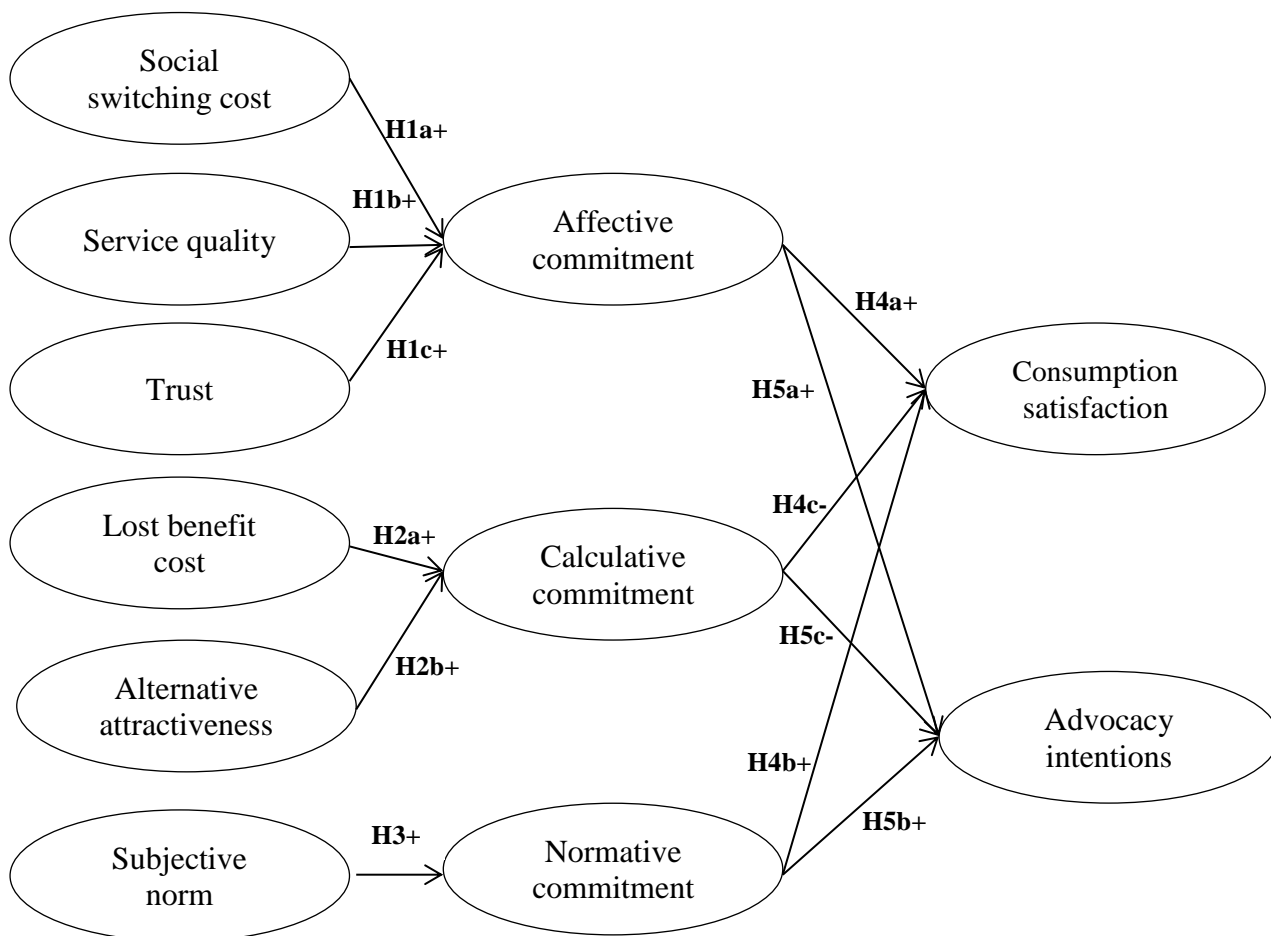


Figure 1: Conceptual model

Table 1: Measurement model

Construct items	Factor loadings	AVE	CR	Cronbach's Alpha
Social switching cost		0.88	0.90	0.90
• For my next purchase, if I switched, I might lose the friendships, I have developed with X.	0.90			
• For my next purchase, if I switched, I might lose an important personal relationship with X.	0.91			
• For my next purchase, if I switched, it might be very uncomfortable to tell the employees of X I know that I am switching.	0.80			
Service quality		0.90	0.91	0.90
• I believe the general quality of X's services high.	0.94			
• Overall, I consider X's service to be excellent.	0.89			
Trust		0.89	0.91	0.92
• I feel that I can trust X completely.	0.74			
• X is honest and truthful with me about its products and services	0.94			
• X is truly sincere in what it promises through its products and services.	0.95			
Lost benefit cost		0.59	0.74	0.82
• Staying with X allows me to get discounts and special deals.	0.67			
• Staying with X saves me money.	0.58			
• Staying with X allows me to get extra service benefits.	0.83			
Alternative attractiveness		0.91	0.93	0.93
• All in all, competitors would be much more fair than X.	0.75			
• Overall, competitors' policies would benefit me much more than X's policies.	0.90			
• I would be much more satisfied with the service available from competitors than the service provided by X.	0.93			
• In general, I would be much more satisfied with competitors than I am with X.	0.91			
Subjective norms		0.92	0.93	0.91
• Most people who are important to me would approve of me switching from X to a new provider	0.91			
• People I care about would approve of me switching from X to a new provider.	0.95			
Affective commitment		0.86	0.89	0.83
• I do not feel 'emotionally attached' to X (R)	0.72			
• X has a great deal of personal meaning for me.	0.96			
• I do feel a strong sense of belonging with X.	0.88			

Calculative commitment		0.73	0.81	0.70
• It would be very hard for me to leave X right now, even if I wanted to.	0.91			
• Too much in my life would be disrupted if I decided I wanted to leave X now.	0.85			
• Right now, staying with X is a matter of necessity as much as desire.	0.50			
Normative commitment		0.92	0.94	0.94
• If I had the opportunity to shop with a better provider elsewhere, I would not feel it was right to leave X.	0.78			
• Even if it would be to my advantage, I do not feel it would be right to leave X.	0.89			
