



Predicting behavioral loyalty through corporate social responsibility: The mediating role of involvement and commitment



Yuhei Inoue^{a,*}, Daniel C. Funk^b, Heath McDonald^c

^a School of Kinesiology, University of Minnesota, 218 Cooke Hall, 1900 University Ave. SE, Minneapolis, MN 55455, USA

^b School of Sport, Tourism and Hospitality Management, Temple University, Speakman Hall SP300, Philadelphia, PA 19122, USA

^c Faculty of Business and Law, Swinburne University, AGSE323, Corner Wakefield and William Streets, Hawthorn, Victoria 3122, Australia

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ABSTRACT

This study examines whether consumers' perceptions of corporate social responsibility (CSR) activities can predict behavioral loyalty, and how two attitudinal constructs drawing from the means-end chain model—*involvement* and *commitment*—mediate this relationship. A field study of 634 customers of an Australian professional football team was conducted by combining attitudinal surveys with actual behavioral data collected one year later. The results revealed a positive mediating effect of involvement on the relationship between perceived CSR and behavioral loyalty. However, when the effect of involvement on behavioral loyalty was mediated by commitment, the indirect effect of perceived CSR turned negative. The findings of this study indicate that the contribution of CSR initiatives to behavioral loyalty is not as robust as past research suggests, and is also contingent upon specific psychological states activated by consumers' perceptions of such initiatives.

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1. Introduction

Corporate social responsibility (CSR) has become prevalent in the corporate world, with Fortune 500 companies spending over US\$15 billion in community and philanthropic activities (Smith, 2014). From a business perspective, CSR investments and initiatives “contribute to strengthening a firm's competitive advantage through enhancing its relationships with its customers” (Carroll & Shabana, 2010, p. 98). Academic research supports this perspective by demonstrating CSR's link to various loyalty outcomes including development of a strong positive attitude toward the company, willingness to advocate for the company, and intention to repurchase its products (Du, Bhattacharya, & Sen, 2007; Lacey, Kennett-Hensel, & Manolis, 2015; Lichtenstein, Drumwright, & Braig, 2004; Walsh & Bartikowski, 2013). Based on the literature, the influence of CSR activities on loyalty outcomes is substantial and well-established.

However, although a substantial body of research has demonstrated a positive relationship between CSR and attitudinal loyalty (Lacey et al., 2015; Lichtenstein et al., 2004; Martínez & Rodríguez del Bosque, 2013; Walsh & Bartikowski, 2013), research investigating CSR's link to *behavioral loyalty* is rare, and when conducted has revealed a weak relationship (Ailawadi, Neslin, Luan, & Taylor, 2014). The lack of research

linking CSR with behavioral loyalty is notable given that extant studies of service firms indicate it is far more difficult to predict behavioral loyalty than attitudinal loyalty through consumer-related attributes, such as satisfaction (Seiders, Voss, Grewal, & Godfrey, 2005; Yoshida, Heere, & Gordon, 2015). In addition, because CSR initiatives generally compete for corporate resources, companies need to show that their investment in CSR is financially justified (Ailawadi et al., 2014; Carroll & Shabana, 2010). Consequently, it is essential for companies to determine the influence of CSR on behavioral loyalty, which can directly impact profitability (Ailawadi et al., 2014). Yet most research has failed to investigate whether CSR predicts customer behavior as measured by objective data, which is more suitable than self-reported intentions to measure behavioral loyalty (Seiders et al., 2005).

In addition to an objective measurement concern, previous studies predominantly use a cross-sectional design when investigating the effect of CSR on customer loyalty (e.g., Ailawadi et al., 2014; Martínez & Rodríguez del Bosque, 2013; Walker & Kent, 2012; Walsh & Bartikowski, 2013). This research design is subject to limitations, most notably, common method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003) and the inability to infer causality (Levin, 2006). The use of a longitudinal research design is therefore necessary to address these limitations and provide an accurate evaluation of business returns from CSR.

The purpose of this current research is to address both measurement and design concerns by examining whether perceptions of a company's CSR activities can predict behavioral loyalty as measured by objective

* Corresponding author.

E-mail addresses: yinoue@umn.edu (Y. Inoue), dfunk@temple.edu (D.C. Funk), heathmcdonald@swin.edu.au (H. McDonald).

behavior over time. This research further seeks to explore how the influence of these CSR perceptions is shaped by psychological states as measured by attitudinal surveys. To this end, a field study of customers of an Australian professional football team was conducted by combining attitudinal surveys with behavioral data collected one year later. The professional sport industry, as part of large service and entertainment sectors, has been shown to serve as an ideal setting for understanding customer responses to CSR (Lacey & Kennett-Hensel, 2010; Lacey et al., 2015; Scheinbaum & Lacey, 2015; Walker & Kent, 2012), as well as psychological processes leading to customer loyalty (Yoshida et al., 2015). Within this context, a hypothesized research model (see Fig. 1) has been developed based on the means-end chain model (Bhattacharya, Korschun, & Sen, 2009; Gutman, 1982) to examine the mediating role of two attitudinal constructs—*involvement* and *commitment*—in the relationship between customers' perceptions of CSR and behavioral loyalty measured as actual attendance frequency.

