

# *The Effect of Trust and Satisfaction on Customers' Commitment towards Their Co-operative Membership in the Finnish Retail Sector*

Anu Puusa, Pasi Tuominen, Timo Tammi and Terhi Tuominen

## **Abstract**

This quantitative study focuses on the co-operative form of business where customer ownership and co-operative principles and values may create additional trust and social capital which is likely to develop stronger commitment toward co-operative membership. The aim is to understand the relationship between trust, satisfaction and affective, continuance and normative member commitment and whether familiarity with the co-operative business model and membership in other loyalty programmes moderate this relationship. Our data is from a Finnish consumer co-operative (belonging to S Group), and we provide unique theoretical, empirical, and practical insights into multiple phenomena and questions concerning customer commitment in retailing. The results indicate that in the context of consumer co-operatives, emotional attachment and economic value are more important drivers for commitment than members' obligation. Moreover, these findings also highlight the importance of taking the context into account, when studying customer (member) commitment.

## **Keywords:**

customer commitment, retailing, consumer co-operative

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## 1. Introduction

How to gain the commitment of customers is one of the central questions in retail marketing literature as customer commitment impacts customer behaviour (Pandit & Vilches-Montero, 2016). It has been stated that commitment increases customers' desire to form a relationship with a specific service provider (Pandit & Vilches-Montero, 2016) so that they repeat purchases (Wong & Sohal, 2002) and display lower switching intentions (Keh & Xie, 2009; Bansal, Irving & Taylor, 2004). The introduction of various kinds of reward (Pandit & Vilches-Montero, 2016) or loyalty cards (Demoulin & Zidda, 2008) is one example of how retailers strive to increase customer commitment.

Research on co-operative organizations has suggested that commitment is especially important in the context of consumer co-operatives (Jussila, Goel & Tuominen, 2012; Byrne, McCarthy, Ward & McMurtry, 2012) where member commitment can be defined as "a variable that captures the extent to which the member is likely to choose maintaining his/her membership (patronage) in the co-operative" (Jussila, Goel & Tuominen, 2012, 9). That is, these organizations are owned and governed by their customers (members) and exist to conduct concrete activities in such a way as to maximize satisfaction of their members' needs (e.g., Puusa & Saastamoinen 2021). Thus, the member-owners of such organizations benefit through the consumption of services (Mills, 2001; Spear, 2000). It has also been maintained that customer (member) ownership and co-operative principles and values (see Novkovic, 2008) and unique characteristics (Fulton & Adamowicz, 1993) would create additional trust and social capital (see Spear, 2000; Tuominen, Tuominen, Tuominen & Jussila, 2013; Novkovic, Puusa & Miner 2022), which is likely to develop stronger commitment toward co-operative membership. Moreover, scholars have argued that customer-ownership "may hold major implications for how customers ultimately perceive value, which in turn influences the very foundations for companies competitiveness: customer satisfaction, re-purchase intention and recommendation" (Talonen, Jussila, Saarijärvi and Rintamäki (2016) p. 142),

In this study, we build on theories on customer commitment, trust, and satisfaction (e.g., Fullerton, 2014; Pandit & Vilches-Montero, 2016; Kesari & Atulkar, 2016;) and co-operation (e.g., Byrne, 2022; Jussila, Goel & Tuominen, 2012; Novkovic, 2008). Utilizing the three-dimension model of commitment originally developed by Allen and Meyer (1990), we will first focus on the effect of trust and satisfaction on affective, continuance and normative member commitment in a Finnish consumer co-operative operating in the retail sector. Secondly, we examine whether familiarity with the co-operative business model moderates the relationship between trust and affective, continuance and normative member commitment and whether membership in the loyalty programmes of other (non-cooperative) retail stores moderates the relationship between satisfaction and each form of member commitment. This explorative study is based on a quantitative survey (n=3637) and the case organization is one of the regional consumer co-operatives of the Finnish S Group.

Our study has many important contributions to make. First, we offer new insights in the discussion on customer commitment in retailing (e.g., Pandit & Vilches-Montero, 2016; Mukherjee, 2007) by widening the investigations of the effects of trust and satisfaction to customer commitment to the context of consumer co-operatives, where the customers (members) are not only holders of loyalty cards, but also owners of the organization. Customer-ownership is a factor that recent research in retailing and customer commitment has not paid much attention.

Second, we connect trust and satisfaction to the examination concerning affective (Jussila, Byrne & Tuominen 2012), continuance (Jussila, Goel & Tuominen 2012) and normative commitment (Jussila, Roessl & Tuominen, 2014) in the context of consumer co-operatives and provide empirical evidence for the discussion, which so far has mostly been theoretical.

Third, we also pay attention to the role of members' familiarity with the co-operative business model and their memberships of loyalty programmes to other retail stores as moderators of the relationship between trust and satisfaction to each form of commitment in this context. Therefore, we offer new empirical evidence on whether the co-operative organization form (and the resulting differences in company values and ways of operation, for example) and memberships to other loyalty programmes actually matter in terms of customer commitment. This could also give us some important insights concerning the role of values in customer commitment that can be utilized in other contexts as well. Overall, our study will advance understanding of customer relationship management in the retail context.

The study is organized as follows. First, we introduce our research framework, develop our hypotheses and present our conceptual model. Second, we discuss the context, data and methods of the study. After presenting the results, we conclude with theoretical and practical implications as well as suggestions for further research.

## 2. Research framework and hypothesis development

**Customer commitment** (e.g., Fullerton, 2014; Gustafsson, Johnson & Roos, 2005; Hur & Kang, 2012; Jones et al., 2010; Lariviere et al., 2014; Murherjee, 2007; Shukla, Banerjee & Singh, 2016; Sääksjärvi et al., 2007; Wu, Zhou & Wu, 2012) has originally been derived from studies of employee behaviour concerning organizational commitment (see Allen & Meyer, 1990). In general, commitment refers to an “*enduring desire to maintain a valued relationship*” (Moorman, Zaltman & Deshpande, 1992, p.316) and it includes three distinctive components; 1) Affective (emotional), 2) continuance (calculative) and 3) normative dimensions. The affective component refers to emotional attachment to, identification with and involvement in the organization, whereas continuance refers to commitment based on the costs associated with leaving the organization and normative commitment refers to individuals' feelings of obligation to remain with the organization (Allen & Meyer, 1990).

Even though other commitment models have also been utilized in customer commitment literature (e.g., Bansal, Irving & Taylor, 2004; Iniesta & Sanchez, 2002), this three-dimensional model is seen as the dominant measure of commitment (e.g., Meyer & Herscovitch, 2001; Jones et al., 2010) and the model is considered as appropriate regardless of the target of commitment (Meyer & Herscovitch, 2001). It has also been used in the context of co-operatives, where **affective** (see e.g., Jussila et al., 2012), **continuance** (e.g., Byrne & McCarthy, 2005; Jimenez, Marti & Ortiz, 2010; Jussila, Goel, Tuominen, 2012; Fulton & Giannakas, 2001; Fulton & Adamowicz, 1993) and **normative** commitment (Jussila, Roessl & Tuominen, 2014) have received some, mainly theoretical, scholarly attention. In the following section we will present our hypotheses and develop a conceptual model to empirically examine customer (member) commitment in the context of consumer co-operatives

## 2.1 The relationship between trust and customer commitment

In the customer commitment literature, various scholars have highlighted that trust is a precondition factor prior to any relationship commitment and thus, affects commitment positively and/or is considered as an antecedent to commitment (Garbarino & Johnson, 1999; Mukherjee, 2007; Morgan & Hunt, 1994; Pandit & Vilches-Montero, 2016). Moorman, Deshpande and Zaltman (1992), define trust as “a willingness to rely on an exchange partner in whom one has confidence (p. 82)”. Trust is regarded as an important construct when developing and maintaining long-term relationships between the customer and the organization (Pandit & Vilches-Montero, 2016) and is also seen as a critical predictor of purchase intention (Chauhari and Holbrook, 2001).

