CHURCH MARKETING

The Role of Market Orientation and Brand Image

in Church Participation

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Abstract

Since its conception, the concept of ‘market orientation’ has been largely regarded as an employee-perceived phenomenon due to its focus on employees as the unit of analysis. The examination of market orientation from customer perspective (‘perceived market orientation’) remains an under-researched topic, particularly within the non-profit sector. The present study seeks to address this research gap through an investigation of the role of ‘perceived market orientation’ in affecting ‘customer participation’ with churches as the research context.

The use of churches as a research context has become increasingly common in studies of non-profit and services organisations. Although the implementation of marketing techniques in the church context has been extensive, there has been little examination of the effectiveness of these methods in encouraging church participation. Consequently, previous studies in this area have failed to contribute to a theoretical understanding of how marketing can be used to motivate participation. It is thus apparent that there is a need for more research in this area to examine the potential role of concepts such as ‘perceived market orientation’ and ‘brand image’ in affecting church participation.

This research incorporated two stages of research design in the form of qualitative and quantitative techniques. The qualitative phase involved in-depth interviews with Church Goers (CGs) and Non Church Goers (NCGs). Insights gained from the interviews helped the present author to incorporate relevant constructs as predictors of church participation in the conceptual framework. The quantitative phase involved the distribution of self-administered questionnaires using convenience sampling technique. CG respondents were approached through Assemblies of God (AOG) church leaders in Melbourne metropolitan and suburban areas whereas NCG respondents were recruited through newspaper advertisement. A total of 564 usable questionnaires were obtained representing 42% of the total number of respondents approached in both groups.

Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) were employed to establish construct reliability and validity as well as measurement invariance. Subsequently, the Structural Equation Modeling (SEM) technique was employed to analyse the hypothesised relationships between key constructs in the conceptual framework.

The results of the study indicate that 'perceived market orientation' plays an important role in affecting the church participation of both CG and NCG respondents. An examination of corollary hypotheses reveals that 'interfunctional coordination' performs the strongest effect on church participation. Further, 'customer orientation' was only found to be significantly associated with church participation in CG group whereas 'competitor orientation' was not found to be positively associated with church participation in either group of respondents.

The 'brand image' construct in the present study was developed to examine the church's ability in creating a unique brand identity (uniqueness), monitoring brand values (reputation), and managing brand communications (orchestration) from the perspectives of existing (CG) and prospective (NCG) members. The analysis found that 'brand image' is a unidimensional construct which is positively associated with 'perceived market orientation', 'perceived benefits', and 'church participation' in both sample groups.

The study also examines the significance of 'perceived benefits' in affecting church participation. The construct was found to be significantly associated with church participation in both sample groups. Among the three dimensions of 'perceived benefits', the construct of 'social benefits' was found to perform the strongest effect on church participation in both sample groups.

The present study offers significant practical implications for non-profit managers in general and church leaders in particular. Due to the significance of market orientation and brand image in encouraging customer participation, it is recommended that non-profit managers and church leaders embrace market orientation and brand orientation to reach out their target segments more effectively.

Statement of Authenticity

I, Riza Casidy Mulyanegara, declare that this thesis contains no material which has been accepted for the award of any other degree or diploma in any university or any other institution and affirm that, to the best of my knowledge, the thesis contains no material previously published or written by another person, except where due reference is made in the text of the thesis.

Signed:………………………………….. Date:……………………………………

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Chapter 1
Introduction

1.1 Objective and structure of the chapter

This thesis investigates the role of market orientation and brand image in church participation. Through a synthesis of the relevant literature from the domain of church participation and that of marketing, the study proposes a conceptual framework that links ‘market orientation’, ‘brand image’, and ‘perceived benefits’ as the predictors of ‘church participation’.

The purpose of the present chapter is to provide an overview of the structure of the thesis. The chapter begins with a discussion of the motivation for the research, followed by a presentation of the research questions and objectives. The significance of the topic is then discussed. The chapter concludes with an outline of the organisation of the thesis.

1.2 Motivation for the research

Research on church participation has involved a diversity of approaches from several inter-related disciplines as scholars have attempted to achieve a better understanding of the antecedents of church participation. Several marketing scholars have also contributed to the literature in this area through the extensive application of marketing techniques in church settings (Cutler 1991). However, despite the plethora of church-related studies in the marketing literature, few studies have specifically examined the role of marketing in church participation (Vokurka, et al. 2002). The majority of previous studies have focused on the *applicability* of marketing techniques within the church context, rather than their *impact* in encouraging church participation (Webb, et al. 1998).

The importance of the notion of ‘market orientation’ to the performance of non-profit organisations has been widely acknowledged in the literature (Balabanis, et al.

1997;Kara, et al. 2004;Wood and Bhuian 1993). Within the non-profit sector, customers play an important role as co-producers of service and co-creators of value, which is consistent with the so-called 'service-dominant logic' (SDL) perspective of marketing advanced by Vargo and Lusch (2004). This perspective entails an understanding of 'market orientation' from the customer's perspective. However, since its conception, the notion of 'market orientation' has been largely regarded as an employee-perceived phenomenon as most studies have utilised employees as study participants (Gounaris, et al. 2003). In contrast, the notion of 'market orientation' from a customer perspective—so-called 'perceived market orientation' (PMO)—has received relatively little attention in the marketing literature on the non-profit sector, despite the fact that PMO has been shown to have a significant influence on organisational performance through such constructs as customer satisfaction and customer commitment (Baker, et al. 1999;Krepapa, et al. 2003). Indeed, within non-profit sector, only one empirical study has examined the impact of PMO on organisational performance (Voon 2006). It is thus apparent that there is a significant gap in the research literature in this area.

Within the non-profit sector, the concept of 'brand image' has also been linked with organisational performance by its influence in shaping the attitudes and actions of stakeholders (Bendapudi, et al. 1996;Webb, et al. 2000b). However, there is another gap apparent in the research literature, in that there has been a relative failure to examine the influence of 'brand image' on both customers' perceptions of benefits and the extent of their participation within the non-profit sector. Within the church context, 'brand image' has been conceptually linked with church participation (Stevens, et al. 2005), but only one empirical study has examined the role of 'brand image' in religious organisations (Abreu 2006). Further examination of the relationship between 'brand image' and church attendance is clearly required.

In response to the identified gaps in the literature noted above, the present study proposes a conceptual framework that links 'market orientation', 'brand image', and 'perceived benefits' as the predictors of 'church participation'. The study thus aims to examine the significance of each construct in enhancing church participation among existing and prospective members.

1.3 Research questions and objectives

This study addresses the following research questions:

1. What is the role of 'perceived market orientation' in 'church participation'?
2. What is the role of 'brand image' in 'church participation'?
3. What is the role of 'perceived benefits' in 'church participation'?
4. What is the relationship between 'perceived market orientation' and 'brand image' in the church context?
5. Which is the strongest determinant of church participation among the predictor variables in the conceptual model?
6. Is the relationship between the determinants of church participation and 'extent of participation' stronger among non-church-goers (NCGs) than among church-goers (CGs)?

In addressing these questions, the thesis seeks to achieve three primary research objectives. The first is to investigate the influence of 'market orientation' on 'church participation'. For this purpose, the study develops a PMO scale to examine the level of market orientation of a church from the perspectives of existing (CG) members and prospective (NCG) members. Within the conceptual framework of the study, PMO is postulated to have direct and indirect effects on 'church participation'.

The second objective is to investigate the influence of 'brand image' on 'church participation'. Drawing on the brand orientation themes identified by Ewing and Napoli (2005), the present study develops a measure of 'brand image' that captures respondents' perceptions of a church's uniqueness, reputation, and orchestration. 'Brand image' is postulated in the conceptual framework of the study to have direct and indirect positive impacts on 'church participation'. A review of the extant theories on 'church participation' suggests that the extent of church participation by any given person is determined by his or her perceptions of anticipated costs and benefits (Iannaccone 1997). As a consequence, 'perceived benefits' is posited as an important construct in the conceptual framework, which serves as a mediating variable on the relationships among PMO, 'brand image', and 'church participation'.

The third objective of this study is to derive practical implications for church leaders. In view of the decline in church attendance in Australia, as identified by the 'National Church Life Survey' (NCLS 2001), it is the contention of the present study that it is imperative for church leaders to recognise the potential role of marketing in encouraging church participation. An understanding of the significance of PMO and 'brand image' on church participation is likely to be of assistance to church leaders in encouraging participation among existing and prospective members.

1.4 The significance of the study

The proposed research questions are important for several reasons. First, the study promises to make a significant contribution to the marketing literature on non-profit organisations. The role of 'market orientation' in non-profit organisations remains significantly under-researched (Shoham, et al. 2006), especially in terms of empirical studies (Vazquez, et al. 2002), and research into the role of PMO within the non-profit sector can be considered non-existent. The present study will therefore contribute significantly to the literature on 'market orientation' by applying PMO to explain 'customer participation' within the non-profit sector.

Secondly, the research context under examination represents the intersection of two research domains: (i) church participation; and (ii) marketing. For the most part, the two have progressed independently of each other despite the publication of several church-related studies in the marketing literature. The present study makes a significant contribution by integrating theories from these two research domains to explain the phenomenon of church participation from the perspective of marketing—that is, the study contends that the perceptions of individuals regarding the level of 'market orientation' of a church and its 'brand image' influence the extent of their participation in church-related activities. This thesis thus contributes to the literature on church participation through an empirical examination on the influence of ‘market orientation’ and ‘brand image’ on ‘church participation’.

1.5 Delimitations and definitions

The present author acknowledges that the findings of the present study may not be applicable to all types of religion and denomination as there are diverse views relating to the concept of ‘production’, ‘consumers’, ‘competitions’, and ‘marketplace’ as applied to religious contexts. For instance, traditional Catholicism and Islam both place a strong emphasis on traditional historical liturgies and the lead role of ordained religious leaders in these liturgies. As a result, these religions have strongly resisted changes to adjust their liturgies to ‘customer preferences’ and have little concept of ‘customers’ being involved in the ‘co-production of services’ or ‘co-creation of values’ due to the minimal role of volunteers in the liturgies. Other religions such as Judaism and Buddhism may have little interest in proselytising and thus have little sense of ‘competition’ from other religions.

For the purpose of this study, the term ‘church participation’ refers to people’s participation in churches affiliated with mainstream Christian denominations. For the purpose of this study, mainstream Christian denominations refer to those that continue to adhere to the Nicene Creed in their statements of faith. In accordance with the definition, the majority of respondents participating in this study belong to prominent mainstream denominations in Australia including Assemblies of God (AOG), The Catholic Church, and The Uniting Church of Australia (UCA).

1.6 Organisation of the thesis

The thesis is organised as follows:

Chapter 2 provides an overview of the research context by examining theories of church participation and discussing the phenomenon of church participation in Australia.

Chapter 3 provides an overview of relevant studies in the literature on two crucial concepts in the research topic: (i)'market orientation'; and (ii) 'branding'.

Chapter 4 discusses the conceptual framework of the study, which arises from the literature surveyed in Chapters 2 and 3. This chapter also discusses the rationale behind the research hypotheses within the conceptual framework.

Chapter 5 describes the research methodology employed in this study, including: (i) research design; (ii) data collection; (iii) the survey instrument; (iv) data preparation; and (v) data analysis.

Chapter 6 examines the reliability and validity of the constructs used in the study.

Chapter 7 reports on the empirical results in the CG sample group.

Chapter 8 reports on the empirical results in the NCG sample group.

Chapter 9 discusses the principal findings relevant to the research questions.

Chapter 10 completes the thesis by identifying the theoretical contributions and practical implications of the study, together with a discussion of the limitations of the study and suggestions for future research directions.

Chapter 2
Literature Review Part I
Church Participation

2.1 Objective and structure of the chapter

The objective of this chapter is to provide a general overview of the research context by examining theories of 'church participation', which is a central construct in the conceptual framework of this study, and by discussing the phenomenon of 'church participation' in Australia.

Because 'church participation' is a wide-ranging subject area that has been examined from a diversity of multi-disciplinary perspectives, it is beyond the scope of this thesis to provide a comprehensive review of all the literature on the subject. The ambit of this literature review will therefore be restricted to theories of 'church participation' that are relevant to the development of the conceptual framework of the present study.

This chapter is divided into three sections. Section 2.2 provides an overview of theories of 'church participation'. Section 2.3 discusses the origin and literature of church marketing. Section 2.4 presents a general discussion of church attendance and major denominations in Australia.

