Chapter 7

Summary, Conclusions and Implication

This final chapter is divided into four sections. Section 7.1 reviews major findings of the study. The theoretical and managerial implications of the findings are discussed in section 7.2. In section 7.3 the limitations of the study are considered. And finally in the last section 7.4 gives recommendations for future research.

7.1 Summary and Conclusion

The rationale of this study is to identify the influence of customer-based corporate reputation (CBR) on customer citizenship behaviour (CCB) in the perspective of supermarkets in India. Specifically, the objectives of the study are:

1. To examine the impact of customer-based corporate reputation (CBR) on customer citizenship behaviour (CCB).
2. To investigate the impact of commitment on customer citizenship behaviour.
3. To determine the mediating role of
   a) Customer loyalty in customer-based corporate reputation (CBR) and customer citizenship behaviour (CCB).
   b) Customer loyalty in commitment and customer citizenship behaviour (CCB).
   c) Commitment in customer-based corporate reputation (CBR) and customer citizenship behaviour (CCB).
4. To examine the moderating role of
   a) Perceived risk (social and temporal) on customer-based corporate reputation (CBR) and customer citizenship behaviour (CCB).
   b) Customer participation in service delivery (CPSD) on customer-based corporate reputation (CBR) and customer citizenship behaviour (CCB).

This study is survey-based and collects data from customers who visit supermarkets for their daily needs. The primary data was collected in two stages. In the first stage, a pilot study was
conducted for development and refinement of measures. The aim of the pilot study was to examine the validity and reliability of the measures. The items were developed after an extensive literature search. A number of items adapted from the existing literature were modified and new items were generated from qualitative information collected via interviews with select customers. A questionnaire was developed on a 7-point Likert scale ranging from “very strongly agree” to “very strongly disagree” in which each item was considered.

A panel of three marketing academics were used as judges to evaluate the content validity of the items of the questionnaire. These judges were asked to appraise how appropriate they thought that the scale items measured the underlying constructs. Following their suggestions, redundant, double-barrelled and ambiguous statements were either deleted or rephrased. This process resulted in 46 items for further analysis. The initial scale was thus developed with 46 items under 14 different constructs. Data was obtained through self-administered questionnaire from 250 customers of Amritsar city.

This data was used to develop and refine the various constructs in four stages. To examine whether the reliability of the scale has improved after item deletion Cronbach alpha values were checked at each stage of item analysis. At the first stage of item analysis, each item in the construct was correlated with total score or each construct and items with low correlations with the total score were eliminated from the scale. This stage resulted in deletion of four items and the scale was left with 42 items. The analysis of Cronbach alpha values that the reliability for the two constructs improved considerably.

Items in each construct were correlated with total score of other constructs in the second stage. Items that did not have statistically higher correlations among the dimensions to which they were hypothesized to fit in in contrast with item correlations with remaining dimensions total scores were deleted. In this stage no item was deleted.

In the third stage, items with corrected item-to-total correlation more than or equal to 0.40 were retained and the rest were deleted. This stage of item analysis resulted in deletion of three items. The scale was now left with 39 items. Cronbach alpha values were checked again. It was seen that reliability for that two construct had increased considerably.
The last stage of item analysis involved using means and variances for item deletion. This was done to maximize variance and reduce skewness. So, items with both larger variances and larger means were retained and the rest were deleted. In this stage, no item was deleted.

To finalize the scale, exploratory factor analysis (EFA) was used. EFA was used sub-scale wise to provide an assessment of unidimensionality. Principal component analysis was used to examine whether items in each measure load on one factor or not. The results revealed that items in each subscale load on one factor, with eigen values exceeding the criterion of 1.0 for each construct.

In the second stage of the study, data was collected via the refined questionnaire from 600 customers to test the proposed model. This data was collected from various cities. Primarily the National Capital Region (Delhi, Gurgaon, Noida and Ghaziabad) and major cities of Punjab (Chandigarh, Ludhiana, Jalandhar and Amritsar) were chosen. Selection of customers from these cities ensured a varied sample unit as smaller cities like Amritsar and metros like Delhi were both included so to encompass all segment of customers and bring uniformity in final decision making. 558 usable questionnaires were obtained. To test the hypotheses Structural Equation Modeling (SEM) was used.

