Trust, Satisfaction and Commitment—On Loyalty to International Retail Service Brands

Kuan-Yin Lee a,* , Hui-Ling Huang b and Yin-Chiech Hsu c

a Department of Management, National Kaohsiung First University of Science and Technology
b Department of International Business and Trade, Stu-Te University
c Department of Marketing and Distribution Management, National Kaohsiung First University of Science and Technology

Accepted in May 2007
Available online

Abstract

Retail service brands are a ubiquitous feature of the retail landscape. In this competitive environment, how to retain consumers and create consumers’ retail service brand loyalty is very important. Therefore, this paper will attempt to understand the process through which consumers become loyal to retail service brands. Our research was designed to use 429 valid samples from four international retail service brand settings in different retail formats as the subjects for empirical analysis. The result of empirical analysis by means of LISREL 8.52 show that retail service brand settings, brand satisfaction, brand trust and commitment is the driver of loyalty; brand trust, and continuance commitment are especially important.

Keywords: Brand trust; Brand satisfaction; Continuance commitment; Affective commitment; Advocacy loyalty; Repurchase loyalty

1. Introduction

Retail service brands are a ubiquitous feature of the retail landscape. It also has become an important contributor to retail differentiation and the basis for building store loyalty in consumers. In such case, branding plays a special role in service companies (Berry, 2000; Herstein and Gamliel, 2006) and strong retail service brands not only enable consumers to better visualize and understand tangible and intangible products, but also reduce consumers’ perceived monetary cost, or safety risk.

A number of elements can be the source of consumer value creation. As Berry and Parasuraman (1991) found, brand impact shifts from product to company as service plays a greater role in determining consumer value. Because consumers feel valued by the retail service brand, they are willing to endure relationships with retail brands (Svein, 2007). Indeed, if consumers feel that they are in a relationship with the retail service brand they consume, the role of customer-retail service brand relationship is particularly true (Fournier, 1998).

Recently, researchers have begun to investigate relational variables at the heart of the consumer-brand relationship (Chaudhuri and Holbrook, 2002; Furlleton, 2003; 2005a; Kayaman and Arasli, 2007). This paper will built upon existing relationship marketing literature to identify whether consumer brand trust or brand satisfaction is the primary driver to impact commitment and further impact consumer retail service brand loyalty-related behavior. For example, Starbucks Coffee makes a strong connection with its consumers through its product, packaging, logo, store atmosphere, and marketing activities. Consumers’ perception of the brand may help to explain the company’s significant brand loyalty. In order to examine the nature of consumer-brand relationships, one must understand the basis of the consumption relationship.

This paper will illuminate the process with which consumers become loyal to retail service brands. First, the study offers a discussion of the nature of commitment. Second, we develop several hypotheses about the effect of brand trust and brand satisfaction on commitment in turn influence advocacy and repurchase loyalty. Then, methodology is used to examine the model. Finally, we discuss the results in terms of managerial relevance and provide potential implications for further research.
2. The Nature and Role of Commitment

In the past decade, marketing scholars have conceptualized commitment to be an attachment between two parties that leads to a desire to maintain a relationship (Moorman et al., 1992; Morgan and Hunt, 1994; Lin, 2005) that is sometimes characterized as a “pledge of continuity” between customer and firms (Dwyer et al., 1987). Commitment has been treated as a multidimensional construct in marketing research (Gudlach et al., 1995; Kumar et al., 1995; Gruen et al., 2000; Harrison-Walker, 2001; Gilliland and Bello, 2002; Fullerton, 2005a). Thus, in our paper, we embrace two major components of commitment, continuance commitment and affective commitment, and illustrate both constructs in the following subsection.

2.1 Continuance Commitment

Continuance commitment is a well-studied construct in B2B relationships, which is rooted in switching cost (Sharma and Patterson, 2000; Gilliland and Bello, 2002), scarcity of alternatives (Allen and Meyer, 1990), side-bets (Becker, 1960), and contractual arrangements (Anderson and Weitz, 1992). However, continuance commitment is based on the self-interest stake in a relationship, or the degree to which the membership is psychologically bonded to the organization on the basis of perceived costs associated with leaving the relationship (Anderson and Weitz, 1992).

