The Effect of Marketing Culture and Customer Psychological Contracts on Customer Affective Commitment

Assist. Prof. Dr. Hussein A. Abdul-Rasool  
hssn79@yahoo.com
University of Al-Qadisiyah
Al-Qadisiyah, Iraq

Elham N. Khadhim  
alzwani2012@yahoo.com

Abstract: The purpose of this study is to investigate the effect of marketing culture on customer affective commitment as well as to introduce the relational psychological contract as a mediator. Data were gathered from a convenience sample using a questionnaire (380). It was analyzed using confirmatory factor analysis and structural equation model. The findings demonstrated that there was a significant effect of marketing culture on a relational psychological contract. Second, the study concluded that there was a significant relationship between the relational psychological contract and a customer affective commitment. Third, it found mediation of a relational psychological contract on the relationship between marketing culture and a customer affective commitment. This study contributes to the field of relational psychological contract in marketing management.

Keywords: Marketing culture, Relational psychological contract, Customer affective commitment.

1. Introduction

The wireless telecommunications industry in the world, in general, and in Iraq in particular, is experiencing a very competitive situation that has not been seen in any other industry in any time. As a competitive conflict prevails, companies need to build dynamic strategies according to highly
complex variables and with a relatively time frame than in other industries. Zain Iraq is one of the largest wireless telecommunications companies in Iraq, which serves all over Iraq. It faces a state of fierce competition which is difficult to predict the circumstances, which requires the company to create a strategic orientation to meet the conditions of the competitive environment. The cost of new customer acquisition is even higher than that of customer retention (Aurier and N’Goala, 2010). Therefore, creating a loyal base of satisfied customer increases revenues and reduces marketing costs. Many authors emphasize a significant association between the customer relationship and organizational performance (Bart et al., 2014). Customer relationships have become important to every mobile telecom company.

In the marketing field researchers demonstrate the significance of customer loyalty in marketing performance as a key factor to marketing successful (Beatty et al., 2012). Under social exchange theory, customer commitment is key determinant of relational continuity and helps contribute to customer retention (Harrison and Shaw, 2004). Thus, companies have become able to capitalize such psychological bonds with customers to build customer capital. Webster (1995) proposes that the suitable marketing culture has role in marketing effectiveness superior customer value, and thus develop sustainable competitive advantage (Al-Mohammad, Akroush, and Odetallah, 2014). The marketing culture apparently enables companies to emphasize on the customer behaviour, and it is the real way to a customer orientation (Harrison and Shaw, 2004). The marketing culture is a part of organizational culture which provides employees with values, norms and assumptions that suitable behavior (Schien, 2010).

Previous studies have linked marketing culture with some key marketing issues such as CSR (Halac, Biloslavo and Bulut, 2013), customer retention (Zostautiene and Vaiciulenaite, 2012), and organizational performance (Al-Mohammad and Odetallah, 2014), customer relationship (Luk, 1997). Accordingly, the service encounter studies emphasize that marketing culture has a key role in the superior marketing performance (Mamoun et al., 2016). Organizational behavior studies have confirmed the importance of organizational culture to psychological contracts (Lynne and Lee, 1998). In his article (Zostautiene and Vaiciulenaite, 2012) discusses the association between the marketing culture and customer retain, he emphasized marketing culture has an important role in psychological bonds between staff and customers, provides a type of shared values and beliefs, and the norms for behaviour. Aurier and N’Goala (2010) suggests that positive response of customer such as trust and word-of-mouth potential have based on marketing culture, they was deemed that personal interaction are more significant determinants to customers attitude, and it has impact on how they act. The personal interaction pattern of the employees is shaped by the cultural values of the company and the mental model of the senior management, and the level of interest in marketing activity as it is not only the responsibility of the marketing department, but the responsibility of everyone in the company.