2.2 Theories of church participation

Following a review of sociology literature, Furseth and Repstad (2006) identified four main theories to explain church participation phenomenon: (i) 'deprivation theory'; (ii) 'socialisation theory'; (iii) 'rational choice theory'; and (iv) the 'theory of the search for meaning and belonging'. Of these, the third and fourth ('rational choice theory' and 'theory of the search for meaning and belonging') are of particular relevance to the present study.

2.2.1 Rational choice theory

Following a thorough review of the literature, Warner (1993) contended that a new paradigm had emerged in the sociology of religion. The old paradigm had been dominated by 'deprivation theory', which regarded religious participation as a dependent variable influenced by several physical and psychological factors (Christiano, et al. 2008). In contrast, Warner (1993) asserted that the new paradigm posited religious participation as an independent variable—that is, as an aspect of human behavioural disposition rather than a consequence of unfulfilled needs. Although this 'new paradigm' was based on a variety of theoretical perspectives, it has been commonly associated with *rational choice theory* (Young 1997).

The theory of 'rational choice' has its roots in the classical economic theory of Adam Smith (Iannacone 1992). The central assumption of the theory is that people approach religion in the same way that they approach other objects of choice—that is, by evaluating costs and benefits, and then acting to maximise the potential benefits (Iannacone 1992). The theory thus views the individual as a rational actor who makes the best choice based on an evaluation of net benefits. In terms of 'church participation', the theory thus suggests that a person's decision to join a church is determined by a rational evaluation of the potential *costs* associated with participation (financial, time, effort) and the potential *benefits* associated with participation (spiritual, social, intellectual, entertainment) (Christiano, et al. 2008). Moreover, according to this theory, people might subsequently modify their religious behaviour (varying their level of participation and/or switching denominations or religions) on the basis of their ongoing evaluation of anticipated costs and benefits (Iannaccone 1995).

The 'rational choice' theory has significantly shaped the study of religion in sociological terms over the past two decades; indeed, scholars have begun to use secular terminologies (such as 'religious markets', 'religious competition', and 'religious consumption') in discussing the sociology of religious participation. As Iannaccone (Iannaccone 1995, p.77) observed:

> The combined actions of religious consumers and religious producers form a religious market that, like other markets, tends toward steady-state equilibrium. As in other markets, the consumers' freedom to choose constrains the producers of religion … Consumer preferences thus shape the content of religious commodities and the structure of the institutions that provide them. These effects are felt more strongly when religion is less regulated and, as a consequence, competition among religious firms is more pronounced. In competitive environments, religions have little choice but to abandon inefficient modes of production and unpopular products in favor of more attractive and profitable alternatives.

Iannacone's (1995) argument is central to the present study. The present author agrees that the concepts of competition, consumption, and production play important roles in the religious context in at least three ways. First, the present author argues that a religious market exists, and that this results from the *combined action* of religious consumers and producers. Within the context of many church services, the roles of consumer and producer are often interchangeable as volunteers are prominently engaged in such activities as worship and music. In these circumstances, such volunteers act as both the 'consumers' of the service as well as the 'producers'. The interchangeable roles of producer and consumer in such church settings are consistent with the themes of co-production of service and co-creation of value in the service-dominant logic (SDL) espoused by Vargo and Lusch (2004).

Secondly, the present author argues that the freedom of 'consumers' to choose constrains the 'providers' of religion. People have the freedom to choose the religion that they will embrace, the denomination to which they will belong, the local place of worship that they will attend, and the extent of their participation in church-related activities. This freedom to choose from among the diverse range of available alternatives means that there is a form of 'competition' among the 'providers' of religion. In such a competitive environment, Iannaccone (1995) argued that a key success factor in religious markets is that religious leaders must be aware of, and respond, to the offerings of their 'competitors'. This view is consistent with the notion of 'competitor orientation' in Narver and Slater's (1990) concept of 'market orientation', which is a key component of the conceptual framework of this study.

Thirdly, Iannaccone (1995) contended that religious 'commodities' (the services and activities that a church offers) and the structure of the church organisation are, to varying degrees, driven by 'consumer preferences'. As a consequence, the providers' awareness of, and responses to, consumer preferences is another key success factor in the religious market. This view is consistent with the notion of 'customer orientation' (Narver and Slater 1990), which is another key component of the conceptual framework of the present study.

Although the 'rational choice' theory has attracted some criticism (Chaves 1995;Spickard 1998;Wallis and Bruce 1984), the proponents of the theory have made a significant contribution to the sociology of religion by emphasising the 'supply side' of the antecedents of religious behaviour. Whereas the old paradigm based on 'deprivation theory' focused on the ways in which religious demands arise, the new paradigm based on 'rational choice theory' holds that the management of resources by religious providers is of paramount importance in any framework of religious participation (Furseth and Repstad 2006).

2.2.2 Theory of the search for meaning and belonging

One of the limitations of the 'rational choice theory', as noted by Furseth and Repstad (2006), is that it has a limited view of the types of goals that people have. In an attempt to complement the 'rational choice theory', some scholars have therefore attempted to expand the notion of *individual goals* to provide a better understanding of religious behaviour. This approach has its roots in Max Weber's 'purposive-rational action theory', which posits that individuals choose means and goals from the premise of rational choice calculations of what will lead to the desired goal (Furseth and Repstad 2006).

McGuire (1997) argued that people not only seek a 'purpose in life', but also seek a community to which they can belong; moreover, according to McGuire (1997), a 'purpose in life' and a 'sense of belonging' are closely intertwined and reinforce each other. A review of the literature suggests that this theory is complementary (rather than opposed) to the 'rational choice theory'. Thus it can be argued that 'rational choice theory' proposes a framework of calculated benefits to explain religious behaviour and that the 'theory of a search for meaning and belonging' complements this understanding by suggesting that some of these benefits (that is, those that are related to the fulfilment of life meaning and sense of belonging) represent the primary driver of religious behaviour.

2.2.3 Intrinsic and extrinsic religious orientation

The subject of religion has also been extensively researched in the psychology literature over several decades, which has generated a wide range of psychological theories to explain the antecedents of religious behaviour. However, two concepts in particular—the concept of *intrinsic religiosity* and the concept of *extrinsic religiosity*—have dominated the literature on the psychology of religion since its inception more than four decades ago (Allport and Ross 1967).

2.2.3.1 Intrinsic religious orientation

The terms 'intrinsic religiosity' and 'extrinsic religiosity' were coined by Allport and Ross (1967) as part of their study of the relationship between religious orientation and prejudice. Since then, the concepts have been widely discussed in the literature on the psychology of religion (Donahue 1985). According to Allport and Ross (1967), intrinsically oriented individuals are interested in a certain religion *per se*, whereas extrinsically oriented individuals are primarily interested in the benefits associated with that religion. In other words, intrinsically oriented individuals *live* their religion whereas extrinsically oriented individuals *use* their religion. Gorsuch (1994, p.317) described an 'intrinsic religious commitment' in the following terms:

> Intrinsic religious commitment is the motivation for experiencing and living one's religious faith for the sake of the faith itself. The person's religion is an end unto itself, a goal pursued in the absence of external reinforcement.

The notion of an intrinsic religious orientation is rooted in the concept of 'functional autonomy' (Allport 1937), according to which there are no particular reasons for behaviour. This view has attracted many criticisms in the literature on the psychology of religion because it fails to provide a satisfactory explanation of how religious motivation can maintain itself or how it came into existence. In this regard, Gorsuch

(1994, p.400) has argued that individuals might engage in religious behaviour for the sake of religion *per se* (rather than for hedonistic benefits), but that extrinsic factors (such as unconscious habit and conformity to social norms) might contribute indirectly to individuals' intrinsic motivation.

Deci and Ryan (1985) argued that the underlying motives and interests behind the decision to engage in religious behaviour actually determine whether a person is intrinsically or extrinsically oriented. However, in the context of church participation, the distinction between intrinsic and extrinsic orientation can be ambiguous. For example, the underlying motive of an individual's religious commitment might be a need to connect with the ultimate transcendence, which could be described as a form of intrinsic commitment. However, the person might also be influenced by other 'extrinsic' factors (such as the quality and range of services offered by the church), which thus contribute to the person's decision to join a particular church.

2.2.3.2 Extrinsic religious orientation

According to Donahue (1985, p.400), 'extrinsic religiosity' can be defined as:

> … the religion of comfort and social convention, a self-serving, instrumental approach shaped to suit oneself

Individuals who are extrinsically oriented engage in religious behaviour for certain benefits, which is consistent with the 'rational choice theory' previously discussed. Table 2.1 provides a summary of the characteristics of intrinsic and extrinsic religious orientation.

The characteristics of extrinsic orientation are consistent with the concepts of religious consumption and religious markets in 'rational choice theory' (Iannacone 1992) because extrinsically oriented individuals use religion for instrumental purposes—including the benefits of social relationships, comfort, security, and protection (Allport 1967). As a consequence, the level of commitment of such individuals to a particular church is largely determined by the anticipated benefits that the church offers.

Given that the present study includes both church-goers and non-church-goers in the sampling frame, it is interesting to speculate on the impact of perceived benefits on church participation in each of these two populations. It is reasonable to conjecture that perceived benefits might play a more significant role in encouraging church participation among non-church-goers (extrinsically oriented) than among church-goers (intrinsically oriented).

Table 2.1

Characteristics of intrinsic and extrinsic religious orientation

(Source: Donahue 1985, p.401; Hood, et al. 1996, p.25)

Intrinsically oriented	**Extrinsically oriented**
Devout, strong personal commitment	Religion of convenience; called on in crisis when needed
Faith as framework for everyday life	Expedient; faith is not integrated into daily life
Faith of primary importance; accepted without reservations	Faith and belief are superficial; beliefs selectively held
Faith of ultimate significance: a final good, supreme value; ultimate answer	Utilitarian: means to other ends; serves other personal and social needs
Regular church attendance	Irregular church attendance

2.2.4 Summary of church participation literature and relevance to the present study

This synthesis of the literature on church participation from the domains of sociology and psychology has provided useful insights for the development of the conceptual framework in the present study.

First, in light of the ‘rational choice theory’, this study proposes that *perceived benefits* represent an antecedent of church participation. This is consistent with the tenets of ‘rational choice theory’ in positing that a person’s decision to participate in church-related activities is driven by calculation of the costs and benefits involved.

Secondly, certain of these perceived benefits became apparent from a consideration of both the 'theory of the search for meaning and belonging' and the concepts of 'intrinsic religious orientation' and 'extrinsic religious orientation'. For the purposes of this study, these benefits (which are posited as antecedents of church participation) can be divided into: (i) spiritual and social benefits; and (ii) purpose in life benefits. Each of these is discussed below.

2.2.4.1 Spiritual and social benefits

Attaway et al. (1995), who examined individual attitudes towards advertising by religious organisations using intrinsic and extrinsic orientations as antecedents of church participation, argued that intrinsically oriented individuals were motivated to attend church to strengthen and express their religious faith (spiritual motives), whereas extrinsically oriented individuals were motivated to attend church to satisfy their need to belong (social motives).

In accordance with the approach of Attaway et al. (1995), the present study posits 'perceived spiritual benefits' and 'perceived social benefits' as antecedents of church participation. The inclusion of 'perceived social benefits' is consistent with the 'theory of search for meaning and belonging', which asserts that people participate in religious behaviour to seek a community to which they can belong (McGuire 1997).

2.2.4.2 Purpose in life benefits

The term 'psychic deprivation' refers to an individual's feeling of being without a meaningful system of values which, in turn, leads to despair and anomie (Glock and Stark 1965). The 'theory of psychic deprivation' has been widely criticised for a lack of empirical evidence; nevertheless, the present study contends that the theory remains of importance in explaining church participation. Proponents of this theory suggest that the apparent lack of empirical support can be explained by the individual's subjective feelings of psychic deprivation subsiding as he or she continues to participate in church-related activities (Hoge and Carroll 1978).

In light of these arguments, the present study proposes to incorporate the construct of ‘purpose in life’ as an antecedent of church participation in the form of *perceived purpose in life benefits*, rather than ‘psychic deprivation’. The rationale for this approach is that the underlying motive for participation is not posited as a lack of purpose in life (as in ‘psychic deprivation’), but rather the anticipated ‘purpose in life benefits’ (such as a better understanding of life purpose) that are associated with church participation. This approach is consistent with the ‘theory of the search for meaning and belonging’, which holds that individual striving for meaning of life is an antecedent of religious behaviour (Furseth and Repstad 2006).

