

The Effect of Situation, Person and Store Influences on Willingness to Buy: The Role of Emotion and Reason

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We postulate that willingness to buy from a store will be a function of two specific interactions of store characteristics: with person characteristics and with situational ones. In two studies we also investigate the mediating role of affect (feelings about others) and of ratiocination (a rational analysis of one's self-interest) on the effect of store, person and situational characteristics on willingness to buy. We find (1) that person and store characteristics have an effect on willingness to pay, mediated by emotions and (2) that situation and store characteristics have an effect on willingness to purchase, mediated by ratiocination.

INTRODUCTION

Two classic influences on behavior in social psychology are those of individual (person-to-person) differences and situational elements (Ross & Nesbitt, 2011). The interplay between these influences has been the subject of a great deal of consumer behavior study (see Assael, 2004). For instance, studies of family (Green & Cunningham, 1975; Rindfleisch, Burroughs, & Denton 1977), group (Beardon & Etzel 1982; Childers & Rao, 1992) and cultural influences (Chen, Ng, & Rao, 2005) are special cases of situational influences which change consumer choices that might, otherwise, stem only from individual desires and needs. Such studies usually control for individual differences between consumers while manipulating the situational influences of interest towards an object or product. However, the interplay of consumer and situational characteristics along with store characteristics on consumer behavior has not been used to understand marketplace behavior. This is important since store characteristics are a singular marketing feature which managers can manipulate to obtain successful retailer outcomes in the marketplace.

The contribution of this paper is two-fold. First, as stated earlier, we include the interaction of store characteristics along with person and situation characteristics to understand consumers' willingness to buy. Second, we try to understand the different roles of emotion and reason in creating behavior based on the interaction of the above-mentioned characteristics. In this regard, of special importance to this paper

are the mediating constructs of ratiocination and emotion. Ratiocination (an analysis of one’s self-interest) is the rational basis for behavior and is proposed to mediate the interaction of object characteristics and situational characteristics. Emotion (feelings about others) is the affective basis for behavior and is proposed to mediate the interaction of person and object characteristics. These concepts and hypotheses are discussed next. Also, we discuss the methodology, including experimental procedures, and measurements, as well as the findings and discussion of two studies. Finally, we conclude with managerial implications, and offer directions for future research.

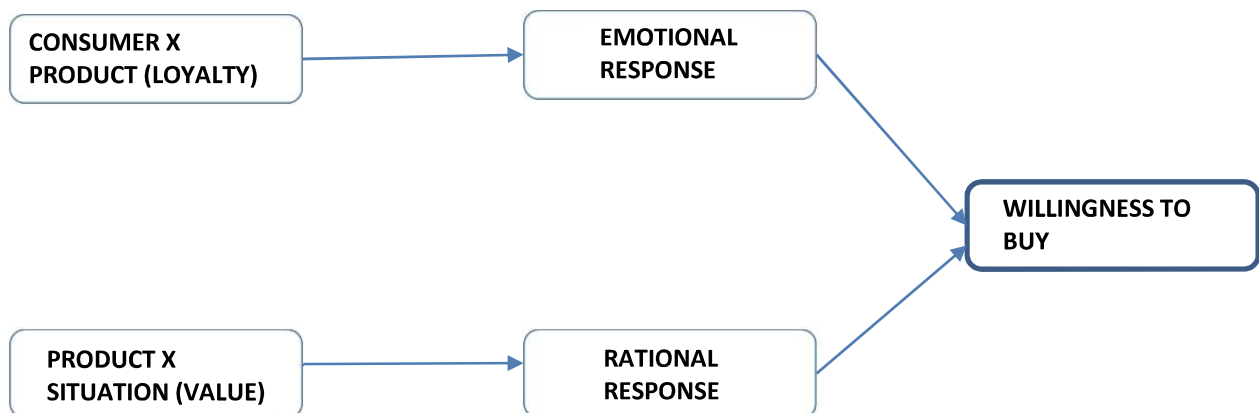
THEORETICAL BACKGROUND

Emotional responses by consumers are feelings that arise because of cognitions about others (people, pets, deities) whether physically absent or present. However, emotional responses are different from our sensual reaction to our environment, which is defined here as arousal and does not need cognitions emanating from others. For instance, emotions (such as happiness, sadness, surprise, anger, fear, disgust) may be evoked by something that someone says, or by reflecting on God (love and awe), or watching our pets play (amusement). However, swimming in the ocean produces an increase in arousal, but no emotion, just as falling asleep produces a decrease in arousal, but no emotion. Thus, emotion is a larger notion which always includes arousal but arousal does not always involve emotion (Chaudhuri, 2006; Buck, 1984).

Rational responses by consumers are thoughts that are evoked in consideration of consumers’ own self-interest and personal goals. Since the situation or context is known to activate such goals (van Osselear & Janiszewski, 2012), we can say that ratiocination (the activation of rational responses) varies depending on the type of consumer who considers a certain type of object for a certain type of situation. Both emotional and rational responses are needed for survival and self-fulfillment for there is virtue in both selfishness and altruism.

