

How Do Differing Community Engagement Strategies Affect Consumer Responses to a Retailer?

By: Elten Briggs, [Zhiyong Yang](#), Tracy R. Harmon-Kizer, and Todd J. Arnold

Briggs, Elten, Zhiyong Yang, Tracy R. Harmon-Kizer, and Todd J. Arnold (2016), "How Do Differing Community Engagement Strategies Affect Consumer Responses to a Retailer?" *Journal of Marketing Theory and Practice*, 24(1), 109–127.
<https://doi.org/10.1080/10696679.2016.1089767>

This is an Accepted Manuscript of an article published by Taylor & Francis in *Journal of Marketing Theory and Practice* on 11 December 2015, available online: <http://www.tandfonline.com/10.1080/10696679.2016.1089767>. It is deposited under the terms of the Creative Commons Attribution-NonCommercial-NoDerivatives License (<http://creativecommons.org/licenses/by-nc-nd/4.0/>), which permits non-commercial re-use, distribution, and reproduction in any medium, provided the original work is properly cited, and is not altered, transformed, or built upon in any way.

Abstract:

This article develops and tests a conceptual model examining the effects of retailer's use of two community engagement strategies, partnership and philanthropy. A survey, featuring one of four randomly assigned promotional messages, was created and distributed to customers of a retailer that were also members of a women's social organization. Analysis on the sample of 440 respondents indicates that engagement strategies cause different reactions. Specifically, partnership strengthens consumer identification with the retailer, while philanthropy strengthens feelings of purchase satisfaction. Moderation tests imply that using both strategies together can encourage consumers to behave more relationally, yielding additional returns for a retailer.

Keywords: community engagement | retail | community partnership | retailer philanthropy

Article:

Retailers increasingly view community engagement (or involvement) as a strategic priority, and evaluating approaches to maximize the value of their efforts both economically and socially are on the rise (Arnold, Kozinets, and Handelman 2001; Mohammed et al. 2002; Wilson 2005). Community engagement strategy is described by Bowen, Newenham-Kahindi, and Herremans (2010, p. 297) as "the subset of a firm's corporate social responsibilities (CSR) activities that are directed toward individual citizens and community groups." For example, Walmart has established a local community contribution program and consistently offers financial and functional support to local community organizations (Wilson 2005). Community engagement programs have the potential to enhance a retailer's brand image (Curras-Perez, Bigne-Alcaniz, and Alvarado-Herrera 2009; Samli, Kelly, and Hunt 1998) and sales revenue (Sen and Bhattacharya 2001).

Practitioner-focused work suggests that the key to business success in relation to incorporating community engagement into a business strategy is to develop ties with groups that have logical connections to an organization, and then to take strategic actions involving the group that will ultimately have positive outcomes for not only the targeted group, but for the organization as well (Porter and Kramer 2006). For example, Subaru is active in its support of animal welfare organizations, such as the American Society for the Prevention of Cruelty to Animals (ASPCA), contributing both money and employee hours to support the animal welfare group (www.aspca.org—Subaru’s “Love a Pet” campaign). The ASPCA aids in developing partnerships between local Subaru retailers and local animal welfare agencies in order to promote pet adoption. Such actions certainly benefit the recipient organization, but the goodwill generated by Subaru actions also potentially translates into stronger bonds between Subaru and its target consumers. Nearly seven of ten Subaru owners also have pets, and a Subaru purchaser is 1.3 times more likely to have a pet than the purchaser of a competitor’s automobile (www.aspca.org). Not surprisingly, Subaru ownership and ASPCA membership are not an infrequent combination (www.aspca.org). As a result, the logical relationship Subaru and its local retailers have built with the ASPCA also works toward solidifying the company’s positive reputation among both the ASPCA’s target audience and Subaru’s own target audience, thereby benefitting all parties involved.

As much as community engagement programs have become commonplace among businesses, academic research has not kept pace with such strategic actions. Much is still to be learned in relation to how a retailer can utilize community engagement to develop mutually beneficial strategies (i.e., benefitting both the community and the retailer—Porter and Kramer 2006). While the concept of community generally leads one to envision a group of people residing in the same geographic location, improvements in travel and communication technologies have made it such that consumers often build stronger community ties with people in distant places than those in close proximity to themselves (Wellman 2005). In fact, Bowen, Newenham-Kahindi, and Herremans (2010) find that modern day communities can be characterized by geography, interaction, or identity. In an attempt to address this issue, the present research focuses upon retail community engagement strategies aimed at consumer groups characterized by their shared identification with a nonprofit organization. As such, the potential benefits of a marketer partnering or taking philanthropic actions toward a community group of this kind can be better understood.

Specifically, our paper investigates the effects of distinct community engagement strategies, specifically partnership and philanthropy, on consumer reactions and responses (i.e., purchase satisfaction, retailer identification, brand trust, and behavioral intentions) in a retail context. Partnerships represent collaborative efforts with community organizations, while philanthropy represents cash or in-kind donations to community organizations (Seitanidi and Ryan 2007). Retailers enacting these strategies are essentially attempting to leverage customers’ established identification with a community (e.g., Cornwell and Coote 2005). As a result, a retailer’s philanthropic and/or partnering efforts geared toward a community-centered organization may enhance community responses to the retailer, without the necessity of a pre-existing level of high involvement with the retailer. Our study involves membership groups (i.e., organizations with formal requirements for gaining membership, and where membership records are maintained). High levels of identification have been shown to develop among members of such groups

(Bhattacharya, Rao, and Glynn 1995; Gruen, Summers, and Acito 2000; Mael and Ashforth 1992).

To test our conceptual framework, we partnered with a retailer that was in the process of implementing partnership and philanthropy strategies as part of its community engagement program. Information provided to study participants regarding these strategies accurately represents the manner in which the two engagement strategies were being implemented by the retailer. The unique contributions characterizing our work are that the study (1) examines two conceptually distinct retail community engagement strategies simultaneously, (2) is in a retail context where the target community is defined by identity rather than geography, (3) uses respondents that have past purchase history with the retailer, and (4) is conducted while demonstrating a novel application of the well-known stimulus-organism-response model (Bagozzi 1983; Belk 1975). The next section provides an overview of research pertaining to community engagement strategy and discusses the study contributions in more detail. Afterwards, we present the conceptual framework and hypotheses, followed by the method section that describes the sample selection, measures, analyses, and results. Finally, we conclude with a discussion of the study's theoretical contributions, managerial implications, limitations, and future research directions.

LITERATURE REVIEW AND STUDY CONTRIBUTIONS

Much of the work pertaining to retailer implementation of community engagement strategies was conducted by Arnold and colleagues in the mid to late 90s (Arnold, Handelman, and Tigert 1996; Arnold, Kozinets, Handelman 2001; Handelman and Arnold 1999), although certainly others have contributed greatly to the more general stream of community literature (e.g., Algesheimer, Dholakia, and Herrmann 2005; Muniz and O'Guinn 2001; Schouten and McAlexander 1995; Schouten, McAlexander, and Koenig 2007; Uzzi 1996). This line of research generally supports the notion that a retailer's community engagement is a key determinant of its continued success, because these actions reveal that the retailer endorses and advocates the norms of the community. This makes the organization a legitimate citizen in the eyes of stakeholders, positively influencing outcomes such as store choice and support for the retailer (Handelman and Arnold 1999). For example, the community engagement strategy of Walmart is touted as an important factor in the explosive growth of the retailer in the United States (Arnold, Kozinets, and Handelman 2001). Despite the continued prevalence of retailer community engagement practices in the marketplace, research in marketing has tended toward CSR strategy implications and initiatives rather than more targeted community engagement efforts (e.g., Peloza and Shang 2011). Notably, Arnold et al. (2013) associate a retailer's efforts toward a community with customer loyalty and willingness to pay more. To our knowledge, research in marketing has not considered the influence of differing types of community engagement strategies on customer response.

Research in the ethics and nonprofit literatures suggests there are meaningful differences across community engagement strategies from the perspective of the firm. The various forms of engagement have commonly been grouped into one of three categories based on how deeply the firm is involved with the community and the quality of its interactions with the community (Austin 2000; Bowen, Newenham-Kahindi, and Herremans 2010; Seitanidi and Ryan 2007).

Bowen, Newenham-Kahindi, and Herremans (2010) refer to these three categories as: (1) transactional engagement—the lowest level of firm involvement characterized by donations of money, products, or employee time; (2) transitional engagement—a moderate level of firm involvement characterized by monetary donations tied to market transactions; and (3) transformational engagement—the highest level of firm involvement characterized by joint decision making between the firm and community. Bowen, Newenham-Kahindi, and Herremans (2010) note that little empirical evidence exists regarding when each type of engagement is more appropriate. However, there is conceptual support that the transactional and transitional forms of engagement improve perceptions of firm legitimacy, consistent with the aforementioned research in marketing. The two strategies involved in the present study are representative of the lowest and highest forms of engagement, with philanthropy representing transactional engagement and partnership representing transformational engagement. Thus, each offers a viable route for engagement strategy enactment for a retailer (i.e., each is a logical and acceptable engagement choice for a retailer).

Philanthropy involves a commitment of resources from the company only, entailing charitable donations in the form of cash and/or in-kind support (e.g., Belk donating cash and matching donations from breast cancer events held at their stores). With this transactional level of engagement, the retailer largely retains control over the process (Bowen, Newenham-Kahindi, and Herremans 2010). Further, the transfer of funds and/or resources is *one-way*, with the philanthropic firm acting as the provider, and the target organization as the recipient. Similarly, communication is occasional and generally moves in one direction, from the retailer to the target community. Although both the retailer and the community organization can benefit from philanthropy, the retailer's motives are often viewed as somewhat altruistic since returns are not directly accrued (Seitanidi and Ryan 2007). The philanthropy of small retailers particularly reflects altruistic motivations (Lähdesmäki and Takala 2012). When outcomes for the retailer are not directly tied to outcomes for the community, CSR investments will have little influence on the firm's competitive position (Porter and Kramer 2006), implying a potentially less "strategically optimal" engagement method, from the perspective of the giving organization.