The dissemination of marketing knowledge within the company and the emphasis on the philosophy that the customer is always right, and that the customer is the king, generates a marketing culture can be relied on to attract customer and attach him psychologically with the company (Halac, et al., 2013). The primary purpose of marketing activity is to build a strong customer relationship that leads to customer satisfaction and commitment (Hur, et al., 2010). Previous studies conclude that customer commitment is a major key to the customer relationship quality, as it creates entry barriers for competitors and customer switching (Gounaris, 2005; Coote, Forrest, and Tam, 2009). It also improves the capabilities of company to respond to competitors’ threats, and increases its revenues and profits (Bansal, Irving and Taylor, 2004). Hence, it is posited psychological contracts be highly significant to frame the customer relationships and serves to guide their behavior (Pavlou and Gefen, 2005).
Thus, investigating the motivations of customer commitment is an important issue that needs further studying, especially regarding the role of customer psychological contracts in customer affective commitment. According to (Kingshott and Pecotich, 2010) there is a need to explore the psychological contract in the marketing context. This study contributes to fill large gap in the research and literature on psychological contract and customer commitment, especially when focusing on the relationship between these variables. And it expand the knowledge on the relationship between the marketing culture and consumer behavior. However, studies of psychological contract and its effect on customer commitment have been extremely limited. While the studies have established the impact of psychological contract within the context of organizational behavior(Maguire, 2002) (Halac, et al., 2013) (Lee and Faller, 2005), little literature has explored its effects on marketing relationship (Pavlou and Gefen, 2005).

Delcampo (2007) indicate the need to further to study the relationship between the relational psychological contracts and the customer affective commitment; to create understands the construct in the new context of customer relationship management.In addition that, very few studies have been carried out in the Iraqi to empirically address the question whether marketing culture has an effect on customer affective commitment and the possible mediating role of customer psychological contract. With this in mind, the main purpose of this study is to determine the relationship between study variables. It is hoped that the results of the study will help companies understand some of the factors that need to be taken into account when trying to build long-term relationships with customers from a social exchange perspective, as shown in figure 1.

2. Literature Review and Hypotheses

2.1. Marketing Culture

The organizational culture represents informal, understood factors within organization-forces that influence the employees' behaviour more than formal, written policies (Karatepe and Tekinkus, 2005). Due to the characteristics of services, the nature of the culture of a service organization is a critical. Services marketing are more difficult to analyze because simultaneous delivery and receipt of services, thus an appropriate marketing culture is important for successfully marketing services (Webster, 1990). Marketing culture as a part of organizational culture includes values and norms that provide a great adaptation of modern marketing approach in firm and sales force (Singh and Shanker, 2012).

Narver and Slater (1990) have proposed a definition of the marketing culture as "the organizational culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value for the buyer and thus continuous superior performance for the business"(p.112). Webster (1992) defines the marketing culture as "a multifaceted construct that encompasses the importance placed on service quality, interpersonal relationships, the selling task, organization, internal communications, and innovativeness ". In same context, Zostaute and Vaiciulenaite (2012) also conceptualized marketing culture as organizational culture focuses on the customers' needs and wants. The Marketing culture refers to the informal, unwritten guidelines which determine the style of values and beliefs that supply norms for behaviour in the organization and; how the way marketing “things” are done (Singh, 2005; Karatepe and Tekinkus, 2005).

As such, Webster considers customer orientation as a marketing culture which includes shared values, norms, and the way in which marketing activities will be performed (Webster, 1995). Thus, in keeping with these perspectives, it has considered customer orientation as the main indicator of the marketing culture that provides with norms for organizational behaviour. However, Webster (1992) proposes that the marketing culture is a type of shared values which supply employees with
norms to organizational behaviour and help them to understand the marketing activities. Singh and Shanker, (2012) identify marketing culture as a fundamental concept and multifaceted construct which focuses on the customer service, internal communications, innovativeness, and service quality.

Similarly, Webster (1995) claims that marketing culture is driving forces of organizational successfully by its focusing on marketing superiority and to achieve the competitive advantage. Most of studies indicate that customer orientation is a real indicator for marketing culture in firm (Harrison and Shaw, 2004; Singh, 2005; Singh and Shanker, 2012), which involve norms; values have an important role in customer relationship quality (Karatepe and Tekinkus, 2005). Narver and Slater (1990) even argue that the marketing culture has tremendous effect on the employees behaviour and it has oriented to customer, and help to understand the marketing activities better to adapt their behaviour so as to satisfy needs and wants of customer (Simberova, 2007). From constituency-based theory perspective an organization must to implement the customer orientation which is a type of marketing culture (Luck, 1997), and maybe it is the key to profitability (Webster, 1995).