Assael (2006) defines situational influences in marketing as “temporary conditions or settings that occur in the environment at a specific time and place. Such situational influences represent the ‘how’, ‘when’, ‘with whom’ and ‘why’ of consumer purchases and consumption. For instance, the “why” aspect could address the purpose of a purchase (say, a gift as opposed to a purchase for oneself). Such situational influences interact with our choices of certain objects. For example, a person could buy a cheaper product for themselves, but a more expensive product as a gift for someone else either for emotional “reasons” such as affection, compassion, kindness etc. or for “selfish” rational reasons. Our intent in the two studies described below is to investigate whether these choices are driven by such emotional or rational motivations (See Figure 1).

FIGURE 1
A MODEL OF LOYALTY AND VALUE-BASED EFFECTS ON WILLINGNESS TO BUY



STUDY 1

For the first study, we use consumers (C) who are either high or low Mach personalities (Hunt & Chenko, 1984). We also use two different stores (O): a store affiliated with the respondent's community and a non-affiliated chain store. Finally, we use two different situations (S): buying a blanket for personal use and buying a blanket as a gift for one's rich uncle living in the same community.

For the purpose of this study we define store loyalty as occurring when a particular consumer buys or uses a particular store regardless of the situation (C x O) and store value as occurring when a particular store is used for a particular situation (O x S). The literature on Machiavellism in social psychology (Hunt & Chenko, 1984) establishes that low Mach persons act less rationally than high Mach persons. Moreover, it is expected that low Mach persons will be more likely to buy at their own community affiliated store, regardless of the situation, because of emotional reactions to their affiliated community, whereas the high Mach persons will feel these emotional reactions less intensely. We propose that low (but not high) Mach respondents will be more willing to buy at a store affiliated with their own community than at a similar but non-affiliated chain store regardless of the situation (buying for self or buying a gift). This is the notion of store loyalty referred to earlier. Second, we propose that respondents will be willing to buy at the store affiliated with their community when buying a gift for their rich uncle who lives in the same community because of rational responses to the situation. This is the notion of store value referred to earlier.

H1: There will be a significant interaction between consumer and store type such that for low Mach (but not for high Mach) consumers, there will be greater willingness to buy from a community affiliated store than from a non-affiliated chain store. This interaction will be mediated by emotional responses towards the community affiliated store.

H2: There will be a significant interaction between store type and purchase situation such that there will be greater willingness to buy from a community affiliated store than from a non-affiliated chain store, when buying a gift but not when buying for themselves. This interaction will be mediated by rational responses towards the community affiliated store.

Method

Eighty eight undergraduate marketing majors from a small university in North-East U.S.A were recruited as interviewers to obtain the subjects for Study 1. These interviewers were trained to conduct a questionnaire (two per interviewer) on a one-on-one basis among residents in the zip code area that they considered to be their primary residence. Random call backs were made to check the authenticity of the interviews and thus 162 questionnaires from 81 interviewers were collected. In all there were 100 zip codes mainly from the states of Connecticut, Massachusetts, New Jersey and New York. Respondents had a mean age of 46.8 years (ranging from 22 to 72) and 57% of respondents were female.

Subjects answered the questionnaire in a quasi-experimental setting. The study design was a 2 X 2 X 2 design (Consumer: High/Low Mach; Situation: gift/self; Object: community affiliated store/non-affiliated chain store). Subjects were first asked to imagine that they were buying a blanket either for themselves or for a "rich uncle" who lived in the same community as themselves. Second, they were told that they were shopping for a blanket at either a store affiliated to their community or at a local home goods store (see one scenario in Appendix A).

After reading one of the four scenarios randomly assigned to them, subjects were asked to answer questions on an emotional response scale (see "Measures" below). Next, they were asked to read the same scenario again and to answer questions on a rational responses scale. Finally, they answered questions on willingness to pay, Machiavellian traits and provided their demographics. In order to ensure the validity of the study, we also asked subjects towards the end of the questionnaire to recall the situation that they were asked to imagine at the beginning of the questionnaire. Those subjects who failed to recall the situation correctly were dropped from the final analysis. A total of 139 questionnaires were finally used.

Measures

Independent Variable

To measure Machiavellian traits, we used the Machiavellian questionnaire by Christie and Geis (1970) and included twenty Machiavellian items (e.g., The best way to handle people is to tell them what they want to hear) measured on a scale of -3 (Strongly disagree) to +3 (Strongly agree). Cronbach's α for the combined Machiavellian items was .70. To create the two groups (low and high) from the Machiavellian items, we conducted a median split (*Median* = -.90) on the Machiavellian scale. Five of the respondents did not answer all the questions in the Machiavellian questionnaire and thus they were treated as missing values.

Covariates

We used years in the community ("Please indicate the years you have lived in your local community") as a covariate. We also measured subjects' level of experience with home product stores with a 7-point semantic differential scale (1=Seldom; 7=Very Often).

We measured emotions (hopeful, encouraged, generous, considerate, affectionate, etc) on a 7-point Likert type scale with the end points being "Strongly disagree" to "Strongly agree". To ensure that subjects did not forget the situation that had been presented to them, every question incorporated the exact situation into the question. For instance, a question on the emotional response of optimism was phrased as "Buying a blanket at the community store for myself, makes me feel optimistic". Principal components (Varimax rotation) analysis of the emotional items extracted one factor with an eigenvalue greater than one and which explained 63.8% of the total variance in all the items. All the items loaded greater than .50 on this factor. Cronbach's α for the six positive emotional responses was .89.