To test the measurement model confirmatory factor analysis (CFA) was conducted. In order to examine whether the construct measured the latent variables they are supposed to measure. The values of model fit indices (such as GFI, AGFI, CFI, IFI, and TFI) exceeded the recommended level of 0.90. Thus measurement model yielded good fit with the data. Item reliability, composite reliability and average variance extracted (AVE) was used to check the reliability of constructs. Item reliability of individual items was established by squaring their respective standardized factor loadings. All the items had $R^2$ values greater than 0.50, which shows that all variables are considerably related to their particular constructs. Composite reliability for various constructs was above the recommended level of 0.70. All the constructs had average variance extracted above the recommended level of 0.50, which provided further evidence of reliability.

The construct validity was recognized using convergent and discriminant validity. Convergent validity is evidenced when the factor loadings are significant and average variance extracted is above 0.50. It was found that all the factor loadings for various items were significant and AVE
values for various constructs exceeded 0.50. Results supported the convergent validity of the measures.

The data analysis supports that customer-based corporate reputation (CBR) is multidimensional constructs and consists of five dimensions – ‘Customer Orientation’ (CO), ‘Good Employer’ (GE), ‘Reliable and Financially Sound Company’ (RFSC), ‘Product and Service Quality’ (PSQ) and ‘Social and Environmental Responsibility’ (SER). In the first model, customer-based corporate reputation was examined using a totally disaggregated first-order model and in the second model, a five dimensional model of customer-based corporate reputation consisting of customer orientation, good employer, reliable and financially sound company, product and service quality and socially and environmental responsibility was examined. Comparative analysis of both models revealed that the second model fits the data better than the first model. This provides support for the importance of including five dimensions of customer-based corporate reputation (CBR) in the model.

The analysis of data supports that customer citizenship behaviour (CCB) is multi-dimensional construct. This was empirically examined by testing two competing models. In the first model, customer citizenship behaviour was examined using a totally disaggregated first-order model and in the second model, a three dimensional model of customer citizenship behaviour consisting of ‘Helping the Company’, ‘Helping the Customer’ and ‘Providing the Feedback’ was examined. Comparative analysis of both models revealed that the second model fits the data better than the first model. This provides support for the importance of including three dimensions of citizenship behaviour of customer in the model.

The data analysis supports that customer loyalty consists of ‘Affective Loyalty’ and Intentional Loyalty’. This was empirically examined by testing two competing models. In the first model, customer loyalty was examined using a totally disaggregated first-order model and in the second model, a two dimensional model of customer loyalty consisting of affective and intentional dimensions were examined. Comparative analysis of both model revealed that the second model fits the data better than the first model. This provides support for the importance of including both affective and intentional dimensions of loyalty in a model of customer loyalty.
The remaining hypotheses were tested by using SEM. Customer-based corporate reputation has positive impact on customer loyalty, commitment and customer citizenship behaviour. It was further revealed commitment has a positive impact on affective loyalty, intentional loyalty and customer citizenship behaviour. Loyalty has positive influence on customer citizenship behaviour.

The mediating role of commitment, affective loyalty, intentional loyalty in the relationship between customer-based corporate reputation (CBR) and customer citizenship behaviour (CCB) was examined using Baron and Kenny’s (1986) procedure. The findings revealed that loyalty (affective and intentional) mediate the relationship between customer-based corporate reputation (CBR) and customer citizenship behaviour (CCB), commitment and customer citizenship behaviour (CCB). Finally, commitment was found to have strong mediating role in the relationship between customer-based corporate reputation and customer citizenship behaviour.

The moderating role of customer participation in service delivery (CPSD) and perceived risk was examined through two group model. The findings revealed that both customer participation in service delivery and perceived risk moderates the relationship between customer-based corporate reputation (CBR) and customer citizenship behaviour (CCB).

### 7.2 Implications

The present study makes both academic and practical contributions in the field of consumer behaviour. The first section discusses the theoretical implications. The next section outlines the managerial implication of the study.