On the other hand, continuance commitment is also a feature of the consumer-brand relationship in B2C context, though completely different from its role in B2B relationships. At the consumer level, continuance commitment is not a contractual relationship between customer and retailer, assuming the consumer also has many alternatives choices in the marketplace. Consumers visit specific stores because of retail service brand offerings that are different from competitors (Ailawadi and Keller, 2004). These brand offerings include: the retail service brand’s personality fit with consumers’ own personality (Aaker, 1991), unique product and service offerings (Bardzil and Slaski, 2003), as well as special loyalty programs (Yi and Jeon, 2003) and a pleasurable atmosphere that make consumers willing “lock-in” the retail store. In that, consumers have a continuance commitment to the retail service brand.

2.2 Affective Commitment

Affective commitment “reflects an emotional attachment to identification with involvement in an organization” (Meyer and Smith, 2000). In the service context, this affective force binds the consumer to the service provider out of desire. Marketing scholars have frequently made explicit reference to the affective nature of consumer commitment, in that it represents an enduring desire to maintain a valued relationship (Morgan and Hunt, 1994).

The essence of affective commitment is that consumers come to acquire an emotional attachment to their partner in a consumption relationship. Some studies note that affective commitment plays an important role in the consumer-brand relationship (Coulter et al., 2003; Fullerton, 2005a). When consumers have deep attachments to the focal brand, they experience the psychological state of affective commitment.

3. Development of a Conceptual Framework

3.1 Relationship of Brand Trust to Brand Satisfaction

Before buying services or products, consumer may not know the exact outcome of their purchase. Thus, managing consumers’ brand trust is especially important in the marketing of services (Berry and Parasuraman, 1991; Chiou and Droge, 2006). Brand trust evolves from past experiences and prior interactions (Garbarino and Johnson, 1999), because its development is described most often as an individual’s experiential process of learning over time. Therefore brand trust summarizes consumers’ knowledge and experiences with the brand. If a consumer trusts the retail service brand based on past experiences, he or she will almost certainly be satisfied with his/her purchase. Indeed, as Singh and Sirdeshmukh (2000) found, based on the social exchange theory, consumers’ pre-exchange trust will have a direct influence on their post-purchase satisfaction. Thus,

\[ H_1: \text{Customer brand trust positively affects consumer brand satisfaction.} \]

3.2 Relationship of Brand Trust to Continuance Commitment and Affective Commitment

Social exchange theory explains the causal relationship using the principle of generalized reciprocity; parties will seek only trustworthy partners. Trust is also presented as a central attribute in relationship initiation, formation, and maintenance in a variety of exchange contexts (Sirdeshmukh et al., 2002; Verhoef et al., 2002; Law, Wong and Lau, 2005). Therefore, brand trust leads to brand commitment because trust creates consumers’ perception of high value from the exchange relationship (Morgan and Hunt, 1994). When consumers trust the retail service brand, they attach to the brand (Delgado-Ballester and Munuera-Aleman, 2001). The brand is valuable, meaningful and unique to consumer. In addition, because of trust, consumers are willing to join loyalty programs (Yi and Jeon, 2003) and enjoy the retailers’ atmosphere (Ailawadi and Keller, 2004) So, brand trust is important in relational exchanges and continuance commitment and affective
commitment are reserved for such valued relationships (Geyskens et al., 1996; Bansal et al., 2004). Thus, brand trust should evoke a higher degree of continuance and affective commitment.

H2: Customers’ brand trust of the retail service brand positively affects consumer continuance commitment.

H3: Customers’ brand trust of the retailer service brand positively affects consumer affective commitment.

3.3 Relationship of Brand Satisfaction to Continuance Commitment and Affective Commitment

The unique offerings, different element of a retailer’s in-store environment and brand image that retailers provide are good opportunities for creating continuance commitment among consumers. As Fullerton (2005a, 2005b), found, consumers may also become dependent on the brand because it becomes important to them. So we expect that consumers would experience continuance commitment to the brand when they are satisfied with it.