After providing responses to the emotional items, subjects read the scenario once again and then provided responses to our rational measures on a scale of 1 (Strongly disagree) to 7 (Strongly agree). All rational response questions were centered on the description of the particular store that was provided to the subjects. Responses were sought on whether the store's benefits were greater than its costs; whether the store was valuable; whether the subject would gain by using the store; whether using the store was a wise decision; whether using the store was the rational thing to do; and, lastly, whether the store had exactly what the subject needed for this particular shopping situation. Principal components (Varimax rotation) analysis of the rational items extracted one factor with an eigenvalue greater than one and which explained 53% of the total variance in all the items. All the items loaded greater than .50 on this factor. Cronbach's α for the six rational responses was .82.

Dependent Variable and Other Measures

The 'willingness to buy' questions were also centered on the description of the store that was provided to the subjects. Responses were sought on whether subjects would be willing to visit the store, willing to purchase at the store, willing to spend time in the store, willing to pay a higher price at the store over other similar stores; and, lastly, whether they would prefer to shop at the store even if another store advertised a lower price. All responses were provided on a 7-point scale (1= Strongly disagree to 7= Strongly agree). Principal components (Varimax rotation) analysis of the dependent variable measures extracted two factors with eigenvalues greater than one and which together explained 81.5% of the variance. All the items loaded greater than .50 on their respective factors. The first three items listed above loaded on the first factor and the last two items loaded on the second factor. Accordingly, we divided the willingness to buy questions into two dependent variables, WTPUR (the aggregate of the first three items; Cronbach's α = .86) and WTPAY (the aggregate of the last two items; r = .70, p = .00).

Results

We ran a 2 (Consumer personality: low Mach vs. high Mach) X 2 (Object: community store vs. chain store) X 2 (Situation: buying for self vs. buying a gift) between subjects ANOVA with WTPAY and WTPUR, respectively, as the dependent variables and years in the community and store experience as covariates.

WTPAY as Dependent Variable. Inconsistent with H1, we found a non-significant interaction of store type with personality [$F(1, 122) = .58, p = .45$]. We also found a non-significant interaction between store type and situation [$F(1, 122) = 0.27, p = .61$] and, hence, H2 was not supported. We found a significant main effect only for store type [$F(1, 122) = 15.42, p = .00$], with respondents being more likely to buy from a community store ($M = 4.09$) than from a chain store ($M = 2.89$). The main effects of personality and situation were non-significant ($p > .05$) and the interaction effects of situation with affiliation and store type were also non-significant ($p > .05$). Neither of the two covariates (years in the community and store experience) were significant ($p > .05$) and were removed from further analysis.

In the next step, we introduced emotional responses into the ANOVA as a covariate. Although emotion was strongly significant [$F(1, 124) = 6.79, p = .01$], its introduction as a covariate did not change the results in any way. Store type remained the only other significant variable in the analysis ($p = .001$). Similarly, when rational score was introduced as a covariate, it was also strongly significant [$F(1, 122) = 17.08, p = .00$], but it did not change the results in any way. The main effect of store type on WTPAY remained significant.

WTPUR as Dependent Variable. Once again, we found no significant interaction of store type with consumer personality [$F(1, 122) = .08, p = .78$] and, thus, H1 was not supported. We also found a non-significant interaction between store type and situation [$F(1, 122) = 1.21, p = .27$] and, hence, H2 was also not supported. We found a significant main effect only for consumer personality [$F(1, 122) = 10.93, p = .001$]. The main effects of store type and situation were non-significant ($p > .05$) and the interaction effects of situation with affiliation and store type were also non-significant ($p > .05$). “Years in the community” as a covariate was non-significant ($p > .05$) and was removed from further analysis.

In the next step, we introduced emotional responses into the ANOVA as a covariate. Although emotion was marginally significant [$F(1, 121) = 3.34, p = .07$], its introduction as a covariate did not change the results in any way. Personality remained the only other significant variable in the analysis ($p = .002$). Similarly, when rational response was introduced as a covariate, it was also strongly significant [$F(1, 119) = 86.63, p = .00$], but it did not change any of the results related to our hypotheses. However, the main effect of personality on WTPUR became non-significant ($p = .22$), as did the effect of emotion ($p = .48$).

Discussion

We proposed that low Mach (but not high Mach) consumers will be more willing to buy from a community affiliated store than from a non-affiliated chain, regardless of the situation (H1). We expected this to happen because of low Mach consumers’ emotional reaction to the affiliated community. However, our results from Study 1 do not support our hypothesis. We also proposed an interaction between store type and purchase situation such that there will be greater willingness to buy from a community affiliated store than from a non-affiliated chain store, when buying a gift but not when buying for personal use. We expected the interaction to be mediated by rational responses, but our results did not support our hypothesis. The non-significant results are perhaps due to the variable we have chosen (i.e., Machiavellian questions) to reflect community affiliation, which perhaps was not the most proper indicator of such affiliation. Thus, in Study 2, we change our manipulations to reflect a stronger community affiliation.

