

THE DEGREE IN WHICH THE EXTENT OF THE EMOTIONAL COMMITMENT IS REFLECTED IN THE WAY OF EXPRESSING THE INTENTION TO CONTINUE THE RELATION WITH THE ORGANIZATION

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Abstract

The emotional commitment is a relatively new concept. The organizations do not already have all the answers regarding the manner in which the mechanism operates. In these conditions, I have considered as necessary a deepening of the conceptual and methodological specter in this field. The purpose and objectives of the research have been achieved. Also, it must be stated that a series of unintended information has been acquired. The results of the multiple carried out analyses lead to valuable conclusions regarding the extent of the emotional commitment and the means in which it reflects on the intention to continue the relation with the organization and also, they provide a real decisional support with the purpose of improving the relations with the ensured parties, while creating a strong foundation for declaring the “commitment” as integral part of the loyalty strategy. One of the research’s most valuable conclusions is proving that the emotional commitment is a critical factor in developing long-lasting and mutually advantageous relations with the clients.

Keywords: emotional commitment, relational marketing, satisfaction, insurance market, intention to continue the relation

JEL Classification M31

1. INTRODUCTION

The emotional commitment is a relatively new concept. The organizations do not already have all the answers regarding the manner in which this mechanism operates. Therefore, these results can have significant managerial implications by bringing along the following premises:

- the client’s value increases along with the period of time of collaboration with the company.

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The obvious recommendation for the companies is to pass over the stage of repeated acquisition of new clients. Concentrating on maintaining and developing the relation with the clients shall determine an increase in the degree of satisfaction.

The paper contains five parts, each belonging to a scientific mechanism designed to specifically serve in attaining the general purpose of the present scientific document.

The paper's logical phased construction plan is based on a rich and extensive analysis of the scientific assembly from the reference field of relational marketing. Thus, in the first stage, there are presented the most recent approaches regarding the conceptual sphere with which the present paper operates: "the emotional commitment" and "the intention to continue the relation".

With reference to the second part of the scientific research, a special part has been dedicated to the analysis of the insurance sector, as the quantitative study itself has been achieved within this market. The role of this analysis is to ensure a thorough methodological foundation of the carried out marketing study.

The actual carried out research is presented in the fourth part of the present paper. This allows for a better representation of the current knowledge stage, adding, from the practical and conceptual point of view, to the field under research. The purpose and the objectives of the research have been attained, but also, it must be stated that a series of unintended information has been acquired. The results of the carried out analyses lead to valuable conclusions regarding the extent of the emotional commitment and the means in which it reflects on the intention to continue the relation with the organization. Also, they provide a real decisional support with the purpose of improving the relations with the ensured parties, while creating a strong foundation for declaring the "commitment" as integral part of the loyalty strategy.

2. LITERATURE REVIEW

On the conceptual side of the researches carried out in the relational marketing field, the progress is huge. Many authors dedicated a great deal of their research efforts on identifying and developing strategies able to lead to perennality with reference to the collaboration with the clients.

Among the new concepts that appeared in the specialty lexicon, we find "the emotional commitment" included on a special position in the conceptual assembly. The current stage of knowledge in the reference field, as well as the systematic analysis of the main designated directions, present the clients' emotional commitment as an element of significant importance in attaining the ambitious objectives of the modern organizations. Thus, the reference scientific studies show a strong connection between the "clients' commitment" and the "clients' satisfaction". Taking into consideration a series of markers, both from the conceptual field and from the practical one, we consider that the commitment also strongly influences the "intention to continue the relation" (variable that starts in the present and "looks" in the future).

2.1. *Clients' satisfaction*

In essence, clients' satisfaction is the main means through which the organization, as of the present moment, can obtain profit. Various industries and markets have been impacted by the way of customer perceive value in context of economic evolutions [Preda O., Negricea C., (2007)]. In these conditions, it is obvious that numerous scientific researchers have been dedicated to the intensive study of the means through which the degree of client satisfaction can be increased. The company's success depends on client satisfaction (internal and external), therefore the package of value proposed to clients must correspond to their expectations. In case the proposal does not correspond to the expected performance, a feeling of discontent appears and that implies lower profit for the organization.

Client satisfaction is, consequently, the measure in which the supplied product/rendered service corresponds to the clients' expectations [Armstrong, Kotler, (2007)]. In case the organization repeatedly proves the fulfillment of its promises, client satisfaction shall reach a higher degree, and, on a long term, this means increased profitability. Also, repeated satisfaction leads to commitment on behalf of the clients.