2.3 Churches as research context in marketing

In the past two decades there has been an increasing number of studies in the literature on the application of marketing concepts in church organisations. This section presents an overview of the literature on church marketing and identifies some gaps in the research literature that this study aims to address.

2.3.1 Origin of church marketing

Although the practice of marketing is undoubtedly ancient, the theoretical conceptualisation of marketing did not begin until the early twentieth century (Bartels 1976). Similarly, although the practice of ‘church marketing’ (broadly understood) can be discerned in the earliest era of the Christian church, it is not until the beginning of the twentieth century that ‘church marketing’ can be identified as a specific concept in the academic literature. In this regard, Wrenn and Mansfield (2001) identified nine books written in the early 1900s that described the application of marketing ideas in Christian churches. Most of these early publications focused on promotional activities in the form of advertising and/or publicity to promote the church to the community. In the 1960s, there was a shift of focus in the literature from such ‘promotions’ to a more comprehensive view of ‘marketing’. According to Stevens *et al.* (2005), this shift reflected the general development of marketing as scholars began to pay more attention to the role of marketing as a driver of corporate strategy, rather than as a mere collection of promotional activities.

One of the first scholars to discuss the potential application of marketing principles to religion was Culliton (1959), who suggested that the growth of religion was inhibited by the churches' inability to adopt effective marketing concepts. Subsequently, an increasing number of scholars began to provide theoretical and empirical support for the application of marketing principles to non-profit organisations in general (Andreasen 1982;Hansmann 1980;Ryan 1999;Shapiro 1973), and to churches in particular (Hussey 1974;John and Rave 1979;McDaniel 1986a;Wilkes, et al. 1986).

Churches can be considered as part of the non-profit (Sargeant 2005b) and services sector (Santos and Mathews 2001). Because churches lack support from government and the private sector, they are totally dependent on their members, which means that they require a high level of member participation in terms of financial contributions (Sargeant 2005a) and volunteering (Self, et al. 1988). This makes churches an attractive research context for an examination of consumer participation behaviour in the non-profit services sector.

2.3.2 Definition of church marketing

Drawing on the conception of marketing as essentially being an exchange process (Kotler and Armstrong 1999), Stevens *et al.* (2005, p.77) defined 'church marketing' in the following terms:

> … the analysis, planning, and management of voluntary exchange between a church or religious organization and its constituents for the purpose of satisfying the needs of both parties. It concentrates on the analysis of constituents' needs, developing programs to meet these needs, providing these programs at the right time and place, communicating effectively with constituents, and attracting the resources needed to underwrite the activities of the organization.

According to this definition, the constituents (church members, ministers, and members of the public) are the main focus of church marketing efforts. In other words, church marketing aims to identify the needs of a potential target audience and to guide the design of relevant products and services that will satisfy those needs.

One of the most significant differences between the marketing of a religious organisation and that of a business organisation is the nature of the 'product'. Leathers (1990) proposed that a church offers two levels of 'products'. The first are actual religious activities, such as worship services and bible study groups. The second are perceived 'products', such as a sense of belonging, compassion, purpose, and personal relationship with God—all of which can be categorised as *social behaviour products* in the schema proposed above. According to Wrenn (1993a), these religious 'products' differ from many other product types in the sense that consumers often exercise a greater degree of control over the products than does the service provider.

2.3.3 Church marketing in the literature

Over the past two decades, churches have been increasingly utilised as a research context in studies of the non-profit sector (Abreu 2006;Santos and Mathews 2001;Sargeant 2005a) and in studies of services marketing (Rodrigue 2002;Sherman and Devlin 2000;Webb, et al. 1998). Cutler's (1991) review of church-related topics in the marketing literature found that 35 articles had been published between 1978 and 1989 in selected publications and proceedings. Thereafter, the launching of the *Journal of Ministry Marketing and Management*, which is specifically devoted to church-related marketing and management studies, reflected the rapid increase in the number of church-related articles in the marketing literature in the 1990s. A review by Wrenn and Mansfield (2001) found that at least 25 conceptual papers and 17 empirical studies on church marketing had been published between 1990 and 2000 in the marketing literature. From 2000 onwards, there has also been an increasing interest in the application of specific marketing concepts to churches—including marketing communication (Alan 2000;Vokurka, et al. 2002;William and Alan 2002); brand image (Abreu 2006); service quality (Santos and Mathews 2001); strategy (Coleman 2002;Keyt 2001;Rodrigue 2002); and market orientation (White and Simas 2008).

However, despite the growing number of studies in this general subject area, a review of the non-profit literature suggests that prominent recent studies on certain topics—such as market orientation (Kara, et al. 2004;Vazquez, et al. 2002) and brand orientation (Ewing and Napoli 2005;Napoli 2006)—have rarely used churches as the research context. The limited number of studies that have used churches as the research context include those of White and Simas (2008) and Wrenn et.al. (1995) in the field of market orientation, and that of Abreu (2006) on the subject of brand image.

It is the contention of the present study that, despite the significant number of studies on church marketing in general, the church marketing literature still lacks a comprehensive theoretical foundation, particularly with respect to the question of how certain marketing concepts (such as 'market orientation' and 'brand image') are related to 'church participation'.

The following tables provide a summary of selected church-related articles in the general marketing literature based on the reviews of Cutler (1991) and Wrenn and Mansfield (2001), together with the present author's personal review of the literature of the past three decades. Of the studies listed in the tables, the studies contained in Table 2.4 are of particular relevance to the present study because they examined the impact of service quality on church member satisfaction, which, in turn, affects participation commitment.

Table 2.2

Application of general marketing techniques to religious organisations

Author	Purpose
(Culliton 1959)	Application of the 4P's concept to religion
(Ginter and Talarzyk 1978)	Application of the marketing concept to the marketing of religious instruction
(Healy and Delozier 1978)	Proposed a model of the religious system within marketing context
(Burger 1970)	Application of marketing research to religious organisations
(Cooper and McIlavin 1981)	Discussed suitability of religious organisations for marketing research
(Dunlap and Rountree W 1981)	Application of marketing techniques to religious organisations
(Sweeney and Anderson 1981)	Observed market segmentation within a local church
(Dunlap and Rountree 1982)	Application of marketing to religious organisations
(Miller and Niffenegger 1982)	Discussed the use of marketing techniques by televangelists
(Stutts and Gourley 1982)	Discussed the advertising practices of Christian churches
(Anderson, et al. 1984)	Study of student attitudes toward religion and test a marketing model of religion
(Anderson and Rountree W 1985)	Utilised marketing model to predict church attendance
(Carman 1987)	Examined the economic model as applied to church promotional strategies
(Young 1987)	Utilization of marketing concepts in churches
(Busenitz, et al. 1990)	Examined the use of general versus niche marketing strategies for churches

Author	Purpose
(Wrenn 1992)	Described church services within a product mix portfolio format
(Wrenn 1993a)	Described the role of marketing in religious organisations
(Considine 1995a)	Applied marketing concept to churches
(Considine 1995b)	Examined the state of marketing research use in churches
(Wrenn 1995)	Applied internal marketing concept to church membership
(Wrenn and Saliba 1995)	Defined areas where religious marketing is different from other not-for-profit marketing
(Wrenn 1993b)	Described application of customer service to religious organisations
(Wrenn, et al. 1995)	Applied marketing philosophy and marketing orientation to ministry
(Clinton, et al. 1996)	Explored the uses of marketing research in churches
(Considine 1996a)	Examined characteristics of "baby boomers" as related to church needs
(Considine 1996b)	Explored the use of market segmentation in churches
(Hines 1996)	Assessed perceived effectiveness of advertising by churches
(Muncy 1996)	Examined the use of target segmentation in churches
(Webb, et al. 1998)	Determined effectiveness of marketing communication efforts of pastors
(Considine 1999)	Examined the relevance of promotion styles for churches
(Horne and McAuley 1999)	Explored application of marketing to church services
(Wymer Jr 1999)	Examined segmentation for church groups

Author	Purpose
(Joseph and Webb 2000)	Discussed advertising and promotional strategies for churches
(Keyt 2001)	Application of the balanced score card to church organisations.
(Coleman 2002)	Discussed marketing strategies to attract the unchurched
(Vokurka, et al. 2002)	Examined the marketing communication methods of Southern Baptist Convention churches and their impact on church growth
(William and Alan 2002)	Presented a number of models, suggestions, benefits and associated downfalls of churches branching out onto the Web using a basic innovation deployment theory.
(Mariea Grubbs and Joseph 2003)	Examined online privacy and security issues in a study of 102 church Web sites
(Ford and Mottner 2003)	Conducted an exploratory study to examine the effects of mission statement, congregation size, number of visitors, and marketing tools on financial performance of church-connected retail stores.
(White and Simas 2008)	Examined the link between market orientation and church performance

Table 2.3

Volunteering, donation, and recruitment strategies in church contexts

Author	Purpose
(Zaleski and Zech 1992)	Analysed methods of solicitation and attitudes toward them
(Wymer Jr 1997)	Discussed strategies of volunteers' recruitment and retention
(Murray 1997)	Investigated donor appeal sensitivity
(White 1998)	Conducted an experiment to investigate the application of two advertising methods: mood manipulation and ad argument to attract volunteers
(Wymer Jr 1999)	Conducted a qualitative study of motives for volunteering in churches
(Michael 2004)	Explored the shortage of pastors in a particular denomination and discuss strategies to overcome the issue
(Sargeant 2005a)	Presented information on parachurch organisations which are grounded in religious values and drew upon church-based constituencies for support.

Table 2.4

Church services attribute and members' satisfaction

Author	Purpose
(Mehta and Mehta 1995)	Identified factors that determine worshippers' satisfaction with church
(Attaway, et al. 1996)	Identified consumers' importance ratings of fifteen church attributes
(Stevens, et al. 1996)	Examined the factors that contribute to church commitment
(Primeaux, et al. 1997)	Developed a survey to measure members' satisfaction
(Considine and Lepak 1998)	Examined the use of conjoint analysis to obtain church preferences

Author	Purpose
(Jones 1999)	Examined the impact of pastor's leadership style on church growth
(Saunders 2000)	Determined factors contributing to church member satisfaction
(Santos and Mathews 2001)	Examined aspects of the Church that people see as important in their assessments of service quality
(Hansen and Woolridge 2002)	Developed a typology of complaint behavior response styles and identifies a set of variables useful in predicting complaint styles in a church environment

Table 2.5

Attitudes towards church marketing

Author	Purpose
(Dunlap, et al. 1983)	Conducted a survey of clergies' use of marketing techniques
(Gazda, et al. 1983)	Conducted a survey of clergies' attitudes towards the use of marketing activities in churches
(McDaniel 1986b)	Examined clergies and public's attitudes towards the use of church marketing
(Moncrief, et al. 1986)	Examined clergies' use and knowledge of marketing concepts
(Wrenn and Saliba 1993)	Addressed objections of religious leaders to use of marketing
(Stevens, et al. 1995)	Examined clergy view of marketing through a five-year study
(Sherman and Devlin 2000)	Examined clergy attitudes toward marketing activities
(Cutler and Winans 1999)	Review of religion literature to observe the attitude of religion scholars toward marketing
(Alan 2000)	Examined the attitudes of clergy, Christians, and non-Christians towards the use of church advertising in Hong Kong

Author	Purpose
(Rodrigue 2002)	Examined the attitude of young adults toward the use of marketing strategy by the church in the U.S.
(Abreu 2006)	Discussed the brand image and positioning of religious organisations

Table 2.6

Religion's influence on marketing practices

Author	Purpose
(Sethi 1980)	Discussed church/business conflict on social issues and distribution of wealth
(Fugate 1982)	Discussed religious organisation involvement in the business world
(Saches 1985)	Discussed 1984 Catholic Bishops Letter and implications for marketing education
(Klein 1987)	Discussed marketing implications of the 1984 Catholic Bishop's Economic Letter
(Palmer and Gallagher 2007)	Examined the relationship between religiosity and buyer-seller relationships

Table 2.7

Consumer Behaviour and Religion

Author	Purpose
(Engel 1976)	Compared the psychographic profiles of church denominations in Brazil
(Hirschman 1982)	Examined the influence of religious affiliation in consumer behaviour
(Wilkes, et al. 1986)	Discussed measurement of religiosity in consumer research
(LaBarbera 1987)	Discussed the implication of 'born again' Christianity movement on consumer behaviour
(Delener and Schiffman 1988)	Examined the effect of religion on family decision making
(Delener 1989)	Examined the relationship between religious background and information search in consumer decision making

