
Effects of habit on linkages between customer satisfaction, corporate reputation and firm-level outcomes in BRIC economies: a multi-national comparison

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Abstract

Profiting from the substantial economic growth outside the Western economies requires firms to develop a profound understanding of effective strategies for global operations. In particular, much debate has been offered on management practices that are applicable to trigger desired customer behavior, especially, to enhance firm-level outcomes in terms of customer loyalty and word-of-mouth referral. However, research on mechanisms that can help drive such customer behavior has mainly focused on consumers' intentional processes, which ignores the fact that consumers' frequently performed behaviors become automatic over time. Ignoring habit-persistency effects may result in systematically overestimating the effects of other practices firms adopt to influence their behavior, e.g. of striving for strategic goals like customer satisfaction or firm reputation. Against this background, this study contributes to the literature by integrating the concepts of habit creation, customer satisfaction and firm reputation and by generating cross-national insights into their effects on firm outcomes in terms of loyalty and word-of-mouth. Applying multigroup structural equation modeling, the analyses draw on two global fast food companies' consumer data collected in the BRIC and their domestic US market. The results document essentially diverging nomological linkages among the concepts under study across nations and provide important intuitions on how global companies strategize their market positioning best.
