Market climates anchor an calibrate determinants of consumer behavioral loyalty in relational exchanges
Singh, J.; Nijssen, E.J.; Agustin, C.; Holzmuller, H.

Published in:
Society for Consumer Psychology (SCP2009), February 12-14, 2009

Published: 01/01/2009

Document Version
Publisher's PDF, also known as Version of Record (includes final page, issue and volume numbers)

Please check the document version of this publication:
• A submitted manuscript is the author's version of the article upon submission and before peer-review. There can be important differences between the submitted version and the official published version of record. People interested in the research are advised to contact the author for the final version of the publication, or visit the DOI to the publisher's website.
• The final author version and the galley proof are versions of the publication after peer review.
• The final published version features the final layout of the paper including the volume, issue and page numbers.

Link to publication

Citation for published version (APA):

General rights
Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

• Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
• You may not further distribute the material or use it for any profit-making activity or commercial gain
• You may freely distribute the URL identifying the publication in the public portal?

Take down policy
If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Download date: 02. Jan. 2019
Market Climates Anchor and Calibrate Determinants of Consumers' Behavioral Loyalty in Relational Exchanges

Jagdip Singh, Case Western Reserve University*
Edwin Nijssen, Eindhoven University of Technology, The Netherlands
Clara Agustin, IE University, Spain
Hartmut Holzmuller, Dortmund University, Germany

Although several studies affirm that consumers hold generalized beliefs about the marketplace that they organize into lay theories or working models to cope effectively with market exchanges, progress has been slow in advancing constructs of consumers’ marketplace metacognitions. To addresses this gap, the present study draws on lay theories to (a) conceptualize and operationalize a construct of “market climate”, (b) develop logics to hypothesize market climate's influence on consumers’ behavioral loyalty, and (c) test hypotheses in a cross-cultural context involving consumers’ ongoing exchanges relationship with an individual firm.

A cross-national study in the insurance industry (United States, Netherlands, and Germany) was conducted to develop and validate the market climate constructs, and assess its cross-cultural generalizability. Sampling plans and field procedures were coordinated cross-nationally. Random samples of consumers were selected from commercial lists. The final usable sample was n=746 and response rates were 26%, 28%, and 17% in Germany, Netherlands, and United States respectively.

Scales for the measurement of the market climate construct were developed based on 40 qualitative interviews and purified using 28 judges and a pretest study. A refined list of 23 items was developed. Existing scales were used for satisfaction, firm and frontline employee trust, value and behavioral loyalty.

We followed a four-step data analytical approach. First, after assessing response bias, EFA and multigroup CFA of market climate construct items were employed to validate the scale. Measures showed acceptable measurement properties across all three countries, including evidence for convergent and discriminant validity and measurement invariance. Second, we used Latent Class Analysis to identify empirical profiles for the market climate construct in the cross-national data. Four different, empirically derived market climate profiles were identified (n = 37 to 327): (1) Dark, with the lowest perceived market and innovation orientation, and powerless consumers, (2) Stormy, with low market orientation but somewhat powerful consumers, (3) Cloudy, an ambivalent climate with moderate profile, and (4) Sunny, the most favorable market climate. Third, we used a multiple group mean and covariance Structural Equation Modeling to estimate latent means and effect coefficients to test the anchoring and calibrating effects of market climates using a validated model of customer loyalty antecedents. Fourth, we controlled for category risk, demographics, country dummies, and common method bias.

Overall, our study provides evidence that market climate is a meaningful macro-level construct that sheds light on customers’ shared schemas of market contexts, and its effects on micro-level exchange determinants of their behavioral loyalty.