2. Background and hypotheses

2.1. Defining perceived CSR and behavioral loyalty

Previous consumer research has demonstrated that CSR encompasses various actions reflecting corporate commitment to societal obligations, and has placed particular emphasis on consumers' perceptions of such activities (Lacey et al., 2015; Lichtenstein et al., 2004). Such perceptions are referred to as *perceived CSR*, defined as consumers' evaluation of how well a company meets its stakeholder expectations and societal obligations by engaging in a broad range of voluntary activities (Lacey et al., 2015).

Behavioral loyalty refers to the repeat purchasing or use of a given service or product over time (Kumar & Shah, 2004; Leenheer, van Heerde, Bijmolt, & Smidts, 2007). Although the use of self-report data is common in past research, behavioral loyalty is operationalized more accurately via objective customer data related to share of wallet (Leenheer et al., 2007) and the number of store visits (Seiders et al., 2005). Within the professional sport industry, behavioral loyalty has been often measured using the frequency of attendance at sporting events over time (Yoshida et al., 2015). Increasing attendance frequency among sport customers is a key business objective for sport organizations, because repeat event attendance brings further commercial benefits, such as enhancing customers' intention to purchase event sponsor products (Lacey, Sneath, Finney, & Close, 2007) and generating venue-related revenue streams (e.g. concessions, merchandise, parking).

Behavioral loyalty is closely related but distinguishable from attitudinal loyalty which refers to the cognitive, affective, and conative elements of loyalty (Kumar & Shah, 2004). Research has shown that behavioral and attitudinal loyalty are weakly correlated with each other and have different levels of association with given consumer-

related attributes, such as satisfaction (Seiders et al., 2005; Yoshida et al., 2015).

2.2. The means-end chain model

In order for CSR initiatives to influence loyalty outcomes, certain psychological processes must be activated (Bhattacharya et al., 2009). As shown in Table 1, research within event marketing and service contexts indicate that different mediators contribute to psychological processes, such as credibility (Uhrich, Koenigstorfer, & Groeppel-Klein, 2014; Walker & Kent, 2012), attributions (Walker, Heere, Parent, & Drane, 2010), trust (Lacey & Kennett-Hensel, 2010; Pivato, Misani, & Tencati, 2008), and commitment (Lacey, Close, & Finney, 2010; Lacey & Kennett-Hensel, 2010). However, as noted above and also illustrated in Table 1, most research has measured attitudinal loyalty in order to determine the effects of perceived CSR (as well as related constructs such as CSR associations) and its mediators. Consequently, the extent to which constructs examined in previous studies mediate the effects of CSR on behavioral loyalty has not been established.

This study seeks to advance understanding of CSR's link to behavioral loyalty by testing the mediating role of commitment and involvement. Commitment is an established mediator between perceived CSR and attitudinal loyalty (Bartikowski & Walsh, 2011; Lacey & Kennett-Hensel, 2010; Lacey et al., 2010), while involvement is introduced as a new potential mediator in this study. The selection of these two attitudinal constructs is based on the means-end chain model (Gutman, 1982), the theoretical framework used in this study to explain how perceived CSR may influence behavioral loyalty. Focusing on the influence of personal values on behavior, this model stipulates that people consume a product as a means to achieve their desired ends, or "valued states of being" (Gutman, 1982, p. 60). From this perspective, CSR represents an attribute of a company (i.e., means) that produces desired ends for consumers.

Specifically, the perception that a company's CSR initiative provides functional benefits for a cause (e.g., protecting the natural environment) can generate two types of desired ends for consumers: (1) psychosocial benefits, such as experiencing positive feelings (e.g., happiness, enjoyment) through their support of the company's CSR; and (2) affirmation of personal values by knowing that the company supports a cause they care about (Bhattacharya et al., 2009). Subsequently, achieving the desired ends (e.g., affirming values) strengthens the relationship between the company and consumer, which in turn increases the consumer's likelihood of becoming loyal to the company (Bhattacharya et al., 2009). In summary, based on the means-end chain model, this study proposes the following pathways by which perceived CSR enhances behavioral loyalty: (1) perceived CSR helps consumers achieve their desired ends; (2) achieving the desired ends strengthens consumers' relationships with the company; and (3) the strengthened company-

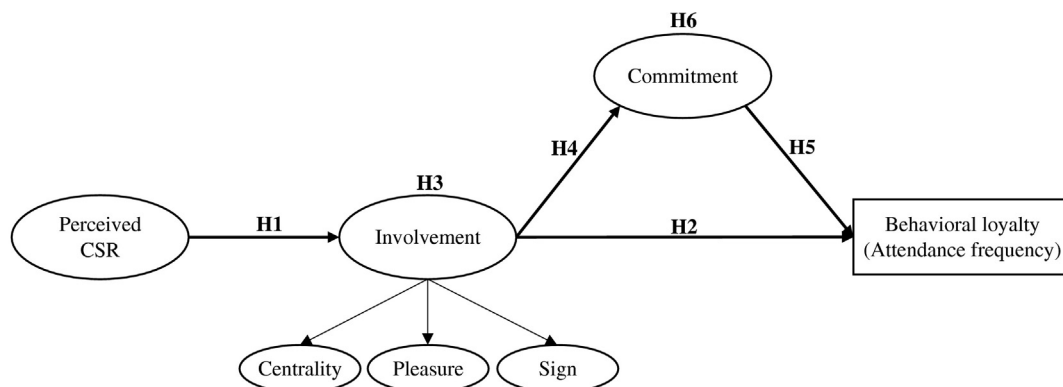


Fig. 1. Hypothesized model. The rectangle represents an observed variable, and the circles represent latent variables. Control variables are not shown. H = Hypothesis.

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