Scholars have highlighted that trust entails both affective and cognitive dimensions and evaluations of the actions of a relational partner (see e.g., Fullerton, 2003; Hansen, Morrow & Batista, 2002). So far, two main aspects of trust have been acknowledged: credibility and benevolence (see Fullerton, 2011; Doney and Cannon, 1997), which both relate to these cognitive evaluations. *Credibility* represents the extent to which a customer perceives that the promises of a partner can be relied upon whereas *benevolence* represents the extent to which a customer believes that their partner is concerned with acting in the best interests of the customer (Doney and Cannon, 1997). Trust has also been conceptualized as the confidence in the reliability and integrity of the organization (Chai et al., 2015). Next, we present our propositions concerning the relationship between trust and the three forms of member-commitment.

### 2.1.1. The relationship of trust and affective commitment

Development of trust also entails affective aspects (see Hansen, Morrow & Batista, 2002) and various consumer behaviour scholars have highlighted that trust has a positive effect on affective commitment (e.g., Fullerton, 2011; Mukherjee, 2007; Pandit & Vilches-Montero, 2016). In the context of co-operatives (e.g., Jiménez et al., 2010; Byrne & McCarthy, 2005; Foreman & Whetten, 2002), the affective dimension of commitment is based on an emotional attachment to, and bond with the co-operative society and thus, the central question is: “Do I want to maintain my membership in and patronage of the co-operative?” (Jussila, Byrne, Tuominen 2012, p. 2). Affective member commitment is an essential ingredient for sustainable and successful co-operation and it also provides co-operatives with flexibility and helps to alleviate the problems often associated with co-operation, such as free-riding and horizon differences as well as problems related to property rights (see Jussila, Byrne, Tuominen, 2012).

Trust has a central role when developing the sources for affective member-commitment. For example, the perception of fairness, justice and equality, i.e. that a co-operative is operating in their best interests, only develops when trust exists in a relationship (Fulton & Giannakas, 2001; Fairbairn, 2003; Byrne, 2004, 2012). Further, this perception of fairness potentially leads to identification with the co-operative, which is one of the sources of affective member commitment (see Jussila, Byrne, Tuominen, 2012). In addition, co-operative values and principles (see Novkovic, 2008) are also likely to increase the development of trust and positive feelings toward the co-operative. Therefore, we establish our first hypothesis as follows:

*H1: Trust in the co-operative has a positive effect on affective member-commitment.*

### 2.1.2. The relationship of trust and continuance commitment

*Continuance (calculative) commitment* refers to the need to maintain a relationship given the significant loss of benefits and/or anticipated switching costs associated with leaving (Geyskens et al., 1996; Lewicka, 2014) and these benefits and costs can be economic or non-economic in nature. In the context of consumer co-operatives, this perceived utility may relate to the prices of products or some other attributes associated with the organization (Fulton & Adamowicz, 1993). Here the central question is: “Will co-operative membership (patronage) provide me with more value (rewards minus costs) than can be achieved by shifting membership (patronage) to some other organization?” (Jussila, Goel & Tuominen, 2012, p. 10)

Fulton and Giannakas (2001) propose that member-commitment is affected by the extent to which a co-operative develops a *reputation* as an efficient agent for its members (see also Jiménez et al., 2010) and reputation is heavily based on trust and the social capital of the exchange partner. For example, consumer co-operatives have been seen as social capital-based organizations (see e.g., Pedero and Chrisman, 2006; Spear, 2000; Tuominen, 2013; Valentinov, 2004) in which trust has a central role. It has been argued that co-operative social values and principles are likely to increase the development of trustful relationship (see Novkovic, 2008; Davis & Burt, 2007; Valentinov, 2004; Spear, 2000; Fulton and Hammond-Ketilson, 1992; Normark, 1996) and trustful relationships with the important stakeholders is vital due to the geographically bound purpose of consumer co-operatives (Tuominen, 2013). Based on these arguments, we propose:

*H2: Trust in the co-operative has a positive effect on continuance member commitment.*

### 2.1.3. The relationship of trust and normative member commitment

Fullerton (2014) has argued that trust also has a positive impact on normative commitment. According to Jussila, Roessl & Tuominen (2014, 26), **normative member commitment** “reflects a member’s sense of obligation to maintain membership and patronage in the co-operative”. In the context of agricultural co-operatives, Jimenez, Marti and Ortiz (2010) maintain that family and cultural socialization, organizational socialization and institutionalization of norms operate as bases of normative member-commitment (“obligation based”). Moreover, Fulton (1999) continues that “there are people that will never do business with anywhere but a co-op (p.427)”, even if other choices are available. Fulton (1999) sees that this preference may stem from members’ sense of being part of a distinct collective that works against “capitalists and business barons (p. 423)”.

According to Jussila, Roessl, Tuominen, (2014), education and institutional marketing help facilitate awareness of coalition membership, identification with the coalition, internationalization of the co-operative philosophy, and the recognized realization of the co-operative’s values and principles – which lead to the development of normative member commitment in which the customer (member-owner) will maintain their membership of the co-operative, as otherwise the coalition will have less power. Consumer co-operatives’ values and principles are also likely to increase members’ trust toward their co-operative (see Valentinov, 2004; Novkovic, 2008) and when members have socialized and internalized the co-operative philosophy, they are more likely to develop strong normative commitment. Thus, we propose the following:

*H3: Trust in the co-operative has a positive effect on normative member commitment.*

## 2.2. The relationship between satisfaction and customer commitment

Customer satisfaction has been one of the central topics in consumer service research (e.g., Kesari & Atulkar, 2016; Söderlund & Colliander, 2015; Kwon, Ha & Im, 2016). In general, satisfaction can be defined as “*an overall evaluation based on the total purchase and consumption experience with a good or service over time*” (Anderson, Fornell & Lehmann, 1994, p. 54). The study by Kesari & Atulkar (2016) suggest that customer satisfaction is based on utilitarian shopping values (monetary saving, selection, convenience and customized products) and hedonistic values (entertainment, exploration, place attachment and social status). Söderlund & Colliander (2015) have also argued that loyalty programme rewards have a positive impact on customer satisfaction (especially equity-reward and over-reward). Moreover, Kwon, Ha and Im (2016) suggest that the mere presence of other shoppers can be influential, when there is perceived similarity between a customer and others. Thus, the similarity perception is hypothesized to influence customer’s mall satisfaction through affective and cognitive processes (Kwon, Ha & Im, 2016).

When it comes to commitment, Heskett, Jones, Loveman, Sasser and Schlesinger (1994) argue that the more satisfied the customer is in their service experience, the more committed they are to the organization. Similarly, Dimitriades (2006) argues that satisfaction has a positive impact on commitment. Garbarino and Johnson (1999) have also linked customer satisfaction to customer commitment and the similar positive effect of satisfaction to commitment has been also proved in the workplace behaviour research (e.g., Clugston, 2000; Konovsky, 1991). In the following we will present our propositions concerning the relationship between satisfaction and the three forms of member commitment.

### 2.2.1 The relationship of satisfaction and affective commitment

In consumer behaviour research, various scholars have argued that satisfaction has a strong impact on affective commitment (e.g., Bansal, Irving & Taylor, 2004; Fullerton, 2011; Morgan and Hunt, 1994; Johnson, Sivadas & Garbarino, 2008). For example, Fullerton (2011) argues that satisfaction is likely to affect affective commitment as consumers like to maintain relationships with those organizations that they perceive as delivering superior value relative to competing organizations in the marketplace (Morgan and Hunt, 1994). Furthermore, since the nature of affective commitment is based on identification and emotional attachment, it is the case that consumers tend to identify with and become attached to those organizations that have a track record of delivering satisfactory experiences (i.e. the co-operative has operated according to its corporate purpose and offered better products and services than its competitors, see Tuominen, 2012).