A *partnership*, on the other hand, involves a commitment of resources from *both* the company and a community organization (Bowen, Newenham-Kahindi, and Herremans 2010). For example, Whole Foods, through its Whole Planet Foundation, partners with their suppliers, microfinance organizations, musicians, and others to help alleviate poverty in global communities for women entrepreneurs from whom they source products. With this transformational level of engagement, the resource commitment is usually not just monetary, but also involves time and effort. Individuals from the retailer and the community cooperate in a partnership to solve shared problems and accomplish strategic goals, inherently promoting a mutually beneficial relationship. Interactions are much more relational in nature, and the two parties are interdependent. Communication is frequent and moves from both retailer-to-community and community-to-retailer as they learn from one another. Given the heightened level of commitment over philanthropic efforts, most retailers would only be able to have a few community partnership engagements. These partnerships often take the form of cobranding alliances with the community organization (Drumwright and Murphy 2001).

By investigating both transactional and transformational community engagement strategies, this research makes several contributions to the existing literature. First, we contribute insights on customer reactions and responses to a retailer's implementation of two conceptually distinct community engagement strategies. While a great deal of research has focused on the benefits of implementing a particular type of engagement strategy, especially philanthropy, much less research has considered the implementation of multiple strategies (Bowen, Newenham-Kahindi, and Herremans 2010; Peloza and Shang 2011). Second, our study contributes a new perspective to the marketing literature on community engagement by testing these influences in a nontraditional retail context where the target community is not defined by geography (Handelman and Arnold 1999; Hozier and Stem 1985). Instead, the community in this study is defined by identification with a membership group. Third, though much of the work regarding community engagement and CSR initiatives has been conducted in lab settings, our study brings a real-world perspective. The influences of engagement strategies are examined using a sample of actual customers who previously purchased products from the retailer. Finally, the study contributes to theory by applying a stimulus-organism-response framework to investigate a specific set of consumer reactions and responses to a retailer's community engagement strategies. The following section discusses this framework in greater detail.

CONCEPTUAL FRAMEWORK AND HYPOTHESES

Stimulus-Organism-Response Framework

The conceptual framework of the study is based on the stimulus-organism-response (S-O-R) model of customer behavior (Bagozzi 1983; Belk 1975). The stimulus (S) is an external factor that functions as a determinant of consumer choice. This external factor could be a largely uncontrollable aspect of the environment or a managerially determined aspect of firm marketing strategy. The organism (O) refers to internal cognitive and affective reactions. The cognitive reaction may precede the affective reaction, the affective reaction may precede the cognitive reaction, or these reactions may occur simultaneously in a parallel model (Bagozzi 1983). After these cognitive and affective reactions, consumers develop some level of preference for the brand under evaluation, which serves as a bridge from cognitive and affective reactions to more behaviorally oriented responses (R). Responses involve actual behaviors or intentions to act. Common practice categorizes behaviors relating to environmental stimuli as either approach or avoidance (Donovan and Rossiter 1982).

The S-O-R model has been most commonly applied in retailing research to develop understanding of how physical and online store atmospheres ultimately influence shopping behaviors (Donovan and Rossiter 1982; Eroglu, Machleit, Davis 2001; Turley and Milliman 2000). However, recent research also conceptualizes firm CSR initiatives as stimuli in this framework (Lii and Lee 2012). Similarly, the conceptual framework presented in Figure 1 models the consumer engagement strategies of partnership and philanthropy as distinct stimuli that may have differing effects on the consumer. These stimuli are expected to influence internal cognitive and affective reactions (i.e., the organism) that occur parallel to one another. Bagozzi (1983) suggests that the parallel response model is appropriate in situations where prior learning has occurred, as is the case when customers have prior purchase experience with a retailer. In our model, satisfaction represents a more affective reaction, whereas identification represents a more

cognitive reaction. Brand trust represents the transition state between these reactions and the final stage of the model. Finally, behavioral intentions represent consumer responses to the evaluative processes.

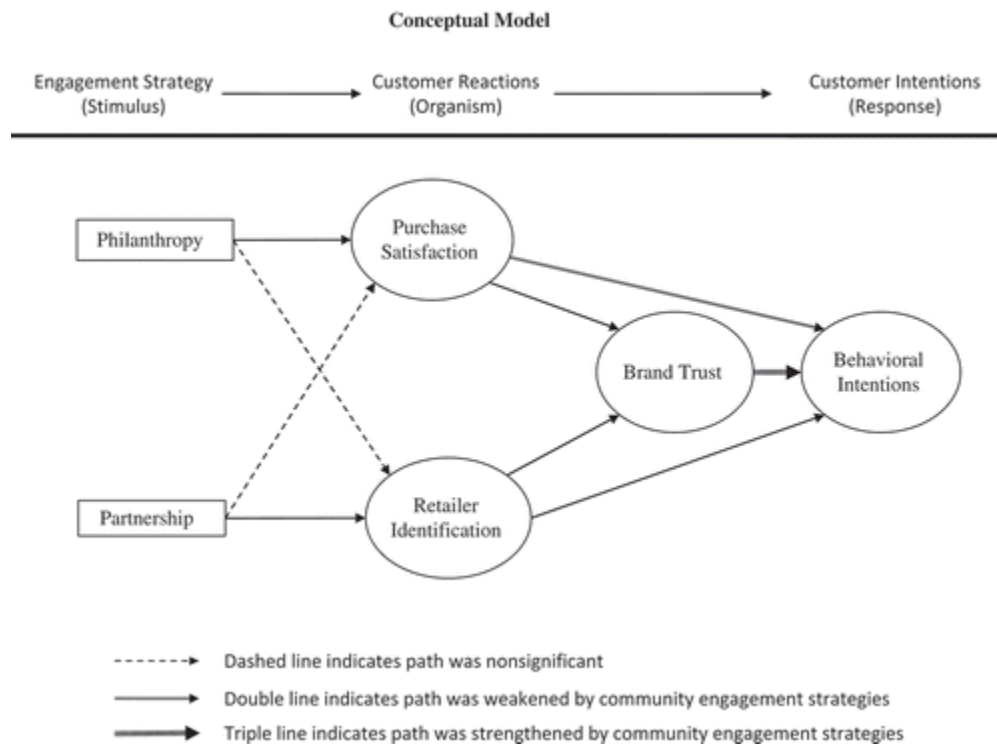


Figure 1. Conceptual Model

Direct Influences of Partnership and Philanthropy

Consumers having prior experience with a retailer also have preexisting affective and cognitive reactions toward the retailer. When these consumers are exposed to some new stimulus, such as a community engagement strategy, one effect of the new stimulus is to update or revise these existing affective and cognitive states (Bagozzi, 1983). In this section, we explore how each of the partnership and philanthropy strategies can cause consumers to revise their existing affective (e.g., satisfaction) and cognitive (i.e., identification) reactions toward the retailer.

Though CSR initiatives have generally been associated with customer satisfaction (Luo and Bhattacharya 2006; Martínez and Bosque 2013), the influence of differing community engagement strategies on satisfaction has not, to our knowledge, been investigated. *Purchase satisfaction* reflects a consumer's affective response to the outcomes of past purchases from a retailer (Ganesan 1994; Russell-Bennett, McColl-Kennedy, and Coote 2007). This response is generally based on the perceived value of the products and/or service received from the retailer (Woodruff 1997). When a retailer engages with a consumer's community, it should generally represent an additional source of value for the purchasing consumer, thereby enhancing the consumer's purchase satisfaction (Peloza and Shang 2011). Relatedly, Sen and Bhattacharya (2001) demonstrate that customer evaluations of a giving company are enhanced when engagement efforts are directed toward the domains that are meaningful to them.

Conceptual differences between philanthropy and partnership suggest that the process of value creation resulting in satisfaction may differ across these two strategies for consumers who identify with the targeted community. Philanthropic support, as a one-way transfer from the retailer to the community, should have a solely positive influence on purchase satisfaction, if there is an influence at all. The consumer's community does not stand to lose anything when receiving philanthropic support, so the value of the firm's offering to the consumer should only increase in a positive direction. Purchases from the retailer can also represent support for the community to other members (Peloza and Shang 2011).

With a partnership, which involves a two-way exchange between the retailer and the community, the community must also make tangible investments into the relationship. Since both parties collectively share some interests and their goals converge, both entities ideally benefit from these arrangements (Van Slyka 2006). However, some customers may perceive the partnership to favor primarily the retailer, which could diminish the otherwise positive influence of this strategy on customer value and satisfaction. Despite these considerations, the net effect of both philanthropic support and partnership information is expected to be positive, consistent with prior community engagement research (Bowen, Newenham-Kahindi, and Herremans 2010):

Hypothesis 1: A retailer's philanthropic support of a community organization will have a positive influence on consumers' purchase satisfaction.

Hypothesis 2: A retailer's partnership with a community organization will have a positive influence on consumers' purchase satisfaction.