• I would not leave X right now because I have a sense of obligation to them.	0.94			
• X deserves my loyalty.	0.77			
• I would feel guilty if I left X now.	0.92			
Consumption satisfaction		0.89	0.91	0.89
• I truly enjoy using X.	0.79			
• X provides me with exactly what I need.	0.90			
• Using X has been a good experience.	0.94			
Advocacy intentions		0.96	0.96	0.95
• I usually say positive things about X to other people.	0.93			
• I would recommend X to others who seek my advice.	0.98			
• I would encourage friends and relatives to shop for X.	0.93			

Note: (R) = Reverse coded; χ^2 (df) = 704.80 (463.00); RMSEA = 0.058; NNFI = 0.98; CFI = 0.98; GFI = 0.90); AVE = Average Variance Extracted; CR = Composite reliability.

Table 2: Correlations matrix

	SSC	SQ	TR	LBC	AA	SN	AC	CC	NC	CS	AI
SSC	0.94										
SQ	-0.08	0.95									
TR	-0.15	0.47	0.94								
LBC	0.41	0.36	0.47	0.77							
AA	0.24	-0.48	-0.48	-0.37	0.95						
SN	0.18	-0.20	-0.29	-0.07	0.33	0.96					
AC	0.52	0.00	-0.11	0.31	0.15	0.13	0.93				
CC	0.25	-0.08	-0.11	0.22	0.28	0.11	0.18	0.85			
NC	0.04	-0.05	-0.07	-0.02	0.08	0.23	0.03	0.03	0.96		
CS	0.21	0.02	0.00	0.12	0.02	-0.09	0.30	0.10	-0.36	0.94	
AI	0.27	0.02	-0.01	0.14	0.03	-0.06	0.38	0.11	-0.51	0.52	0.98

Note: Numbers in bold represent the square root of AVE values (SSC = Social switching costs; SQ = Service quality; TR = Trust; LBC = Lost benefit cost; AA = Alternative attractiveness; SN = Social norm; AC = Affective commitment; CC = Calculative commitment; NC = Normative commitment; CS = Consumption satisfaction; AI = Advocacy intentions)

Table 3: Path coefficients

		Std. Est.(T-Values)	Hypotheses
H1a	Social switching cost → Affective commitment	0.51 (8.93)*	Accepted
H1b	Service quality → Affective commitment	0.15 (1.61)	Rejected
H1c	Trust → Affective commitment	-0.13 (-1.35)	Rejected
H2a	Lost benefit cost → Calculative commitment	0.38 (4.46)*	Accepted
H2b	Alternative attractiveness → Calculative commitment	0.42 (5.17)*	Accepted
H3	Subjective norm → Normative commitment	0.23 (3.19)*	Accepted
H4a	Affective commitment → Consumption satisfaction	0.30 (4.68)*	Accepted
H4b	Normative commitment → Consumption satisfaction	-0.57 (-9.81)*	Rejected
H4c	Calculative commitment → Consumption satisfaction	0.06 (0.99)	Rejected
H5a	Affective commitment → Advocacy intentions	0.13 (3.31)*	Accepted
H5b	Normative commitment → Advocacy intentions	-0.02 (-0.55)	Rejected
H5c	Calculative commitment → Advocacy intentions	0.00 (-0.14)	Rejected

(* p<0.01)