Thus, prior experience of the organization and/or the prior experience with the category of service affect affective commitment (Johnson, Sivadas & Garbarino, 2008). Based on these arguments, we propose:

*H4: Members’ satisfaction (with the services) has a positive effect on affective commitment (to membership of a co-operative).*

### 2.2.2 The relationship of satisfaction and continuance commitment

In contrast to affective commitment, continuance commitment is a neutral or even negative psychological state (Fullerton, 2003). According to Wu, Zhou and Wu (2012), "When a customer rationally weighs alternatives and switching costs, and finds no better alternatives or the switching costs too high, that customer has to stay with the current choice (p. 1762)." In the context of co-operatives, this means that when the member is satisfied with the services a co-operative offers, they are more likely to develop stronger continuance commitment as they have evaluated the overall services/service level as superior compared to other alternatives (regarding the definition of satisfaction, see Anderson, Fornell & Lehmann, 1994). According to Byrne and McCarthy (2005), the perceived value of the products or services offered by the co-operative is also affected by the co-operative's communication and marketing activities *constructing* the idea of co-operative difference and advantage. Therefore, we propose the following:

*H5: Members' satisfaction (with the services) has a positive effect on continuance commitment (to membership of a co-operative).*

### 2.2.3. The relationship of satisfaction and normative commitment

Compared to other forms of commitment, *normative commitment* has not received much scholarly attention in a marketing context as only a few studies have specifically examined the nature, antecedents and effects of the construct ( Bansal, Irving & Taylor, 2004, Gruen et al., 2000, Bloemer and Odekerken-Schroder, 2007). However, findings from the context of workplace behaviour (e.g., Clugston, 2000) suggest that satisfaction is likely to affect normative commitment positively and the nature of commitment has been seen as being the same regardless of the target of commitment (Meyer & Herscovitch, 2001).

Normative commitment develops through socialization and when the customer internalizes subjective norms that a certain kind of social behaviour is appropriate or not and these subjective norms reflect social pressure to a certain extent (see Bansal, Irving & Taylor, 2004). When the customer is satisfied with the services and products of the co-operative, they are more likely to also internalize the norm that they should remain a member of the co-operative as 'staying' is the right and proper thing to do (normative member commitment has been theoretically examined by Jussila, Roessl, Tuominen, 2014). They are also likely to identify more with the co-operative and internalize the co-operative's philosophy, values and principles which in turn, has a positive effect on normative member commitment (Jussila et al., 2014). Therefore, we propose the following:

*H6: Members' satisfaction (with the services) has a positive effect on normative commitment (to membership of a co-operative).*

## 2.3. Memberships to loyalty programmes of other retail stores as a moderator of the relationship of trust and three forms of member commitment

Previous research (e.g., Demoulin & Zidda, 2008; Garcia Gómez, Gutiérrez Arranz, & Gutiérrez Cillán, 2006; Lewis, 2004; Noordhoff, Pauwels, & Odekerken-Schröder, 2004; Pandit & Vilches-Montero, 2016) has highlighted that loyalty programmes and reward cards increase

retail customers' loyalty. However, often there are also competing loyalty programmes that weaken this impact in many customer segments (e.g., Allaway, Gooner, Berkowitz & Davis, 2006; Meyer-Waarden & Benavent, 2009; Wright & Sparks, 1999). Thus, loyalty programmes designed to increase customer loyalty may only do so indirectly and there is also a certain amount of uncertainty related to the sequence of the membership-commitment relationship (Juga & Juntunen, 2017).

In the context of co-operatives, it has been indicated that trust is likely to increase member-commitment (e.g., Jimenez, Marti & Ortiz, 2010; Byrne & McCarthy, 2005; Jussila, Byrne, Tuominen, 2012; Jussila et al., 2014) and scholars have highlighted that some members do not consider themselves as owners but as regular customers (e.g., Jussila, Tuominen, Tuominen, 2012). Additionally, even though co-operative membership requires some degree of commitment (i.e. in the form of using the services provided by the co-operative), many of the member-owners also belong to the loyalty programmes of other retail stores as well. In fact, Zhang, Gangwar & Seetharam (2017) have argued that store loyalty should be regarded as a category specific trait, because a consumer can be loyal to store A in category one while at the same time being loyal to store B in category two. For example, households are often loyal to different stores for different product categories (see Zhang, Gangwar & Seetharaman, 2017) and thus have memberships to the loyalty programmes of several retail stores (including retail co-operatives).

When members of a retail co-operative have memberships to loyalty programmes of other retailers, it is likely that the member-owner experiences that the retail co-operative alone cannot provide all the products and services they need with the best terms and thus do not trust that the co-operative can provide the best benefits in all product/service categories (about the corporate purpose of consumer co-operation, see Tuominen, 2012). In contrast, if the member-owners are not members of the loyalty programmes of other retail stores, it is likely that the member-owners trust that the co-operative can provide all the services/products they need and that the co-operative takes the best care of their members' needs. Therefore, we propose:

*H7a,b,c: The effect of trust on three forms of member commitment (a, b and c denoting normative, continuance and affective, respectively) will be moderated by membership to the loyalty programmes of other retail stores.*

#### 2.4. Familiarity with the co-operative form of business as a moderator between the relationship of satisfaction and three forms of member commitment

Previous research (e.g., Heskett et al., 1994; Dimitriadis, 2006; Garbarino & Johnson, 1999) has indicated that customer satisfaction increases customer commitment (i.e. satisfied customers are likely to repeat purchases from a specific store). In the context of consumer co-operatives, the social values and principles of co-operatives are likely to increase the development of trustful relationships (see Novkovic, 2008; Davis & Burt, 2007; Valentinov, 2004; Spear, 2000; Fulton and Hammond-Ketilson, 1992; Normark, 1996) and geographically bound purpose of consumer co-operatives (Tuominen, 2012) is likely to increase members' commitment to the co-operative. Further, while consumer co-operatives are customer-owned organizations, they should be able to provide their members outstanding customer satisfaction, both in terms of the quality of goods and services and of benefits (Sparks, 2002).

Therefore, communication of the co-operative form of business and its benefits can be regarded as important tools to increase the familiarity of the co-operative form of business and



to communicate it's unique competitive advantages compared to IOFs (Investor-owned-Firms), which in turn can increase satisfaction and member commitment. For example, according to LeBlanc & Nguyen (2001), management should ensure that the benefits and rewards associated with being a member of a co-op are regularly promoted in activities aimed at positioning this form of organization in the minds of customers. However, according to Puusa, Mönkkönen & Varis (2013), in practice, the characteristic features of co-operative form of business remain surprisingly unknown or at least poorly understood.

An important issue in the sustainable development of the cooperatives is their ability to deliver value to their members (Mazzarol, Soutar, & Limnios, 2012) and the ability to deliver superior value to members is also closely related to members' satisfaction. According to Talonen, Jussila, Saarijärvi & Rintamäki, (2016), members' value perceptions may differ, ranging from economic and functional value to emotional, symbolic and social value. Consequently, members are likely to emphasize different aspects of value when assessing their satisfaction. Further, we argue that familiarity with the co-operative form of business is also likely to have an impact on satisfaction. That is, members familiar with the co-operative form of business are more likely to understand the total benefits (individual and collective/community) that the co-operative is able to produce, whereas members not familiar with it are more likely to see the co-operative just as a business among businesses (with the focus being on their own individual economic benefits). Therefore, we argue that:

*H8a,b,c: The effect of satisfaction to three forms of member commitment (a, b and c denoting affective, continuance and normative, respectively) will be moderated by the familiarity with the co-operative form of business.*

Finally, based on the hypotheses presented above, we present the conceptual model of the study as follows:

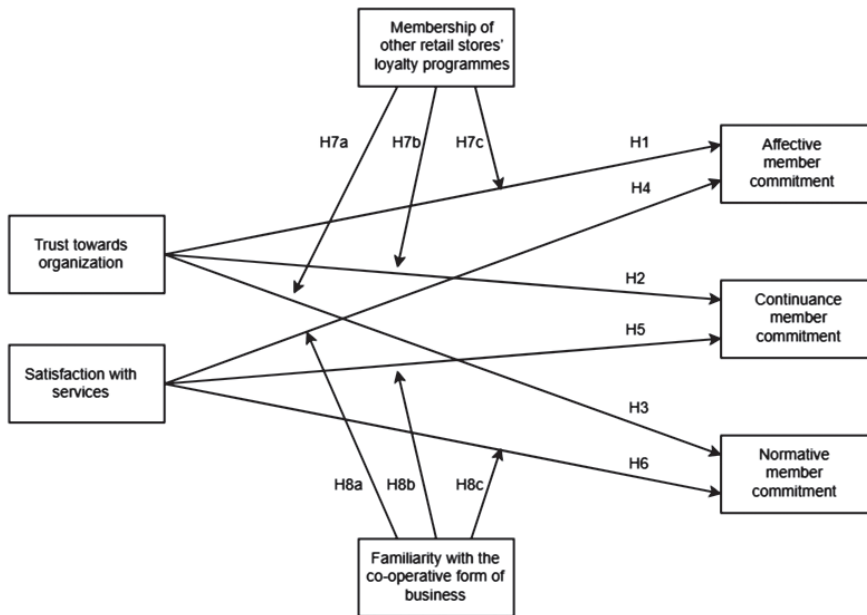


Fig. 1. Conceptual model

### 3. Data, methods and variable construction

In order to investigate how trust and satisfaction, and their interaction with familiarity with the co-operative business model and membership of loyalty programmes to other (non-co-operative) retail stores, are associated with commitment to co-operative membership, we carried out a questionnaire survey among the members of a regional retail co-operative of S Group in Finland. S Group consists of 19 regional co-operatives and central unit SOK with its subsidiaries. It operates in the supermarket trade, the department store and speciality store trade, service station store and fuel sales, the travel and hospitality business and the hardware trade. Additionally, some of the co-operatives have car dealerships and agricultural outlets in their regions. The group also provides its members with comprehensive banking services through S-Bank (S-ryhma.fi, accessed 12.3.2023). The case co-operative in turn is owned by its 79,000 members. Its mission is to provide competitive benefits and services to its owner-members and contribute to the vitality of the region where it operates (North Karelia). It is noteworthy that the competitive situation in the Finnish retail sector is considered to be practically a duopoly (Xavier & Xing, 2016) as there are two powerful domestic retail chains (Nielsen, 2019): S Group (46.2% market share) and K Group (36.5% market share). German retail chain Lidl holds the third position with 9.6% market share of the Finnish retail market (Nielsen, 2019). Nevertheless, even though our case co-operative operates in relatively sparsely populated area, in many cases co-operative members have more than one service provider from which they can choose to acquire the products and services they need.

In the questionnaire, when measuring members' commitment toward their co-operative membership, we applied the scale by Allen and Meyer (1990). It is worth noting that the measurement by Allen and Meyer (1990) was originally utilized in the workplace context (measuring employees' organizational commitment), but it has later been applied to the field of customer commitment. Thus, we modified the questions in order to ensure better suitability to our research context.

Secondly, in terms of measuring satisfaction, we applied the question of overall satisfaction by Spreng, MacKenzie & Olshavsky (1996). In addition, we wanted to consider crucial factors related to members' satisfaction to the realization of co-operatives' corporate purpose (to provide members with services/products and/or lower prices and to be a superior option for members). Thus, we added the following questions related to the satisfaction measurement in the questionnaire: "The products and services of PKO fulfil my expectations", "I have good experiences of PKO", "My decision to join to become a member of PKO was right" and "PKO offers suitable products and services to me."

Thirdly, the measurement of trust was based on the measurement used in the study of Caceres and Pappas (2007). That is, we used two similar statements than in their study ("PKO genuinely cares about my needs" and "I trust in PKO"), but we also added a third statement "PKO is interested in my well-being"). When measuring commitment, trust and satisfaction, the survey answers were located on a Likert scale of 1–5 (scale 1 being "totally disagree" and scale 5 "totally agree").

A questionnaire was sent to all the members who had allowed the co-operative to send e-mail messages to them. Therefore, the sample may be biased due to the e-mail transmission of the questionnaire and the dependence on how active recipients are in responding to their e-mail. As the socio-economic member data of the co-operative is not available, we made background variable comparisons with the available regional data<sup>1</sup>. It was found that females, 30–59-year-olds, those with a tertiary education degree, and households with a greater than

<sup>1</sup> Statistics Finland's PxWeb databases on population, income and education in Finland (<http://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/>).

average annual income (from 30,000 to 39,000 euros) are slightly over-represented when compared to the total population in the area. On the other hand, the respondents are typical daily customers of the co-operative. Table 1 shows the frequencies of the background variables. Hence, about two-thirds of the respondents were female (66.1%) as well as 30–59 years of age (64.9%). The largest educational groups were those with a vocational education degree (41.8%) and those having a tertiary education degree (40.7%). Up to 59.1% of the respondents belong to households with an annual income between 20,000 and 59,000 euros.

Altogether 3637 questionnaires were returned. The data was cleaned by dropping respondents who responded to the Likert scale question with the same value for more than 67% of the questions. In consequence, the number of observations dropped to 3253.

**Table 1.** Background variables

VARIABLE	FREQ.	%
<b>Gender</b>		
Male	1103	33.9
Female	2150	66.1
Total	3253	100.0
<b>Age group</b>		
≤ 17	1	0.0
18–29	534	16.4
30–39	708	21.8
40–49	690	21.2
50–59	714	21.9
60–69	505	15.5
70–79	99	3.0
≥ 80	2	0.1
Total	3253	100.0
<b>Education</b>		
Basic education	205	6.3
Upper secondary school	267	8.2
Vocational education	1361	41.8
Bachelor's degree	832	25.6
Master's degree	491	15.1
Other	97	3.0
Total	3253	100.0
<b>Annual incomes (Euros)</b>		
≤ 4,999	131	4.0
5,000–9,999	134	4.1
10,000–14,999	152	4.7
15,000–19,999	160	4.9
20,000–29,999	487	15.0
30,000–39,999	547	16.8
40,000–49,999	493	15.2
50,000–59,999	393	12.1
60,000–79,999	473	14.5
80,000–99,999	179	5.5
≥ 100,000	104	3.2
Total	3253	100.0

Table 2. shows the items used in the factor analysis which were used in constructing the corresponding factor score variables. A principal component analysis with a Promax rotation (Kappa = 1.5) resulted in the three factors having highly acceptable Cronbach Alphas (all greater than 0.85).

**Table 2.** Principal component solution for affective, normative and continuance commitments

VARIABLE	OBS.	AFFECTIVE COMMITMENT	NORMATIVE COMMITMENT	CONTINUANCE COMMITMENT
I could be a member of PKO for the rest of my life.	3253	0.777		
When I talk about PKO. I talk about it in a positive way.	3253	0.785		
I am rather a member of PKO than a member of some other similar organization.	3253	0.699		
I am committed to PKO.	3253	0.655		
The membership of PKO is meaningful to me.	3253	0.646		
In my opinion people change their memberships to various chains too easily	3253		0.659	
In my opinion people should be loyal to their membership	3253		0.762	
Switching from one company to another seems unethical	3253		0.824	
I am loyal to PKO and thus feel like I have a moral duty to remain as a member	3253		0.783	
In my opinion it would be wrong to terminate the membership of PKO even if another company would offer me better benefits	3253		0.758	
I have been taught to remain loyal towards the company in which I am a member	3253		0.723	
Terminating the membership of PKO would cause me financial losses	3253			0.829
Membership of PKO is a necessity to me	3253			0.674
If I would terminate my membership in PKO, other companies could not offer me the same benefits	3253			0.690
<hr/>				
Component correlations				
Affective commitment			0.233	0.225
Normative commitment		.233		0.209
Continuance commitment		.225	.209	
<hr/>				
Rotation sums of squared loadings		4.021	4.889	2.976
Cronbach's Alpha		0.870	0.901	0.774

Principal Component Analysis with Promax rotation. Bartlett's Test of Sphericity: 26195.927 ( $p < 0.001$ ). KMO = 0.933.