STUDY 2

In Study 2, in place of the high/low Mach personality variable, we used a “community affiliation” variable as our individual differences independent variable. In this manner, we strengthened the affiliation of half the subjects to one store, while clearly reducing the affiliation of the remaining subjects. We will describe later how we successfully used a manipulation check to test for this difference.

As in study one, we define store loyalty as occurring when a particular consumer buys or uses a particular store regardless of the situation (C x O) and store value as occurring when a particular store is used for a particular situation (O x S). In Study 2, we used consumers (C) who were students from two different universities (University A and University B). We also used two different stores (O): a store affiliated with University A and a non-university chain store. Finally, as in Study 1, we used two different situations (S): buying a blanket for yourself and buying a blanket for your best friend at university A.

We propose, first, that students from University A who visit the store affiliated with their own university (i.e., A) will be more willing to buy at such a university affiliated store than at a similar but non-affiliated chain store *regardless* of the situation (buying for self or buying a gift). However, “non-affiliated subjects” (students from University B) will be less willing to buy from a store affiliated with University A because of their lack of identification with University A. Second, we propose that the affiliated subjects (from University A) will be more likely to buy at their own university affiliated store, regardless of the situation, because of emotional reactions to their affiliated university.

We predicate our hypotheses (see below) based on the literature on community loyalty (Oliver, 1999; Bhattacharya & Sen 2003). Subjects who are affiliated to a certain community are more likely to support their own community initiatives (such as their own university store) than subjects who are not affiliated to that community. This is a two way interaction (consumer x object) demonstrating that loyalty (regardless of the situation) produces greater willingness to buy. Note that we do not postulate a main effect for situational (S) characteristics, that is, we do not predict that all subjects will be willing to pay a higher price at all stores for a particular situation.

H1: For affiliated consumers (but not for non-affiliated consumers), willingness to buy will be higher at an affiliated university store than at a chain store. This interaction (between store type and affiliation) will be mediated by positive emotional responses.

We expect that all subjects, regardless of their affiliation, will be willing to buy from the store affiliated with University A for a particular situation (when buying a gift for their best friend at university A) because of rational responses to the situation. It makes sense to make such a purchase whether one is affiliated to University A or not. Thus, the non-affiliated subjects (from University B) will also be more willing to buy from the store affiliated with university A for a particular situation (when buying a gift) because of rational responses to the situation. These subjects who are “non-loyal” to University A and not normally inclined to buy from a store affiliated to University A, will, however, have to seriously consider buying from such a store in order to obtain appropriate merchandise for a particular situation in which they are buying for a best friend at University A.

This is a two way interaction demonstrating that value (a combination of the situation with the object/store) produces switching behavior from one store to another. It makes sense to switch stores when one store offers more value (in our case, in terms of more appropriate merchandise for the situation). Thus, both affiliated and non-affiliated consumers will be more willing to purchase from the store affiliated with University A for a certain situation. The affiliated consumer will always be more willing to purchase from their affiliated store regardless of the situation (self or gift). At the same time, subjects who are not affiliated to a certain store will not usually feel obliged to purchase from that store. However these subjects will see an advantage to buying from that store when considering the special circumstances of the situation, say, a gift for a friend who studies at the same university affiliated to the store. Such a considered choice arises from greater ratiocination (rational thinking) which is a fundamental characteristic of value-based purchases.

H2: Regardless of affiliation, consumers are more likely to buy a gift than a product for personal use from the affiliated university store (but not from a chain store). This interaction (between store type and situation) will be mediated by rational responses.

Method

Two small universities in North-East U.S.A participated in the study. Both universities (A and B) are located in the same town and about two miles distant from each other. Both universities are also similar in terms of religious affiliation, student tuition and programs offered. Two hundred and thirty one undergraduate business students from both universities (115, respectively 116) were used as subjects in a quasi-experimental setting. The study design was a 2 X 2 X 2 design (affiliated/non-affiliated subjects; gift/self; university store/local chain store). Subjects were first asked to imagine that they were buying a blanket either for themselves or for a friend at University A. Second, they were told that they were shopping for a blanket at either a store affiliated to University A or at a local home goods store. All four scenarios are reproduced in Appendix B. Subjects who studied at University A were considered to be affiliated subjects and students at University B were considered to be non-affiliated. A manipulation check using an 'affiliation to University A' scale (Appendix C) of eight items (Cronbach's $\alpha = .96$) measured from 1 (disagree very much) to 7 (agree very much) showed that the mean for subjects at University A ($M = 5.33$) was significantly higher than the mean for subjects at University B [$M = 2.66$, $t(223) = 14.73$, $p = .00$].

As in Study 1, after reading one of the four scenarios randomly assigned to them, subjects were then asked to answer questions on an emotional responses scale (see below under measures). Next, they were asked to read the same scenario again and to answer questions on a rational responses scale. Finally, they answered questions on willingness to buy, the affiliation measures discussed above and provided their demographics.