Table 2.8

Marketing-related articles in the religious literature

Author	Argument
The usefulness of marketing techniques	
(Traber 1987)	The use of mass media for church marketing is not as effective as many church leaders perceive
(Wrenn 1994)	Marketing can benefit the churches when fully understood and properly used. Religion can not be marketed, but religious organisations can
(Ogletree 1995)	Marketing can be advantageous for churches but can also endorse self-indulgence at the expense of long-term well being
(Wells 1995)	Condemned the use of marketing techniques by religious organisations. It is impossible to market faith and marketing is merely a cultural tool of church growth movement
(Belokonny 1997)	Provided theological support for the of marketing by religious organisations
Utilising or analysing marketing techniques	
(Fewster 1980)	Considered how a seminary utilizes marketing and recruitment techniques without being 'unholy'
(Calian 1983)	Investigated the use of marketing by pastors
(Gleason 1984)	Examined the use of marketing of pastoral care to health care settings
(Lageman 1984)	Observed pastoral counselling centres and found four approaches to marketing pastoral counselling
(Ross 1984)	Examined how public relations can affect the effectiveness of pastoral counselling programs
(McDaniel 1989)	Associated a church's growth or decline with the marketing techniques used by that church
(Pilgrim 1991)	Described the marketing strategies utilised by televangelist Lester Sumrall in fundraising

Author	Argument
(Kane 1993)	Examined challenges to Theological Colleges based on the concept of product life cycle. The scholar considered the colleges to be in the late majority phase.
(Wrenn and Kotler 1993)	Examined the marketing of Parochial Schools as an exchanges process, discussing what both parties gain from the exchange of educational services
Impact of marketing on religion	
(Iannacone 1992)	Examined consumers' rational choice behaviour in religious commitment, finding commitment increases with open markets in religion.
(Kenneson 1993)	Questioned if church marketing makes the church 'less religious'
(Wells 1995)	Marketing could lead the church to lose its' theological foundation. Adapting faith to consumers' wants poses a great danger to the church
(Wilde 2001)	Suggested that the high rate of marriage annulments in United States played a role in the intense marketing by American churches
Relation of church and culture	
(Samuel and Sugden 1983)	Examined the relationship between the host country church and the international mission agency. The international agencies have greater resources and dominate the relationship.
(Luidens, et al. 1994)	Found that the 'baby boomers' in Presbyterian Churches have great tolerance for differing opinions and beliefs.
(Mauss 1996)	Examined the church in a cost benefit analysis. When the cost of joining a new religion is too low, potential members may assume that the 'product' is of little value.

Stevens et al. (1996) contended that, whereas commercial organisations can encourage customers' commitment through economic incentives, non-profit organisations (such as churches) must find alternative means of encouraging commitment among their members. According to Stevens et al. (1996), highly committed members are "… those who feel that their needs are looked after and that the church leadership cares about them"(Stevens, et al. 1996, p.77). Saunders (2000) argued that satisfaction is the key to retaining church members; this author identified 10 factors that contribute to members' satisfaction and suggested that adopting a 'customer orientation' is the key to achieving satisfaction among a church's existing and prospective members. According to Saunders (2000), a church needs to identify the needs of its surrounding community and deliver programs that match those needs. These findings are of relevance to the present study because they emphasise the important role of 'customer orientation' in encouraging church participation.

As shown in Table 2.4, some studies have also examined important church attributes that lead to members' satisfaction. Mehta and Mehta (1995) found that attributes such as pulpit ministry, music ministry, congregational participation, and church environment are positively associated with members' satisfaction. Attaway et al. (1996) suggested that church location, viewpoints of the church, reputation of the church, ministers, friendly congregation, and religious affiliation are the core attributes that determine individual decisions to join a particular congregation.

Santos and Matthews (2001) studied frequent and infrequent church-goers and found that three service-quality dimensions (responsiveness, credibility, and commitment) were regarded as more important by the church-goers than by the non-church-goers. The responsiveness dimension in their study reflected the willingness of minsters to provide help and genuine caring to the members, which is consistent with the 'customer orientation' dimension of market orientation.

2.3.4 Church members as consumers: perspective from the service literature

Over the past two decades, the use of churches as a research context has been increasingly common in the domain of services marketing. As can be seen in Table 2.4, such important concepts as members' satisfaction (Mehta and Mehta 1995;Primeaux, et al. 1997;Saunders 2000) and service quality (Attaway, et al. 1996;Santos and Mathews 2001) have been studied in the church context.

Santos and Matthews (2001) proposed two reasons for regarding churches as part of the services sector. First, the majority of services that churches offer—such as weddings, baptisms, and funeral services—are intangible in nature; because intangibility is generally recognised as a distinctive characteristic of a service, churches can therefore be categorised as service providers. Secondly, the level of participation of members in the production, delivery, and consumption of services in many churches is significant. In this regard, church members can be considered productive resources, and even as *partial employees*, as they provide effort, time, and other input to the performance of the service. They also actively contribute to the quality of the service, which, in turn, influences their assessment of the overall quality of the church organisation. According to Santos and Mathews (2001), this active participation by church members in the production of services characterises churches as part of the service industry.

The prominence of such attributes as service quality and satisfaction in churches raises the question of whether the role of church members in church organisations resembles that of consumers in the wider services sector. This question is of importance for the present study because it has implications for the generalisability of the present research findings to other non-profit service organisations.

The literature contains mixed opinions on whether the term 'consumers' should be used to describe members of non-profit organisations. Some scholars resist the use of the term in the non-profit sector due to its associations with profit-making in the free market (Winkler 1987). Within the church sector, Stevens *et al.* (2005) were reluctant to refer to church members as 'consumers', preferring to use the term 'constituent' to describe those people (both church members and the general public) who are affected by a church organisation. In this regard, it is noteworthy that most of the studies outlined in table 2.2 used the term 'church members', rather than 'consumers'.

Despite the general tendency in the literature to avoid the use of the term 'consumers' to refer to church members, several studies in the literature have noted a resemblance between the role of the members of a church and that of consumers in commercial organisations. Several studies of satisfaction and service quality have drawn parallels between customers in commercial service organisations and the members of a church, and have suggested that churches should pay attention to the quality of their services to ensure customer satisfaction (Mehta and Mehta 1995;Saunders 2000). Wrenn (1993b, p.251) observed that:

> … churches, while not having as direct and obvious financial incentives to deliver 'customer satisfaction', never-the-less should be vitally concerned with customer (member) service.

In a similar vein, Attaway *et al.* (1996) repeatedly used the word 'consumers' to describe church members in their study of the determinant attributes of church selection; according to these authors, the identification of consumer needs and wants is one of the most important tasks of any church organisation.

Shawchuck et al. (1992) proposed a distinction between the terms 'consumer' and 'customer' in the church context. According to these authors, a 'consumer' is an 'unchurched' and uncommitted visitor, whereas a 'customer' is an existing member who is already committed to the particular church's teaching and philosophy.

Stewart (1989) observed that churches use marketing research techniques to understand consumers' desires for an ideal church, and Sullivan (1991) noted that these churches then offer various ranges of programs to cater to the different segments that exist within their surrounding communities. In accordance with the distinction proposed by Shawchuck et al. (1992), these approaches are intended to attract the 'consumers' ('unchurched') while simultaneously keeping the 'customers' (existing members) satisfied. Coleman (2002) argued that religious organisations are becoming more 'customer focused' as they pay more attention to customer satisfaction in designing their services and offers.

On the basis of this review of the relevant literature, the present study contends that church members play a role that resembles the role of consumers in service organisations. Indeed, the importance that many churches place on the service attributes of customer satisfaction and service quality indicates that both existing members and prospective members are regarded as ‘consumers’ by many churches. Throughout this thesis, the terms ‘existing customers’ and ‘existing members’ are therefore used interchangeably to refer to church-goers (CGs), whereas the terms ‘prospective customers’ and ‘prospective members’ are used interchangeably to refer to non-church-goers (NCGs).

2.3.5 Summary of church marketing literature and relevance to the present study

This review of church-related studies in the marketing literature has revealed that the use of churches as a research context has become increasingly common in studies of non-profit and service organisations. However, the review has also revealed that there are several gaps in the research literature that the present study aims to address. In particular, although the implementation of marketing techniques in the church context has been extensive, there has been little examination of the effectiveness of these methods in encouraging church attendance (Vokurka, et al. 2002). As a consequence, previous studies in this area have failed to contribute to a theoretical understanding of how marketing can be used to motivate attendance. It is thus apparent that there is a need for more research into consumer behaviour in this area to examine individual motives for participation in church activities, and to ascertain the potential role of marketing techniques in affecting church participation (Webb, et al. 1998).

Despite these identified gaps in the research literature, it is acknowledged that some studies have provided support for the importance of a ‘customer orientation’ in influencing church participation (Santos and Mathews 2001;Saunders 2000;Stevens, et al. 1996). A study has also established that ‘church reputation’ is an important determinant of individual decisions to join a particular church (Attaway, et al. 1996). This latter finding is of relevance to the present study because ‘reputation’ is an aspect of the construct of ‘brand image’ in the conceptual framework of this study.

2.4 Context of the study

2.4.1 Church attendance in Australia

Christianity arrived in Australia in the late eighteenth century with the arrival of the 'First Fleet' from Britain. The Rev. Richard Johnson, who was the chaplain to the fledgling settlement, is likely to have been the first Christian clergyman in Australia (Murray 1988). Christianity has since been a major influence on the socio-cultural and political development of Australia. Christianity's strong early presence in Australia was reflected in the results of the Census of Population and Housing conducted in 1901, which recorded that 96.1% of the population (3.8 million people) regarded themselves as 'Christians' (Bouma 1992). However, this proportion diminished significantly over the course of the twentieth century. In the 2006 census, the religious affiliations were: 26% Catholic, 19% Anglican, 19% other Christian denominations, 6% non-Christian religions, and 30% 'no religion' or not stated (ABS, 2008). There were notably large propositional increases in non-Christian religions over the 5 year census period (2001-2006). Hinduism led the increase in adherents by 55%, followed by Islam (21%), and Buddhism (17%) (ABS, 2008).

Despite the common perception of Australia as a secular society, and despite the increasing proportion of the population that claims to have 'no religion', religious activity remains an important aspect of the life of Australians (Bellamy and Castle 2004;Kaldor 1987). Findings from the Australian Community Survey (NCLS 1998) have indicated that two-thirds of the Australian population regards 'spirituality' as an important aspect of their lives. Moreover, Bouma and Lennon (2003, p.111) found that in an average day, 10% of Australian households engaged in religious activities and 14% of households stated that they perform activities that they perceive as 'religious'.

The 2006 census data indicated that 64% of the Australian population were affiliated with some form of Christianity. However, Bellamy and Castle (2004) suggested that only 8.8% of the population attended church services regularly (at least once a month). In this regard, Bentley and Hughes (1998, p.25) contended that most Australians do not express their spirituality by attending churches because "… regular attendance at a church is not necessary for the maintenance of [spiritual] values".

Bentley et al. (1992, p.1) defined 'nominal Christians' as:

> … those who label themselves as belonging to one or other of the Christian denominations in the census or other surveys, but who attend church services of worship less than once a month.

Consistent with the definition, it can be argued that most Australians are 'nominal Christians' (Bellamy and Castle 2004). Appendix A provides an overview of the historical background of 'nominal Christians' in Australia, together with a summary of their beliefs and attitudes towards the church.

The increasing number of 'nominal Christians' in Australia has a significant influence on the way in which churches undertake evangelism. Whereas churches previously focused on people with no religion or those belonging to another religion, the contemporary focus has shifted to 're-evangelism', with the prime targets being people who have been labelled as 'church drop-outs' (Bentley, et al. 1992). A recent article in *Christianity Today* noted that 'nominal evangelicals' do exist, but that churches should regard them as an opportunity, rather than a scandal (Anonymous 2008). The present study includes 'nominal Christians' as part of the sampling frame, and the definition of 'nominal Christians' suggested by Bentley et al. (1992) is used to characterise 'NCG respondents' in the present study. The interest of the present study is to examine whether there are significant differences between regular church-goers (CGs) and non-church-goers (NCGs) in their perceptions of a church's 'market orientation' and 'brand image', and how these perceptions affect the extent of their participation.

2.4.2 Churches and major denominations in Australia

The National Church Life Survey (NCLS) provides comprehensive statistical figures of the total number of weekly attendance in major denominations in Australia, including changes occurred in attendance within 10 years period. The statistics of church attendance as depicted in Table 2.9 provide information of the growing and declining denominations in Australia.

