

THE EFFECT OF AFFECT AND TRUST ON COMMITMENT IN RETAIL STORE RELATIONSHIPS

ARJUN CHAUDHURI, *Fairfield University*
MARK LIGAS, *Fairfield University*

This paper extends the study of relational exchange to retail markets. We propose that certain individual level determinants (perceived differences between stores and prior experience) are determinants of store commitment. Store trust and store affect are also modeled as intervening variables in the process. Survey data of consumers at a retail store with an affective environment provide evidence that experience is both directly and indirectly (through trust) related to store commitment, while perceived differences is indirectly related to store commitment through both trust and affect generated by the store.

INTRODUCTION

Relationship marketing has made its way to the forefront of managerial decision-making, as firms have become much more proactive in their attempts to combat the competition with strategies for retaining customers (Fournier, Dobscha and Mick 1998). However, most empirical work to-date in relationship marketing has focused on understanding relational exchanges in business-to-business settings, especially with regard to identifying antecedents and consequences of industrial relationships (Morgan and Hunt 1994), the role of trust in industrial relationships (Doney and Cannon 1997), the interdependency between buyers and sellers (Ganesan 1994; Lusch and Brown 1996), and more specifically relationship development between users and providers of market research (Moorman et al. 1992). Regarding consumer markets, prior research has focused on issues such as the types of bonds that form between the customer and the firm (Liljander and Strandvik 1995), "seducing" the customer in a relationship (Deighton and Grayson 1995), and more specifically customer-sales associate relationships (Beatty et al. 1996) and patient-physician relationships (Barksdale et al. 1997). Apparent in all these studies is the influential role of

trust and/or commitment between relationship partners.

Our objective for this research is to understand the relationships that consumers have with their retail stores. Morgan and Hunt (1994) found that trust and commitment are key variables in buyer-seller relationships; thus we view trust as necessary in order for the customer to develop a committed relationship with his retail establishment. Further, we also consider the influence of the physical retail environment on the customer's affective response, such that consumer affect generated by the store environment is also a necessary factor for development of a committed relationship (Bitner 1992; Hui and Bateson 1991). We suggest that these constructs of store trust, store affect and store commitment have specific individual level determinants, namely perceived differences between stores and prior experience with the store.

In the sections that follow, we construct a model that accounts for the linkages among these various constructs. We then present the method and results of a questionnaire used to test the model. We conclude with managerial implications and future research opportunities.

LITERATURE REVIEW

Store Trust

We define store trust as the willingness of the average consumer to rely on the benevolence of the store in looking out for the consumer (Moorman et al. 1992; Doney and Cannon 1997). Store trust reduces the customer's risk and uncertainty, because he knows that this particular store is reliable. This supports our prior statement that trust will be greater in instances where there are perceived differences, i.e., the customer's experience and familiarity have led him to believe that one store is truly different from another. Trust involves a "calculative process"; one party (in this scenario, the customer) evaluates the other party's (the store) ability to meet its obligations and ascertains whether the costs and rewards of being in the relationship are justified (Doney and Cannon 1997).

Store Affect

Bitner (1992) suggests that "spatial layout" and the "functionality" of a service environment can influence the customer's behaviors. Further, she proposes that specific emotional responses, namely pleasure and arousal, occur for both customers and employees, based on their reactions while in such environments. Hence, the customer's physical surroundings can generate emotional responses that in turn determine his willingness to repatronize the same establishment. Certainly, issues such as physical crowding or one's inability to effectively utilize a retail environment cause negative emotional reactions that can result in the customer switching to an alternative (Hui and Bateson 1991; Keaveney 1995). In fact, Zajonc (1968) suggests that affect governs our first response to the environment and determines our subsequent relations with it. As a result, we define store affect as the potential in a store's physical environment to elicit a positive emotional response in the average consumer as a result of visiting the store.

Store Commitment

According to Morgan and Hunt (1994), trust and commitment are key relational variables since they

encourage respective partners in the relationship to: a) work at preserving the relationship, b) avoid alternative relations with other partners, and c) reduce the perception of risk in the environment. Further, Gundlach et al. (1995) suggest that these constructs are quite complex and can overlap; however, they view commitment as essential to a long-term, successful relationship. Commitment has been defined as "an enduring desire to maintain a valued relationship" (Moorman et al. 1992). Thus, we view store commitment as the customer's certainty in the store, and his willingness to patronize that store and not consider other alternatives. With regard to our study, quality store brands offered by the retail establishment generate customer loyalty and repeat patronage (Corstjens and Lal 2000).