Measures

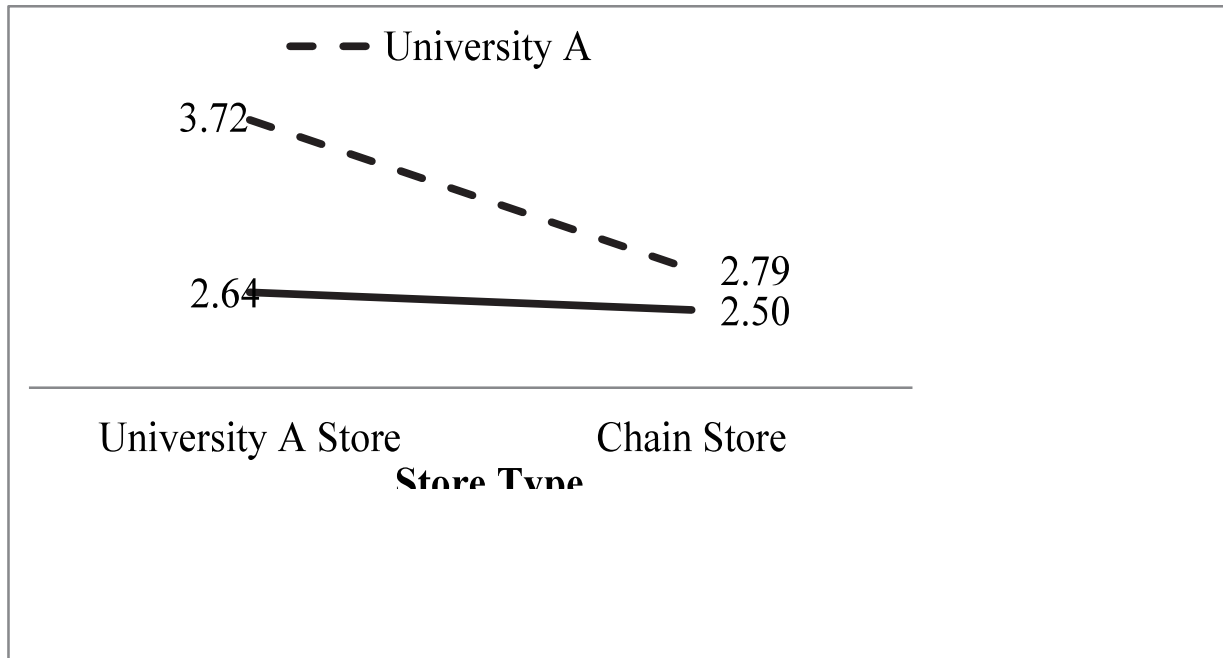
As in Study 1, to ensure that subjects did not forget the situation that had been presented to them, every question (on seven point scales) incorporated the exact situation into the question. We also used the same measures from study one in study two for store experience, the emotional and rational mediators and for the dependent variable - willingness to buy. In keeping with our findings in study one, we divided willingness to buy into two dependent variables, willingness to pay (WTPAY), which combined two items ($r = .75$, $p = .00$) and willingness to purchase (WTPUR), which combined three items (Cronbach's $\alpha = .90$). Cronbach's α for the six positive emotional responses was .79. Cronbach's α for the six rational responses was .82.

Results

We used a 2 (Consumer affiliation: University A vs. University B) X 2 (Store type: store from University A vs. chain store) X 2 (Situation: buying for self vs. buying a gift) between subjects ANOVA with WTPAY and WTPUR as the dependent variables and store experience, emotional responses and rational responses as covariates.

WTPAY as Dependent Variable. Consistent with H1, we found a significant interaction of store type with affiliation [$F(1, 218) = 3.73$, $p = .05$] (see Figure 2). Specifically, affiliated students (University A) were more likely to buy from the university store ($M = 3.72$) than from a local chain store ($M = 2.79$, $p = .002$). No such difference was observed for non-affiliated subjects (see Figure 2). Further, the interaction effect of situation with store type was non-significant [$F(1, 218) = .75$, $p = .39$], thus H2 was not supported for WTPAY. In addition, we found significant main effects for affiliation [$F(1, 218) = 10.44$, $p = .001$], and for store type [$F(1, 223) = 7.31$, $p = .007$]. The effect of store experience was non-significant ($p > .05$), thus this covariate was eliminated from further analysis.