2.2. Psychological Contract

In his book "Understanding of Organizational Behaviour", Argyris 1960 was first one who puts forward the concept of the psychological contract (Rousseau, 1989; Lynne and Lee, 1998). He discusses it as a hidden and informal implicit agreement between which is happening employer and employees (Maguire, 2002). Researchers indicate that psychological contract was a subjective and hidden expectation before establishing the relationship with organization (Morrison and Robinson, 1997; El-sayed et al., 2015; Delcampo, 2007; Aanerson and Schalk, 1998). Later, Rousseau redefines the psychological contract "a type of beliefs about reciprocal responsibility between employees and employer" (El-sayed, Tang and Jones, 2015). Rousseau indicates that this understanding is based on employee sense of promise while it may not be recognized by the company (Conway and Briner, 2005). The cognitive psychology describes the psychological contract as a mental model of the promises relevant for a relationship (Kingshott and Percotic, 2010). The psychological contract is a schema dynamic changing according to our experiences (Chen, Ling and Fang, 2003). (Aanerson and Schalk, 1998) recognized the psychological contract as a form of "soft" contract which take the form of relational contracts based on norms.

In other words, psychological contract is inherently subjective (Rousseau, 1989). The psychological contract is a cognitive component that helps the customer to build and recognize of knowledge received and experiences obtained (Thomas and Rawlin, 2003). Relational exchange as a social exchange could explain the role of psychological contracts in relationship building which involves rules that govern commitments generating from a reciprocally founded social system (Kingshott, 2006). From a customer's perspective, a psychological contract involves the perceptual beliefs of customer about the firm's contractual commitments. Customer Psychological contract refers to a customer's belief about reciprocal obligations-based promise made by firm about a product's attributes or performance (Pavlou and Gefen, 2005). Hence, psychological contract occur when customer believes that firm is obligated to perform certain behaviors (Rousseau, 1995).

Psychological Contracts are essential to comprise two key components: transactional contracts, and relational contracts (Aanerson and Schalk, 1998; Llewellyn, 2001). Given the relational nature of customer relationships in telecom and their relatively implicit contractual obligations, this paper focuses on relational psychological contracts. However, what characterizes the relational psychological contracts from other forms of obligations and psychological attachment are that they
are perceptual and idiosyncratic nature, as well as that will be as the glue that binds customers with the firm, which reflect the implicit and subjective understanding. Gronroos (1990) argued that customer relationship developed and maintained is achieved through mutual exchanges and fulfilment of promises. Llewellyn (2001) suggests that a relational psychological contract leads to positive outcomes. It seems logical to believe that a psychological state has directly influence behaviour (Bagozzi et al., 1999).

### 2.3. Affective commitment

Customer commitment is the key construct in the relationship marketing paradigm (Coote et al., 2009). Customer commitment refers to "a psychological state that has motivational implications for the continuation of a relationship customer with organization " (Bansal et al., 2004; Beatty et al., 2012). Gustafsson et al., (2005) defines a customer commitment as a ‘create a ‘stickiness’ that keeps consumers loyal to a brand or firm even when satisfaction may be low.’ (P: 211). Also Bart et al., (2014) recognize it as a final intention of customer to maintain contact a long-run relationship.

Mattila (2001) demonstrated that customer’s emotional attachment to the company reflects affective commitment. Hence, the willingness to remain the relationship produce continued benefits to customer and organization, thus it depends on perceptions of efforts made by both parties (Seyed, Alireza and Mahnoosh, 2102).