Retailer identification reflects the degree of overlap consumers perceive between themselves and the identity of the retailer (Sen et al. 2006). The concept of identification is based on the social identity theory premise that an individual's self-concept is based on both a personal identity and a social identity (Ashforth and Mael 1989; Tajfel and Turner 1986). Through cognitive self-categorization processes underlying identification, individuals satisfy self-definitional needs by classifying themselves into groups (Bergami and Bagozzi 2000; Bhattacharya and Sen 2003). Groups targeted for identification could be based on social categories such as ethnicity or occupation, but organizations such as membership groups and companies can also offer attractive social identities to individuals (Bhattacharya and Sen 2003; Bhattacharya, Rao, and Glynn 1995). Identification is higher, logically, when individuals perceive themselves to be more similar to a focal organization (Mael and Ashforth 1995; Pratt 1998). If a retailer can take engagement actions that enhance its perceived similarity to an organization the consumer already identifies with, the consumer may feel compelled to transfer his/her feelings about the organization, at least partially, to the retailer (i.e., achieving a "balanced" cognitive perspective—Heider 1958). Prior research confirms that one of the key outcomes of CSR initiatives is that customers exhibit a higher level of identification with the company (Sen, Bhattacharya, and Korschun 2006), especially when the company's efforts are tied to causes the consumer also identifies with (Sen and Bhattacharya 2001).

Partnerships, where a retailer and community form committed relationships, should clearly raise the level of perceived similarity between the retailer and community. When a retailer partners

with a community organization to work toward a common goal, the inherently interdependent nature of this form of engagement generally requires the creation and/or nurturing of shared values between the two entities (Porter and Kramer 2006). Values constitute a major aspect of an organization's identity (Bhattacharya and Sen 2003), so when two organizations share values, they are more likely to be viewed as similar.

Philanthropy, while providing indication of common concern, does not necessarily involve any long-term commitment on behalf of the retailer (i.e., it is likely to be transactional in nature). Further, the retailer has greater ability to support a variety of organizations in this manner. Thus, even if the retailer's philanthropic support is perceived to be genuine, the limited commitment of this form may not convey similarity in values in the same manner as a partnership would. Still, consistent with prior research, both strategies should lead to higher levels of retailer identification in practice.

Hypothesis 3: A retailer's philanthropic support of a community organization will have a positive influence on consumers' retailer identification.

Hypothesis 4: A retailer's partnership with a community organization will have a positive influence on consumers' retailer identification.

Indirect Influences of Partnership and Philanthropy

According to the S-O-R model, after consumer affective and cognitive reactions are revised by a stimulus, these reactions then influence consumer preference for a particular brand and, ultimately, intentions and behaviors toward that brand. *Brand trust* is described as the willingness of consumers to rely on a particular retail brand (Chaudhuri and Holbrook 2001). Trust is formed through a calculative process that results in consumers forming an inference regarding the future behavior of the retailer (Doney and Cannon 1997). Brand trust assessments thereby act as a bridge between affective and cognitive reactions, as this "willingness" acts as a precursor to intentions. *Behavioral intentions* favorable to a retailer include speaking highly of the firm, showing preference for the firm in purchase situations, and paying a price premium for the firm's products (Zeithaml, Berry, and Parasuraman 1996). Research applying the S-O-R framework also finds that cognitive and affective reactions act directly on response variables (Lii and Lee 2012). In this section, we examine how partnership and philanthropy (stimuli) ultimately influence brand trust and behavioral intentions (response) through purchase satisfaction and retailer identification (organism).

Organism → Response Effects

When consumers have a higher level of satisfaction with purchase experiences, they become more confident in the abilities of the firm providing the products or services, thereby increasing their willingness to rely on the firm (Singh and Sirdeshmukh 2000). Trust is especially likely to be influenced by purchase satisfaction, since purchase satisfaction is based on the consumer's direct experience with the brand (Delgado-Ballester and Munera-Aleman 2000). Recent research finds that satisfying purchase experiences can increase consumer trust in both manufacturer brands (He, Yan, and Harris 2012), and retail brands (Luk and Yip 2008). Prior research also

suggests that behavioral intentions toward retailers are directly influenced by satisfaction (Cronin, Brady, and Hult 2000; Van Birgelen, de Jong, and de Ruyter 2006). Thus, we present the following replication hypotheses:

Hypothesis 5: Purchase satisfaction will positively influence brand trust.

Hypothesis 6: Purchase satisfaction will positively influence behavioral intentions.

Higher levels of identification suggest that the characters of two entities are congruent with one another and that the two share some common values (Sen and Bhattacharya 2001). Research suggests that perceptions of similarity and shared values have a positive influence on the trust in buyer/seller relationships (Lichtenthal and Tellefsen 2001; Morgan and Hunt 1994). Higher levels of retailer identification also lead consumers to categorize the retailer as an “in-group” rather than an “out-group” member. This categorization leads consumers to behave in a biased manner that is favorable for the retailer (Tajfel and Turner 1986).

Hypothesis 7: Retailer identification will positively influence brand trust.

Hypotheses 8: Retailer identification will positively influence behavioral intentions.

Mediation Hypotheses

Despite potential accusations of self-serving motivations associated with some philanthropic endeavors, engagement efforts, whether partnering or philanthropic, have generally been found to have a positive influence on consumer trust (Swaen and Chumpitaz 2008). Swaen and Chumpitaz (2008) describe two aspects of an engagement strategy that may facilitate trust in a retail brand. First, engagement efforts send signals to consumers that a company does have the consumer’s best interest at heart. Second, a marketer’s positive efforts toward a given organization reveal values that both the retailer and the consumer (as a member of a group) may share.

The concept of mutual support similarly implies that engagement efforts should also have a generally positive influence on consumer behavioral intentions. Mutual support is the creation of alliances that are valued by members of a community (Aram 1989). Members of a community will give support to, and create alliances with, others who support valued causes of group members (Warren 1978). In accord with both sociological and stewardship theories, the actions taken by one group on behalf of another create feelings of goodwill within the members of both the giving and receiving groups (Davis, Donaldson, and Schoorman 1997; McMillan 1996; Warren 1978). In a retail context, mutual support rests upon the assumption that community members will want to reciprocate to a retailer who has invested in the community (Miller and Besser 2000).

Although engagement efforts are generally expected to influence brand trust and behavioral intentions positively, the S-O-R framework suggests that these relationships will be mediated rather than direct. Two factors of the present context lend support to this theory. First, prior studies involving retail engagement strategies do not commonly involve customers with past

purchase history and, thus, are unable to account for purchase satisfaction. Satisfaction has been identified as the primary determinant of trust in retail settings (Zboja 2006), and has previously been shown to mediate CSR market outcomes fully (Luo and Bhattacharya 2006). Second, when consumers strongly support the organization being assisted by the company, retailer identification is more likely to mediate the influence of CSR initiatives (Sen and Bhattacharya 2001). Given these considerations, and in accordance with the study framework, we suggest the following:

Hypothesis 9a: A retailer's philanthropic support of a community organization will have a fully mediated influence on consumers' brand trust.

Hypothesis 9b: A retailer's partnership with a community organization will have a fully mediated influence on consumers' brand trust.

Hypothesis 10a: A retailer's philanthropic support of a community organization will have a fully mediated influence on consumers' behavioral intentions.

Hypothesis 10b: A retailer's partnership with a community organization will have a fully mediated influence on consumers' behavioral intentions.

Relational Factors

In addition to investigating the effects of community engagement strategies from the perspective of an SOR framework, this study also considers how these strategies can affect the relational nature of exchange between customers and the retailer. Trust is one of the constructs most closely associated with relational exchange (Morgan and Hunt 1994), and brand trust has a demonstrated influence on behavioral intentions (Chaudhuri and Holbrook 2001). Brand trust increases the value of the exchange relationship to consumers, and they behave in a manner consistent with this increased valuation (Chaudhuri and Holbrook 2001). Before further considering how community engagement strategies can influence the nature of exchange between retailer and consumer, we formally propose:

Hypotheses 11: Brand trust will positively influence behavioral intentions.

A desired outcome of community engagement strategies is that the retailer be perceived as a member of the community. Through philanthropy and partnership strategies, the retailer is often attempting to convey to the community and consumers that the company is "one of them." Due to the differing nature of these strategies, the message is conveyed to the consumer in distinct ways. Philanthropy signals that the retailer has altruistic motives toward the community (Seitanidi and Ryan 2007), while partnership signifies a deep level of engagement with the community organization (Bowen, Newenham-Kahindi, and Herremans 2010).

Still, in either context, relationship marketing theory implies that if consumers buy into these engagement messages, beyond the outcomes previously described, consumer exchange relationships with the retailer should take on greater relevancy and become more relational (Laverie and Arnett 2000; Arnett, German, and Hunt 2003). Research suggests that when an

exchange situation is especially relevant and meaningful to consumers, they will be motivated to expend the cognitive effort to consider brand attitudes when determining their behavioral intentions (Suh and Yi 2006). On the other hand, when an exchange situation is of little relevance to consumers, they will be more likely to rely on more easily accessed satisfaction judgments when determining behavioral intentions (Suh and Yi 2006). Further, it has been demonstrated that trust determines the future behavioral intentions of highly relational consumers, while satisfaction is a greater determinant of behavioral intentions for low relational consumers (Garbarino and Johnson 1999). Successful community engagement strategies should have the effect of altering the nature of the retailer-consumer exchange relationship such that

Hypothesis 12a: Community engagement efforts (i.e., partnership and philanthropy) will moderate the positive influence of brand trust on behavioral intentions. The influence of brand trust on behavioral intentions will be stronger when consumers are made aware that the retailer engages with the community.

Hypothesis 12b: Community engagement efforts (i.e., partnership and philanthropy) will moderate the positive influence of purchase satisfaction on behavioral intentions. The influence of purchase satisfaction on behavioral intentions will be weaker when consumers are made aware that the retailer engages with the community.