Drawing on Henning-Thurau and Klee (1997), we speculate that satisfaction will positively influence commitment. A high level of satisfaction provides the consumer with repeated positive reinforcement, thus creating commitment-inducing bonds. In line with this conceptualization, brand satisfaction in this paper refers to feeling fulfillment and pleasure experienced during the process of receiving service from the retail service brand. When consumers are satisfied with the brand, they will have positive emotional connections with it (Fournier, 1998, Story and Hess, 2006; Keiningham et al., 2006), as in affective commitment to the brand. Accordingly, we propose the following hypotheses:

H4: Customers’ brand satisfaction with the retail service brand positively affects consumer continuance commitment.

H5: Customers’ brand satisfaction with the retail service brand positively affects consumer affective commitment.

3.4 Relationship of Continuance Commitment to Advocacy Loyalty and Repurchase Loyalty

The impact of continuance commitment on the consumer loyalty, such as advocacy loyalty and repurchase loyalty, remains relatively unstudied in existing marketing literature. However, organizational behavior researchers have studied the effects of continuance commitment on contractual arrangements (Anderson and Weitz, 1992), side-bets (Becker, 1960), scarcity of alternatives (Allen and Meyer, 1990) and switching costs (Sharma and Patterson, 2000; Gilliland and Bello, 2002). In the service context, the relational base of continuance commitment shows consumers are dependent on the special offering or the store’s pleasurable atmosphere (Anca and Roderick, 2007). In such case, to extend the image-based switching costs and consumer continuance commitment to the brand will not only lead to repurchase behavior, but also to providing friend recommendations. Thus,

H6: Customer continuance commitment with the retail service brand positively affects consumer advocacy loyalty.

H7: Customer continuance commitment with the retail service brand positively affects consumer repurchase loyalty.

3.5 Relationship of Affective Commitment to Advocacy Loyalty and Repurchase Loyalty

Affective commitment reflects an emotional attachment to, identification with, and involvement in, an organization (Meyer and Smith, 2002). In the service context, this effective force binds the consumer to the retail service brand, reflecting an individual’s “psychological bond” (Gruen et al., 2000) with the retail service brand.

In recent years, a number of studies have examined the relationship between affective commitment and advocacy loyalty (Morgan and Hunt, 1994; Garbarino and Johnson, 1999; Gruen et al., 2000; Fullerton, 2003; Bansal et al., 2004) and repurchase loyalty (Harrison-Walker, 2001; Fullerton, 2005a). These studies show a uniformly positive and strong impact on affective commitment and advocacy loyalty and repurchase loyalty. Therefore,

H8: Customers’ affective commitment with the retail service brand positively affects consumer advocacy loyalty.

H9: Customers’ affective commitment with the retail service brand positively affects consumer repurchase loyalty.

4. Method

4.1 Data Collection and Sampling

The hypothesized model was examined with data collected in four distinct retail service brands in different retail formats. The survey was conducted in Taiwan. The first sample was draw from the consumers of McDonald’s. Participants were consumers of the store and they were randomly approached after paying for their purchase and asked to complete a written survey immediately. 156 completed questionnaires were re
turned, of which 14 had to be left out in the final analysis because of incomplete data. Thus, 142 responses were used in the final analysis.

In the second sample, the data were collected from the consumers of Starbucks—a major coffee shop in Taiwan. Consumers were randomly approached as they were leaving the store and they were to fill up the questionnaire on retail service brand. A total of 121 responses were returned, four had to be omitted because of incomplete. Thus, yielded 117 completed survey.

The third sample was collected from the consumer of international well-know theater—Vieshow Cinemas. The consumers were asked to written the questionnaire after buying the tickets. 110 completed questionnaires were returned, of which 4 had to be omission in the final analysis because of incomplete data. Thus, 106 responses were used in the final analysis.

And the last sample came from a survey of the consumers of a specialist retailer—Body Shop. The consumers were asked to written a questionnaire after buying the goods. Of the 78 respondents, 15 were eliminated, because of unable to finish the entire questionnaires. Eventually, 63 completed questionnaires were obtained.

For the total sample, approximately 51 percent were male, and the majority of respondents were between the ages 21 to 25. Approximately 49 percent of the respondents were collage students. Purchasing times in Mcdonald’s, Starbucks, Vieshow Cinemas and Body Shop average 3 times, 4.4 times, 1.5 times and 1.5 times per month; and average spending was 190, 160, 370 and 680 NT dollars per month.