Table 3 shows the result of factorizing trust and satisfaction. The principal component analysis with a Promax rotation (Kappa = 1.5) resulted in the two factors having highly acceptable Cronbach Alphas (both greater than 0.85).

**Table 3.** Principal component solution for satisfaction and trust

VARIABLE	N	SATISFACTION WITH SERVICES	TRUST TOWARD THE CO-OPERATIVE
Overall, I am satisfied with the products and services of PKO	3253	0.804	
The products and services of PKO fulfil my expectations	3253	0.820	
I have good experiences of PKO	3253	0.790	
My decision to join to become as a member of PKO was right	3253	0.728	
PKO offers suitable products and services to me	3253	0.812	
PKO genuinely cares about my needs	3253		0.856
I trust in PKO	3253		0.690
PKO is interested in my well-being	3253		0.902
Component correlations			
Satisfaction			0.271
Trust		0.271	
Rotation sums of loadings			
		3.997	2.953
Cronbach's Alpha			
		0.902	0.862

Principal Component Analysis with Promax rotation. Bartlett's Test of Sphericity: 16505.398 (p<.001). KMO = 0.889

**Table 4.** Categorical focal variables

FAMILIARITY WITH CO-OPERATIVE FORM OF BUSINESS*	FREQ.	%	MEMBERSHIP OF ANOTHER CHAIN OF SHOPS	FREQ.	%
1 Strongly disagree	121	3.7	No other memberships	1138	35.0
2 Somewhat disagree	459	14.1	Other memberships	2115	65.0
3 Neither disagree nor agree	653	20.1	Total	3253	100
4 Somewhat agree	1358	41.7			
5 Strongly agree	662	20.4			
Total	3253	100			
Constructed two-category variable					
Not familiar (1 to 3)	1233	37.9			
Familiar (4 and 5)	2020	62.1			

\*The respondents were asked to express their opinion to the following claim: I am familiar with the co-operative form of business

The two focal variables in table 4 pertaining to the respondent's membership of another chain of shops and their familiarity with the co-operative form of business have a key role in our model. The membership of another chain of shops is transformed into a dummy variable where 'yes' is coded as 1 and 'no' as 0. Familiarity with the co-operative form of business is transformed into a dummy variable where the original values 4 and 5 are coded as 1 and values 1 to 3 as 0. Table 5 shows the descriptive statistics and correlations of the variables entered in the model reported in section 5.

**Table 5.** Descriptive statistics and correlations

			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Mean	SD												
Normative commitment (1)	0	1	1.000											
Affective commitment (2)	0	1	0.233	1.000										
Continuance commitment (3)	0	1	0.209	0.225	1.000									
Satisfaction with services (4)	0	1	0.085	0.583	0.206	1.000								
Trust in organization (5)	0	1	0.439	0.593	0.254	0.271	1.000							
Membership in the loyalty programmes of other retail stores (6)	.650	.477	-0.153	-0.066	-0.043	-0.006	-0.039	1.000						
Familiarity with the co-operative business model (7)	.621	.485	0.080	0.124	0.013	0.082	0.100	-0.048	1.000					
Gender (8)	.661	.474	-0.024	0.080	0.103	0.114	0.049	0.117	-0.125	1.000				
Age (9)	4.077	1.413	0.270	0.076	-0.037	-0.060	0.160	-0.090	0.210	-0.129	1.000			
Tertiary education (10)	.407	.491	-0.275	-0.098	-0.035	-0.001	-0.170	0.096	0.041	0.007	-0.129	1.000		
Annual incomes (11)	6.455	2.419	-0.090	0.018	-0.036	0.011	-0.015	0.074	0.105	-0.068	0.131	0.249	1.000	
Membership years in PKO (12)	3.539	1.267	0.175	0.124	0.035	-0.006	0.130	-0.012	0.210	-0.030	0.549	-0.051	0.230	1.000

### 4. Results

To test the hypotheses that three forms of commitment are each a function of satisfaction and trust, and whether membership in another chain of shops and familiarity with co-operative forms of business moderate the effects of satisfaction and trust, we performed four OLS-regressions. Models M1 to M3 consist of different independent variables (affective, continuance and normative commitment) but similar sets of focal variables, interaction terms and controlling variables.

**Table 6.** OLS regressions of normative, affective and continuance commitments on the sets of predictors

	M1 AFFECTIVE			M2 CONTINUANCE			M3 NORMATIVE		
	B	SE	t Stat	B	SE	t Stat	B	SE	t Stat
Satisfaction	0.466***	0.018	25.753	0.082***	0.026	3.209	-0.046**	0.023	-2.032
Trust	0.437***	0.021	21.136	0.264***	0.029	9.023	0.424***	0.026	16.189
Familiarity	0.059**	0.025	2.321	-0.009	0.036	-0.252	0.017	0.032	0.542
Other membership	-0.097***	0.025	-3.818	-0.094***	0.036	-2.629	-0.198***	0.032	-6.182
Familiarity x Satisfaction	-0.017	0.024	-0.731	0.088***	0.034	2.602	0.072**	0.030	2.368
Other membership x Trust	0.026	0.025	1.029	-0.072**	0.035	-2.067	-0.075**	0.031	-2.379
Female	0.033	0.026	1.278	0.164***	0.036	4.501	-0.014	0.033	-0.438
Age 30–39	0.035	0.042	0.821	0.015	0.060	0.246	0.058	0.053	1.097
Age 40–49	-0.012	0.044	-0.261	-0.169***	0.062	-2.703	0.131**	0.056	2.350
Age 50–59	-0.037	0.045	-0.823	-0.278***	0.064	-4.345	0.260***	0.057	4.546
Age 60–69	-0.045	0.049	-0.914	-0.200***	0.069	-2.880	0.438***	0.062	7.043
Age 70–	-0.048	0.081	-0.596	-0.116	0.114	-1.018	0.579***	0.102	5.679
Tertiary education	-0.041	0.026	-1.583	-0.007	0.037	-0.180	-0.321***	0.033	-9.809
Membership years in PKO									
1–4	-0.021	0.066	-0.316	0.075	0.093	0.807	0.094	0.084	1.129
5–9	0.031	0.066	0.471	0.186**	0.093	2.006	0.064	0.083	0.774
10–19	0.042	0.066	0.627	0.196**	0.094	2.082	0.093	0.084	1.112
20–29	0.157**	0.074	2.131	0.194*	0.104	1.866	0.150	0.093	1.617
30–39	0.304***	0.085	3.583	0.238**	0.120	1.979	0.257**	0.107	2.392
40–	0.196*	0.111	1.772	0.561***	0.157	3.580	0.247*	0.140	1.763
Annual incomes (€)									
5000–9999	0.024	0.083	0.287	-0.078	0.117	-0.670	-0.021	0.104	-0.205
10000–14999	0.197**	0.080	2.442	0.008	0.114	0.072	-0.066	0.102	-0.648
15000–19999	0.177**	0.080	2.207	0.035	0.113	0.310	-0.012	0.101	-0.120
20000–29999	0.145**	0.068	2.146	-0.094	0.095	-0.984	0.016	0.085	0.189
30000–39999	0.128*	0.067	1.907	-0.085	0.095	-0.900	-0.012	0.085	-0.141
40000–49999	0.150**	0.068	2.211	-0.093	0.096	-0.969	-0.080	0.086	-0.936
50000–59999	0.097	0.070	1.389	-0.096	0.099	-0.969	-0.080	0.089	-0.903
60000–79999	0.137**	0.070	1.964	-0.070	0.099	-0.713	-0.157*	0.088	-1.784
80000–99999	0.080	0.081	0.992	-0.189*	0.114	-1.649	-0.175*	0.102	-1.708
100000–	0.240***	0.092	2.609	0.036	0.130	0.279	-0.215*	0.116	-1.848
Constant	-0.150*	0.084	-1.792	-0.013	0.118	-0.112	0.036	0.106	0.335
Observations		3253			3253			3253	
R-squared		0.555			0.112			0.290	
F-test		138.83			13.95			45.31	
p-value		<.001			<.001			<.001	