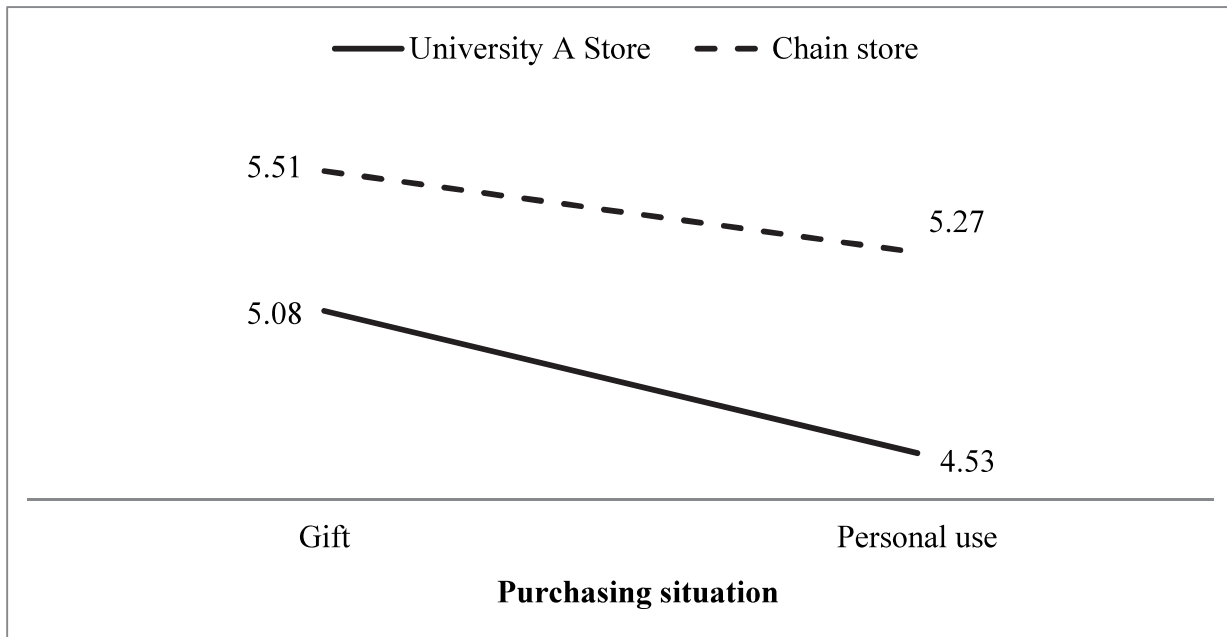
FIGURE 2
THE INTERACTION EFFECT OF STORE TYPE WITH AFFILIATION ON WTPAY



In order to test the mediating effect of emotional responses on the interaction of store type with affiliation, we introduced emotional responses as a covariate in the analysis. We found that emotional responses was significantly related to willingness to pay [$F(1, 222) = 28.69, p = .00$]. Moreover, when the emotional response was added as a covariate into the analysis, the interaction effect of store type with affiliation became non-significant [$F(1, 222) = 2.86, p = .09$]. In other words, emotional responses mediated (explained) the interaction effect of consumer affiliation and store type on WTPAY and H1 was fully supported. This effect held when the rational score was also introduced as a covariate in the analysis. Rationality was significant [$F(1, 221) = 13.69, p = .00$], but the effects of emotional responses continued to be significant [$F(1, 221) = 8.76, p = .003$] and the interaction effect of affiliation and store type remained non-significant [$F(1, 221) = 1.68, p = .19$]. Thus, H1 was supported for WTPAY, but H2 was not.

WTPUR as Dependent Variable. A 2 X 2 X 2 ANOVA with store experience as a covariate shows a non-significant interaction effect of affiliation with store type [$F(1, 218) = 1.83, p = .18$]. Thus H1 was not supported for WTPUR. However, consistent with H2, we found a significant interaction of store type with situation [$F(1, 218) = 3.94, p = .048$] (see Figure 3). As expected, respondents were more likely to purchase the product from the university store if it was a gift ($M = 5.08$) than if it was for themselves ($M = 4.53$), but the difference was only marginally significant ($p = .068$). There was no difference between the two purchasing situations if the product was bought from a chain store ($p = .19$) (see Figure 3). Thus H2 is only partially supported because of significant interaction, but only marginally significant mean difference. In addition, we found significant main effects affiliation [$F(1, 218) = 12.94, p = .00$] and for store type [$F(1, 218) = 10.52, p = .001$]. The covariate effect of store experience was also significant [$F(1, 218) = 13.94, p = .00$]. The main effect of situation was non-significant [$F(1, 218) = .42, p = .52$].

FIGURE 3
THE INTERACTION EFFECT OF STORE TYPE WITH SITUATION ON WTPUR



In order to test the mediating effect of emotional responses on the interaction of store type with situation, we introduced emotional responses as a covariate in the analysis. Although the effect of emotions was significant [$F(1, 217) = 37.06, p = .00$], the interaction effect of store type with situation remained significant [$F(1, 217) = 6.81, p = .01$]. In other words, emotional responses did not mediate the interaction effect of store type and situation on WTPUR.

In order to test the mediating effect of rational responses on the interaction of store type with situation, we next introduced rational responses as an additional covariate in the analysis. We found that rational responses had a significant effect on WTPUR [$F(1, 216) = 91.03, p = .00$]. Further, the effect of emotional responses on WTPUR became non-significant [$F(1, 216) = 2.84, p = .09$] and the interaction effect of store type with situation also became non-significant [$F(1, 216) = 0.37, p = .55$]. In other words, emotional responses did not mediate the interaction effect of store type and situation on WTPUR, but rational responses did. *Thus, H2 was partially supported for WTPUR, but H1 was not.*

Discussion

In Study 2, we found that loyalty, that is, the interaction of consumer characteristics (affiliation) with object characteristics (store type) accounted for subjects willingness to pay a higher price. Regardless of the situation (i.e., buying a gift or buying for themselves), subjects who were affiliated with University A were more willing to pay a higher price at a store affiliated with university A as opposed to a local chain store. In contrast, for subjects at University B, there was no difference in willingness to pay at either of the two stores since they perceived no affiliation to any of the two stores. Also in Study 2, with WTPUR as the dependent variable, we found support for H2, but no support for H1. Specifically, value, that is, the interaction of situational characteristics with characteristics of the object (S x O), accounted for subjects' greater willingness to purchase. Regardless of their affiliation, subjects at both university A and B were willing to purchase from a store affiliated to university A because of a particular situation in which they perceived greater value at that particular store (gift versus personal use).