4.2 Questionnaire

All measures listed in Table 1 and 7-point scales were used throughout. The brand trust was measured by three strongly agree-strongly disagree scales takes by Delgado-Ballester and Munuera-Aleman (2001). Brand satisfaction measure was adapted from the four scales developed by Fullerton (2005a).

Continuance commitment was measured with four items developed by the author. These items were designed to measure consumers’ psychologically bonded to a retail service brand entity, rather than the service provided by the retailer. In a pilot study, these four items was refined, form an initial five-item scale, in accordance with the methods described by Gerbing and Anderson (1988). Affective commitment was measured with three items adapted from the Allen and Meyer (1990) affective scales.

And, scales taken from Zeithaml et al. (1996) measured advocacy loyalty and repurchase loyalty. Advocacy loyalty and repurchase loyalty construct each measure with three items, which are sufficient for our purpose of theory testing.

5. Results

5.1 Analysis Approach

Data analysis proceeds according to the two-step approach recommended by Gerbing and Anderson (1988). That is, first the measurement model is estimated. Then, using LISREL version 8.52, a structural model is analyzed and the path coefficients are estimated.

5.2 Measurement Model

The correlations in Table 2 provide an initial test of the nine hypotheses. A mean of six constructs ranged from 5.30 to 5.66, and their standard deviation from 0.593 to 0.694. All nine of the hypothesized relationships are supported at the p<0.01 level.

In addition, as illustrated in Table 1, the reliability of six factors is considered acceptable, as Cronbach’s alpha and composite reliability coefficients offer values which, in all cases, are appreciably higher than the recommended value of 0.7 (Bagozzi and Yi, 1988). With respect to the convergent validity, all of the items are significant (t-value greater than 1.96) and standardized loading coefficients greater than 0.5 (Steenkamp and Van Trijp, 1991). Discriminant validity is shown in table 2, when the square root of each construct’s aver
Table 1. Measurement Items and CFA Results

<table>
<thead>
<tr>
<th>Items</th>
<th>Standard Loading</th>
<th>t-value</th>
<th>Cronbach’s alpha</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand Trust</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BT1 I trust X brand</td>
<td>0.71</td>
<td>15.09</td>
<td>0.7017</td>
<td>0.71</td>
</tr>
<tr>
<td>BT2 I rely on X brand</td>
<td>0.76</td>
<td>16.58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BT3 X is an honest brand</td>
<td>0.54</td>
<td>10.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Brand Satisfaction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BS1 I am satisfied with X products</td>
<td>0.85</td>
<td>21.41</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BS2 I am satisfied with X brand</td>
<td>0.88</td>
<td>22.30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BS3 I am pleased with X</td>
<td>0.82</td>
<td>20.22</td>
<td>0.8925</td>
<td>0.89</td>
</tr>
<tr>
<td>BS4 I am pleasure with the X overall service</td>
<td>0.74</td>
<td>17.48</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Continuance Commitment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC1 X has offering advantages versus other companies</td>
<td>0.67</td>
<td>14.74</td>
<td>0.8075</td>
<td>0.81</td>
</tr>
<tr>
<td>CC2 X has service advantages versus other companies</td>
<td>0.66</td>
<td>14.32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC3 X has store atmosphere advantages versus other companies</td>
<td>0.79</td>
<td>18.39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC4 X has brand image advantages versus other companies</td>
<td>0.76</td>
<td>17.22</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Affective Commitment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC1 I feel emotionally attached to X</td>
<td>0.65</td>
<td>14.15</td>
<td>0.8266</td>
<td>0.84</td>
</tr>
<tr>
<td>AC2 X has a great deal of personal meaning for me</td>
<td>0.85</td>
<td>20.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC3 I feel a strong sense of identification with X</td>
<td>0.88</td>
<td>21.19</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Advocacy Loyalty</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AL1 I will say positive things about X to other friend</td>
<td>0.80</td>
<td>19.49</td>
<td>0.9052</td>
<td>0.91</td>
</tr>
<tr>
<td>AL2 I will recommend X to someone who seeks your advice</td>
<td>0.92</td>
<td>24.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AL3 I will encourage friends and relatives to do business with X</td>
<td>0.90</td>
<td>23.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Repurchase Loyalty</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RL1 X is my first choice</td>
<td>0.91</td>
<td>23.86</td>
<td>0.9029</td>
<td>0.90</td>
</tr>
<tr>
<td>RL2 I will to X next time</td>
<td>0.85</td>
<td>21.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RL3 I will continue to be a loyal customer of X</td>
<td>0.84</td>
<td>21.09</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Fit index of CFI: χ²(155) = 361.89, p = 0.000, GFI = 0.92, AGFI = 0.89, CFI = 0.98, NFI = 0.97, RMSEA = 0.057.