In reporting the regression results we follow the marginal effect approach (see Kingsley et al. 2017 and Busenbark et al. 2022). Broadly, a marginal effect of  $X$  (independent variable) on  $Y$  (dependent variable) is a function of  $Z$  (moderating variable). The marginal effect for a regression model  $Y = \beta_0 + \beta_1 * X + \beta_2 * Z + \beta_3 * X * Z$  is given by the derivative of the model with respect to  $X$ , that is  $\delta Y / \delta X = \beta_1 + \beta_3 * Z$ . When  $Z$  is dichotomous having values 0 and 1, the effect of  $X$  on  $Y$  is  $\beta_1$  when  $Z = 0$  and  $\beta_1 + \beta_3$  when  $Z = 1$ . Furthermore, a significant interaction term indicates that the marginal effects are different. The tests of the significance of the marginal effects (whether they are different from zero) show if there is an association between  $X$  and  $Y$  when  $Z$  is 0 or 1.

First, regarding *affective continuation* Table 6 shows that both interaction terms fell short of statistical significance – viz. the effect of satisfaction on affective continuance is not moderated by familiarity with the co-operative form of business ( $B = -0.017$ ;  $p > .05$ ) nor is the effect of trust on affective continuance moderated by membership to the loyalty programmes of other retail stores ( $B = 0.026$ ;  $p > .05$ ). Therefore, we can reject hypotheses H7c and H8a. However, to gain more information (see Kingsley et al. 2017) we probed the interactions in Table 7 which shows that the impact of trust is positive and significant on both conditions of membership – viz., ( $B = 0.437$ ;  $p < .001$ ) for those not having a membership to the loyalty programmes of other retail stores; ( $B = 0.463$ ;  $p < .001$ ) for those having such a membership). Consequently, H1 gets support. Correspondingly, the impact of satisfaction is also positive and significant on both conditions of familiarity, namely ( $B = 0.466$ ;  $p < .001$ ) for those not familiar with the co-operative form of business and ( $B = 0.448$ ;  $p < .001$ ) for those who are familiar with the co-operative form of business. Hence, H4 gets support. In addition, although not hypothesized, familiarity with the co-operative form of business has a small and significant positive effect ( $B = 0.060$ ;  $p < .05$ ) on affective continuation and membership to the loyalty programmes of other retail stores has a small and significant negative effect ( $B = -0.096$ ;  $p < .001$ ) on affective continuation.

Next, considering *continuance commitment* (model M2) the results in Table 6 show that there is significant interaction between familiarity with the co-operative form of business and satisfaction ( $B = 0.088$ ;  $p < .01$ ) and, also between membership to the loyalty programmes of other retail stores and trust ( $B = -0.073$ ;  $p < .05$ ). The further details in Table 7 and in Figure 2 (Panel b) indicate that satisfaction has a positive impact on continuance commitment on both conditions of familiarity – viz., when a customer is not familiar with the co-operative form of business ( $B = 0.082$ ;  $p < .01$ ) and, even a stronger impact when being familiar ( $B = 0.170$ ;  $p < .001$ ). In consequence, H5 and H8b get support. Regarding trust, it can be seen in Table 7 and in Figure 2 (Panel b) that trust is positively associated with continuance commitment regardless of having or not having membership to the loyalty programmes of other retail stores. However, the association is stronger if a customer does not have such a membership ( $B = 0.264$ ;  $p < .001$ ) than if s/he has ( $B = 0.192$ ;  $p < .001$ ) lending support to H2 and H7b.

Finally, with respect to *normative commitment* (model M3), Table 6 shows that there is significant interaction between familiarity with the co-operative form of business and satisfaction ( $B = 0.072$ ;  $p < .05$ ) and, also between membership to the loyalty programmes of other retail stores and trust ( $B = -0.075$ ;  $p < .05$ ). The further analysis in Table 7 and in Figure 2 (Panel c) suggest that satisfaction has either positive or negative impact on normative commitment depending on the moderator's value. Hence, the impact is negative ( $B = -0.046$ ;  $p < .05$ ) when the customer is not familiar with the co-operative form of business but does not deviate from zero ( $B = 0.025$ ;  $p < .05$ ) when the customer is familiar with the co-operative form of business. Consequently, H6 is rejected and H8 gets support. As for the other interaction, Table 7 and figure 2 (Panel c) show that trust has a positive impact on normative commitment on both



conditions of membership – viz., when a customer does not have a membership to the loyalty programmes of other retail stores ( $B = 0.426$ ;  $p < .001$ ) or, albeit to a lesser extent, the customer has a membership to the loyalty programmes of other retail stores. ( $0.349$ ;  $p < .001$ ). Therefore, H3 and H7a get support.

To sum up the results, we found that, independently of the proposed moderators, both satisfaction and trust have a strong positive influence on affective commitment. In the other two cases the moderators have a role. First, trust has a positive impact on continuance and normative commitment and a membership to the loyalty programmes of other retail stores weakens the impacts slightly. Second, satisfaction has a weak positive influence on continuance commitment the influence being stronger if one is familiar with the co-operative form of business. But contrary to our expectations, we found a small negative influence of satisfaction on normative commitment in the case one is not familiar with the co-operative form of business. For those being familiar, there is no association between satisfaction and normative commitment.

**Table 7.** Marginal effects of trust and satisfaction on normative, affective and continuance commitment

TRUST			
Moderating variable	Affective commitment	Continuance commitment	Normative commitment
Membership to the loyalty programmes of other retail stores			
No (= 0)			
Yes (= 1)	0.437***	0.264***	0.426***
Significant interaction terms	0.463***	0.192***	0.349***
	No	Yes	Yes
Satisfaction			
Familiarity with the co-operative form of business			
No (= 0)			
Yes (= 1)	0.466***	0.082**	-0.046*
Significant interaction terms	0.448***	0.170***	0.025
	No	Yes	Yes

\*  $p < .05$ ; \*\* $p < .01$ ; \*\*\* $p < .001$   
 Note: a Interaction term significances taken from the corresponding regressions in Table 6. Significance indicates evidence for the difference of the marginal effects.