GENERAL DISCUSSION AND MARKETING IMPLICATIONS

We conducted two studies to examine the effects of loyalty (i.e., the interaction of consumer characteristics and object) and value (i.e., the interaction of situational factors and object characteristics) on consumers' willingness to buy. Our hypotheses were not supported in Study 1 perhaps because of the measure of consumer characteristics (i.e., Machiavellism) that we have used, which did not capture the "affiliation" strongly enough. Thus, in Study 2, we included another variable to reflect a stronger community affiliation. Our results provide support for our hypotheses and show that (1) loyalty (C X O) has an effect on willingness to pay (but not on willingness to purchase), effect which is mediated by emotions and (2) value (S X O) has an effect on willingness to purchase (but not on willingness to pay), effect which is mediated by ratiocination.

Thus, from our results, it appears that value-based choices may lead to a switch in store choice, but not necessarily to a willingness to pay a higher price at the newly chosen store. Future research needs to consider if this changes for a stronger value-based choice than we used in Study 2. For instance, it is possible that consumers will not only switch stores, but will also be willing to pay a higher price for a different product/merchandise, such as a necessity which is not available anywhere else or even for store ambience (wider aisles, etc.) that is unique to a particular store. In any case, our results pointedly and meaningfully show that willingness to buy has more than one component and that marketers need to consider both the willingness to purchase and the willingness to pay a higher price at one store over other stores.

On the other hand, another important marketing implication from our results is that there is evidence that affiliation with a community *raises the willingness among community members to pay a higher price (WTPAY) for a community endorsed store/product*. Recall that the two willingness to pay questions asked if subjects would pay more at the affiliated store over other similar stores and if they would shop there even if another store advertised a lower price. Thus, there is evidence here of the power and strength of brand loyalty which goes beyond just continuous buying practices, which could be due to apathy, low price, convenience, and so on. In contrast, this type of strong loyalty clearly prefers the brand relative to other brands and is willing to commit to a sacrifice of greater financial resources as a result of it. As advocated by Oliver (1999) and others, marketers should try to obtain the backing of a community for their brands in order to obtain such strong brand loyalty that ensues from strong community affiliation. "It takes a village" to get higher prices!

Note that we also found that emotional response only mediated the effect of the interaction of store type and affiliation. Emotional responses did not mediate the interaction of store type and situation, but rational responses did. This finding explains why and how brand loyalty (the interaction of a particular person with a particular brand) works in creating willingness to pay higher prices. The mechanism that has to be employed to generate brand loyalty is emotion-based, while the mechanism to generate value-based buying is ratiocination or rational thinking. In other words, the stronger the emotional bond (or affiliation) between the person and the community, the stronger the emotional bond between the person and the brand. The correlation between the affiliation scale (discussed earlier as a manipulation check) and willingness to pay a higher price is .31 ($p = .00$) in Study 2. It behooves marketers to invest in creating "school spirit" if they can also attach their brand to this emotional relationship. For instance, a brand that promotes the Huskies mascot along with the brand's logo should obtain higher prices for that brand over other similar brands at the University of Connecticut. In fact, a brand such as Gatorade could think of marketing a brand extension like Husky-Gatorade and so on for various universities and communities. Obtaining higher prices is an enviable way to increase revenue and profits and our results may be of special interest for brands that are fighting for market share against tough competition. Emotional bonding with a community may be a way out for low volume, low margin brands to obtain higher margins.

While our study finds effects for loyalty on willingness to pay, we also found evidence for the effect of value (O x S) on willingness to purchase, but not on willingness to pay. Perhaps, our situational scenario of buying a blanket either for personal use or as a gift for a friend was not a strong enough

stimulus to induce a willingness to pay a higher price. Future research should use other stronger purchase situational scenarios (buying a gift for a child, etc.). Further, we only looked at the purchase situation, whereas there are other situational contexts such as consumption and communication situations (Assael 1996). Our non-significant result for the effect of value on WTPAY, however, serves to highlight the importance of the clear and unambiguous results in this study for the effect of loyalty on willingness to pay a higher price. For this outcome from Study 2, loyalty triumphs over value and emotion conquers reason. On the other hand, for willingness to purchase (WTPUR) only, managers should foster greater ratiocination about the pros and cons of respective stores in their marketing communications. Greater value through uniqueness in merchandise, ambience and service may change consumers store choice. However, from our results, at least, it is emotional affiliation with a brand that obtains higher prices. Future research has to determine whether other types of marketing objects (products and services) also obtain the same results as shown here for retail stores.

APPENDIX A

Scenario (Situation: Gift and Store Type: Community Store) in Study 1

Community Store/ Gift scenario

IMAGINE you are shopping for a rich as a gift for an elderly uncle who has lived close to you in your local community for most of his life. Your uncle has worked hard and acquired a significant amount of wealth. He has never married and you are among his closest relatives. For this purchase, you are considering a visit to a new home products store called THE COMMUNITY STORE located in your local community. This store is locally opened and operated with strong ties to the local community in your home town. All proceeds from the store go towards the establishment and upkeep of community shelters and parks. The store is not affiliated to any other community (like a university or any other organization) in any way. It is not a brand name store or a national chain store although the store services, store atmosphere, merchandise assortment and merchandise value (in short, everything else) is the same as you might find at a typical national chain store. They have quite a large assortment blankets, some with your local community's name and insignia handsomely embroidered.