According to Gedeon et al., (2009); Seyed et al., (2012) the commitment can be classified into: 1) Affective commitment, 2) Continuance commitment, 3) Normative commitment. Thus, the customer can feel bound to the organization for three reasons because he wants to, or he feels he ought to, and he feels he has to (Bansal et al., 2004). Most of the research on marketing conceptualized commitment has treated commitment as one-dimensional construct (as affective commitment) (Jones et al., 2010; Gellatly et al., 2007). Since, other dimensions of the commitment construct occur at the firm level. Thus, most of recent studies focus on individual-level affective commitment (Tellefsen and Thomas, 2005). Therefore, based on need for investigating the individual level review, this paper focuses on an affective commitment that has not received sufficient attention in the literature on customer commitment in general (Stanko, Bonner, and Calantone, 2007). Affective commitment means that the customer keeps the relationship continuity due to his feeling that he is willing to retention it (Hur, Park and Kim, 2010).

Thus, affective commitment of customer refers to attachment a customer to a particular behavior with respect to an organization even in the absence of inherent motivation or positive attitudes (Jones et al., 2010). In other words, customer affective commitment reflects the emotional attachment of customers with firm. Commitment encourages customers to provide information about their preference and future intentions (Meyer and Herscovitch, 2001). Further, affective commitment produces consequences beneficial to firm to reduce switching intention and enhance the customer relationships (de Ruyter et al. 2001). Similarly Bansal et al. (2004) shows that affective commitment has negatively related with customer switching intentions. Hennig-Thurau (2004) suggests that a psychological bond has motivational implications on repurchase intention and leads to the continuation of a relationship with company. Therefore, when the customer has affective commitment is more likely to be resistance to switching company. Affective commitment involves learning about and adapting to firm’s offers, thus, commitment is an intentions of crucial importance to the company (Timothy et al., 2015).

These findings seem to be similar to those of Cater and Cater (2010). These results indicate that the affective commitment is associated with intention to engage in positive responsive of customer. In other word, affective commitment refers to psychological state of customer which drives him to continue a relationship with the firm and maintain it. Gounaris (2005) provides empirical evidence
that an affective commitment has positively influencing behavioural loyalty. However, empirically studies find a significant association between the customer’s affective commitments across time and the rate of increase in that intention to leave company over the next nine months (Evanschitsky, 2006; Gellatly et al., 2006), a conclusion consistent with the results of previous studies (Timothy, Keiningham, Carly, Frennea and Lerzan, 2015). In particular, marketing studies find a significant association between affective commitment and the following issues: (Timothy et al., 2015; Bansal et al., 2004; Beatty et al., 2012; Gounaris, 2005)

1) Reduce their share of wallet or completely defect;
2) Pressure to stay in a relationship;
3) Will make competing offerings less attractive; and
4) Strengthen customers’ loyalty intentions

Thus, the marketing relationships based on affective commitment will be successful, because affective commitment is more than a mere behavioural intent, it is constituting a critical determinant of customer capital. As previous empirical studies confirm impact of marketing culture on customer behaviour (Karatepe and Tekinkus, 2005; Simberova, 2007). Sin et al., (2005) indicates that marketing culture oriented to customer yields stronger relational bonds and improve marketing performance. In previous study Webster (1992) recognizes the importance of the marketing culture and explains it has relationship with profitability and marketing effectiveness. Luck (1997) highlights the possible impact of marketing culture on service quality, which will effect powerful on customer behaviour, and provides opportunities to promote corporate image (Harrison and Shaw, 2004). From this perspective, the market value theory suggests that strategy decisions should be treated as investments, which in turn is likely to lead to establish sustainable customer relationship such as satisfaction and commitment. Therefore, the following hypothesis is proposed:

H1: The marketing culture is positively associated with the customer affective commitment.

A numeral studies illustrate that relational psychological contracts are positive related to customer behaviour. For example repeat purchase (Pavlou and Gefen, 2005), neglects of experience failure (Kingshott and Pecotic, 2010), and trust (Kingshott, 2009). In contrast, the literature suggests that psychological contract violation leads to the customer switching, and negatively influence both trust and satisfaction of customers, in addition to decrease their loyalty. In the same context, (Kingshott and Pecotic, 2010) in his study argues clearly that psychological contract is significantly and positively related of commitment. Considering the above:

H2: The marketing culture is positively associated with the relational psychological contract.