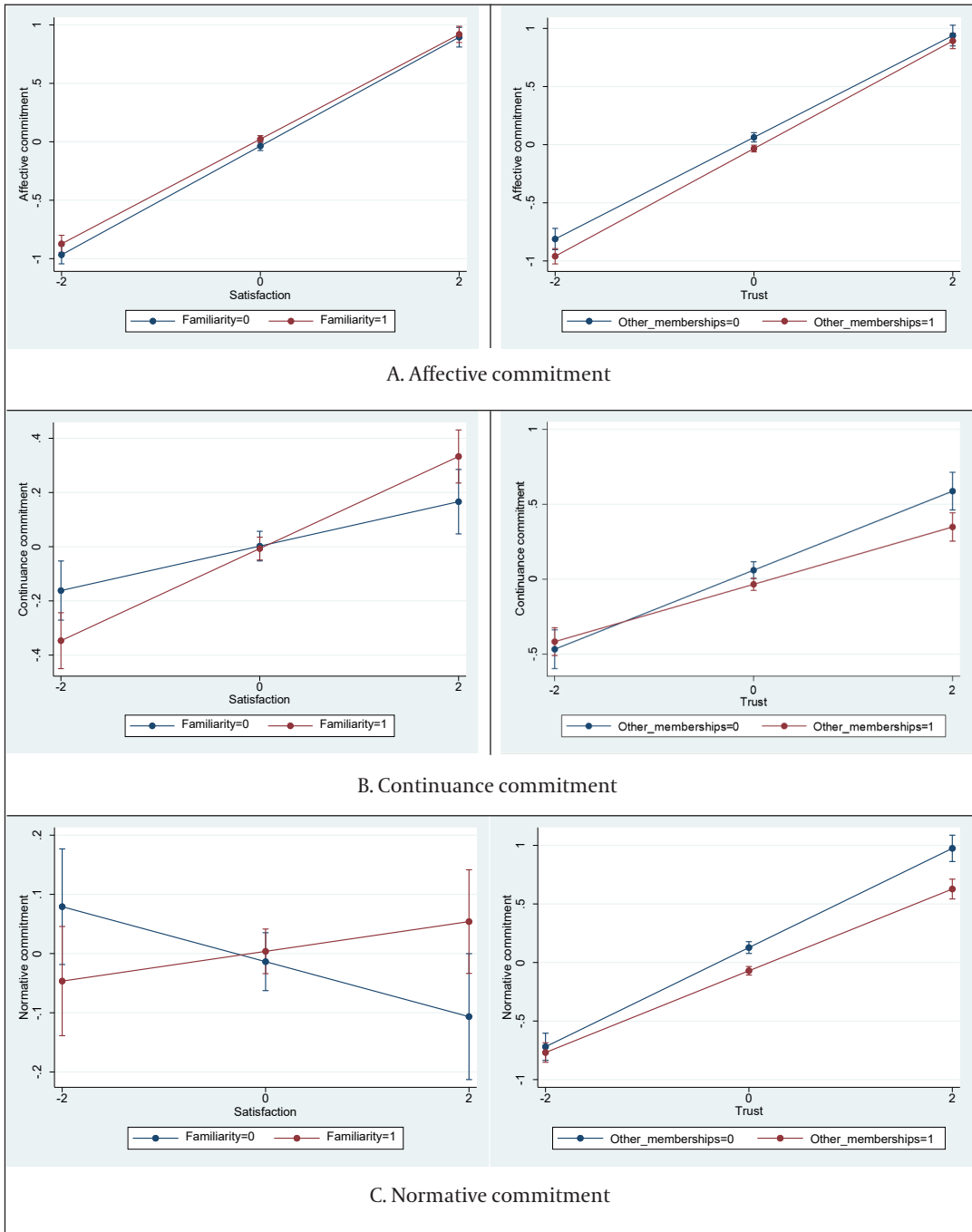


Figure 2. Effects of satisfaction and trust on normative, affective and continuance commitments at different values of the moderators

Regarding the control variables, the results show that females' continuance commitment is at a higher level than the corresponding commitment in males ( $B = 0.164$ ;  $p < .001$ ), but that such difference does not exist in the other two forms of commitment. Older age groups have a higher average normative commitment, but lower continuance commitment than the youngest age group (below 30 years old). Those having a tertiary education degree have a lower average normative commitment than other educational groups ( $B = -0.321$ ;  $p < .001$ ). However, no difference exists in the other two forms of commitment. Annual household income is associated only with affective commitment, viz. almost all income groups with 5000 euros and above have a higher affective commitment than the lowest income group. Finally, it also appears that those who have been a member of PKO for a long time have a higher average normative and affective commitment than those who have joined more recently. However, the average continuance commitment is already higher among those who have been a member from five to nine years than among those having a shorter membership. This difference remains at the same level when moving to 'older' membership groups until the difference becomes much larger in the case of those having more than 40 years of membership.

## 5. Discussion

This study contributes to the discussion on customer commitment in retailing (e.g., Pandit & Vilches-Montero, 2016; Mukherjee, 2007), focusing on the relationship between a customer and a company in a unique co-operative context, where customers are not only holders of loyalty cards. Instead, these organizations are owned and democratically controlled by their customers (members). As regards the relationship of trust to the three forms of commitment, our findings are consistent with previous research (Garbarino & Johnson, 1999; Mukherjee, 2007; Morgan & Hunt, 1994; Pandit & Vilches-Montero, 2016) in that we found that trust positively affects all forms of customer commitment, although the effect of trust was relatively weak on continuance commitment. This might be explained by the fact that trust is more likely to create more positive emotional or normative feelings (which are more likely to produce affective or normative commitment) – whereas continuous commitment is more calculative in nature. While research has showed that competing loyalty programmes weaken customers' loyalty (e.g., Allaway et al., 2006; Meyer-Waarden & Benavent, 2009; Wright & Sparks, 1999), our study shows that memberships to other loyalty programmes weakens the effect of trust to all forms of member-commitment (overall, 65% of the members had loyalty cards for other retail stores). This seems reasonable, as if the member has loyalty cards to other retail stores, it is an indicator that they also utilize other available service providers (competing stores) instead of shopping exclusively at the co-operative. Consequently, the importance of co-operative membership is likely to be lower and the customer is also less likely to become emotionally, calculatively or normatively committed to co-operative membership, when compared to those who do all their shopping in a co-operative. Nevertheless, this study is among the first ones that provides empirical evidence on the role of other loyalty programs in the context of co-operatives and member commitment.

When it comes to customer commitment and satisfaction, our results are consistent with the previous research on affective (e.g., Bansal, Irving & Taylor, 2004; Fullerton, 2011; Johnson et al., 2008) and continuous commitment and satisfaction (e.g., Wu et al., 2012) in that we found that satisfaction had a strong, positive impact on affective commitment and also a modest positive impact on continuous commitment. As regards members' commitment towards their

co-operative membership, in this case it seems that members consider the benefits and value to be so high that they are happy to continue the membership even though there are other options available in the market. Thus, the relationship is not based on “a must” (Meyer & Allen 1991), which is typical particularly when the options are low (Fullerton 2005). Instead, their affective commitment (which describes a voluntary based membership characterized by loyalty towards and identification with the company, Harrison & Walker 2001) is relatively high and members are willing to continue the relationship they have with their co-op. However, we also found that satisfaction had a small but significant negative effect on normative commitment, which contradicts the earlier findings on normative commitment and satisfaction (e.g., Bansal, Irving & Taylor, 2004; Meyer & Herscovitch, 2001). We believe that one explanation for this might be that when members are satisfied with the services provided by the co-operative, they see that membership provides both emotional and calculative value to them and want to continue their membership for these reasons, instead of being obligated to do so.

It also indicates that in the context of consumer co-operatives, emotional attachment and economic value are more important drivers for commitment than members’ obligation. Alternatively, they are unaware of the co-operative business model and co-operative ideology, in which case it is quite logical that they do not feel the need to commit themselves to co-operative membership. Nevertheless, to some extent this also contradicts earlier notions from the context of agricultural co-operatives, where sense of being part of a distinct collective that works against “*capitalists and business barons*” (Fulton, 1999, p. 423) and family and cultural socialization, organizational socialization and institutionalization of norms (Jimenez, Marti and Ortiz, 2010) have been mentioned as bases for member commitment. When taking the differences between the contexts of consumer and agricultural co-operatives into account, it is noteworthy that it might also be the case that in large retail groups members do not feel so obligated to remain its members as the loss of one member may not be so crucial as in smaller retail stores or in agricultural co-ops, where the amount of members is smaller and the participation shares for membership are much higher. Additionally, in the context of agriculture there are often fewer options available for members when compared to the context consumer co-ops. Overall, our study provides new insights into the effect of satisfaction on normative commitment, which has not been much empirically investigated in the retail sector (e.g., Fullerton, 2011). Moreover, these findings also highlight the importance of taking the context into account, when studying customer (member) commitment. That is, comparison of our findings regarding normative commitment from the context of retailing and consumer co-ops to the notions made in the context of agricultural co-operatives leads us to consider, whether normative commitment actually is even relevant concept anymore in retailing, as there often are many options available for the consumers and switching to another service provider is relatively easy.