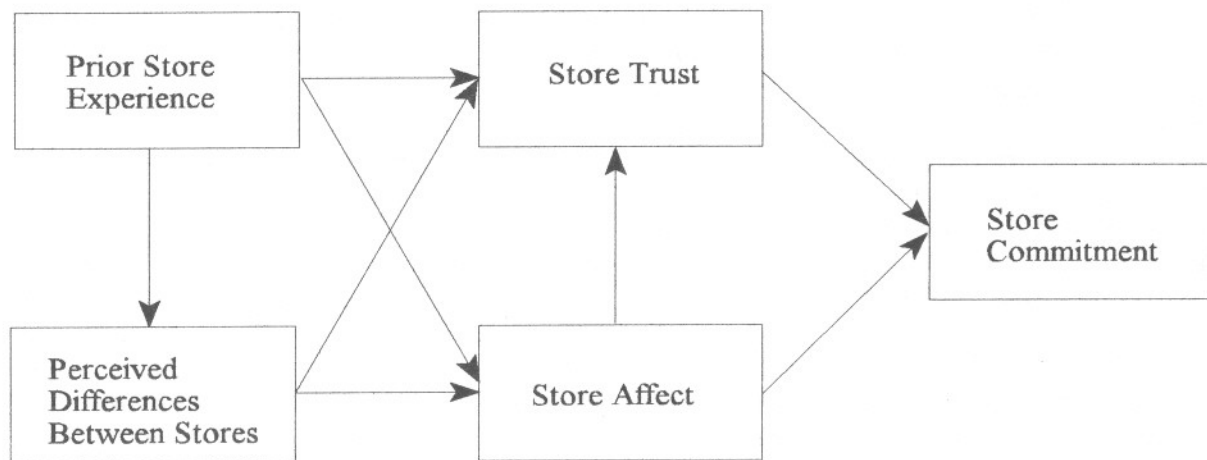
Perceived Differences and Prior Experience

We suggest that both perceived differences and prior experience are positively related to store trust and affect. When perceived differences are high among stores, it is expected that customers will develop more positive affect and trust from the particular store that they favor. Further, if prior experience with the store is high, it is expected that customers will attribute greater trust to the store and realize more positive emotions while in that particular establishment.

The Model

We present a model of retail store commitment in Figure 1. In this model, we suggest that store trust, store affect, and ultimately store commitment are derived from perceived differences between retail stores. Perceived differences arise when the customer is familiar with the various shopping options. Familiarity not only tends to increase an individual's trust of a particular product/service, but it has also been shown to increase the individual's affective response (Zajonc 1968). Related research suggests that commitment and loyalty are greater under conditions of high-perceived differences (Dick and Basu 1994; Robertson 1976). In addition, we propose that prior experience with a particular store will influence an individual's perceived differences

Figure 1
A Model of Retail Store Commitment



between stores. Thus, we suggest in our model that perceived differences (in terms of quality, reliability, etc.) are influenced by prior store experience, and as a result, both determinants lead to greater perceptions of store trust and store affect. The end-result is greater retail store commitment.

Of particular importance in our model is the fact that store affect precedes store trust. Prior research argues that affective judgments can be independent of

more cognitive-based ones (Zajonc 1980). A study conducted by Moreland and Zajonc (1977) showed that exposure led directly to an affective response, independent of any cognitive response. Thus, we believe that an affective component of commitment needs to be considered when attempting to establish a model of relationship development. Commitment is associated with positive affective responses, and affective attachment is beneficial, especially in uncertain environments (Gundlach et al. 1995). It

stands to reason that if a customer is intent on developing a more intimate relationship with a particular store, then it is likely that he will be able to identify some emotional reaction that results from interacting within that environment, in much the same way that affective responses arise in close, interpersonal relationships between two human beings (Berscheid 1983).