METHOD

Sample

A web-based instrument hosted on the Qualtrics server was used to gather data from a sample of consumers drawn from the consumer database of a privately owned retailer in the midwestern United States. At the time of the study, the retailer had been operating for three years and was generating approximately \$1 million in sales revenue. The retailer specializes in the sale of clothing and general merchandise (e.g., coffee mugs, pens, and memorabilia) emblazoned with the logos or identifying marks of social organizations and sports teams. The retailer sells merchandise directly to end consumers both online and offline (e.g., on-site at national organization meetings). All merchandise sold by the retailer also features its own private label. Although the retailer sells merchandise representing several different groups, it had recently established a deep relationship with the leadership team of one particular women's social organization. At the time of the study, the retailer was preparing to announce a strategic partnership with the organization to develop an exclusive line of clothing for its members. It had also recently begun making financial contributions to a foundation established by the organization to provide scholarships for members that were pursuing an undergraduate or graduate degree, but had not made its contributions public. Therefore, this retailer provided an ideal platform for us to test the conceptual model.

With permission from both the retailer and the social organization, we sent invitation messages, including a link to the survey instrument, to members of the organization who had previously made purchases from the retailer. To encourage responses, we provided all participants with the opportunity to enter a raffle upon completion of the survey for the chance to win free merchandise. One week after the initial mailing, reminder messages were sent, and after two

additional weeks, the survey was closed. Initially, an invitation message was sent to 4,289 valid e-mail addresses. A total of 564 responses were received, although 124 were eliminated due to incomplete data. Thus, a final sample of 440 responses was used in our analyses, an effective response rate of approximately 10.3 percent. All respondents were female and had at least some college experience. Sample demographic characteristics are provided in Table 1. Nonresponse bias was tested by comparing the first 25 percent of respondents (all completed the survey on the first day), to the last 25 percent of respondents (all completed the survey after the reminder message), as late respondents tend to be similar to nonrespondents (Armstrong and Overton 1977). There were no significant differences between these two groups of respondents in terms of Levene’s statistic for homogeneity of variance and the scale means of the constructs included in our framework.

Table 1. Sample Demographic Characteristics

| Age | | Income | | Education | |
|-------------|------------|---------------------|------------|----------------------|------------|
| Category | Percentage | Category | Percentage | Category | Percentage |
| 18–34 | 10.7 | Under \$40,000 | 5.6 | Some College | 0.7 |
| 35–44 | 26.9 | \$40,000– \$80,000 | 37.4 | Undergraduate Degree | 15.4 |
| 45–54 | 28.5 | \$80,000– \$120,000 | 28.0 | Some Post- Graduate | 11.3 |
| 55 or older | 34.0 | Above \$120,000 | 29.0 | Graduate Degree | 72.6 |

Measures

Existing scales were used to measure all constructs of interest, subject to modifications to fit the study context. Brand trust was measured by adapting items from Chaudhuri and Holbrook (2001). Community identification was measured by adapting six items from Mael and Ashforth (1992). Items to measure behavioral intentions were based on Zeithaml, Berry, and Parasuraman (1996). All of these measures used a seven-point scale with 1 = strongly agree and 7 = strongly disagree. Purchase satisfaction was measured by implementing a seven-point, four-item, semantic differential scale from Ganesan (1994), preceded by the statement, “Think about the purchases that you have made from [company]. Describe your overall feeling with respect to these purchases.” Retailer identification was measured with one text item and one graphic item based on Bergami and Bagozzi (2000). The graphic item involved eight visuals for the respondents to choose from with descriptions ranging from “far apart” to “complete overlap.” The text item was anchored from 1 = not at all to 7 = very much. The differing types of scales utilized in this study help to control for common method bias (Podsakoff, MacKenzie, and Podsakoff 2012).

Survey participants were randomly presented with one of four promotional messages (see the Appendix for details of each message) about the retailer prior to answering questions about their purchase satisfaction, brand trust, retail identification, and behavioral intention. These messages represented the retailer’s stated positioning at the time of the study and accurately reflected their specific philanthropic support for and partnering activities with the customer’s social organization. Participants were required to check a box after reading the promotional message to ensure that this information was considered before proceeding with the rest of the survey. The first message contained no information about the retailer’s partnership with or philanthropic support of the respondent’s organization ($n = 99$), the second message contained information about the retailer’s partnership efforts with the respondent’s community organization ($n = 122$),

the third message contained information about the retailer's philanthropic support of the respondent's community organization in the form of a one-time donation to its educational foundation ($n = 119$), and the fourth message contained information about both the retailer's partnership with and philanthropy toward the respondent's organization ($n = 100$).

Table 2. Construct and Measurement Item Analysis

| Latent Variable | Item description | Loading | Mean | S.D. |
|---------------------------------|--|---------|------|------|
| <i>Retailer Brand Trust</i> | I trust [Retailer]. | .89 | 5.18 | 1.22 |
| AVE = .87 | I can rely on [Retailer]. | .90 | 5.15 | 1.25 |
| $\alpha = .97$ | [Retailer] is an honest brand. | .98 | 5.33 | 1.21 |
| | [Retailer] is a safe brand. | .97 | 5.35 | 1.22 |
| <i>Retailer Identification</i> | Please indicate which case best describes the level of overlap between your own identity and the identity of [retailer] ¹ | .86 | 3.42 | 2.06 |
| AVE = N/A | To what degree does your self-image overlap with the image of [retailer]? | .79 | 3.58 | 1.96 |
| $r = .68$ | | | | |
| <i>Purchase Satisfaction</i> | Displeased: Pleased | .93 | 5.97 | 1.29 |
| AVE = .91 | Very Unhappy: Very Happy | .96 | 5.79 | 1.24 |
| $\alpha = .98$ | Discontent: Content | .96 | 5.85 | 1.26 |
| | Very Dissatisfied: Very Satisfied | .97 | 5.78 | 1.27 |
| <i>Behavioral Intentions</i> | I will recommend [Retailer] to other members of my [Organization]. | .96 | 5.49 | 1.39 |
| AVE = .72 | I will consider [Retailer] in the future when I want to purchase a [Organization] product. | .94 | 5.60 | 1.33 |
| $\alpha = .89$ | I would pay a higher price for merchandise from [Retailer]. | .65 | 4.15 | 1.71 |
| | I would provide a positive testimonial for [Retailer], if asked. | .80 | 5.01 | 1.58 |
| <i>Community Identification</i> | When someone criticizes [Organization], it feels like a personal insult. | .68 | 5.67 | 1.45 |
| AVE = .58 | I am very interested in what others think about [Organization]. | .67 | 5.65 | 1.41 |
| $\alpha = .87$ | When I talk about [Organization], I usually say "we" rather than "they." | .74 | 6.40 | 1.08 |
| | [Organization's] successes are my successes. | .85 | 6.05 | 1.27 |
| | When someone praises [Organization], it feels like a personal compliment. | .89 | 6.09 | 1.21 |
| | If a story in the media criticized [Organization], I would feel embarrassed. ² | – | 5.60 | 1.58 |

AVE = Average Variance Extracted; α = Cronbach's alpha; S.D. = Standard Deviation

Notes. ¹Indicates a graphic item. ²Indicates the item was dropped during confirmatory analysis.

Analysis and Results

All responses were included in a confirmatory factor analysis, conducted using the AMOS 22.0 software, to evaluate the quality of the measurement model. During this confirmatory analysis, one of the scale items was removed (noted in Table 2) because it had a factor loading below 0.50. The fit indices of the final measurement model were good ($\chi^2 = 458.8$, $DF = 142$; $IFI = .96$; $CFI = .96$; $NNFI = .96$; $RMSEA = .071$). All items had standardized loadings above 0.60; the inter-item reliability for all scales was acceptable as all constructs had Cronbach alphas above 0.80; and the average variance extracted (AVE) by each construct was above 0.50. Table 2 presents an analysis of the constructs and measurement items used in the study. Further, the AVE for each construct was greater than the squared correlation between all pairs involving the construct, demonstrating discriminant validity. Finally, the Harman one-factor test was utilized

to test for the presence of a general factor. Because no single factor could account for a majority of the covariance between the measures, common method bias was not deemed a significant threat to our study (Podsakoff et al. 2003). The correlation matrix and construct descriptive statistics are shown in Table 3.

Table 3. Correlation Matrix and Descriptive Statistics

| | PS | RI | BT | BI | CI | Age | IN | ED |
|-------------------------------|------|------|------|------|------|------|------|------|
| Purchase satisfaction (PS) | 1 | | | | | | | |
| Retailer Identification (RI) | .36 | 1 | | | | | | |
| Brand Trust (BT) | .61 | .49 | 1 | | | | | |
| Behavioral Intentions (BI) | .69 | .50 | .68 | 1 | | | | |
| Community Identification (CI) | .17 | .27 | .27 | .21 | 1 | | | |
| Age | .03 | .27 | .10 | .10 | .17 | 1 | | |
| Income (IN) | -.07 | -.11 | -.15 | -.05 | .04 | .14 | 1 | |
| Education (ED) | .01 | .09 | .09 | .06 | .04 | .09 | .10 | 1 |
| Mean | 5.85 | 3.79 | 5.25 | 5.06 | 5.91 | 3.94 | 5.16 | 3.56 |
| Standard Deviation | 1.27 | 1.98 | 1.23 | 1.51 | 1.34 | 1.17 | 1.90 | 0.77 |

Note: All correlations of magnitude greater than or equal to .10 are significant at $p < .05$.