Table 2.9

Changes in weekly attendance in major denominations in Australia

(Adapted from Bellamy and Castle (2004))

Denomination	2001 Estimated Weekly Attendance	% Change since 1996	% Change since 1991
Anglican	177700	-2%	-7%
Apostolic	9100	20%	32%
Assemblies of God	104600	20%	30%
Baptist	112200	8%	9%
Bethesda Ministries	2700	N/A	N/A
Catholic	764800	-13%	N/A
Christian & Missionary Alliance	4100	N/A	N/A
Christian City Churches	11400	42%	Na
Christian Revival Crusade	11400	-7%	12%
Church of the Nazarene	1600	33%	33%
Churches of Christ	45100	7%	3%
Lutheran	40500	-8%	-18%
Presbyterian	35000	-3%	-1%
Reformed	7100	-1%	-15%
Salvation Army	27900	-7%	1%
Seventh-day Adventist	36600	N/A	N/A
Uniting	126600	-11%	-22%
Vineyard	2500	-17%	N/A
Wesleyan Methodist	3800	-7%	9%
TOTAL	1524700	-7%	N/A

Over the five years period (1996-2001), there was a total decline of 7% in weekly attendance in all denominations. Vineyard lost the most number of congregations (-17%), followed by The Catholic Church (-13%), and The Uniting Church of Australia (-11%). This decline is considered significant as Catholic and Uniting Church alone incorporate around 60% of the total church attendees in Australia. On the other hand, there was significant increase in the weekly attendees of several denominations, including Christian City Church (42%), Church of the Nazarene (33%), Assemblies of God (20%), and Apostolic churches (20%).

Assemblies of God

The sampling frame of the present study involves church participants from Assemblies of God denomination. The denomination was selected due to its consistent growth over the past 10 years, which is of significant relevance for the present study as the present author seeks to examine whether market orientation and brand image is related to the denomination's success in attracting attendance.

The Assemblies of God (AOG) is the world's largest Pentecostal denomination. As of the year 2006, there are around 295,000 AOG churches and 57 million adherents worldwide (AOG 2007). AOG Australia has experienced consistent numerical growth since its formation in 1937. It currently consists of more than 1,000 churches with over 160,000 members. In terms of organisational structure, AOG Australia is a movement of churches in voluntary cooperation. This means that each individual church is self-governing but commits itself to work together with other churches in the denomination to spread the gospel in Australia (Hughes 1996).

AOG churches place a particular emphasis on *spiritual experience* in their worship. The movement believes that worship style must be contemporary and relevant to the modern culture. Poloma and Pendleton (1989) suggest that the movement's emphasis on spiritual experience is the key to its steady growth over the past two decades.

2.5 Chapter summary

In summary, the implications for the present study of this literature review of church participation can be expressed as follows.

First, the subject of ‘religious participation’ has been extensively researched in the literature. In light of the ‘rational choice theory’, the ‘theory of a search for meaning and belonging’, and the notions of ‘intrinsic religious orientation’ and ‘extrinsic religious orientation’, this study proposes that the antecedents of church participation should be posited as perceived ‘spiritual’, ‘social’, and ‘purpose in life’ benefits.

Secondly, despite the plethora of studies on the application of marketing in church organisations, the literature review has identified several gaps in the research literature that this study aims to address. In particular, the study examines the concepts of ‘market orientation’ and ‘brand image’ from a customer perspective, and how these affect church participation.

Thirdly, the literature review has revealed that ‘nominal Christians’ represent the majority of Australian population, which is of significant interest for the present study. This study therefore includes ‘nominal Christians’ among the study participants and aims to examine whether the ‘market orientation’ and ‘brand image’ of a church affects the extent of their participation in church-related activities.

The next chapter provides a review of the literature on ‘market orientation’ and ‘brand image’, which are central constructs in the conceptual framework of the present study.

Chapter 3
Literature Review Part II
Market Orientation and Brand Image

3.1 Objective and structure of chapter

As previously noted (see Chapter 1), this study develops a conceptual framework that integrates key concepts from the domains of church participation and marketing. Having reviewed the literature on church participation in the preceding chapter, the present chapter of this thesis reviews relevant studies from the marketing literature on ‘market orientation’ and ‘branding’.

The objective of the chapter is, therefore, to review the existing marketing literature with a view to demonstrating the influence of ‘market orientation’ and ‘brand image’ on ‘church participation’. In doing so, the chapter also demonstrates that research into these topics in the context of the non-profit sector is still in its infancy.

The chapter begins with a review of the academic literature on ‘market orientation’, including the origin of the concept of ‘market orientation’ and the consequences of adopting a ‘market orientation’ in non-profit organisations (including churches). The chapter then presents a similar review of the literature on ‘branding’. The final section of the chapter summarises the relevance of the literature review to the present study.

3.2 Review of market orientation literature

Over the past two decades, the concept of ‘market orientation’ has become an increasingly attractive subject of research in the marketing literature (Deshpande, et al. 1993;Kohli and Jaworski 1990;Narver and Slater 1990). The concept of ‘market orientation’ has its roots in Drucker’s (1954) contention that customers represent the essential reason for an organisation’s existence. Other authors have subsequently extended this contention to develop the so-called ‘marketing concept’ (Barksdale and Darden 1971;Lawton and Parasuraman 1980;McNamara 1972), which can be considered the cornerstone of the modern discipline of marketing (Kohli and Jaworski 1990). The 'marketing concept' is comprised of the following three fundamental elements (Kotler 1996;Lusch and Lusch 1987):

1. Customer focus: the identification and satisfaction of customers' needs and wants as the focus of a business;
2. Goal attainment: the identification of means to attain organisational goals. Profit is needed to maintain a business so that it can continue to serve the customer.
3. Integrated marketing effort: Marketing is an integrative effort involving an organisation-wide capability in delivering its mission.

The 'marketing concept' thus begins with an understanding of customers' needs, followed by the transformation of those needs into a product or service as a solution to customers' problems. This concept has been contrasted with the 'selling concept', which focuses on the needs of the *seller* rather than the *customer* (Levitt 1960).

During the 1990s marketing moved from a 'commodity paradigm' to a 'social paradigm', with an increased emphasis on market efficiency and product quality (Kotler 1996). This shift in focus, together with an increasing emphasis on the application of the 'marketing concept' in the non-profit sector, required the corresponding development of a set of identifiable and measurable organisational characteristics to describe the culture and activities of an organisation engaged in such a 'social paradigm' of marketing. This led to the development of the concept of a 'market orientation'.

3.2.1 Definition of market orientation

Many definitions of the term 'market orientation' have been proposed in the literature. Deshpande and Webster (1989) described 'market orientation' as an organisational culture of shared values and beliefs that prioritises customers in strategic planning. Narver and Slater (1990) saw 'market orientation' as an organisational culture that focuses not only on customers, but also on competitors. Kohli and Jaworski (1990) posited 'market orientation' as the implementation of the 'marketing concept', and thus emphasised the behavioural aspects of the notion; they therefore defined 'market orientation' as a set of activities or behaviours related to market intelligence gathering, intelligence dissemination across functions in an organisation, and the action responses based on this intelligence. However, in contrast to other scholars in this area (Deshpande and Webster 1989;Narver and Slater 1990), Kohli and Jaworski (1990) did not regard 'market orientation' as an aspect of organisational culture.

Although the literature on market orientation is extensive and varied, most authors have followed one or other of two schools of thought. The first follows Kohli and Jaworski (1990) in emphasising the *behavioural* aspects of market orientation. The second follows Narver and Slater (1990) in emphasising the *cultural* aspects of the concept. These two perspectives are discussed in more detail below.

3.2.1.1 The approach of Kohli and Jaworski (1990)

In developing their model of the construct of 'market orientation', Kohli and Jaworski (1990) referred to the three core themes of the underlying 'marketing concept': (i) a customer focus; (ii) coordinated marketing; and (iii) profitability. In their consequent conceptualisation of 'market orientation' (as depicted in Figure 3.1), the authors reflected these three core elements under the rubrics of: (i) 'intelligence generation'; (ii) 'intelligence dissemination'; and (iii) 'responsiveness'.

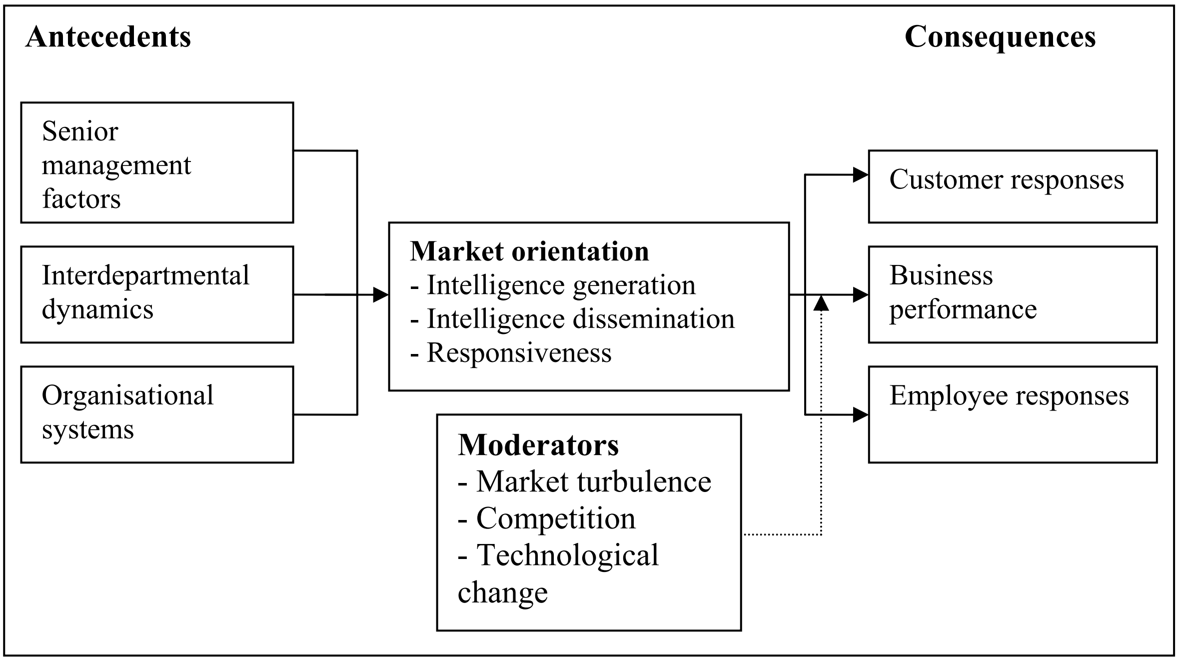
The first of these, 'intelligence generation', refers to an organisation's gathering of information about its competitors and customers. This gathering of information goes beyond the explicitly expressed needs and preferences of customers to include an analysis of exogenous factors that affect their needs and preferences. Moreover, in this framework, Kohli and Jaworski (1990) use the term 'customers' to refer to distributors and other members of the value chain, in addition to the end customers (Kohli and Jaworski 1990).

The second core element of the 'market orientation' construct of Kohli and Jaworski (1990) is 'intelligence dissemination'. This refers to the dissemination of the gathered information (about competitors and customers) to the various departments within the organisation through effective communication. This element in the framework reflects the view of the authors that the activities of 'market orientation' extend beyond the marketing department of an organisation; as a consequence, most functions within the firm need to be aware of information pertaining to the market.

Figure 3.1

Kohli and Jaworski's (1990) model of market orientation

(Adapted from Kohli and Jaworski 1990, p. 7)



The final element in the framework of Kohli and Jaworski (1990), 'responsiveness', refers to how the organisation responds to the intelligence that has been gathered and disseminated in the earlier phases. According to the authors, 'responsiveness' is reflected in the firm's offerings of products and services that address the anticipated needs of existing and prospective customers.

As previously noted, the most important characteristic of Kohli and Jaworski's (1990) conceptualisation of 'market orientation' is the emphasis that it places on the *activities* that are conducted by a range of departments within the organisation (beyond the marketing department). In summary therefore, Kohli and Jaworski's (1990) conceptualisation posits 'market orientation' as being the implementation of the 'marketing concept'. Organisations thus *perform* 'market orientation' through the *activities* of intelligence generation, intelligence dissemination, and responsiveness.

3.2.1.2 The approach of Narver and Slater (1990)

Narver and Slater (1990) essentially posited 'market orientation' as an *organisational culture*. The authors (1990, p. 21) defined 'market orientation' as:

> … the organizational culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and, thus, continuous superior performance for the business.