age variance extracted (AVE) is larger than its correlations with other constructs (Fornell and Larcker, 1981).

Last, the goodness of fit values of the confirmatory factor analysis are indicative of a good fit for the model (GFI = 0.91, AGFI = 0.88, CFI = 0.98, NFI = 0.97) except for the χ². It is observed that the χ² goodness of fit statistic is extremely high, indicating a bad fit of the model. Nevertheless, there is already sufficient evidence with respect to this statistic’s sensitivity to the sample size, therefore, it is not an appropriate measure of the measurement model’s goodness of fit (Bollen, 1989).

5.3 Structural Model

Once the scales for each one of the latent factors are validated, estimation of the structural model is made. The proposed hypotheses are significant and continue in the expected direction. Table 3 shows the results for the final model. With regard to the antecedents of brand trust, the positive and significant effects of brand satisfaction (H1, p<0.01), continuance commitment (H2, p<0.01) and affective commitment (H3, p<0.05) are demonstrated. On the other hand, hypotheses 4 and 5 are supported by significant positive relationship between brand satisfaction and continuance commitment (p<0.05) and affective commitment (p<0.1). And, continuance commitment has a positive effect on advocacy loyalty (p<0.01) and repurchase loyalty (p<0.01), in

Table 2. Descriptive Statistics, Correlation Matrix and Average Variance Extracted

<table>
<thead>
<tr>
<th>Items</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>BT</th>
<th>BS</th>
<th>CC</th>
<th>AC</th>
<th>AL</th>
<th>RL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Trust (BT)</td>
<td>5.60</td>
<td>0.593</td>
<td>0.677</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Satisfaction (BS)</td>
<td>5.60</td>
<td>0.648</td>
<td>0.572**</td>
<td>0.824</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuance Commitment (CC)</td>
<td>5.66</td>
<td>0.638</td>
<td>0.555**</td>
<td>0.562**</td>
<td>0.722</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affective Commitment (AC)</td>
<td>5.30</td>
<td>0.694</td>
<td>0.277**</td>
<td>0.371**</td>
<td>0.408**</td>
<td>0.800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advocacy Loyalty (AL)</td>
<td>5.59</td>
<td>0.635</td>
<td>0.452**</td>
<td>0.428**</td>
<td>0.524**</td>
<td>0.414**</td>
<td>0.875</td>
<td></td>
</tr>
<tr>
<td>Repurchase Loyalty (RL)</td>
<td>5.66</td>
<td>0.666</td>
<td>0.459**</td>
<td>0.458**</td>
<td>0.520**</td>
<td>0.471**</td>
<td>0.610**</td>
<td>0.867</td>
</tr>
</tbody>
</table>

Note: **p<0.01; √AVE values are show in diagonal.
Table 3. Results of the Final Estimate

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Brand Satisfaction</th>
<th>Continuance Commitment</th>
<th>Affective Commitment</th>
<th>Advocacy Loyalty</th>
<th>Repurchase Loyalty</th>
<th>Test result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand</td>
<td>0.71(10.77)***</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>H1 Supported</td>
</tr>
<tr>
<td>Trust</td>
<td>0.64(6.55)***</td>
<td>0.21(2.33)**</td>
<td></td>
<td></td>
<td></td>
<td>H2 Supported</td>
</tr>
<tr>
<td>Brand Satisfaction</td>
<td>0.20(2.55)**</td>
<td>0.26(3.08)*</td>
<td></td>
<td></td>
<td></td>
<td>H3 Supported</td>
</tr>
<tr>
<td>Continuance Commitment</td>
<td></td>
<td></td>
<td>0.57(9.38)***</td>
<td></td>
<td></td>
<td>H4 Supported</td>
</tr>
<tr>
<td>Affective Commitment</td>
<td></td>
<td></td>
<td>0.23(4.65)***</td>
<td></td>
<td></td>
<td>H5 Supported</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.55(9.69)***</td>
<td></td>
<td>H6 Supported</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