As noted above, prior research supports the notion that store trust can precede store commitment (Moorman et al. 1992; Morgan and Hunt 1994). If the customer is intent on reducing his risk by entering into regular exchanges with the same establishment, then he must first be able to trust that such an establishment will indeed reduce his risk and be more reliable (e.g., the store will always stock his items, the atmosphere will be pleasant, etc.). Essentially, the relationship makes the customer less vulnerable, so he must trust the partner he ultimately chooses.

Consider a customer who patronizes only one grocery store. Perhaps the customer knows nothing about the alternatives, and as a result he patronizes the same store. A more likely explanation however is that the customer has visited other stores and notices the differences among the stores with regard to quality, reliability, etc. He begins to frequent the store that offers these noticeable differences that are important to him, and over time he becomes more familiar with the store, to the point of trusting the store exclusively to handle his business. As long as the customer continues to have satisfactory experiences, he will return (Keaveney 1995; Oliver 1997). During these return trips, the customer gains more experience, increases his familiarity, and identifies additional differences with the store (e.g., catering and dry cleaning services). As a result, he ultimately develops a greater trust for that establishment and wants to return on a regular basis.

METHOD

Procedure

A survey was conducted at a large retail store in a suburban area of the northeast United States. This

retailer specializes in the sale of dairy, vegetables, fish, meat and bakery products and also has sections for prepared food. Some national and regional food brands are sold at the store but the bulk of the sales come from store brands in the various food categories. In addition to food, the store has an annex for home and garden supplies. It is well known in the region as a unique store specializing in quality dairy and food products with the added advantage of providing family entertainment during the shopping process. Examples of the store's entertainment appeal abound -- a petting zoo on the premises, singing milk cartons, mooing ceramic cows, and so on.

Customer respondents were asked to complete the survey after they had completed their shopping and were leaving the store. An incentive of a free ice cream cone was provided to those who completed the survey. Of the 241 customers approached, 145 (60.2 percent) completed the surveys. The respondents were predominantly female (65 percent), working in white collar (28 percent) and professional (33 percent) careers, married (74 percent) with children, having an average household annual income of \$118,026 and an average age of 43.7 years. These shoppers traveled anywhere from half a mile to 150 miles to come to the store (average = 13.5 miles).

Measures

Commitment was measured in the survey as the sum of five items: "I will recommend this store to others," "I am committed to this store," "I am willing to pay a higher price at this store," "I will return to shop at this store," and "I intend to shop a lot at this store."

These items were measured on 7-point scales, anchored by "very strongly agree" and "very strongly disagree." Cronbach's alpha for the items was .85. Principal components analysis of the five items revealed a single factor structure, which explained 73.9 percent of the variance ($\lambda = 2.96$). The factor loadings for each item were .80 or greater.

Trust was measured in the survey as the sum of five items: "I trust this store," "I rely on this store," "This is an honest store," "This store looks out for me," and

"This store is like a friend to me." These items were constructed by following the definition of trust discussed in the Literature Review section. All five items were measured on 7-point scales, with "very strongly agree" and "very strongly disagree" serving as the anchors. Cronbach's alpha for the trust items was .93. Principal components analysis of the five items revealed a single factor structure, which explained 78.6 percent of the variance ($\lambda = 3.93$). The factor loadings for each item were .80 or greater.

Store Affect was measured as the sum of seven emotion items: delighted, excited, entertained, amused, joy, happy, and amazed. The respondent answered the following question, "During your visit to [Store Name], how frequently did you feel each of the following?" This measure was adapted from a scale for positive affect used by Oliver, Rust and Varki (1997). Responses to all seven items were measured on 7-point scales, with "never" and "always" as the endpoints. Cronbach's alpha for the items was .92. Principal components analysis of the seven items revealed a single factor structure, which explained 68.5 percent of the variance ($\lambda = 4.79$). The factor loadings for each item were .78 or greater.

Prior Experience was measured as the sum of two items: "I shop at [store name] frequently" and "I am familiar with [store name]." Responses to these items were measured on 7-point scales, with "very strongly agree" and "very strongly disagree" serving as the anchors. The Pearson correlation for the items was .53.