#### 7.2.1 Theoretical Implications

**Antecedents and moderators of Customer Citizenship Behaviour**

There is little consensus among researchers as to the factors that promote customer citizenship behaviour. Previous empirical research has focused primarily on customer-based corporate reputation, customer commitment, customer loyalty as key ingredients for positive discretionary behaviour on the part of customers (Bettencourt, 1997; Abassi et al. 2011; Ahmadi and Tavreh
2011; Bartikowski and Walsh 2011; Bartikowski, Walsh and Beatty 2011). No research has been done on ‘Perceived Risk’ and ‘Customer Participation in Service Delivery’ as key moderators of customer citizenship behaviour. An investigation of these issues is important because perceived risk significantly affect customer citizenship behaviour.

The study provides a theory-based framework for understanding the direct effects of customer-based corporate reputation, customer commitment, affective loyalty, intentional loyalty on citizenship behaviour. A significant contribution that our study makes is the moderating role of perceived risk in customer-based corporate reputation and customer citizenship behaviour. The moderating role of perceived risk and customer participation in service delivery has implications in development of strategies. Managers when developing strategies to increase citizenship behaviour must focus on decreasing social and temporal risk of the company. This study reveals that effective customer participation increase the possibility that consumer needs are met and the benefits the customer is looking for are in fact attained. Managers should focus on framing the strategies to increase customer’s role in service delivery.

**Dimensionality of Customer-based Corporate Reputation**

This study provides support for a five-dimensional view of customer-based corporate reputation (CBR). By measuring CBR as a composite measure consisting of customer orientation, good employer, reliable and financially sound company, product and service quality and social and environmental responsibility, we provide evidence of the multi-dimensional nature of CBR construct. There are several studies that have recommended that, for understanding corporate reputation from customers’ perspective (Walsh and Beatty 2007; Batrikowski and Walsh, 2011). The findings of the present study are similar to results of (Gotsi and Wilson 2001), who concluded that “CBR captures, in essence, what is referred as the customer’s overall evaluation of a firm based on his or her reactions to the firm’s goods and services, communication activities and interactions”.

**Dimensionality of Customer Citizenship Behaviour**

The study provides support for a three-dimensional view of customer citizenship behaviour. By measuring customer citizenship behaviour as a composite measure consisting of helping the company, helping the customer and providing the feedback, we provide evidence of the multi-dimensional nature of citizenship behaviour. There are studies that have recommended for better understanding positive discretionary behaviour of customer towards employees, other customers and organization these three dimensions are important.

The present study highlights the potential value of including these three dimensions of citizenship behaviour. The results also point out that in service industry context; customers are keen to exhibit citizenship behaviour towards company than towards other customers in hope of some future benefits.

**Dimensionality of Customer Loyalty**

The study provides support for a two-dimensional view of customer loyalty. By measuring customer loyalty as a composite measure consisting of affective loyalty and intentional loyalty, we provide evidence of the multi-dimensional nature of customer loyalty construct. There are several studies that have recommended that, for understanding long-term relationships both dimensions are important. Research findings support the two-dimensional measures as better predators of customer’s loyalty (Chaudhuri and Holbrook 2001).

**7.2.2 Managerial Implications**

A key assertion demonstrated in this study is that customer-based corporate reputation is not only influenced by, but also influences critically important customer-behaviour related variables. This differentiated analysis of the antecedents – corporate reputation and corporate reputation-outcomes relationships may help firms use their resources more effectively by focusing on antecedents and consequences that are of the greatest strategic importance to them.

Customers demonstrate loyalty in number of ways. Segmenting loyal customers on the basis of affective and intentional loyalty can assist in understanding the nature of loyalty orientation and
help in framing appropriate marketing actions. According to Dick and Basu (1994) managers can identify loyal customers based on affective and intentional loyalty levels: latent loyalty, low loyalty, true loyalty, spurious loyalty. Organizations should attempt to retain customers with true commitment and loyalty because they can be depended upon to make a repeat purchase and engage in citizenship behaviour. The scale of affective and intentional loyalty can be used to understand customer types. Such differentiation can help to identify and track those customer segments that are likely to exhibit positive discretionary behaviour (i.e. helping the company, helping the customers and providing the feedback).

**Enhancing Corporate Reputation**

The findings reveal that reputation is a key construct in the development of positive discretionary behaviour of the customer. Service companies should try to focus on reputation building programs. Good corporate reputation is considered as a source of competitive advantage. A positive image not only helps organization to attract customers but will exercise positive influence of commitment, loyalty and citizenship behaviour. Managers can use the customer-based corporate reputation scale to gather benchmark data about the levels of customers’ perceived corporate reputation and conduct periodic checks to measure changes or improvements in the outcomes.