Tests of Direct Effects

Two separate ANCOVA models were estimated with purchase satisfaction and retailer identification as the respective dependent variables; philanthropy (0 = not mentioned; 1 = mentioned), partnership (0 = not mentioned; 1 = mentioned), and their interaction term as the independent variables; and community identification as a covariate. In each model, community identification was a significant covariate ($F > 14.89, p < .001$), and the interaction effect of the two strategies was nonsignificant ($F < 0.14, p > .70$). In support of Hypothesis 1, there was a significant effect of the philanthropy on purchase satisfaction ($M_0 = 5.74, M_1 = 5.96; F = 5.68, p < .05$). However, the effect of partnership on purchase satisfaction was nonsignificant ($M_0 = 5.81, M_1 = 5.89; F = .57, p = .45$), failing to support Hypothesis 2. Similarly, the effect of philanthropy on retailer identification was nonsignificant ($M_0 = 3.45, M_1 = 3.55; F = 1.72, p = .19$), failing to support Hypothesis 3. On the other hand, the effect of partnership on retailer identification was significant ($M_0 = 3.29, M_1 = 3.71; F = 5.76, p < .05$), supporting Hypothesis 4.

Given these results, we conducted a follow-up analysis to see how partnership or philanthropy may have affected the perceived similarity or overlap between the retailer and the community organization. One additional ANCOVA model was estimated with philanthropy and partnership as independent variables and with perceived overlap between the retailer and community organization as the outcome. Retailer-community overlap was assessed with items identical to those used to measure retailer identification, except that the respondent was asked to compare the community organization's identity and image to the retailer's instead of comparing her own identity or image to the retailer's. The analysis found the effect of partnership on the perceived overlap between the two entities to be significant ($M_0 = 3.90, M_1 = 4.26; F = 5.10, p < .05$), and the effect of philanthropy on the perceived overlap between the two entities to be nonsignificant ($M_0 = 4.04, M_1 = 4.11; F = 1.07, p = .30$). This finding supports the notion that partnerships help to facilitate perceptions of similarity between the retailer and community in a way that philanthropy does not.

A structural model was estimated to further confirm the hypotheses regarding the influences of philanthropy and partnership, and test the hypothesized relationships among the latent variables. The structural model (1) captured all relationships in Hypotheses 1 through 8 and Hypothesis 11; (2) allowed purchase satisfaction and retailer identification to correlate with one another; (3) controlled for the potential influence of partnership and philanthropy on brand trust and behavioral intentions; and (4) controlled for the potential influence of community identification on all other latent constructs in the model. The model was a good fit to the data ($\chi^2 = 483.97$; $df = 173$; $CFI = .96$; $IFI = .97$; $NNFI = .96$; $RMSEA = .064$). Confirming the ANCOVA results, the path between philanthropy and purchase satisfaction was significant ($\beta = .11$, $t = 2.32$, $p < .05$), while the path from partnership to purchase satisfaction was found to be nonsignificant ($\beta = .03$, $t = 0.72$, $p < .47$). Also, the path from philanthropic information to retailer identification was nonsignificant ($\beta = .06$, $t = 1.21$, $p < .23$), while a significant path was found to exist from partnership information to retailer identification ($\beta = .12$, $t = 2.39$, $p < .05$). Thus, the structural model results also support Hypotheses 1 and 4, while failing to support Hypotheses 2 and 3. As noted in Table 4, all of the hypothesized relationships between latent variables in the model (H5–H8 and H11) were supported ($\beta \geq .15$, $t \geq 3.54$, $p < .001$).

Table 4. Results of Structural Model Estimation

| Estimated Paths | Standardized Coefficient | T-value |
|---|---------------------------------|----------------|
| H1: Philanthropy Information → Purchase Satisfaction | 0.11* | 2.32 |
| H2: Partnership Information → Purchase Satisfaction | 0.03 | 0.72 |
| H3: Philanthropy Information → Retailer Identification | 0.06 | 1.21 |
| H4: Partnership Information → Retailer Identification | 0.12* | 2.39 |
| H5: Purchase satisfaction → Brand Trust | 0.48*** | 11.05 |
| H6: Purchase satisfaction → Behavioral Intentions | 0.46*** | 11.49 |
| H7: Retailer Identification → Brand Trust | 0.28*** | 5.65 |
| H8: Retailer Identification → Behavioral Intentions | 0.15*** | 3.54 |
| H11: Brand Trust → Behavioral Intentions | 0.34*** | 7.69 |
| Controlled Paths | | |
| Community Identification → Purchase Satisfaction | 0.17*** | 3.43 |
| Community Identification → Retailer Identification | 0.31*** | 5.72 |
| Community Identification → Brand Trust | 0.10*** | 2.51 |
| Community Identification → Behavioral Intentions | -0.01 | -0.24 |
| Philanthropy Information → Brand Trust | 0.04 | 0.97 |
| Philanthropy Information → Behavioral Intentions | -0.03 | -1.13 |
| Partnership Information → Brand Trust | 0.03 | 0.75 |
| Partnership Information → Behavioral Intentions | 0.03 | 1.05 |
| Squared Multiple Correlations | | |
| Brand Trust | 0.47 | |
| Behavioral Intentions | 0.66 | |
| Fit Statistics | | |
| χ^2 | 483.97 | |
| Df | 173 | |
| CFI | 0.96 | |
| IFI | 0.97 | |
| NNFI | 0.96 | |
| RMSEA | 0.064 | |

Notes: *** $p < .001$; ** $p < .01$; * $p < .05$

Testing a Competing Model

To confirm the empirical findings, we estimated another structural model identical to the first, except that the controlled paths from partnership and philanthropy to brand trust and behavioral intentions were constrained to zero, more accurately reflecting the conceptual framework in Figure 1. Consistent with the prior model estimation, this model supported all the relevant hypotheses, except for H2 and H3, and returned fit indices that were very similar ($\chi^2 = 487.91$; $df = 177$; CFI = .96; IFI = .97; NNFI = .95; RMSEA = .063).

This model was then compared to a competing model with purchase satisfaction and retailer identification positioned as partial mediators of the relationship between brand trust and behavioral intentions. This model allows partnership and philanthropy to affect brand trust directly, while constraining the influence of these variables on purchase satisfaction and retailer identification to zero. The fit of this competing model was also very similar ($\chi^2 = 491.93$; $df = 179$; CFI = .96; IFI = .96; NNFI = .95; RMSEA = .063). The path from philanthropy and brand trust was significant in this model ($\beta = .11$, $t = 2.27$, $p < .05$) while the path from partnership to brand trust was nonsignificant ($\beta = .08$, $t = 1.70$, $p < .09$). The Akaike Information Criterion (AIC) is commonly used to compare the quality of structural models with lower scores indicating the better model, and the model based on the study conceptual framework fared just slightly better (637.911 to 637.933). With this rival model faring no better empirically, we moved forward with the study's conceptual framework based on its stronger theoretical support.

Tests of Mediation

To test the hypotheses involving mediation, we conducted a bootstrap test in AMOS. Bootstrapping returns bias-corrected confidence intervals to test for the significance of mediated effects of interest. A model identical to the one evaluated in the structural analysis was estimated using 5,000 bootstrapped samples (Melton and Hartline 2013; Shrout and Bolger 2002). In accordance with Hypothesis 9a, there was a significant positive mediated influence of philanthropy on brand trust ($\beta_{upper} = .26$; $\beta_{lower} = .04$; $p < .05$) and a nonsignificant direct influence ($\beta_{upper} = .23$; $\beta_{lower} = -.05$; $p = .33$). Also, in accordance with Hypothesis 10a, there was a significant positive mediated influence of philanthropy on behavioral intentions ($\beta_{upper} = .41$; $\beta_{lower} = .08$; $p < .05$) and a nonsignificant direct influence ($\beta_{upper} = .03$; $\beta_{lower} = -.24$; $p = .20$). On the other hand, Hypotheses 9b and 10b were not supported. The mediated influences of partnership on brand trust ($\beta_{upper} = .20$; $\beta_{lower} = -.07$; $p = .17$) and behavioral intentions ($\beta_{upper} = .23$; $\beta_{lower} = -.06$; $p = .15$) were nonsignificant.

Tests of Moderation

SEM multigroup analyses were conducted to test Hypotheses 12a and 12b. The group of respondents that received only a generic promotional message with no information about the retailer's partnership or philanthropic support was compared to (1) the group that received partnership information only, (2) the group that received philanthropic information only, and (3) the group that received both partnership and philanthropy information. Structural models used in these tests were identical to the ones used to confirm the baseline model, except that the models

did not include the direct influences of partnership and philanthropy. In each case, a model that imposed an equality constraint on the path from brand trust to behavioral intentions or from purchase satisfaction to behavioral intentions was compared to a model that allowed the path to vary across groups. A chi-square difference test that indicates that the constrained model is a worse fit to the data than the unconstrained model implies that the path differs significantly across the two groups of respondents.

Chi-square tests failed to detect significant differences when comparing the group receiving a generic message to the partnership group. Constraining the influence of brand trust ($\Delta\chi^2 = 1.89$, $\Delta DF = 1$, $p = .17$) or purchase satisfaction ($\Delta\chi^2 = 0.00$, $\Delta DF = 1$, $p = .99$) on behavioral intentions to be equal across the two groups did not lead to a worsening of model fit. Similarly, chi-square tests failed to detect significant differences when comparing the group receiving a generic message to the philanthropy group. Constraining the influence of brand trust ($\Delta\chi^2 = 1.03$, $\Delta DF = 1$, $p = .31$) or purchase satisfaction ($\Delta\chi^2 = 0.29$, $\Delta DF = 1$, $p = .86$) on behavioral intentions to be equal across the two groups did not lead to a worsening of model fit.