Perceived Differences was assessed by some common attributes of stores, namely: quality, value, convenience, selection, cleanliness, dependability, and price. We used 7-point scales, anchored by "not at all" and "a lot." The respondents answered the following question, "In your opinion, do grocery stores differ in terms of: _____?" Principal components analysis of the items revealed a single factor structure, which explained 67.1 percent of the variance ($\lambda = 4.70$). The factor loadings for each item on the single factor were .78 or greater. Coefficient alpha for the set of items was .92. Accordingly, these

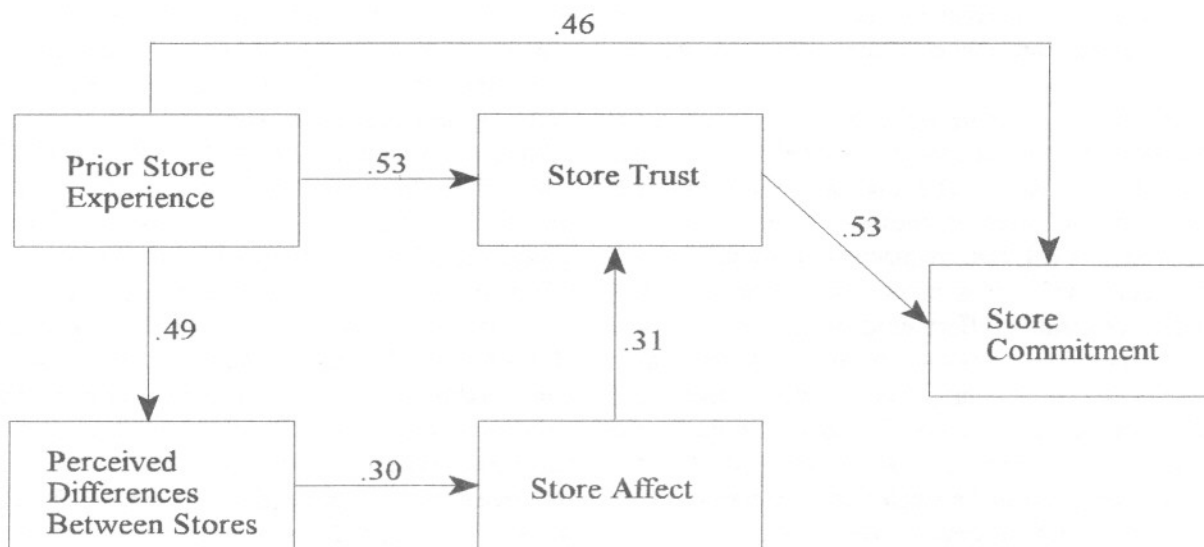
items were summed and the summated scale was used in further analysis.

RESULTS

Path analysis (using LISREL 8.14) was used to test the model and paths shown in Figure 1. In this path analysis, the multiple indicators were summed together for each construct, and the resulting summated score was used to represent that construct in the analysis.¹ Path Analysis (using LISREL 8.14) to test the proposed model (Figure 1) resulted in the following fit statistics: $\chi^2(2) = 66.23$, $P = .00$, $RMR = .086$, $GFI = .87$, $NFI = .80$, $CFI = .80$. Three of the paths in the proposed model (prior experience $\rightarrow$ affect; perceived differences $\rightarrow$ trust; affect $\rightarrow$ commitment) were not statistically significant ($p > .05$). Examination of the modification indices showed that the model fit could be improved considerably by adding a path from prior experience to commitment. Accordingly, another path analysis was conducted in which this path was included and the three non-significant paths were removed from the model. This resulted in a near perfect model fit with the following fit statistics: $\chi^2(4) = 0.16$, $P = 1.00$, $RMR = .008$, $GFI = 1.00$, $NFI = 1.00$, $CFI = 1.00$. Standardized path coefficients for the model appear in Figure 2, which shows the results for all the significant paths in the final model at $p < .05$ or better. As diagrammed in Figure 2, the results indicate that prior experience is both directly and indirectly related to store commitment -- with the indirect linkages occurring through the constructs of trust, perceived differences and affect. Of specific interest to the study as well are the indirect relationships between perceived differences, store affect and the purely endogenous variable, commitment. Note that all the relationships are routed through or mediated by store trust.