**Providing Product Quality and Service**

Product quality and service have strong effect on corporate reputation from customer perspective. For building corporate reputation service providers must concentrate on providing value for money to customers. Additionally, managers should consider that all the dimensions of CBR are not equally effective in influencing loyalty. Investigating how single dimension of CBR affect citizenship behaviour may guide managers in determining a mix of reputation signals that most effectively influence commitment, loyalty and citizenship behaviour of customers.

**Commitment and Loyalty Building Programs**

Good reputation prompts not only citizenship behaviour, but also affects customer commitment and loyalty. Managers should concentrate on commitment and loyalty building programs to improve customer collaboration in helping the employees, organization and other customers.
Train and Socialize Customers

Managers may find it useful to keep an eye on customers who display citizenship behaviour and then make resource allocation, customer selection, loyalty program decisions accordingly. The firms carefully follow same strategy to select and train and socialize customers as they do for their employees. Managers should also make available customers with resources and empowerment to serve customers or employees or effectively.

Development of Effective Communication System

Customer-based corporate reputation is found to be the most important antecedent of citizenship behaviour. In order to build a good reputation, service companies should include in their advertising, the characteristics of service offering, environment of the company, customer care services for the customers. Through effective communication system managers can minimize social risk to certain extent and can explore the ways to germinate social support from customers. Customers should be motivated to exhibit citizenship behaviour towards other customers to enhance firm sales and profitability.

Encourage Citizenship Behaviour

Impact of social environment is present as customer behaviour and customer-to-customer interaction/communication often take place in social contexts. There is need that customer relationship managers should recognize and pay attention to customers who display citizenship behaviour so that customer citizenship behaviour is communual and extended to other customers in the service encounter. Efforts should be done to motivate the employees so that they too exhibit citizenship behaviour towards the customers.

A Diagnostic Tool

The proposed model of antecedents of customer citizenship behaviour can be used as a diagnostic tool of marketing practitioners to identify differences in antecedents of citizenship behaviour of customers. A thorough understanding of factors that influences citizenship behaviour is beneficial for customer relationship managers to develop and reinforce marketing strategies to increase positive and discretionary behaviour on the part of customers. Finally, managers can use the scale to identify factors crucial for enhancing the citizenship behaviour of
customers. This model can also be used to compare the performance of the firm against the competitors. Managers can investigate the effect of citizenship behaviour on objective performance data of the firm, such as sales, profits, market share, shareholders value and financial performance.

7.3 Limitations of the Study

- The study does not consider other factors influencing customer citizenship behaviour such as gender and consumer characteristics (age, income and relationship age).

- The present study is a cross-sectional study to know the citizenship behaviour of customers. A longitudinal study is required to examine customer’s long-term citizenship behaviour towards a company to get an accurate idea.

- This research does not examine the interaction effects between customer-based corporate reputation, commitment and loyalty. Future researchers can test these interaction effects and study its impact on development of citizenship behaviour.

7.4 Future Research Directions

Further research may incorporate effect of variables like customer-company identification, trust, customer justice perception, affect and culture on customer citizenship behaviour. This study develops and validates the measures of customer citizenship behaviour and its antecedents for supermarket customers. Future studies could think about to what scope the measures proposed in this study are suitable in different service industries and what modifications need to be done in the scale items across different sample and contexts.
Further, personal characteristics like age, income and education play important role in shaping a customer’s behaviour. Future research may test the moderating effect of personal characteristics on citizenship behaviour.

This study does not consider other factors like infrastructure and location of supermarkets citizenship behaviour of employees. Future studies could examine the impact of these factors on citizenship behaviour.

The present research assessed citizenship behaviour at first order level and second order level. In future it can be assessed at third order level. Analysis of data at these levels would permit managers identify appropriate problem areas in managing customer behaviour and concentrate resources on improving particular aspects of customer citizenship behaviour.

This research does not examine the interaction effect between customer-based corporate reputation, commitment and customer loyalty. Future research can test these interaction effects and study its impact on citizenship behaviour. New research may examine the non-linear relationship between the constructs in the model.