χ²(161) = 439.24, RMSEA = 0.064, GFI = 0.91, AGFI = 0.88, NFI = 0.97, CFI = 0.98, SRMR = 0.056

Note: ***p<0.01, **p<0.05, *p<0.1; value in parentheses are t-value.

Table 4. Estimates of the Direct and Indirect Effects on Retail Service Brand Loyalty

<table>
<thead>
<tr>
<th>Causal Path</th>
<th>Estimates</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Trust → Advocacy Loyalty</td>
<td>Indirect effect</td>
<td>0.62</td>
</tr>
<tr>
<td>Brand Trust → Repurchase Loyalty</td>
<td>Indirect effect</td>
<td>0.75</td>
</tr>
<tr>
<td>Brand Satisfaction → Advocacy Loyalty</td>
<td>Indirect effect</td>
<td>0.15</td>
</tr>
<tr>
<td>Brand Satisfaction → Repurchase Loyalty</td>
<td>Indirect effect</td>
<td>0.20</td>
</tr>
<tr>
<td>Continuance Commitment → Advocacy Loyalty</td>
<td>Direct effect</td>
<td>0.54</td>
</tr>
<tr>
<td>Continuance Commitment → Repurchase Loyalty</td>
<td>Direct effect</td>
<td>0.61</td>
</tr>
<tr>
<td>Affective Commitment → Advocacy Loyalty</td>
<td>Direct effect</td>
<td>0.23</td>
</tr>
<tr>
<td>Affective Commitment → Repurchase Loyalty</td>
<td>Direct effect</td>
<td>0.36</td>
</tr>
</tbody>
</table>

Note: ***p<0.01.

support of hypotheses 6 and 7. As was posited in hypotheses 8 and 9, affective commitment has a positive effect on advocacy (p<0.01) and repurchase loyalty (p<0.01). It is also observed that the goodness of fit values show acceptable results.

Table 4 present the direct and indirect effects of independent variables on the advocacy loyalty and repurchase loyalty. Indirect effect (also means total effect, because has no direct effect) through brand trust on advocacy loyalty and repurchase loyalty was estimated to be 0.62 and 0.75, respectively. And the direct effect (also means total effect, because has no indirect effect) of continuance commitment on the advocacy loyalty and repurchase loyalty appeared to be 0.54 and 0.61. The result indicates that the most important factor for the advocacy and repurchase loyalty is trust and continuance commitment. The findings imply that customer will consume again and recommend to her friends when her trust and has continuance commitment to the retail service brand.

6. Discussion

There are some important conclusions here. First, two bases of customer commitments (continuance commitment and affective commitment) that have been applied in many B2B and B2C contexts (Gudlach et al., 1995; Kumar et al., 1995; Gruen et al., 2000; Harrison-Walker, 2001; Gilliland and Bello, 2002; Hansen, et al., 2003; Bansel et al., 2004; Fullerton, 2005a), also apply to customer-retail service brand relationships. According to multi-commitments, we can more clearly understand the customer-service provider relationship. Continuance commitment and affective commitment to the retail service brand is a strong driver of both advocacy loyalty and repurchase loyalty, toward the brand.

Continuance commitment had a positive effect on customer advocacy and repurchase loyalty toward retail service brand. This differs from the negative effect of continuance commitment on customer advocacy and repurchase loyalty found in the B2B context (Allen and Meyer, 1990; Anderson and Weitz, 1992; Sharma and Patterson, 2000; Gilliland and Bello, 2002). In B2B, a channel member who intends to continue the relationship is more likely to succeed, because it cannot easily be replaced by its current partner due to high switching costs, contracts, production hold-ups and by obtaining the same resources and outcomes, outside of its current relationships. In the B2B context, a channel member will likely maintain the established relationship more out of need than of want.