2.2. *Emotional commitment*

Awareness definition for "emotional commitment" knows different forms, each of them being thoroughly argued by the supporting authors. Among the definitions that enjoyed large acceptance, we mention [Gustafsson A., Johnson D., Roos I., (2005)]:

Client's commitment represents:

- The intention to maintain a relation;
- A guarantee of continuity between parties;
- The sacrifice or potential sacrifice should a relation come to an end;
- The lack of competing proposals.

In the context in which the importance of relational marketing and of the positive effects of the clients' commitment within the process of loyalty and perennial and mutually advantageous development of relationships is increasing continuously, the researchers' interest in identifying the elements that lead to stimulating the client's commitment are increasingly accentuated.

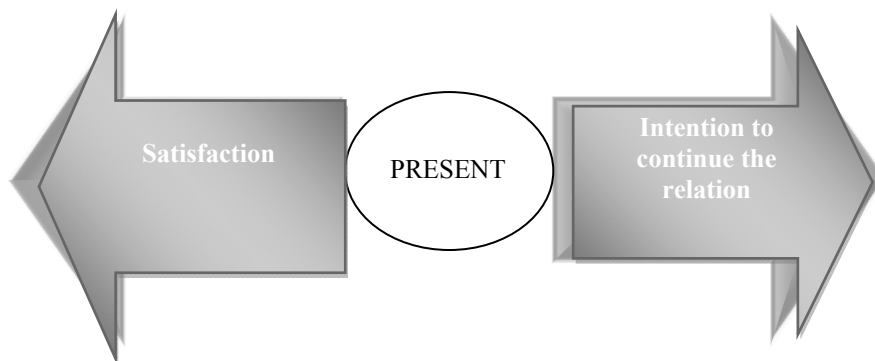
The emotional commitment and the rational one are, also, important components within the process of client loyalty and can be found in many studies orientated towards determining the considerations that could lead to loyalty. An important existing conceptual difference derives from the fundamentals that support the development of the client's commitment with regard to the organization. The rational commitment appears as a consequence of the action of some economic type factors (more advantageous prices, the perception of a risk in case of changing the supplier, offices located near the client, etc.), while the emotional commitment is represented by the consumer's behaviour determined by emotional considerations (quality, emotional messages, attachment with regard to the organization, etc.).

The strategic planning of loyalty programs requires strictness in attaining the objective of creating the client's commitment as "both the emotional commitment as well as the rational one can lead to long-lasting relations, thus consolidating the organization's performance" [Ahmed F., (2009)]. [Neagoe C., (2012)].

2.3. *Intention to continue the relation*

Some authors defined clearly two of the concepts with which the theoretical assembly of relational marketing operates: "client satisfaction" and "intention to continue the relation with the organization". The conceptual difference being introduced is tightly connected to the longitudinal aspect of the two variables. The diagram below presents the directions depending on the longitudinal nature of the interaction with the client.

Figure 1: Ratio between client satisfaction and the intention to continue the relation



Thus, client satisfaction "looks back", emphasizing the performance up to the present moment, while the intent to continue the relation with the organization "looks forward" expressing the soundness of the relation and the intent to evolve in the future" [Gustafsson A., Johnson D., Roos I., (2005)].

3. ROMANIA INSURANCE MARKET

The quantitative study has been carried out within the Romanian insurance market. Accordingly, a special section within this paper is dedicated to the analysis of the insurance sector in our country.

The insurances proposal in our country, according to the latest Report presented by the Insurance Surveillance Committee, is based on the following reference criteria:

- In Romania, 44 insurance trading companies run their activity; among these, 12 offer both general insurances as well as life insurances, 21 offer only general insurances and 11 offer only life insurances;
- In 2008, in our country, 7 branches of foreign insurance companies have been opened;
- The total of issued and paid up share capital of the 44 authorized companies is 2.879.242.354;
- Out of the market total, the insurance companies set up based on Romanian capital hold a share of 12.47%; the participation share of foreign investors to the issued share capital represents a percentage of 87.93% (the most important investors being: the Austrians – 33.36%; the French – 22.47%, the Dutch – 10.38%);
- The insurances proposal is strongly concentrated among the first 10 insurance companies; they hold a total share of 79,08% out of the total of insurances market (both general and life insurances);
- The general trend for insurance companies is to diversify the proposals; this is mainly due to foreign investors that have as objective aligning Romania to the international practices and, in the same time, to the need to adapt to the increasingly complex requests coming from request holders;
- According to the predictions, the number of insurance companies with foreign capital, of branches and offices opened in our country, could double in the following years; a number of 80 insurance companies from the European Economic Field informed CSA regarding the intention to practice the insurance activity within Romania.

