

WHEN CORPORATE ACTIONS AND CONSUMER VALUES COLLIDE: DOES CONSUMER RELIGIOUS COMMITMENT INFLUENCE STORE LOYALTY AND CONSUMER COMPLAINT INTENTIONS?

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ABSTRACT

Anecdotal evidence suggests that companies in the United States receive criticism from consumers for ignoring or violating their religious beliefs. In an exploratory study surveying 425 respondents in three different states, this paper empirically examines the relationship between consumers' religious commitment, consumers' store loyalty, and store complaint intentions. Results suggest that when firms enact policies or procedures that are contrary to existing customers' religious beliefs, consumers' religious commitment influences store loyalty negatively. In addition, analysis reveals that increased customer religious commitment may lead to an increase in store complaint intentions.

INTRODUCTION

There is a growing trend of religious conservatism in the United States. Among the fastest-growing church denominations in America are many conservative Christian churches, some of which grew more than 20% over a 10-year period beginning in 1990. In addition, many of the members of these fast-growing church denominations appear to be increasingly vocal and eager participants in both political and social debates. This trend of growing religious conservatism raises a number of questions for market researchers and managers. For example, will an increase in American consumer religiosity spill over in the marketplace and manifest itself through a change in shopping behavior? More specifically, will American consumers change their shopping behavior if they perceive their religious beliefs to be violated by a company's actions? Will consumers voice their disagreement with company policies? Will consumers change where they shop? Will they attempt to influence others to shop elsewhere? Will they simply do nothing? These questions seem to be particularly appropriate in today's social and political climate.

RESEARCH OBJECTIVES AND HYPOTHESES DEVELOPMENT

Customers have multiple ways of manifesting their dissatisfaction with a firm. Some consumers will simply stop doing business with the firm. Other consumers will share their concerns with friends and family, while still others will voice their opinions directly to the firm or third parties. In the next section of this paper, cognitive appraisal theory and social-cognition theory are used to investigate whether consumers' religious commitment is related to store loyalty and store complaint intentions, when firms are perceived to violate consumers' religious beliefs.

H1: Consumer religious commitment is negatively related to store loyalty.

H2: Consumer religious commitment is positively related to voice complaint intentions.

H3: Consumer religious commitment is positively related to third party complaint intentions.

METHOD

Sample

To empirically test the hypotheses in this study, data were collected through the administration of a survey to a convenience sample of undergraduate students and referrals from 3 universities in 3 different geographical areas of the United States. The final sample includes 123 respondents from the South, 218 respondents from the West Coast, and 84 respondents from the Mid-West, for a total of 425 respondents.

Measures

All of the measures used in this research were adopted from previous studies. Religious commitment is measured using the RCI-10 scale developed by Worthington et al. (2003). Two scales, developed by Singh (1988), measured third party complaint intentions and voice complaint intentions. A three-item rating scale, used previously by Sirohi et al. (1998) is used to measure the intent to remain loyal to the store.

Scenario

In order to empirically test the hypotheses in this study, the researcher developed a scenario which is reflective of an issue which, when supported by a business, is contrary to the religious beliefs of the majority of existing customers. After first measuring the religious commitment of consumers, the scenario was introduced in the survey. Respondents were then asked to consider this scenario before filling out the remainder of the survey, which included questions regarding store loyalty intentions and store complaint intentions.

RESULTS

For the analysis of the data in this study, structural equation modeling was used following the two-step approach as recommended by Anderson and Gerbing (1988). A closer look at the individual paths for each hypothesis revealed that all three of the paths were in the hypothesized direction and statistically significant. The path from RCI to store loyalty was negative and statistically significant ($-0.330, p < 0.000$), therefore supporting hypothesis 1 that increased levels of consumer religious commitment may lead to decreased store loyalty under the scenario as previously described. The path from RCI to voice complaint intentions was positive and statistically significant ($0.235, p < 0.000$), thus supporting hypothesis 2 that increased levels of consumer religious commitment are related to increased voice complaint intentions under the scenario previously described. Finally, the path from RCI to third party complaint intentions was positive and statistically significant ($0.209, p < 0.000$), thereby supporting hypothesis 3 that increased levels of consumer religious commitment relate to increased levels of third party complaining.

DISCUSSION AND MANAGERIAL IMPLICATIONS

The results of this study highlight another reason why taking into consideration the religious commitment of consumers may be beneficial for firms. In addition to the potential value of consumer religiosity as a market segmentation variable in exploiting new markets, offending or ignoring religious beliefs of existing consumers may have a detrimental effect on store loyalty and consumer complaint intentions, especially in those markets where the majority of consumers are highly committed to their religion.

Practically, advertising managers need to take into consideration the religious commitment level of the existing customer base when considering advertising content and when choosing media outlets through which messages are communicated to the marketplace. Large national retailers, with stores in geographical locations with obvious differences in consumer religious commitment levels, may benefit from developing regional promotional and advertising programs rather than adopting national advertising and promotional campaigns.

Furthermore, gaining knowledge of the religious commitment level of current customers may be a worthwhile endeavor, before publicly taking sides in controversial public social or political debates. Corporate managers of large retailers should abstain from taking sides and allow regional or local managers to make decisions which are compatible or in compliance with the local market. Failure to do so may result in lower store loyalty and increased complaint intentions by existing customers, which ultimately may manifest itself in lower sales and profit, or even long term damage to company brand equity due to negative public relations or perhaps even boycotts.

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