Importantly, we found that familiarity with the co-operative business model has a positive strong effect on affective member-commitment and it moderates the effect of satisfaction and all three forms of commitment. Thus, those who are familiar with the co-operative business model have higher affective commitment towards their co-operative membership when compared to those unfamiliar with co-operation. This study also provides empirical support for earlier research in which it has been claimed that customer (member) ownership and co-operative principles and values (ICA 1995; Novkovic, 2008) and unique characteristics (Fulton & Adamowicz, 1993) would create additional trust and social capital (Spear, 2000; Tuominen, Tuominen, Tuominen & Jussila, 2013), which could then be sources of a stronger commitment

toward co-operative membership. Given the uniqueness of the co-op model in that it is solely based on patronage (members are owners, users/customers, decision-makers and sponsors of co-op operations), this is an important issue. That is, without committed members who actually use the services of the co-op, the existence of any co-operative would be brief and troubled. If we extend the discussion concerning the novelty of the results of this study beyond context, our findings lead us to believe that the company form and corporate purpose (e.g., co-operative business model or an investor-owned firm) should be noted as a factor that affects customer commitment. Thus, different kind of ownership structures and company values might play a role in customer commitment also in wider scale, as there are many kinds of service providers in retailing with different ownership structures and set of values (ie., investor-owned companies, family businesses, co-operatives) and these organizations and their customers may have different kind of value preferences, which might have an effect to their attitude towards corporate social responsibility, for example. Consequently, this is could also affect customer commitment and is something that future research on customer commitment in retailing should take into account.

### 5.1 Limitations and implications for future research

Our study has some limitations. First, as explained in section 4, a selection bias may arise from the procedure where the questionnaire was sent to the co-operative members who had given their permission for the co-operative to send e-mails to them and where the activity in responding to the questionnaire very likely correlated with how active they were in using e-mail. This may have out-selected certain demographic groups, such as senior citizens, from the survey. Therefore, although the respondents represent typical daily customers of the co-operative, the findings should be interpreted with some caution. Second, although we found that membership of other loyalty programmes played a part in the commitment to co-operative membership, our data lacks the possibility of making comparisons between the commitment to co-operative membership and non-co-operative retailing companies. Research design should be improved in future studies to mitigate selection bias and identify causal relationships more reliably. For example, the effect of co-operative membership on commitment could be considered as a treatment factor and non-members could be used as a control group. This would enable a more reliable verification of cause-effect relationships. Moreover, there is a need to study further whether the level of commitment is stronger in consumer co-operatives compared to other retail stores by using comparative analysis and a larger sample size.

Third, it should be noted that our case co-operative operates in a relatively sparsely populated area, which is likely to affect the amount of alternative service providers available for co-operative members. Moreover, the co-operative has powerfully highlighted it's company form in its marketing during the recent years and participated in regional development via its businesses and investments. Thus, these are aspects that might affect members' commitment and also their familiarity with the co-operative business model and future studies should investigate whether the results remain the same if the study is done in relation to some other context. For example, there are also co-operatives operating in the metropolitan area of Finland and we argue that this might have some implications for the results, as members' have much broader options available to satisfy their service needs and a co-operative is not such a powerful and visible actor in the regional economy. Additionally, Finland is often referred as the "most co-operative country in the world" when looking at the amount of co-operative

memberships. Therefore, future studies should include data from several co-operatives and preferably also from an international context in order to capture a more comprehensive picture of the phenomenon.

Fourth, it should be noted that when measuring members' familiarity with the co-operative business model we relied on their own assessment on the topic. Research so far has illustrated that members' awareness of the distinctive features of co-operative ownership (Jussila et al., 2012) and familiarity and understanding of the co-operative form of business is vague (Puusa et al., 2013). As noted by Jussila et al., (2012), members may not even consider themselves as owners as the participation share for co-operative membership is typically low (around 100€) and they evaluate ownership in terms of the amount of money invested. Thus, they may not even know that the benefit from co-operative ownership comes in terms of using the services provided by the co-operative, not in relation to the capital invested. Thus, even though they know S Group, they may not be able to say how it differs from competitors and is therefore seen as "just another shop". Therefore, we see that the results concerning familiarity should be interpreted with some caution and future studies should improve the measurement of familiarity with the co-operative business model in order to increase the reliability of the results.

Finally, in our study we focused only on members' commitment towards their co-operative membership. Thus, with this approach we are not able to illustrate members' actual buying behaviour as it comes to the question what do they actually do with their membership? For example, households are often loyal to different stores for different product categories (see Zhang, Gangwar & Seetharaman, 2017) and thus are members of several loyalty programmes (including the retail co-operative) and we did not investigate whether members are committed to their co-operative (membership) in product category A while at the same time being committed to competing store B in category two. This is something that future studies should take into account.

## 5.2. Managerial implications

Developing customer commitment is challenging as, for example, 65% of the members of our case co-operative have loyalty cards for other retail stores as well. However, based on our study, we argue that the relationship between a co-op and its customers, as well as factors affecting the relationship, are more complex and multifaceted in a consumer co-op setting (due to the unique characteristics of the co-op model). It seems that the company form and the corporate purpose do matter as those who were familiar with co-operation had higher affective commitment to their co-operative membership than those not familiar with it. Therefore, we see in addition to ensuring members' trust and satisfaction towards their co-operative (membership) by providing their members with benefits in terms of better products and services, consumer co-operatives should continue to engage in socially responsible activities in their regions, execute openness in their actions and decisions and encourage members to participate in the decision-making processes of co-operatives. With these actions, co-operatives not only execute their co-operative purpose, but increase members' familiarity with co-operation, which might then lead to higher level of affective commitment as well.

Moreover, with respect to the strategic management of co-operatives, we agree with Davis (2001) who maintains that co-operatives' "very competitive survival depends on having a committed management who understands co-operative purpose and values and can use them both to gain and utilise the co-operative difference as a competitive advantage (p. 30-31)".

This means that co-operatives should compete on their own strengths and differentiate themselves from their investor-owned counterparts and instead of camouflaging the presence of their supposed foundational values and principles (Heras-Saizarbitoria & Basterretxea, 2016), co-operation should be emphasized both in marketing and operation so that members can see that there actually is a difference between the co-operative they own and its competitors. While our study indicates members of our case co-operative seem to appreciate characteristics of the co-operative model and it can be used as a source of differentiation, it should be noted that while price is definitely an important factor in competition, the results of our study suggest that it is certainly not the only one and there are other features that related to co-operation are important as well. Moreover, since the operation areas of co-operatives' differ significantly from each other here in Finland, one national-level competitive strategy (e.g., competing mainly in terms of lower prices as done by S Group recently, cf. Puusa 2018) and ignoring the heterogeneity of operation areas and co-operative members and their values, is unlike to yield the best results.

When reflecting about these results beyond the context of this study, our findings support the view that corporate purpose and company values, for example, may affect customer commitment and this is something that managers of other (non-co-operative) retailers should also take into account. While members or a consumer co-operative are members for certain reasons, there are also reasons why customers of certain retailer are its customers, and we encourage these organizations to find out the preferences of their customers and put effort to responding to them. Even though this might seem as self-evident, the results of this particular study lead us to believe that each organization should rely on its own strengths when striving towards competitive advantage and customer commitment, instead of merely following the moves of its competitors and utilizing the same kind of strategies.

## 6. Conclusions

In this paper, we conducted a quantitative study in order to understand the effect of trust and satisfaction to affective, continuance and normative commitment in the context of retailing and consumer co-operatives. We also provided new empirical evidence on the role of familiarity with the co-operative business model and membership in the loyalty programmes of other (non-co-operative) retail stores as moderators in the relationships between trust and satisfaction and three forms of commitment. We have offered new insights into the discussion on customer commitment in retailing and taken organizations' different company forms, corporate purposes and values into account. Moreover, we have provided empirical evidence for the discussion related to co-operatives and member commitment, which so far has been to a great extent theoretical. Our results provided unique and interesting theoretical and practical insights into multiple phenomena and questions concerning customer commitment in retailing, which both mainstream organization and management scholars as well as co-operative scholars are puzzling over.

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