The B2C context as it relates to consumer retail brand loyalty is contrary to B2B literature in that there are similar, competing retail service brands in the marketplace and switching costs aren’t as high as in the
B2B context. But some customers also endure established relationships with a particular retail service brand only because it can provide special offerings that are different from competitors (Ailawadi, Keller, 2004). Relationship drivers under these conditions include: retail brand image (Aaker, 1991), unique products and services, special loyalty programs (Yi and Jeon, 2003), and a pleasurable atmosphere, which often make customers willing to “lock-in” a particular retailer. In such case, customers become intertwined with the brand, and this state of dependence leads customers to continue to buy a particular retail service brand (Delgado-Ballester and Munuera-Aleman, 2001, 2005).

Second, brands play an integral role in marketing strategy and are increasingly seen as valuable assets and sources of differentiation, as is retail service. To the consumer, retail service brands identify the source of the product, which in turn assigns legal responsibility to the product maker, and provides a promise or bond with the producers (Lassar et al., 1995). In addition, retail service brands appear to reduce consumer search costs (Biswas, 1992) and perceived risk, while signaling the quality of the product (Janiszewski and van Osselaer, 2000). However, great retail service brands should take effort to differentiate itself to form an emotional connection with the customer (Berry, 2000), as a primary source of loyalty. This paper strongly supports this viewpoint.

Last, trust between the customer and the organization has been found to be an important issue in previous studies (Geyskens et al., 1996; Bansal et al., 2004; Ribbink et al., 2004). In this study, customer brand trust not only affects brand satisfaction, but is also a primary source of advocacy and repurchase loyalty. Retailers should take care of the customer, such as offer customers a product with a constant quality level, as well as offer them new products that he/she may need and give advice when needed. In such cases, customers will feel valued by the retail service brand, satisfied with the brand, also willing to endure relationship with retail service brands.

6.1 Managerial Implications

Marketing managers in all service industry major focus is customer loyalty (Mauri, 2003). The findings of this study indicate that brand trust, brand satisfaction and commitment are the drivers of loyalty, brand trust and continuance commitment is especially important. The implication is that service marketers and retailers should focus on retailers’ reliability, pleasure and atmosphere. These constructs are keys to the development of customer retail service brand loyalty in the service industry and a significant source of competitive advantage (Ballantyne, 2005).

Practitioners must also recognize that commitment is a complex construct with both continuance and affective components. This two-component customer commitment may have earnest implications for the building the retail service brand. Retailers should brand retailers differently. Companies such as Starbucks, Target, McDonald’s, use all the tools at their disposal to craft a separate, integrated identity, including facility design, service provider appearance, core service augmentation, advertising content and style (Berry, 2000). These signatures augment the core service and differentiate the retail brand, not only creating customer attachment to the brand (affective commitment), but also enhancing customer continuance commitment.

6.2 Future Research and Limitations

Future research direction might include examination of the magnitude of the impacts of the various factors considered in this paper. Although our work represents an important attempt at conceptualizing the consumer-brand relationship, the relative importance of the various factors in moderating the consumer-brand relationship remains an empirical question, such as involvement or convenience of offering.

Second, customer-brand relationships evolve over time. Collecting cross-sectional data, which represents a snapshot of reality, has limited usefulness for explaining such a process. In particular, in those markets where the service context is rapidly changing, customer-organization exchange relationships will become more dynamic and might be better captured using longitudinal data. It would be desirable for researchers to implement longitudinal research designs in future research on customer-brand relationships.

6.3 Conclusion

This paper explores the customer-brand relationship in depth, from a relationship marketing perspective. Customer brand trust, or brand satisfaction, impacts continuance and affective commitments, which further impact customer retail service brand loyalty-related behavior, and was used as a basis for this study. Results of the study show that the framework developed to examine customer retail brand loyalty was applicable to four different retail service contexts. However, brand trust and continuance commitment are the key drivers that impact brand loyalty. In addition, the study provides managerial implications as to effective use of the customer-brand relationship in retail service industry.

References

tailing, 80 (4), 331-342.
Kumar, N., Scheer, L. and Steenkamp, J. (1995). The effects of per-
ceived interdependence on dealer attitudes. *Journal of Marketing Research, 32*(3), 348-356.