Narver and Slater's (1990) conceptualisation of 'market orientation' thus places an emphasis on the cultural characteristics that lead to a set of specific behaviours, which, in turn, create superior value for customers and thus achieve a sustainable competitive advantage for the organisation.

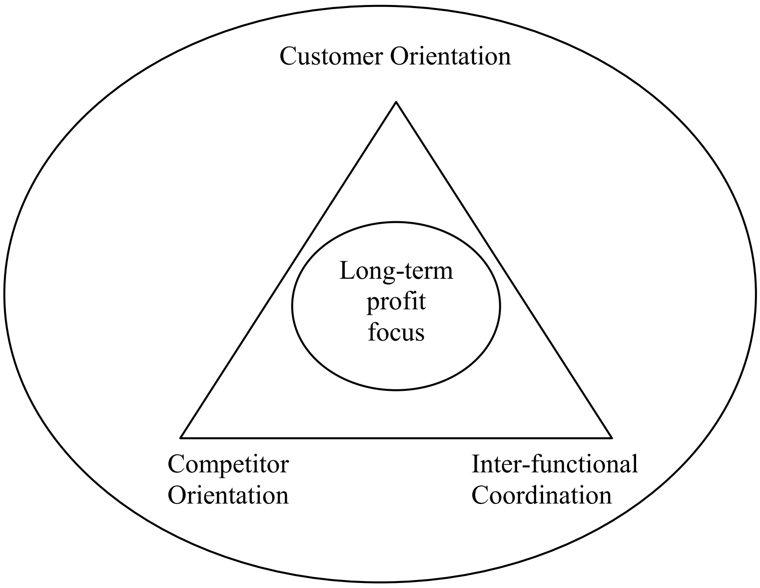
Based on their review of the literature on marketing concepts and competitive advantage, Narver and Slater (1990) proposed a conceptual model of 'market orientation' that consisted of three elements: (i) 'customer orientation'; (ii) 'competitor orientation'; and (iii) 'interfunctional coordination'.

The first of these, 'customer orientation', refers to organisational activities that aim to acquire information about consumers to facilitate an understanding of the target market's present and future needs. This aspect of Narver and Slater's (1990) conceptualisation of customer orientation is thus consistent with that of Kohli and Jaworski (1990) in positing the customer at the centre of the organisation's strategic focus (Nwankwo 1995). However, the approach of Narver and Slater (1990) goes beyond the fulfilment of customer needs by including the creation of value-added benefits through enhanced buyer benefits or diminished buyer costs. According to the authors, this provision of superior value results in customer satisfaction, which, in turn, is instrumental in securing a long-term relationship with the customer and thus generating superior business performance on a continuing basis.

Figure 3.2

Narver and Slater's (1990) model of market orientation

(Adapted from Narver and Slater, 1990, p. 23)



The second element in the model of Narver and Slater (1990) is 'competitor orientation'. This refers to organisational activities that are designed to provide an understanding of the short-term strengths and weaknesses, together with the long-term capabilities and strategies, of key competitors (existing and prospective) and their environments. Moreover, this element of the model envisages employees from every department sharing this information about competitors to the company's advantage (Slater and Narver 1994).

The final component of Narver and Slater's (1990) model of 'market orientation' is 'interfunctional coordination', which refers to communication and coordination across departments to attain organisational goals. Narver and Slater (1990, p. 22) defined 'interfunctional coordination' as "… the coordinated utilization of company resources in creating superior value for target customers". Given that the creation of superior value for the customer is the collective responsibility of all individuals in the organisation, the achievement of the anticipated outcomes requires involvement of all departments and the coordination of all relevant activities with a focus on the customer (Narver and Slater 1990).

In addition of the three components described above, Narver and Slater (1990) also posited two decision criteria: (i) long-term focus; and (ii) long-term profitability. Because the three behavioural components of 'market orientation' are long-term propositions, the authors contended that the decision criteria should refer to the long-term viability of the organisation. However, during the scale-development process these two criteria exhibited low reliabilities, and were subsequently dropped from the model.

In summary, Narver and Slater's (1990) posited 'market orientation' as a culture that an organisation *possesses*.

3.2.1.3 Summary of approaches to market orientation

In summary, it is apparent that there are similarities and differences in the conceptualisations of 'market orientation' suggested by Kohli and Jaworski (1990) and Narver and Slater (1990). Both approaches recognise: (i) the central role of the customer in 'market orientation'; (ii) the importance of coordinated functions in addressing customer needs; and (iii) the existence of other stakeholders or circumstances that shape the needs and expectations of customers (Mavondo and Farrell 2000). In view of these similarities, Cadogan and Diamantopoulos (1995) have argued that the two approaches overlap.

However, there are also notable differences between the two conceptualisations. The essential argument for recognising a distinction between the two approaches was expressed by Hunt and Morgan (1995, p.1), who asserted that 'market orientation' "… is not the same thing as, nor a different form of, nor the implementation of, the marketing concept". As noted above, Narver and Slater (1990) conceptualised 'market orientation' in cultural terms, whereas Kohli and Jaworski (1990) saw it as the implementation of the 'marketing concept' (Hurley and Hult 1998). Given these differences in emphasis, Wrenn (1997) distinguished between the two by a slight semantic difference—labelling Kohli and Jaworski's (1990) approach as '*marketing* orientation' (that is, the implementation of the 'marketing concept') and Narver and Slater's (1990) approach as '*market* orientation' (that is, a 'market-driven' approach that takes account of both customers and competitors). However, this semantic distinction has not been adopted consistently in the literature; indeed, as Gray, et al (1998) have noted, the two terms ('marketing orientation' and 'market orientation') have been used interchangeably to refer to Narver and Slater (1990) and/or Kohli and Jaworski (1990).

Against this background, this thesis uses the term 'market orientation' to refer to an organisational culture *and* a set of activities. This approach is consistent with Gainer and Padanyi's (2002) use of the term 'market orientation' within the non-profit sector.

3.2.2 Market orientation in the non-profit sector

Over the past two decades, the non-profit sector has faced a challenging environment as a result of increasing demand for its services, reductions in financial support from government, and a growing number of participants, which has increased competitive rivalry within the sector (Balabanis, et al. 1997). In response to these changes, some authors have recommended the adoption of a 'market orientation' to assist non-profit organisations to improve their performance and survive (Duque-Zuluaga and Schneider 2008;Graham 1995;Lyons 1994).

Many studies have examined the phenomenon of market orientation in non-profit organisations (Graham 1995;Mayfield and Crompton 1995;Siu and Wilson 1998;Van der Haart 1990), including studies of the antecedents to market orientation (Evans, et al. 1996;Hayden 1992;Scrivens 1987) and the relationship between market orientation and performance (Balabanis, et al. 1997;Bennett 1998;Caruana, et al. 1998;Wood and Bhuian 1993;Wrenn 1996). For the purposes of the present study, this review of the literature focuses on the relationship between market orientation and performance in the non-profit sector. Further discussion of the conceptualisation and definition of market orientation in the non-profit sector is provided in Appendix B.

3.2.2.1 Market orientation and performance in the non-profit sector

Despite the increasing number of studies on the application of market orientation in the non-profit sector, the impact of such an orientation on the performance of non-profit organisations remains under-researched (Shoham, et al. 2006), especially in terms of empirical studies (Vazquez, et al. 2002). This can be attributed to the difficulty of defining the notion of 'performance' in the non-profit context. This difficulty does not arise in the commercial sector, in which the majority of studies have reported a positive association between market orientation and various quantifiable indicators of business performance—including net profit, return of investment (ROI), sales volume, sales growth, and market share (Jaworski and Kohli 1993;Narver and Slater 1990;Ruekert 1992;Slater and Narver 2000). In contrast, financial indicators of profit are not the main focus of organisations in the non-profit sector, in which the notion of 'performance' is more commonly interpreted in terms of the ability of an organisation to fulfil its 'mission objectives' (Liao, et al. 2001;Lovelock and Weinberg 1989;Vazquez, et al. 2002).

The measurement of performance in the non-profit context therefore needs to take account of a variety of indicators (both financial and non-financial). Table 3.1 provides an overview of the performance measures used in the literature to examine the relationship between market orientation and performance in the non-profit sector.

Table 3.1

Summary of performance measures in the literature on non-profit market orientation

Author	Performance measures
Wood et al. (1993)	Number of members; grants; cost effectiveness; volunteers' contribution; favourable articles in media; improvement in relationships among board members, staff, volunteers, and executive directors
Balabanis et al. (1997)	Achievement of short term and long term objectives; increase/decrease in number of volunteers; ratio of expenses to donor contribution
Chan and Chau (1998)	Overall satisfaction level of members; number of registered members; financial subsidy received in a financial year; number of paid staff in a year
Voss and Voss (2000)	Season subscription sales, single-ticket sales, and overall financial performance subscriber attendance, single-ticket attendance, total income, and net surplus/deficit
Gainer and Padanyi (2002)	Client satisfaction; resource acquisition; peer reputation
Vazquez et al. (2002)	Number of non-profit activities addressed to the beneficiaries; volume of obtained income from donors;ratio of donors' contribution to expenditure; estimation of degree of fulfilment of foundation's mission
Padanyi and Gainer (2004)	Growth in resources; growth in reputation
Kara et al. (2004)	Continuous analysis of funding; proposal to funding sources; periodic fundraising

Using Kohli and Jaworski's (1990) model of market orientation, the conceptual paper of Wood et al. (1993) suggested several antecedents and consequences of 'market orientation' in the non-profit sector—including a variety of quantitative and qualitative measures of performance based on Unterman and Davis (1984).

Using the adapted version of the 'MARKOR' scale (Kohli and Jaworski, 1990), Balabanis et al. (1997) found a significant relationship between market orientation and organisational performance, which was measured in terms of efficiency and effectiveness. Kara et al. (2004) also adopted the 'MARKOR' scale and found a relationship between market orientation and three indicators of fundraising performance.

Chan and Chau (1998) examined the effect of market orientation on performance in non-profit organisations from the perspective of both managers and members. Using Kotler's (1977) construct of marketing orientation, the authors found that organisations with a higher degree of market orientation were better able to satisfy their target customers and to attract more financial resources; however, no relationship was found between market orientation and number of registered members and paid staff members.

Voss and Voss (2000) utilised the 'strategic orientation' construct proposed by Gatignon and Xuereb (1997), which incorporates 'product orientation', 'customer orientation', 'competitor orientation', and 'interfunctional coordination'. To measure performance, Voss and Voss (2000) used both subjective measures (managers' perceptions of how well their organisations were doing compared with the competitors in season subscription sales, single-ticket sales, and overall financial performance) and objective measures (subscriber attendance, single-ticket attendance, total income, and net surplus/deficit). The authors found positive relationships between some dimensions of strategic orientation and performance, but negative relationship between 'customer orientation' and both subjective and objective measures of performance (Voss and Voss 2000).

Gainer and Padanyi (2002) implemented the two components of market orientation previously identified in this thesis: (i) 'market-oriented activities' (Kohli and Jaworski, 1990); and (ii) 'market-oriented culture' (Narver and Slater, 1990). The authors found empirical support for the relationship between market orientation and all indicators of performance. In a later study (Padanyi and Gainer 2004), the same authors proposed a model of market orientation that examined market-oriented culture and activities oriented towards government funding; in this latter study, the authors related the construct of market orientation to performance (measured in terms of growth in resources and growth in reputation). Padanyi and Gainer (2004) concluded that orientation towards different markets affected various performance dimensions in non-profit organisations.

In a study involving private non-profit organisations, Vazquez et al. (2002) noted that the term 'performance' remained ambiguous in the context of non-profit organisations:

> … the determination of the non-profit organisations' performance is still an unresolved question for many reasons. One explanation for this lies in the vagueness that frequently surrounds the mission's definition and its organisational goals.

Buckmaster (1999) also emphasised the importance of organisational 'mission' in noting that the results of a non-profit organisation's actions can be defined in terms of: (i) the benefits or favourable changes generated for individuals or communities from participating in the organisation's programs; or (ii) an evaluation of the results in relation to the desired organisational goals. Drawing on Buckmaster's (1999) argument, Vasquez et al. (2002) used both efficiency indicators and effectiveness indicators to measure performance (estimated subjectively using a seven-point Likert-type scale). The authors found that market orientation was positively associated with both non-profit outcomes (the accomplishment of non-profit activities directed towards beneficiaries) and the fulfilment of organisational mission.