Through their empirical study of Chen et al., (2003) confirms that the existences of the relational psychological contracts generate a strong sense of belonging for service provider. Fulfilment of the psychological contract has been identified as a main factor for building affective commitment (Kingshott and Pecotic, 2010). Thus, the firms which leverage from such psychological bonds could anticipates of future returns with customers in terms of obligations and psychological attachment (Kingshott, 2006). Hence, it is posited those obligations and psychological attachment drive a customer future action to be affective commitment. Hence, it is posited those obligations and psychological attachment drive the customer to feel committed to the organization. Based on the above discussion, the following hypotheses is presented

210
H3: The relational psychological contract is positively associated with the customer affective commitment.

Pavlou and Gefen (2005) indicates that the relationship between the psychological contracts and culture relational orientation are more likely to build high levels of positive response, this means that emotional commitment can be achieved through the relationship between psychological contracts and the marketing culture. Considering the above:

H4: The relational psychological contract mediating the relationship between the marketing culture and the customer affective commitment.

3. Methodology

3.1. Conceptual model

The hypothesized relationship between marketing culture and relational psychological contract (H1) are illustrated in Figure 1. The Bond Line point out to the relationship between marketing culture and the customer affective commitment and the mediator of customer psychological contracts (H2, H4). The proposed model also draws the hypothesized relationship between relational psychological contract and the customer.

![Figure 1: The Hypotheses Model](image)

3.2. Sample

This empirical study was conducted among subscribers' Iraq Zain company telecom in middle of Iraq. A number total of 380 subscribers participated. Table 1 shows demographic characteristics of respondents. It is clear that approximately 31% of the 25 to 33 years. The proportion of males is higher than the females in the sample. In the majority of respondents was Junior college.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Class</th>
<th>Number</th>
<th>Percentage (%)</th>
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<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>250</td>
<td>65%</td>
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<tr>
<td></td>
<td>Female</td>
<td>130</td>
<td>34%</td>
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<tr>
<td>Education level</td>
<td>Secondary and below</td>
<td>95</td>
<td>25%</td>
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<tr>
<td></td>
<td>Junior college</td>
<td>120</td>
<td>31%</td>
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</table>
3.3. Procedure and Measures

Data were collected through survey using a questionnaire, 380 subscribers participated. The survey was posted on the social media (FaceBook, Twitter, Viper,Whats up) as it is a suitable, rapid and cost-effective means. Respondents were motivated to forward the survey to others customer. All the measures that showed Table1, Which are used in this study use in previous studies. The questionnaire was first written in English and then translated into Arabic. The scale was modified reflecting the context of the Iraqi telecom industry. All measures for this study were measured using multiple-item scales, and responses to all items were recorded via a five-point scale. To test the measurement model a confirmatory factor analysis was performed first. As Table 2 shows the measurement model has a statistically significant value of the chi-square and degree of freedom is within an acceptable range. All other relevant measures are also within an acceptable range, which means that the fit of the measurement model was acceptable.

<table>
<thead>
<tr>
<th>Table 2: Measures of constructs</th>
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<td>Constructs</td>
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<tr>
<td>Marketing Culture (Mamoun et al., 2015)</td>
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<tr>
<td>Relational Psychological Contract (Lynne and Lee, 1998)</td>
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<td></td>
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<tr>
<td>Affective Commitment Customer (Gustafsson et al., 2005)</td>
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\( \chi^2 [112] = 331.321; \text{GFI}=0.921; \text{RMSEA}=0.075; \text{NFI}=0.911; \text{CFI}=0.92 \)

Note. AVE = average variance extracted; CR=composite reliability; GFI= goodness of fit index; RMSEA=root mean square of approximation; NFI=goodness of fit index; CFI=comparative fit index.
3.4. Results and Discussions

As shown in Table 3. It is noted that customer relational psychological contract is related to customer affective commitment (r= 0.65, p<0.01). That means when it is increased sense of relational psychological contract, there will also be an increase in the affective Commitment. There is also a significant positive relationship between marketing culture and relational psychological contract (r= 0.47, p<0.01), which may indicate that when a company is receptive to ideas for change, there will be an increase in feelings of customer that he or she is a part of company. Finally, there is a good correlation between Marketing culture and Affective Commitment of customer (r= 0.52, p<0.05), this suggest that the focusing of company on customer needs, desires and attitudes will raise a sense of trust towards company.