¹The path analytic procedure used here is becoming common in studies where a small sample size restricts the use of the "full" structural equation model. For a similar use of the technique see Li and Calantone (1998) and the other references cited by these authors in defense of this approach.

Figure 2
Revised Model of Retail Store Commitment



DISCUSSION

Trust, affect and commitment are relevant constructs in the relationship marketing literature, which considers trust and commitment to be “key mediating variables” in relational exchanges (Morgan and Hunt 1994). Work in the relationship marketing area has also consistently emphasized that trust and commitment are concepts that are more relevant in

situations of uncertainty (Doney and Cannon 1997; Gundlach et al. 1995; Moorman et al. 1992). We find in this study, as well, that store affect and store trust (indirectly through affect) are related to consumers’ perceptions of differences between retail stores. However, only store trust is directly related to store commitment and store affect is indirectly related to commitment via the construct of trust. Thus, trust and affect have very different effects on commitment

and need to be considered separately in future studies. We have suggested in this study that store trust and store affect are separate determinants of consumers' store choice and this conceptualization is corroborated in the empirical results of the present study in which very different outcomes were evidenced for trust on the one hand, and affect on the other.

Interestingly, in terms of the purely exogenous variables in the study, although prior experience was directly related to commitment, perceived differences was not. However, they were both positively related to each other and their effects on commitment were also indirectly routed through trust and affect. Once again, this vindicates the role of store trust and store affect and they should both continue to be examined in future studies of retail store relationships since they are shown here to be the link between store commitment and the individual level characteristics of store consumers.

In general, then, we find two clear pathways to store commitment -- one that is guided directly by prior experience and another that is routed through store trust. The latter begins with prior experience or perceived differences and translates into either store trust or store affect. Store affect, in turn, leads to store trust, which directly influences store commitment.

Implications

Store managers can use these results to justify expenditures on promotions, which create long-term effects (such as store trust and store affect) on consumers since it was found in this study that these constructs are related to store commitment. This study vindicates the use of entertaining strategies to create positive store affect since this is demonstrated to lead to store trust and, thus, to store commitment. The role of in-store entertainment appears from this study to be a viable strategy for creating greater store commitment. The use of music, animals and other "delightful" diversions appear to lead people to trust the store more and trust, in turn, leads to commitment to the store. This is in keeping with previous research

by Hui, Dube and Chebat (1997) who found that music created positive feelings and behavior towards a service provider. Kelley and Hoffman (1997) also found that positive affect was positively related to positive perceptions towards the service. Thus, both store affect and trust are needed. Consumer trust in a store can be increased by helpful and courteous service by store employees, consistent and fair prices, appropriate guarantees and store return policies.

Further, this study helps to improve our overall understanding of the antecedents of store commitment, leading to improved marketing mix strategies. For instance, store communication strategies may be derived with special regard to the individual level determinants of store commitment. Implications for advertising may be to demonstrate that all stores are not the same, to show the negative consequences of choosing the "wrong" store, and also to show the emotional consequences of choosing the "right" store by depicting positive store affect arising from the advertised store.

Limitations and Future Research

Future research is needed to replicate and extend the findings. Obviously the findings need to be replicated in terms of other samples of consumers and stores. Similarly, we need to test other store outcomes such as store sales and profits, instead of surrogate measures of profits such as store commitment. And, we need to arrive at additional measures of trust, affect and commitment, which may lead to a better explanation of store performance. Only 9 percent of the variance in store affect, 42 percent of the variance in store trust, and 77 percent of the variance in commitment was accounted for in this study.

Finally, we recognize that other determinants of trust, affect, and commitment are possible, in addition to the ones discussed in this research. For instance, with regard to the interpersonal relationship literature, factors such as personality, role-playing behavior, and social influence impact commitment and trust (Duck 1991). And with regard to store affect, prior theories suggest that gender differences exist concerning male/female consumption decisions (Firat 1994). As a result, do men and women have different

perceptions of the store environment, which leads to different affective responses and ultimately different levels of commitment? Although the area of affect has been researched studiously in advertising studies relating to marketing and consumer research there is still a very real need to examine affective processes that arise from other aspects of consumption.

To conclude, we believe that customers can be committed to their retail establishments, and both affective and experiential factors, in addition to trust assist in developing such relationships.

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