4. CASE STUDY

From the multitude of marketing research versions, with respect to drafting the present study, a quantitative approach has been decided upon. The method used in designing the research is inquiry and the research tool, the survey. “The survey is a form of interview or a measuring tool, by means of a set of standardized questions, designed with the purpose of obtaining the necessary information from the respondents” [Malhotra R., Birks D., (2007)].

4.1. *Decisional problem*

Correctly expressing the problem often holds a role more important than even the solution itself [Albert Einstein]. The support brought to achieving the quantitative research’s objectives by the means in which this first stage is being covered is considerable. Since stating the problem is the first stage in running the research, it is important to abide by a series of rules such as: avoiding ambiguity, clear enunciation, etc.

The study regarding the role of <emotional commitment> on the <intention to continue the relation with the organization> has not been developed following an encounter with a major problem. In view of taking advantage of the relational marketing opportunities, a higher and higher attention falls upon the information regarding the mode in which the organization’s practice can improve so that the percentage of clients that express the intention to continue the cooperation with the company increases.

Therefore, we essentially aimed for obtaining an as reliable as possible image on the mode in which the commitment can contribute to the perennality of the relation between the organizations and their clients.

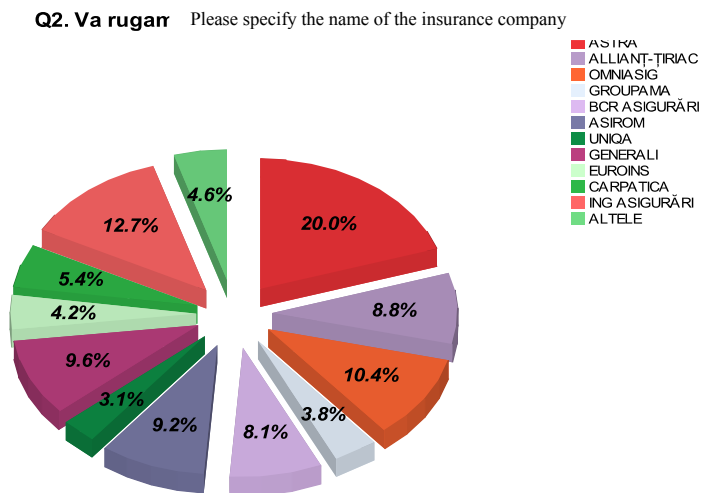
4.2. *Sample*

With the purpose of obtaining the best representativeness, we proceeded in selecting experimental units while taking into account some relevant criteria for this study:

- the type of insurance policy (to cover the potential cases: general and life insurances – maintaining the proportion existing on the real market);
- age of respondents (to clearly perceive the differences existing in the insurance activity and the communication depending on age).

The materialization of the debated problem has been achieved by means of a quantitative study among 260 insured parties – natural persons.

Figure 2: The insurance companies within the quantitative research



Source: Own research supported by using the SPSS 19 statistic program

Table No. 1 Distribution of respondents from group 1 depending on the type of insurance policy

Q1. What type of insurance policies do you have?

| | Frequency | Percentage | Valid Percentage | Cumulative Percentage |
|-----------------------------|-----------|------------|------------------|-----------------------|
| Valid Life insurances | 33 | 12.7 | 12.7 | 12.7 |
| General insurances | 199 | 76.5 | 76.5 | 89.2 |
| General and life insurances | 28 | 10.8 | 10.8 | 100.0 |
| Total | 260 | 100.0 | 100.0 | |

The table above presents the research sample depending on the type of insurance policy that the respondents hold. As expected, life insurances have a lower percentage (12.7%). But, it must be stated that representativeness is ensured as the proportion existing on the market between general and life insurances is mostly kept (general insurances hold a more wider coverage; in the study, about 77% of respondents hold only a general insurance).

4.3. Objectives and hypothesis of the research

The research's objectives are causal and by expressing them we aimed towards obtaining some directions that can offer a managerial help in order to optimize specific strategies.

The main objective can be expressed synthetically as follows: "Knowing the extent in which the intention to continue the relation with the insurance company is influenced by the emotional commitment" and the main hypothesis is the following "The emotional commitment leads to expressing the intention to continue the relation".