Table 3. Descriptive statistic and correlation of metrics

<table>
<thead>
<tr>
<th>Variables</th>
<th>M</th>
<th>SD</th>
<th>Marketing culture</th>
<th>Relational Psychological Contract</th>
<th>Affective Commitment Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing culture</td>
<td>3.1</td>
<td>0.87</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relational Psychological Contract</td>
<td>3.21</td>
<td>0.43</td>
<td>0.47**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Affective Commitment Customer</td>
<td>3.16</td>
<td>0.76</td>
<td>0.52*</td>
<td>0.65**</td>
<td>1</td>
</tr>
</tbody>
</table>

Notes: *p < 0.05 , **p < 0.01

The test of the hypothesized study model allows us to assess the appropriateness of hypotheses and allows us to assess the direct relationships between the antecedent variables and customer affective commitment. So, following the guidelines of Sobel test, researchers conducted analyzes of mediation.

![Figure 2: The structural model results](image-url)

The results of the hypotheses testing are displayed in Figure 2. Hence with respect to the hypothesized partial mediation model that linked marketing culture to affective commitment directly and indirectly via psychological customer contract revealed that the model fits the data well( $\chi^2$ [74] =212.321; GFI=0.912; RMSEA=0.077; NFI=0.932; CFI=0.908). The empirical data was supported for all hypotheses. As report in Figure 2, the association between marketing culture and psychological customer contract was significant and positive ($\gamma_{11} = 0.542, t = 9.513, p<0.001$) thus supporting first hypothesis, marketing culture is significantly and positively related to affective commitment ($\beta_{21} = 0.621, t = 11.321, p<0.001$).
It’s also interesting to note that psychological customer contract had a significant positive impact on affective commitment ($\gamma_{21} = 0.342$; $t = 8.113; p<0.001$). For testing psychological customer contract as a mediator in the relationship between marketing culture and affective commitment, the present study used the both the Sobel test and bootstrapping method. The hypotheses testing revealed that psychological customer contract was a partial mediator. The results of main and mediating effects manifest that psychological customer contract is a partial mediator between marketing culture and affective commitment. Therefore, hypothesis 4 is also supported.

4. Conclusions and recommendations

Numerous researches have argued that relational psychological contract of customer needs to be investigated further (Pavlou and Gefen, 2005; Kingshott and Pecotich, 2010; Lee and Faller, 2005). The purpose of this study was to address this concern and to look at marketing culture as antecedents and customer affective commitment as a consequence. Further the purpose was to find out if there was any indirect effect through relational psychological contract in the relationship between marketing culture and relational psychological contract.

This study contributes to the field of relational psychological contract in marketing management. Further this study supported previous studies which were examined the relationship between the marketing culture and relational psychological contract, and subsequently how relational psychological contract mediate the relationship between the marketing culture and the customer affective commitment. The present study concluded significant result. First, there was a significant effect of marketing culture on a relational psychological contract. Second, the study concluded that there was a significant relationship between a relational psychological contract and a customer affective commitment. Third, it found mediation of a relational psychological contract on the relationship between marketing culture and a customer affective commitment.

The present study also has several implications. If the purpose is to increase the affective commitment of customers, understanding the relational psychological contracts can offer important knowledge into how this can be achieved it. However, it is important to point out that the marketing culture will lead to enhance relational orientation of firms to build the affective commitment of customers based on psychological contracts.

5. Limitations and future research

Limitations of this study was the research method as well as the data set must be taken into consideration when reviewing the findings. Another limitation is the sample size and field of study, therefore the most important thing for future studies to expand the sample size. Finally, this study was a cross-sectional at one time point. This limits the researcher's ability to find how the degrees of the marketing culture, the relational psychological contracts and affective commitment of customers have evolved over time. It is therefore advisable to conduct longitudinal design research in the future.

REFERENCES