3.2.3 Market orientation in the church context

Although the term 'market orientation' was not formally introduced in the church setting until the early 1990s (Shawchuck, et al. 1992;Wrenn 1993a), earlier hints of a philosophy akin to 'market orientation' within theological discourse can be found in Buber's (1937) concept of 'I–Thou'. Buber (1937) argued that when an individual relates to others as objects ('I–It'), they are seen in terms of what *functions* they can perform for the subject, whereas when subjects relate to others as fellow subjects ('I–Thou'), they are seen as having feelings about the interaction as the subject does. In terms of applying this to marketing and the church, some authors (Stevens, et al. 2005;Wrenn, et al. 1995) have claimed that the principle of 'I–Thou' is at the heart of market orientation—because the nurturing of church members (through their relationships with church leaders, other church members, and members of the general public) is considered by these authors to be the primary objective of a marketing-oriented congregation.

In discussing the significant role of marketing in religious organisations, Wrenn (1993a) referred to several contemporary challenges facing the church—including secularisation, competition from secular activities, rising costs of church operations, and changing demographics. According to Wrenn (1993a), church attendance has not declined as a result of church doctrine; rather, attendance has declined as a result of the way in which churches define their mission and conduct their ministry. In the opinion of the author, the contemporary challenges faced by churches require them to adopt a market orientation if they are to respond effectively.

Shawchuck et al. (1992) distinguished among three approaches in churches: (i) the ‘production approach’; (ii) the ‘sales approach’; and (iii) the ‘marketing approach’. According to these authors, a church that adopts the ‘production approach’ is interested only in producing a service and defending it against any changes. In adopting the ‘sales approach’, the church pays attention to users’ interests, but only to the extent of altering those interests to match the existing services that the church offers. In contrast to these two approaches, Shawchuck et al. (1992, p. 63) contended that “… the marketing approach requires that the congregation systematically study needs, wants, perceptions, preferences, and satisfaction of its members and others whom it is trying to reach”.

According to Wrenn (1994), churches that adopt a marketing-oriented approach present their core doctrines, ministries, and programs in a manner that takes account of the perspective of prospective users, rather than that of the seller. Although identification of the needs and interests of the congregation is essential to a market orientation, Wrenn (1993a) contended that the adoption of such an orientation does not require a church to alter its theological beliefs or mission to meet the market demands; rather, a market orientation helps the church to develop programs that are relevant to its target segment while remaining consistent with the mission and objectives of the church.

In making this distinction between a 'market orientation' and a 'sales orientation' as applied to churches, Wrenn et al (1995) referred to Diettrick and Diettrick's (1984) model of user system versus resource system. According to Wrenn et al (1995), the implementation of a market orientation requires a church to view itself as the resource system and its members as the user system. In this model, the church leaders seek information from the church members regarding their needs and interests and respond accordingly through relevant programs and services.

Considine (1995c) argued that a market orientation in churches implies a two-step process. First, the church must identify the true needs and wants of its targeted group through marketing research. Secondly, the church must utilise the information gathered from this research to develop products and services that will satisfy the needs and wants of the target group. Although Considine's (1995c) approach to market orientation is consistent in most respects with that of others, this author places particular emphasis on market segmentation and targeting. According to Considine (1995c, p.15), because "a church today cannot be all things to all people", successful churches must become "niche marketers" by effectively segmenting the market and creating appropriate marketing strategies for each of the selected segments. Considine (1995c) claimed that the benefits of adopting and implementing a market orientation in churches include: (i) clearer vision for the ministry; (ii) sharper focus on the target segment; (iii) effective communication with existing members and intended target market; (iv) increased involvement from members; (vi) positive image in the community; and (vii) numerical growth.

Despite the significance of market orientation in church settings, some researchers (Shawchuck, et al. 1992;Wrenn, et al. 1995) have acknowledged that it might not be possible to adopt such an orientation in its purest form in the church setting because people might have wants that are not appropriate to satisfy and/or needs of which they are unaware. In response to this issue, Shawchuck et al. (1992, p. 65) has endorsed the implementation of a so-called 'societal market orientation', which "… focuses on the long-term welfare of people through satisfaction of 'healthy' needs that ultimately benefit society as well as the individual". This principle of a long-term 'societal market orientation' as applied to churches is consistent with Narver and Slater's (1990) long-term view in their construct of market orientation. A congregation that has a 'societal market orientation' is not only interested in satisfying its current members, but also in enhancing the long-term wellbeing of society.

<u>3.2.3.1 Market orientation and church performance</u>

Although an increasing number of studies have analysed the relationship between market orientation and performance in non-profit organisations, few empirical studies have examined the relationship within the church sector. With the exception of the empirical study by White and Simas (2008), most papers on the relationship between market orientation and church performance have been conceptual in nature.

Any discussion of the link between market orientation and church performance must begin with a definition of the term 'performance' in the context of church organisations. As noted above, 'performance' in the non-profit context is frequently measured in terms of the ability of an organisation to fulfil its mission objectives (Lovelock and Weinberg 1989;Vazquez, et al. 2002). Wrenn (1993a) contended that non-financial objectives were dominant in churches; if so, this would make church marketing distinct from other types of marketing.

Non-financial objectives vary among churches. Some churches pursue increased membership, whereas others are more interested in spiritual growth. The performance measures that are utilised in the church sector must therefore take account of the mission and objectives of the particular churches involved. A review of the literature indicates that various measures of performance have been used in church-related studies, including: (i) customer (member) satisfaction; (ii) attendance commitment; (iii) resource attraction; and (iv) resource allocation.

With regard to the first of these, member satisfaction, Wrenn (1993b) defined 'satisfied customers' in the church context as those who "… want to continue to remain active participants in the church". According to Wrenn (1993b), satisfying church members is both a matter of principle and a matter of necessity. In a subsequent study, Wrenn (1995) contended that the adoption of a market orientation is the key to achieving satisfaction among members because market-oriented churches attempt to design services that are relevant to the needs, wants, and interests of existing and prospective church members (Wrenn 1995).

With regard to the second measure of performance noted above, attendance commitment, Considine (2001, p.38) described the link between market orientation and attendance commitment in the following terms:

> … if a marketing-oriented church is successful in identifying the spiritual and emotional needs of its members and [is] then able to provide the types of programs and services that address these needs, then such a church should enjoy increased involvement and participation from its members.

Considine (2001) added that successful implementation of market orientation can also result in greater contributions from church members in the form of financial giving and volunteering activities. In a similar vein, Wrenn et al. (1995, p.18) argued that: "… to the extent that their needs and interests are being served, the people will respond by making gifts of time, talent, money, and prayerful concern". The arguments are essentially a proposition that the adoption and implementation of market orientation will have a positive impact on people's commitment to the church in terms of attendance and financial contribution.

A recent study by White and Simas (2008) is apparently the only empirical examination of the link between market orientation and church performance. The study utilised a modified version of the market scale of Gray et al. (1998) to measure the perceptions of 264 church leaders regarding the level of market orientation of their churches in terms of four dimensions: (i) 'customer orientation': (ii) 'competitor orientation'; (iii) 'interfunctional coordination'; and (iv) 'responsiveness'. The authors measured performance in terms of: (i) 'resource allocation' (attendance growth); and (ii) 'resource attraction' (number of people volunteering and number of hours donated). The study found that market orientation had a weak (but statistically significant) relationship with both 'resource attraction' and 'resource allocation'. An analysis of the specific dimensions of market orientation revealed that resource allocation was significantly influenced by only the 'interfunctional coordination' dimension of market orientation, whereas 'resource attraction' was significantly affected by both 'interfunctional coordination' and 'customer orientation'.

3.2.4 Perceived market orientation

Despite the customer-centred philosophy of market orientation, studies of market orientation have largely regarded it as an employee-perceived phenomenon (Gounaris, et al. 2003). A review of the literature reveals that most studies in this area have been conducted from the perspective of employees; indeed, only ten studies have examined market orientation from a customer perspective, and only one of these (Voon 2006) was conducted in a non-commercial setting.

Customer-perceived market orientation has been variously referred to as: (i) 'perceived market orientation' (PMO) (Baker, et al. 1999;Corbitt, et al. 2003;Gounaris, et al. 2003); (ii) 'customer-defined market orientation' (CDMO) (Krepapa, et al. 2003;Webb, et al. 2000a); and (iii) 'perceived customer orientation' (Dean 2007). For the purposes of the present study, the term 'perceived market orientation' (PMO) is used to refer to the construct of market orientation in the conceptual framework of this thesis.

Although the concept of PMO was not formally proposed until the early 1990s, the philosophy of the concept goes back at least to Drucker's (1954) argument that marketing is not a specialised activity, but rather the whole business seen from customers' perspective. According to this view, customers should be the focus of all of an organisation's objectives, and the proponents of PMO therefore argue that the level of market orientation of any given organisation should always be assessed from the customer's perspective. Thus Deshpande et al. (1993, p.27) have observed that: "… the evaluation of how customer oriented an organisation is should come from its customers rather than merely from the company itself". Similarly, Webb et al. (2000a, p.102) asserted that: "… the adoption of [an] employee-defined view of market orientation is one-sided and myopic in that it ignores the vital role of customers in terms of value recognition". Steinman et al. (2000, p.110) concurred in contending that: "… the appropriate level of market orientation is what the customer thinks it should be".

In their initial study of PMO, Deshpande et al. (1993) found a significant relationship between business performance and PMO—which they referred to as 'customer orientation' in this particular study, although they subsequently referred to it as 'market orientation' (Deshpande and Farley 1996). Steinmann et al. (2000) later used the nine-item market orientation scale of Deshpande et al. (1993) to examine the gap between customers' and suppliers' perceptions of market orientation. The study found that the normative gap between customers' and suppliers' PMO decreased significantly as the length and importance of their mutual relationships increased; moreover, the study also found that the normative gap between customers' and suppliers' PMO was smaller in a collectivist culture (Japan) than in an individualistic culture (United States) (Steinman, et al. 2000). Krepapa et al. (2003) subsequently examined the impact of this perceptual gap on satisfaction. Using an adapted version of Narver and Slater's (1990) scale, the study found that greater gaps between customers' and suppliers' PMO were associated with lower levels of customer satisfaction (Krepapa, et al. 2003). These findings lend further support to the proposition that PMO has a significant influence on organisational performance.

Baker et al. (1999), who were the first to propose the term 'perceived market orientation' (PMO), used the market orientation construct of Deshpande et al. (1993) to argue for the 'upstream effects' of market orientation. According to Baker et al. (1999), suppliers' perceptions of resellers' market orientation can have a positive effect on the long-term relationship between the two parties. The study found significant relationships between PMO and four indicators of long-term relationship (trust, cooperation, satisfaction, and commitment). Baker et al. (1999) found evidence to support the proposition that greater levels of market orientation are associated with greater suppliers' commitment to the relationship with resellers. This finding is consistent with Kohli and Jaworski's (1990) conceptualisation of the causal relationship between market orientation and repeat business from customers, as well as being consistent with Narver and Slater's (1990) findings regarding the relationship between market orientation and customer retention. The relationship between PMO and commitment was also supported in a study by Dean (2007), who examined the impact of 'perceived customer orientation' (PCO) on 'perceived service quality', 'customer loyalty', and 'affective commitment'. The study found that customer focus was directly related to customer loyalty and indirectly related to affective commitment through perceived service quality (Dean 2007). The relevance of these findings to the present study is discussed in detail in Chapter 4 (as part of the theoretical discussion of the relationship between market orientation and church participation).

Webb et al. (2000a) used Narver and Slater's (1990) market orientation scale to examine the impact of PMO (which was referred to as 'customer-defined market orientation' in this study) on 'customer satisfaction' and 'service quality'. The variable of 'customer satisfaction' was measured with a seven-point visual representation scale to emphasise the affective nature of the construct, whereas 'service quality' was measured with the SERVQUAL instrument (Parasuraman, et al. 1988). The study found significant relationships between all three dimensions of market orientation (on the one hand) and both 'customer satisfaction' and 'service quality' (on the other hand); the strongest effect was found to exist between 'competitor orientation' and 'customer satisfaction' (Webb, et al. 2000a). In a similar vein, Gounaris et al. (2003) examined PMO as an antecedent of perceived service quality. Drawing on the work of Narver and Slater (1990) and Webb et al. (2000), the study used data from interviews with bank managers to develop market-orientation scales with customer-defined and value-adding characteristics. Gounaris et al. (2003) then recruited a sample of 793 individual customers of commercial retail banks as respondents to establish that PMO had a direct positive impact on service quality in terms of customers' perceptions of the 'physical evidence', 'innovativeness of the bank's product', and 'overall reliability of the bank' (the last of which was taken to imply enhanced consumers' trust). Corbitt et al. (2003) confirmed the relationship between PMO and consumer trust in the e-commerce context when they found that a higher level of market orientation was related to a higher level of trust of e-commerce websites.