4.4. Results

A clear delimitation is indicated, in the reference literature, between client satisfaction and expression the intention to continue the relation. The argument is represented by the fact that <satisfaction> "looks back", reflecting the relation up to a certain moment, and <the intention to continue the relation> "looks forward", expression the future predictions regarding the relation between the client and the company.

$$\text{Model c: } a + b \cdot X + \varepsilon = Z \quad \left\{ \begin{array}{l} X - \text{emotional commitment (Independent variable, causal)} \\ Z - \text{intention to continue the relation (dependent variable, effect)} \\ a, b - \text{regression coefficient} \end{array} \right.$$

The constructed ergonomic model is valid as the linear regression parameters are significantly different from 0 (prob. < 0,05) and the Fisher test is high enough (F = 53.749).

Table No. 1 Fisher Test

ANOVA^b

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1 | Regression | 502.902 | 7 | 71.843 | 53.749 | .000 ^a |
| | Residual | 336.832 | 252 | 1.337 | | |
| | Total | 839.733 | 259 | | | |

a. Predictors: (Constant), Q5_7, Q5_6, Q5_2, Q5_3, Q5_5, Q5_1, Q5_4

b. Dependent Variable: q7q8_all

Source: Own research supported by using the SPSS 19 statistic program

The emotional commitment explains significantly, about 60%, the variation of the dependent variable – the intention to continue the relation.

Table No. 2 Regression model

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .774 ^a | .599 | .588 | 1.15613 |

a. Predictors: (Constant), Q5_1, Q5_2, Q5_3, Q5_4, Q5_5, Q5_6, Q5_7.

Source: Own research supported by using the SPSS 19 statistic program

The impact of each item that describes the emotional commitment regarding the intention to continue the relation is presented in the table below where the regression coefficients are contains.

Table No. 3 Value of the linear regression coefficients

Coefficientsa

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | |
|-------|---|--|------------|---------------------------|-------|-------|------|
| | | B | Std. Error | Beta | | | |
| 1 | (Constant) | | | | | | |
| | * the items that describe the X independent variable X* | .872 | .440 | | 1.982 | .049 | |
| | Aa1 | In choosing the insuring company, the main criteria is the quality | .167 | .049 | .184 | 3.421 | .001 |
| | Aa2 | I believe in the products and/ or services proposed by the insurance company | .010 | .062 | -.009 | -.156 | .045 |
| | Aa3 | Signing the insurance policies has always been a transparent process | .209 | .043 | .245 | 4.862 | .000 |
| | Aa4 | The insurance company has a favorable reputation within the market | .256 | .056 | .257 | 4.572 | .000 |
| | Aa5 | The insurance company is benevolent with reference to solving my problems | .180 | .046 | .215 | 3.940 | .000 |
| | * Aa6 | The optimum solving of prejudices is the main criteria for renewing the insurance policy with the same insurance company | .036 | .048 | .039 | .746 | .456 |
| | Aa7 | I do not perceive the competing insurance companies as being more performant | .080 | .035 | .104 | 2.287 | .023 |

Source: Own research supported by using the SPSS 19 statistic program

From the interpretation of results, we obtain some important information.

<The intent to continue the relation> with an insurance company is highly influenced by its reputation on the market (coefficient value = 0.256), followed by the collaboration with a high degree of transparency (coefficient value = 0.209) and demonstrating a benevolent behavior while solving the clients' problems (coefficient value = 0.180).

In the same time, as can be observed from table analysis, the item "quality" is significantly appreciated (coefficient value = 0.167); hence, we assess that quality is also considered by the respondents as one of the conclusive conditions when expressing the intention to continue the relation with an insurance company.

5. CONCLUSIONS AND MANAGERIAL IMPLICATIONS

From marketing perspective, the study holds a series of significant implications on the mode of strategic planning. One of the most valuable research conclusions is

proving that developing the client's emotional commitment is a decisive factor in view of developing long-lasting and mutually advantageous relations with the clients (<emotional commitment> explains, in a percentage of 60%, the variation of the dependent variable – <intention to continue the relation>); and the most important elements that help building the clients' commitment are:

- the company's reputation;
- transparency;
- quality.

Within the scope of some future researches, the strategic levers through which the three elements can be developed must be identified so that companies be able to stimulate, to a higher percentage, the emotional commitment of clients in relation with the company.

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