However, the findings were much different when comparing the generic group to the group receiving both partnership and philanthropic information. Constraining the influence of brand trust on behavioral intentions to be equal resulted in a significant worsening of the structural model fit ($\Delta\chi^2 = 3.69$, $\Delta DF = 1$, $p < .06$). The influence of brand trust was greater among respondents who were given information about the retailer's partnership and philanthropy ($\beta_{\text{present}} = .54$, $t = 5.19$, $p < .001$) than those who were not provided with this information ($\beta_{\text{absent}} = .18$, $t = 1.67$, $p < .10$). Likewise, constraining the influence of purchase satisfaction on behavioral intentions to be equal also resulted in a significant worsening of the structural model fit ($\Delta\chi^2 = 8.29$, $\Delta DF = 1$, $p < .01$). The influence of purchase satisfaction was weaker among respondents who were given information about the retailer's partnership and philanthropy ($\beta_{\text{present}} = .18$, $t = 2.04$, $p < .05$) than those who were not provided with this information ($\beta_{\text{absent}} = .54$, $t = 5.31$, $p < .01$). The results of this model comparison provide partial support for Hypotheses 12a and 12b.

DISCUSSION AND IMPLICATIONS

This research proposes and tests a conceptual model of how retail community engagement strategies affect consumer purchase satisfaction, retailer identification, brand trust, and behavioral intentions. The findings illustrate how these customer reactions and responses are affected by retailer's use of community engagement, as well as some of the distinctiveness between the engagement strategies of partnering and philanthropy. Although partnering and philanthropy are at opposite ends of the continuum relating to retailer involvement with a community, apparently, largely positive outcomes are still associated with either approach. Specifically, partnership strengthens consumer identification with the retailer, while philanthropy strengthens feelings of purchase satisfaction. Moderation tests further suggest that a combined engagement strategy may yield the strongest return for a company making investments in a community.

Theoretical Contributions

There has been little conceptual advancement or empirical evidence related to the differential effects of utilizing distinct engagement strategies. We are among the first to propose and test a conceptual model of how distinct community engagement strategies affect consumer reactions and responses. Building on the stimulus-organism-response (SOR) framework, we develop a model that suggests consumers first react internally to a retailer's community engagement in both an affective and cognitive manner, by respectively adjusting their level of purchase satisfaction and retailer identification. These reactions then affect the behavioral intentions of customers directly and through their increased preference for the retailer employing the engagement strategy (a preference exhibited by higher levels of trust in the retailer's brand). The design of our study allowed us to consider differential influences across the partnership and philanthropy engagement strategies. Although we hypothesized that both strategies would positively influence internal consumer reactions based on prior CSR research, our results suggest that each engagement strategy ultimately takes a different path to influence behavioral intention.

Our findings suggest that partnering affects brand trust and behavioral intention indirectly by first influencing the consumer's more cognitive identification with a retailer. Partnering provides a means of directly influencing perceptions of the self and seems to aid in the generation of a need to reciprocate on behalf of consumers through a stronger identification with the partnering group. It also appears that partnering helps the retailer to become a "part of the community," as opposed to an outside organization. This finding is similar to effects found by Arnold et al. (2013) in relation to a retailer acting to socialize members of a community, as well as provide mutual support (strengthening consumer loyalty and a willingness to pay more for a retailer's merchandise). Perhaps such a sense of identification with the retailer is due to the greater level of commitment demonstrated by the retailer when compared to simply donating cash through philanthropy (i.e., the transformational, as opposed to transactional, nature of the strategic relationship).

On the other hand, partnering did not influence more affective purchase satisfaction reactions. With a partnership, both the retailer and the community benefit from the relationship. The retailer's engagement may be viewed as being motivated by self-interest, which could abate the otherwise positive feelings of customers toward the retailer's engagement initiative (Sen and Bhattacharya 2006). Also, considering the commitment on behalf of the retailer to future interactions with the community, it may be that the customer directs more attention to the ongoing relationship between the retailer and community, rather than focusing on retrospective evaluations of past purchase transactions.

Our findings also suggest that philanthropy has a significant mediated influence on brand trust and behavioral intentions via the more affective purchase satisfaction of consumers. Philanthropy seems to generate positive effects in relation to transaction-linked evaluations of a retailer such as purchase satisfaction. It seems that knowing that a retailer provided economic support to a community organization may help to reinforce the notion that the retailer is *good*, or simply alleviate any potential purchase dissonance because of the donation. CSR research suggests that the retailer's donation is perceived as a source of value to the consumer. When consumers become aware of these contributions, their perception of the benefits received from prior purchases with the retailer goes up, resulting in improved satisfaction reactions (Pelozo and Shang 2011).

However, philanthropy did not generate greater levels of more cognitively based identification toward the retailer. Philanthropy, as a transactional form of engagement, does not require the retailer to make any long-term commitments to the consumer's community. With the absence of an ongoing relational commitment, philanthropy does not appear to convey effectively similarity and overlap to the consumer. Thus, when retailers only engage in philanthropy, customers are not likely to view the retailer a part of the in-group (i.e., a valued member of the community). This may be especially true in situations like the present context, where the retailer does not share a geographical location with the community.

Finally, our moderation analyses suggest that community engagement strategies can have the effect of building a more *relational* orientation among consumers, shifting a focus to one of the cornerstones of any good relationship (i.e., trust), while also deemphasizing the simple transactional components of a relationship (i.e., purchase). Interestingly, we found that the combination of the two engagement strategies in our study—rather than the use of either strategy in isolation—produced this relational effect. Since consumers may have a tendency to view engagement efforts a bit skeptically (Forehand and Grier 2003), using both partnership and philanthropy in combination may have helped to overcome some the weaknesses of either strategy. For example, philanthropy is better than partnership at conveying that the retailer's motives are somewhat altruistic (Seitanidi and Ryan 2007), while partnership is better than philanthropy at conveying the retailer's long-term commitment (Bowen et al. 2010). It may be that both of these messages must be communicated well in order for community members to begin behaving relationally as a consequence of engagement efforts.

In addition, our study is among the first to investigate the effects of engagement strategies using a sample of customers with past purchase experiences. Previous work on community engagement has been conducted mainly in lab settings with subjects in hypothetical situations. Our study further contributes a new perspective to the marketing literature on community engagement by testing these influences in a nontraditional retail context where the community is defined by identification with a membership group.

Managerial Implications

The findings of this field study suggest that retailers can, indeed, leverage consumers' preexisting identification with a community-oriented organization through engagement strategies with that organization. This discovery is great news for retailers with target consumers who are affiliated with a community. Instead of exhausting promotional funds on traditional advertising, retailers can consider allocating these resources to focused community engagement efforts instead. However, community engagement should not be viewed as a "one size fits all" strategy. Managers should take their organizational objectives into account before initiating a specific community engagement effort.

Our results suggest that philanthropy directly impacts purchase satisfaction, a transactional and affective customer reaction. Armed with this information, retailers that have a need to improve in these areas should consider engaging in targeted philanthropic activities. For example, if a retailer finds itself lagging behind a competitor in terms of satisfaction, philanthropy directed at

community organizations overlapping with segments of its customer base could be an effective strategy to gain some ground on this metric. The good news is that the amount of philanthropy need not be an extraordinary amount (\$5,000 in our study), as long as the consumers perceive genuine goodwill from the retailer. In addition, our findings also indicate that partnership directly influences retailer identification, a forward looking and cognitive customer reaction. Thus, retailers that have long-term communication goals should be more inclined toward partnerships with community organizations overlapping with segments of its customer base. However, since partnerships require retailers to allocate more resources to the effort, the firm must be selective when utilizing this engagement strategy.

Along these lines, the findings also suggest that if promotional funds are limited, a retailer needs to be realistic about its relationship with target consumers to ensure a more effective allocation of promotional dollars. If the nature of the relationship is more superficial (e.g., related to products and/or services that are less likely to be linked with self-identity—paper towels, dishware, etc.), expending greater time and energy on partnering ventures may yield limited results. The superficial nature of the relationship may indicate that simply donating in a logical, transparent manner may be an appropriate community-enhancing strategy. On the other hand, if identification is already strong (e.g., products/services that link with self-identity—publicly consumed items), then investing more heavily through partnering efforts appears logical. In an ideal situation, of course, if funding allows, then the results of the current study suggest there are benefits from investing in both forms of community enhancement.

Consistent with this outcome, our finding that partnering and philanthropy interact to minimize the effect of purchase satisfaction upon behavioral intentions, while strengthening the effect of brand trust on behavioral intentions, suggests that utilizing multiple engagement strategies has synergistic potential. If a retailer desires to cultivate a relationship with a particularly valuable community, it may be well worth the investment to apply both strategies because they convey differential and compatible information to consumers. The use of both strategies can signal that the retailer has both goodwill and a long-term commitment to the community. The result is that customer behavior becomes more relational, increasingly dependent on *who* the customer perceives the retailer to be (i.e., brand trust) and less dependent on the retailer's transactional performance (i.e., purchase satisfaction). This shift is tremendously beneficial, since the retail brand is a more stable, harder-to-copy competitive advantage than transactional performance.

LIMITATIONS AND FUTURE RESEARCH

Although the results provide an interesting foundation upon which to build future community engagement research, the results should be interpreted cautiously, considering that the sample was comprised entirely of female consumers (an outcome of partnering with a female community organization) that were highly educated. It is difficult to determine whether these characteristics may have affected the study results. Some research suggests that females are more favorable to CSR activities (Ross, Pateterson, and Stutts 1992). On the other hand, highly educated consumers are generally presumed to be more skeptical of marketing activities (Obermiller and Spangenberg 1998). Thus, the results of this study can most confidently be applied to this particular segment of the population. Further research investigating the effect of partnership and philanthropy efforts toward consumer membership groups should be conducted

using samples that are more demographically diverse. Also, the present study surveyed the customer base of a small privately owned retailer selling a limited product line. Thus, it would be interesting to see if customer response patterns are similar when larger entities are involved. Future studies may also consider perceptions of company motives, as this may be an important consideration when consumers evaluate a company's philanthropic effort.