Community Store/ Product for One's Self Scenario

IMAGINE you are shopping for a blanket for yourself. For this purchase, you are considering a visit to a new home products store called THE COMMUNITY STORE located in your local community. This store is locally opened and operated with strong ties to the local community in your home town. All proceeds from the store go towards the establishment and upkeep of community shelters and parks. The store is not affiliated to any other community (like a university or any other organization) in any way. It is not a brand name store or a national chain store although the store services, store atmosphere, merchandise assortment and merchandise value (in short, everything else) is the same as you might find at a typical national chain store. They have quite a large assortment of blankets, some with your local community's name and insignia handsomely embroidered.

Home Products Store/ Gift scenario

IMAGINE you are shopping for a rich as a gift for an elderly uncle who has lived close to you in your local community for most of his life. Your uncle has worked hard and acquired a significant amount of wealth. He has never married and you are among his closest relatives. For this purchase, you are considering a visit to a new HOME PRODUCTS store located half a mile from your university. This store is part of a national chain store, owned and operated by a for-profit corporation. It is not affiliated with your local community in any way. The store services, store atmosphere, merchandise assortment and merchandise value (in short, everything) is the same as you might find at a typical national chain store selling furnishings and bedroom and bath accessories. They have quite a large assortment of blankets, but with no insignia or emblems linked to your community.

Home Products Store/ Product for One's Self scenario

IMAGINE you are shopping for a blanket for yourself. For this purchase, you are considering a visit to a new HOME PRODUCTS store located half a mile from your university. This store is part of a national chain store, owned and operated by a for-profit corporation. It is not affiliated with your local community in any way. The store services, store atmosphere, merchandise assortment and merchandise value (in short, everything) is the same as you might find at a typical national chain store selling furnishings and bedroom and bath accessories. They have quite a large assortment of blankets, but with no insignia or emblems linked to your community.

APPENDIX B

Scenarios in Study 2

University A store/ Gift Scenario

Imagine you are shopping for a blanket as a birthday gift for your best friend at [...] (University A). You are considering a visit to the new [...] (University A) STORE located half a mile from the university. This store is A NON-PROFIT STORE opened and operated by [...] (University A) students. It is not a bookstore. All the proceeds of the store go towards creating scholarships for future students. The store is not affiliated to any other community (like a for-profit corporation) in any way. It is not a national chain store although the store services, store atmosphere, merchandise assortment and merchandise value (in short, everything else) is the same as you might find at a typical national brand store selling home furnishings and bedroom and bath accessories. They have quite a few varieties of blankets all with the [...] (University A) insignia handsomely embroidered.

University A store/ Product for One's Self Scenario

Imagine you are shopping for a blanket for yourself. You are considering a visit to the new [...] (University A) STORE located half a mile from the university. This store is A NON-PROFIT STORE opened and operated by [...] (University A) students. It is not a bookstore. All the proceeds of the store go towards creating scholarships for future students. The store is not affiliated to any other community (like a for-profit corporation) in any way. It is not a national chain store although the store services, store atmosphere, merchandise assortment and merchandise value (in short, everything else) is the same as you might find at a typical national brand store selling home furnishings and bedroom and bath accessories. They have quite a few varieties of blankets all with the [...] (University A) insignia handsomely embroidered.

Home Products Store/ Gift scenario

Imagine you are shopping for a blanket as a gift for your best friend at [...] (University A). You are considering a visit to the new HOME PRODUCTS store located half a mile from your university. This store is part of a national chain store, owned and operated by a for-profit corporation. It is not affiliated with the university in any way and contains no [...] (University A) memorabilia. The store services, store atmosphere, merchandise assortment and merchandise value (in short, everything) is the same as you might find at a typical national chain store selling home furnishings and bedroom and bath accessories . They have a large assortment of blankets but with no insignia or emblems linked to any organizations.

Home Products Store/ Product for One's Self Scenario

Imagine you are shopping for a blanket for yourself. You are considering a visit to the new HOME PRODUCTS store located half a mile from your university. This store is part of a national chain store, owned and operated by a for-profit corporation. It is not affiliated with the university in any way and contains no [...] (University A) memorabilia. The store services, store atmosphere, merchandise assortment and merchandise value (in short, everything) is the same as you might find at a typical national chain store selling home furnishings and bedroom and bath accessories . They have a large assortment of blankets but with no insignia or emblems linked to any organization.

APPENDIX C

The Affiliation Scale Used in Study 2

Lastly, we would like to ask you a few questions about [...] (University A) and not the store that was described earlier. Use a number from 1 (disagree very much) to 7 (agree very much) and write it on the space provided next to the statement. Remember, your responses are completely anonymous and confidential. So, please be honest.

How much do you agree with the following statements about your relationship with [...] (University A)?

I am loyal to XXXX University	_____
I have faith in XXXX University	_____
I trust XXXX University	_____
I love XXXX University	_____
XXXX University is unique in a good way	_____
XXXX University is better than other comparable universities	_____
I go to as many XXXX University events as possible	_____
I will recommend XXXX University to others	_____

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