Future research may also investigate the effects proposed here in a more tightly controlled experimental setting. While a benefit of the current study is that the investigation features real consumers and the actual community engagement strategies in use by a retailer, an experimental setting would allow finer manipulation of the philanthropic or partnership strategy. For example, differing amounts of philanthropic donation and differing kinds of partnerships might be investigated. Another limitation is that we did not assess the fit between the retailer and the cause in this study, a variable that could influence how consumers viewed the retailer's engagement efforts (Becker-Olsen, Cudmore, and Hill 2006; Nan and Heo 2007). Future studies should manipulate the fit of community engagement strategies when applying more tightly controlled experimental designs.

Community engagement strategies beyond philanthropy and partnership should also be considered in future studies. For example, Seitanidi and Ryan (2007) categorize sponsorships as an intermediate stage between the two extremes, and research suggests that consumer identification with a sponsored organization positively relates to the purchasing behavior of consumers (Cornwell and Coote 2005). Given the demonstrated synergistic effects of philanthropy and partnership, it is important to understand the implications of using other community engagement strategies in tandem with each another.

References

- Algesheimer, René, Utpal M. Dholakia, and Andreas Herrmann (2005), "The Social Influence of Brand Community: Evidence from European Car Clubs," *Journal of Marketing*, 69 (July), 19–34.
- Aram, John D. (1989), "Attitudes and Behaviors of Informal Investors toward Early-Stage Investments, Technology-Based Ventures, and Co-investors," *Journal of Business Venturing*, 4 (5), 333–47.
- Arnett, Dennis B., Steve D. German, and Shelby D. Hunt (2003), "The Identity Salience Model of Relationship Marketing Success: The Case of Nonprofit Marketing," *Journal of Marketing*, 67 (2), 89–105.
- Armstrong, J. Scott, and Terry S. Overton (1977), "Estimating Nonresponse Bias in Mail Surveys," *Journal of Marketing Research*, 14 (3), 396–402.
- Arnold, Stephen J., Jay Handelman, and Douglas J. Tigert (1996), "Organizational Legitimacy and Retail Store Patronage," *Journal of Business Research*, 35 (3), 229–39.
- Arnold, Stephen J., Robert V. Kozinets, and Jay M. Handelman (2001), "Hometown Ideology and Retailer Legitimation: The Institutional Semiotics of Walmart Flyers," *Journal of Retailing*, 77 (2), 243–71.

- Arnold, Todd J., Elten Briggs, Timothy D. Landry, and Tracy A. Suter (2013), "The Development of Core Retailer Community Functions," *Journal of Marketing Theory and Practice*, 21 (3), 243–55.
- Ashforth, Blake E., and Fred Mael (1989), "Social Identity Theory and the Organization," *Academy of Management Review*, 14 (1), 20–39.
- Austin, James E. (2000), "Strategic Collaboration between Nonprofits and Business," *Nonprofit and Voluntary Sector Quarterly*, 29 (1), 69–97.
- Bagozzi, Richard P. (1983), "A Holistic Methodology for Modeling Consumer Response to Innovation," *Operations Research*, 31 (1), 128–76.
- Bagozzi, Richard P. (1984), "A Prospectus for Theory Construction in Marketing." *Journal of Marketing*, 48 (1), 11–29.
- Becker-Olsen, Karen L., B. Andrew Cudmore, and Ronald Paul Hill (2006), "The Impact of Perceived Corporate Social Responsibility on Consumer Behavior," *Journal of Business Research*, 59 (1), 46–53.
- Belk, Russell W. (1975), "Situational Variables and Consumer Behavior," *Journal of Consumer Research*, 157–64.
- Bergami, Massimo, and Richard P. Bagozzi (2000), "Self-Categorization, Affective Commitment and Group Self-Esteem as Distinct Aspects of Social Identity in the Organization," *The British Journal of Social Psychology*, 39 (4), 555–77.
- Bhattacharya, C.B., Hayagreeva Rao, and Mary Ann Glynn (1995), "Understanding the Bond of Identification: An Investigation of its Correlates among Art Museum Members," *Journal of Marketing*, 59 (3), 46–57.
- Bhattacharya, C.B., and Sankar Sen (2003), "Consumer-Company Identification: A Framework for Understanding Consumers' Relationships with Companies," *Journal of Marketing*, 67 (2), 76–88.
- Bowen, Frances, Aloysius Newenham-Kahindi, and Irene Herremans (2010), "When Suits Meet Roots: The Antecedents and Consequences of Community Engagement Strategy," *Journal of Business Ethics*, 95, 297–318.
- Chaudhuri, Arjun, and Morris B. Holbrook (2001), "The Chain of Effects from Brand Trust and Brand Affect to Brand Performance: the Role of Brand Loyalty," *Journal of Marketing*, 65 (2), 81–93.
- Cornwell, T. Bettina, and Leonard V. Coote, (2005), "Corporate Sponsorship of a Cause: The Role of Identification in Purchase Intent," *Journal of Business Research*, 58 (3), 268–76.
- Cronin, Jr., J. Joseph, Michael K. Brady, and G. Tomas M. Hult (2000), "Assessing the Effects of Quality Value and Consumer Satisfaction on Consumer Behavioral Intentions in Service Environments," *Journal of Retailing*, 76 (2), 193–218.

- Curras-Perez, Rafael, Enrique Bigne-Alcaniz, and Alejandro Alvarado-Herrera (2009), "The Role of Self-Definitional Principles in Consumer Identification with a Socially Responsible Company," *Journal of Business Ethics*, 89 (4), 547–64.
- Davis, James H., F. David Schoorman, and Lex Donaldson (1997), "Toward a Stewardship Theory of Management," *Academy of Management Review*, 22 (1), 20–47.
- Delgado-Ballester, Elena, and Jose Luis Munuera-Aleman (2000), "Brand Trust in the Context of Consumer Loyalty," *European Journal of Marketing*, 35 (11/12), 1238–58.
- Doney, Patricia M., and Joseph P. Cannon (1997), "An Examination of the Nature of Trust in Buyer-Seller Relationships," *The Journal of Marketing*, 61 (April), 35–51.
- Donovan, Robert J., and John R. Rossiter (1982), "Store Atmosphere: An Environmental Psychology Approach," *Journal of Retailing*, 58 (1), 34–57.
- Drumwright, Minette E., and Patrick E. Murphy (2001), "Corporate Societal Marketing," in *Handbook of Marketing and Society*, Paul N. Bloom and Gregory T. Gundlach, eds., Thousand Oaks, CA: Sage Publications, 162–83.
- Eroglu, Sevgin A., Karen A. Machleit, and Lenita M. Davis (2001), "Atmospheric Qualities of Online Retailing: A Conceptual Model and Implications," *Journal of Business Research*, 54 (2), 177–84.
- Forehand, Mark R., and Sonya Grier (2003), "When is Honesty the Best Policy? The Effect of Stated Company Intent on Consumer Skepticism," *Journal of Consumer Psychology*, 13 (3), 349–56.
- Ganesan, Shankar (1994), "Determinants of Long-Term Orientation in Buyer-Seller Relationships," *Journal of Marketing*, 58 (2), 1–19.
- Garbarino, Ellen, and Mark S. Johnson (1999), "The Different Roles of Satisfaction, Trust, and Commitment in Consumer Relationships," *Journal of Marketing*, 63 (2), 70–87.
- Gruen, Thomas W., John O. Summers, and Frank Acito (2000), "Relationship Marketing Activities, Commitment, and Membership Behaviors in Professional Associations," *Journal of Marketing*, 64 (3), 34–49.
- Handelman, Jay M., and Stephen J. Arnold (1999), "The Role of Marketing Actions with a Social Dimension: Appeals to the Institutional Environment," *The Journal of Marketing*, 63 (July), 33–48.
- He, Hongwei, Li Yan, and Lloyd Harris (2012), "Social Identity Perspective on Brand Loyalty," *Journal of Business Research*, 65 (5), 648–57.
- Heider, Fritz (1958), *The Psychology of Interpersonal Relations*, New York: Wiley.
- Hozier, George C., and Donald E. Stem, Jr. (1985), "General Retail Patronage Loyalty as a Determinant of Consumer Outshopping Behavior," *Journal of the Academy of Marketing Science*, 13 (1), 32–46.

- Lähdesmäki, Merja, and Tuomo Takala (2012), "Altruism in Business—An Empirical Study of Philanthropy in the Small Business Context," *Social Responsibility Journal*, 8 (3), 373–88.
- Laverie, Debra A., and Dennis B. Arnett (2000), "Factors Affecting Fan Attendance: The Influence of Identity Salience And Satisfaction," *Journal of Leisure Research*, 32 (2), 18–27.
- Lichtenthal, J. David, and Thomas Tellefsen (2001), "Toward a Theory of Business Buyer-Seller Similarity," *Journal of Personal Selling and Sales Management*, 21 (1), 1–14.
- Lii, Yuan-Shuh, and Monle Lee (2012), "Doing Right Leads to Doing Well: When the Type of CSR and Reputation Interact to Affect Consumer Evaluations of the Firm," *Journal of Business Ethics*, 105 (1), 69–81.
- Luk, Sherriff T. K., and Leslie S. C. Yip (2008), "The Moderator Effect of Monetary Sales Promotion on the Relationship between Brand Trust and Purchase Behavior," *Brand Management*, 15 (6), 452–64.
- Luo, Xueming, and C. B. Bhattacharya (2006), "Corporate Social Responsibility, Customer Satisfaction, and Market Value," *Journal of Marketing*, 70 (4), 1–18.
- Mael, Fred, and Blake E. Ashforth (1992), "Alumni and Their Alma Mater: A Partial Test of the Reformulated Model of Organizational Identification," *Journal of Organizational Behavior*, 13 (2), 103–23.
- Mael, Fred, and Blake E. Ashforth (1995), "Loyal From Day One: Biodata, Organizational Identification, and Turnover among Newcomers," *Personnel Psychology*, 48, 309–33.
- Martínez, Patricia, and Ignacio Rodríguez del Bosque (2013), "CSR and Customer Loyalty: The Roles of Trust, Customer Identification with the Company and Satisfaction," *International Journal of Hospitality Management*, 35, 89–99.
- McMillan, James H. (1996), *Educational Research: Fundamentals For the Consumer*, New York: Harper-Collins College Publishers.
- Melton, Horace L., and Michael D. Hartline (2013), "Employee Collaboration, Learning Orientation, and New Service Development Performance," *Journal of Service Research*, 16 (1), 67–81.
- Miller, Nancy J., and Terry L. Besser (2000), "The Importance of Community Values in Small Business Strategy Formation: Evidence from Rural Iowa," *Journal of Small Business Management*, 38 (1), 68–85.
- Mohammed, Rafi, Robert J. Fisher, Bernard J. Jaworski, and Aileen M. Cahill (2002), *Internet Marketing: Building Advantage in a Networked Economy*, New York: Irwin/McGraw Hill.
- Morgan, Robert M., and Shelby D. Hunt (1994), "The Commitment-Trust Theory of Relationship Marketing," *Journal of Marketing*, 58 (3), 20–38.

- Muniz, Albert M., Jr., and Thomas C. O'Guinn (2001), "Brand Community," *Journal of Consumer Research*, 27 (March), 412–32.
- Nan, Xiaoli, and Kwangjun Heo (2007) "Consumer Responses to Corporate Social Responsibility (CSR) Initiatives: Examining The Role of Brand-Cause Fit in Cause-Related Marketing," *Journal of Advertising*, 36 (2), 63–74.
- Obermiller, Carl, and Eric R. Spangenberg (1998), "Development of a Scale to Measure Consumer Skepticism toward Advertising," *Journal of Consumer Psychology*, 7 (2), 159–86.
- Peloza, John, and Jingzhi Shang (2011), "How Can Corporate Social Responsibility Activities Create Value For Stakeholders? A Systematic Review," *Journal of the Academy of Marketing Science*, 39 (1), 117–35.
- Podsakoff, Philip M., Scott B. MacKenzie, and Nathan P. Podsakoff (2012), "Sources of Method Bias in Social Science Research and Recommendations on How to Control It," *Annual Review of Psychology*, 63, 539–69.
- Podsakoff, Philip M., Scott B. MacKenzie, Jeong-Yeon Lee, and Nathan P. Podsakoff (2003), "Common Method Biases in Behavioral Research: A Critical Review of the Literature and Recommended Remedies," *Journal of Applied Psychology*, 88 (5), 879–903.
- Porter, Michael E., and Mark R. Kramer (2006), "Strategy and Society: The Link between Competitive Advantage and Corporate Social Responsibility," *Harvard Business Review*, 78–93.
- Pratt, Michael G. (1998), "To Be or Not to Be: Central Questions in Organizational Identification," in *Identity in Organizations: Building Theory Through Conversations*, David A. Whetten and Paul C. Godfrey, eds., Thousand Oaks, CA: Sage Publications, 171–207.
- Ross, John K., Larry T. Patterson, and Mary Ann Stutts (1992), "Consumer Perceptions of Organizations that Use Cause-Related Marketing," *Journal of the Academy of Marketing Science*, 20 (1), 93–97.
- Russell-Bennett, Rebeka, Janet R. McColl-Kennedy, and Leonard V. Coote (2007), "Involvement, Satisfaction, and Brand Loyalty in a Small Business Services Setting," *Journal of Business Research*, 60 (12), 1253–60.
- Samli, A. Coskun, J. P. Kelly, and H. K. Hunt (1998), "Improving Retail Performance by Contrasting Management- and Consumer-Perceived Store Images: A Diagnostic Tool for Corrective Action," *Journal of Business Research*, 43 (1), 27–38.
- Schouten, John W., and James H. McAlexander (1995), "Subcultures of Consumption: An Ethnography of the New Bikers," *Journal of Consumer Research*, 22 (June), 43–61.
- Schouten, John W., and Harold F. Koenig (2007), "Transcendent Customer Experience and Brand Community," *Journal of the Academy of Marketing Science*, 35 (3), 357–68.

- Seitanidi, Maria M., and Annmarie Ryan (2007), "A Critical Review of Forms of Corporate Community Involvement: From Philanthropy to Partnerships," *International Journal of Voluntary Sector Marketing*, 12, 247–66.
- Sen, Sankar, and C. B. Bhattacharya (2001), "Does Doing Good Always Lead to Doing Better? Consumer Reactions to Corporate Social Responsibility," *Journal of Marketing Research*, 38 (2), 225–43.
- Sen, Sankar, and Daniel Korschun (2006), "The Role of Corporate Social Responsibility in Strengthening Multiple Stakeholder Relationships: A Field Experiment," *Journal of the Academy of Marketing Science*, 34 (2), 158–66.
- Shrout, Patrick E., and Niall Bolger (2002), "Mediation in Experimental and Nonexperimental Studies: New Procedures and Recommendations," *Psychological Methods*, 7 (4), 422–45.
- Singh, Jagdip, and Deepak Sirdeshmukh (2000), "Agency and Trust Mechanisms in Consumer Satisfaction and Loyalty Judgments," *Journal of the Academy of Marketing Science*, 28 (1), 150–67.
- Suh, Jung-Chae, and Youjae Yi (2006), "When Brand Attitudes affect the Customer Satisfaction-Loyalty Relation: The Moderating Role of Product Involvement," *Journal of Consumer Psychology*, 16 (2), 145–155.
- Swaen, Valerie, and Ruben C. Chumpitaz (2008), "Impact of Corporate Social Responsibility on Consumer Trust," *Research and Applications in Marketing*, 23 (4), 7–33.
- Tajfel, Henri, and John C. Turner (1986), "The Social Identity Theory of Intergroup Behavior," in *Psychology of Intergroup Relations*, Stephen Worhcel, ed., Chicago: Nelson-Hall, 7–24.
- Turley, Lou W., and Ronald E. Milliman (2000), "Atmospheric Effects on Shopping Behavior: A Review Of The Experimental Evidence," *Journal of Business Research*, 49 (2), 193–211.
- Uzzi, Brian (1996), "The Sources and Consequences of Embed-dedness for the Economic Performance of Organizations: The Network Effect," *American Sociological Review*, 61 (4), 674–98.
- Van Birgelen, Marcel, Ad de Jong, and Ko de Ruyter (2006), "Multi-Channel Service Retailing: The Effects of Channel Performance Satisfaction on Behavioral Intentions," *Journal of Retailing*, 82 (4), 367–77.
- Van Slyka, David M. (2006), "Agents or Stewards: Using Theory to Understand the Government-Nonprofit Social Services Contracting Relationship," *Journal of Public Administration Research*, 17 (2), 157–87.
- Warren, Roland (1978), *The Community in America*, Chicago: Rand McNally College Pub. Co.
- Wellman, Barry (2005), "Community: From Neighborhood to Network," *Communications of the ACM-The Digital Society*, 48 (10), 53–55.
- Wilson, Marianne (2005), "Doing Good is More Than a Feel-Good Option," *Chain Store Age*, 81 (10), 77–78.

Woodruff, Robert B. (1997), "Customer Value: The Next Source for Competitive Advantage," *Journal of the Academy of Marketing Science*, 25(2), 139–53.

Zboja, James J., and Clay M. Voorhees (2006), "The Impact of Brand Trust and Satisfaction on Retailer Repurchase Intentions," *Journal of Services Marketing*, 20 (6), 381–90.

Zeithaml, Valarie A., Leonard L. Berry, and A. Parasuraman (1996), "The Behavioral Consequences of Service Quality," *Journal of Marketing*, 60 (2), 31–46.

APPENDIX. Study Promotional Messages

NOTE

The wording appearing in brackets has been modified to protect the identities of the retailer and the organization. An effort has been made to reword the statements in such a way that the basic ideas remain the same.

Promotional Message 1: Control

This survey is being cosponsored by [Retailer]. The mission of [Retailer] is to be the consumer's first and only choice for [specific types of social organizations] apparel and accessories. [Retailer] prides itself on [quality] that rivals most [high-end apparel] brands.

Promotional Message 2: Partnership

This survey is being cosponsored by [Retailer]. The mission of [Retailer] is to be the consumer's first and only choice for [specific types of social organizations] apparel and accessories. [Retailer] prides itself on [quality] that rivals most [high-end apparel] brands. [Retailer] was selected by [Organization] to provide [exclusive merchandise for an anniversary celebration]. [Retailer] has also formed a recent partnership with [Organization] to assist the organization in developing a line of clothing to be released in fall 20XX.

Promotional Message 3: Philanthropy

This survey is being cosponsored by [Retailer]. The mission of [Retailer] is to be the consumer's first and only choice for [specific types of social organizations] apparel and accessories. [Retailer] prides itself on [quality] that rivals most [high-end apparel] brands. In 20XX [Retailer] made a donation of \$5,000 to [nonprofit foundation managed by the organization] to assist with its mission of promoting lifelong learning.

Promotional Message 4: Partnership and Philanthropy

This survey is being cosponsored by [Retailer]. The mission of [Retailer] is to be the consumer's first and only choice for [specific type of social organizations] apparel and accessories. [Retailer] prides itself on [quality] that rivals most [high-end apparel] brands. [Retailer] was selected by [organization] to provide [exclusive merchandise for an anniversary celebration]. [Retailer] has also formed a recent partnership with [organization] to assist the organization in developing a

line of clothing to be released in fall 20XX. In 20XX [Retailer] made a donation of \$5,000 to [nonprofit foundation managed by the organization] to assist with its mission of promoting lifelong learning.