Voon's (2006) study in the higher-education sector is apparently the only examination of PMO that has been performed in a non-commercial setting. However, the author did not expressly posit the study as a contribution to the literature on non-profit organisations, and thus failed to identify any features of particular interest to research in the non-profit sector; indeed, the term 'non-profit' was not even mentioned in the paper. In this study, Voon (2006) proposed six elements of the so-called 'service-driven market orientation' (SERVMO) construct, which consisted of an adapted version of Narver and Slater's (1990) market orientation components (including 'performance orientation' and 'long-term orientation') together with the addition of the component of 'employee orientation' (as used in the study of Siu and Wilson 1998). Voon (2006) found a significant positive relationship between SERVMO and service quality, which is consistent with earlier findings in the commercial context (Gounaris, et al. 2003;Webb, et al. 2000a).

3.2.5 The present study

Although there has been a significant amount of research on the link between market orientation and performance in both commercial and non-profit settings, this review of the literature has revealed several research gaps. This section provides an overview of two gaps in the literature that the present study aims to address:

- the PMO construct; and
- church participation and perceived benefits as indicators of performance.

<u>3.2.5.1 PMO construct</u>

This review of the literature has revealed that there are few analyses of market orientation from the customer perspective (PMO) in the general marketing literature, despite the significant influence of the construct on important performance attributes such as service quality and customer satisfaction. Moreover, studies of PMO in the non-profit sector are almost non-existent. The present study seeks to address this research gap through the application of PMO in non-profit organisations, with churches as the research context. Churches represent an excellent setting for this study of market orientation from the customer's perspective because church members are often involved in the co-production of the service. Moreover, the products offered by churches can be categorised as 'social behaviour products', all of which, according to Wrenn (1993a, p.243), "… are more controllable by the consumer than the church itself". Most previous studies of market orientation have utilised employees as the study participants in accordance with the rationale that employees know more about an organisation's market orientation because they participate in the production of goods and services. However, in view of the high level of participation by members of churches, it is reasonable to presume that church members are well placed to assess the level of market orientation of their churches on the basis of their experiences in church-related activities. By incorporating both church-goers (CGs) and non-church-goers (NCGs) as participants, the present study attempts to ensure that respondents in the study have a sufficient range of experience to make valid judgments about the level of market orientation of their churches.

The present study also addresses the question of the appropriate research instrument to measure market orientation. Previous studies of non-profit organisations have usually employed: (i) adaptations of Kohli and Jaworski's (1990) 'MARKOR' scale (Balabanis, et al. 1997;Bennett 1998;Caruana, et al. 1998;Evans, et al. 1996;Kara, et al. 2004;Mayfield and Crompton 1995); or (ii) adaptations of Kotler's (1977) marketing orientation scale (Chan and Chau 1998;Qureshi 1993;Wrenn 1996); or (iii) self-developed scales (Arbuthnot and Horne 1997;Graham 1995). A review of the literature reveals that the 'MKTOR' scale of Narver and Slater (1990) has been somewhat 'less popular' within the non-profit sector; nevertheless, a few studies have used 'MKTOR' as a measure of market orientation, including those by Shoham et al. (2006) and Gainer and Padanyi (2002). But even in these studies, 'MKTOR' was used in conjunction with 'MARKOR' as a measure of market orientation, with 'MKTOR' emphasising the role of 'organisational culture' and 'MARKOR' emphasising the role of 'activities'. Within the church context, White and Simas' (2008) modified version of the market orientation scale of Gray et al. (1998) is apparently the first (and only) available church market orientation scale to have been empirically tested. The present study contributes to the literature by adapting Narver and Slater's (1990) 'MKTOR' scale to the church context.

Narver and Slater's (1990) 'MKTOR' scale was adapted for the present study for two reasons. First, Narver and Slater's (1990) approach differentiates between 'customer orientation' and 'competitor orientation', which facilitates analysis of the impact of each of these components of market orientation on organisational performance. A review of the literature reveals that researchers in this area have frequently analysed each component separately (Han, et al. 1998;Lukas and Ferrell 2000). Secondly, 'MKTOR' was suitable for the research context of the present study. Gauzente (1999) has noted that Kohli and Jaworski's (1990) approach focuses on the organisational aspects of market orientation whereas Narver and Slater's (1990) approach emphasises the customer aspect. Because this study examines market orientation from the customer perspective, it was felt that Narver and Slater's (1990) approach was more relevant to this study. Thirdly, the decision to adapt Narver and Slater's (1990) scale for the development of the PMO construct is consistent with previous studies in this area (Krepapa, et al. 2003;Voon 2006;Webb, et al. 2000a).

3.2.5.2 Church participation and perceived benefits as indicators of performance

The second gap in the research literature that this study addresses is the notion of 'organisational performance' in the non-profit sector. Despite the fundamental role of consumers in non-profit organisations, virtually all previous market-orientation studies in the non-profit sector (with the exception of Chan and Chau (1998)) have measured performance from the manager's perspective. Within the church context, White and Simas (2008) used the constructs of 'resource allocation' and 'resource attraction' to measure performance, but this was also from the managerial (church leader) perspective. In the present study, the notion of 'church performance' is examined from the customer perspective in terms of *perceived benefits* and *extent of participation*.

Perceived benefits

The fundamental objective of market orientation is to create superior value for the customers (Narver and Slater 1990). In this regard, the paradigm of ‘service-dominant logic’ (Vargo and Lusch 2004) postulates that the customer is always a co-creator of value—that is, marketers can only *offer* value propositions, but the real value of products/services is determined by consumers on the basis of ‘value in use’. Within the church context, Wrenn (1995, p.8) argued that:

> … pastors must be able to perceive value in church membership from the parishioner’s viewpoint so that member satisfaction can be truly delivered by building value into the church-member experience.

In accordance with these views, the present study examines the perceived benefits associated with church participation (as an indicator of performance) from the perspective of church members.

Perceived benefits were chosen as an indicator of performance for several reasons. First, as Buckmaster (1999) observed, the performance of non-profit organisations can be defined in terms of the *benefits generated in favour of the individuals* participating in the organisation’s program. Within the church context, church members actively participate in the church’ program and are therefore in a position to make effective assessments of the benefits associated with the church’ program. Secondly, the inclusion of perceived benefits as a performance measure is consistent with the view of White and Simas (2008, p. 162), who called for future research to utilise “… performance measures that seek to determine [the] impact a church has in its members’ and visitors’ lives”.

In view of these arguments, the construct of ‘perceived benefits’ was developed in this study to examine the anticipated spiritual, social, and purpose-in-life benefits that respondents expect to receive as a result of church participation.

Extent of participation

The other performance measure used in the present study is the extent of participation of church members in church-related activities. This performance measure is broadly consistent with the resource-allocation measure used by White and Simas (2008); however, again it should be noted that these authors examined increases/decreases in church attendance from the church leader's perspective.

The extent of participation was chosen as a performance measure for several reasons. First, enhancing members' participation/attendance is an integral objective of the mission of most churches. Given that the notion of performance in the non-profit context has been frequently measured in terms of the ability of an organisation to fulfil its mission objectives (Liao, et al. 2001;Lovelock and Weinberg 1989;Vazquez, et al. 2002), the extent of members' participation in church-related activities is an appropriate indicator of organisational performance. Secondly, although several authors have proposed a conceptual link between market orientation and an increased level of church participation and commitment (Considine 2001), the only study to have provided empirical support for this proposition is that by White and Simas (2008), who examined the question from the church leader's perspective. In contrast, the level of participation in the present study is examined from the church member's perspective. Finally, the inclusion of 'extent of participation' as a performance measure is driven by the third research objective of the present study, which is to derive practical implications for church leaders as to how they can effectively attract the participation of existing and prospective members.

3.3 Review of branding literature

The literature offers a plethora of definitions (from a variety of perspectives) of the term 'brand'. In an attempt to summarise this daunting list of definitions in the literature, de Chernatony and Riley (1998b) identified twelve themes in the various notions of 'brand'. These included 'brand' as: (i) a legal instrument; (ii) a logo; (iii) a company; (iv) a shorthand expression; (v) a risk reducer; (vi) an identity system; (vii) an image;

(viii) a value system; (ix) a personality; (x) a relationship; (xi) a value-adder; and (xii) an evolving entity. The authors concluded that, despite a plethora of definitions, a fully developed conceptualisation of the 'brand' construct and its boundaries has not been established (de Chernatony and Riley 1998b).

The increasingly competitive environment being experienced by both the commercial sector and the non-profit sector has led to brands being increasingly used as a strategic resource to achieve a competitive advantage. In doing so, corporate strategy must take into account the organisational and environmental factors that have the most influence on the organisation's choice of brand (Macrae and Uncles 1997).

The increasing importance of brand as a strategic resource has stimulated extensive research into the application of the *brand concept* in a diverse range of contexts. These have included (among others): (i) retail stores (Burghausen and Fan 2002); (ii) services (de Chernatony and Riley 1999;de Chernatony and Segal-Horn 2001); (iii) charities (Hankinson 2000, 2001a); and (iv) corporations (Balmer 2001). Scholars have also broadened the brand concept by examining not only the customer's perception of the brand, but also how a firm approaches the brand and uses it as a means of differentiation (Simoes and Dibb 2001). Just as the adoption and implementation of the marketing concept can be referred to as 'market orientation', the adoption and implementation of the branding concept is referred to as 'brand orientation'.

3.3.1 Brand orientation

Proponents of the notion of 'brand orientation' agree that customer satisfaction is important, but they are aware that customer demands might not be consistent with a given organisation's brand identity and that an ambition to be market-oriented can thus be a threat to brand identity if the organisation is forced to modify its brand for the sake of satisfying customers (Urde 1999). It has therefore been argued by Urde (1999) that companies should reach beyond mere 'market orientation' to embrace 'brand orientation' as an additional means of achieving market superiority.

Urde (1999, p. 117) defined ‘brand orientation’ as:

> … an approach in which the processes of the organisation revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantage in the form of brands.

Whereas market-oriented organisations emphasise customer satisfaction, brand-oriented organisations perceive that brands possess a strategic importance that goes beyond the goal of merely satisfying customer needs to include the achievement of enhanced loyalty and commitment from their customers.

Louro and Cunha (2001, p.853) defined ‘brand management’ as:

> … a deep seated way of seeing and managing brands and their value, shared by the members of the organisational community marked by a common culture.

These authors suggested that brand management should be analysed in two dimensions: (i) ‘brand centrality’ - the extent to which the brand constitutes the core elements guiding the firm’s strategies, ranging from low (tactical orientation) to high (brand orientation); and (ii) ‘consumer centrality’ - the nature of consumer involvement in the process of value co-creation (Louro and Cunha 2001).

Bridson and Evans (2004, p.404) defined ‘brand orientation’ as:

> the degree to which the organisation values brands and its practices are oriented towards building brand capabilities.

These authors proposed four dimensions of brand orientation: (i) ‘distinctiveness’; (ii) ‘functionality’; (iii) ‘value adding’; and (iv) ‘symbolic’. Bridson and Evans (2004) found positive associations between brand orientation and retail offer advantage in terms of merchandise, trading format, customer service, and communication. Wong and Merrilees (2008) provided further support for the relationship between brand orientation and business performance in terms of brand distinctiveness and financial performance.

3.3.2 Brand orientation in the non-profit sector

Although the brand concept and its implementation have been well established in the commercial sector for more than a century (Low and Fullerton 1994), it is only recently that researchers have begun to examine the relevance of brands within the non-profit sector. As with the application of market orientation in the non-profit sector, there is some controversy regarding the applicability of a commercial branding orientation to non-profit organisations. Some authors have asserted that there are many opportunities for non-profit organisations to use commercial branding practices in the development of non-profit brands (Roberts-Wray 1994;Tapp 1996), whereas others have argued that non-profit organisations should not be too impetuous in replicating commercial approaches to branding because so-called 'over-commercialisation' might have adverse effects on the distinctive nature of non-profit organisations (Sternberg 1998). Despite these conflicting views, there is general agreement that branding has an important role in engendering trust among donors as the environment for non-profit organisations becomes increasingly competitive (Hankinson 2000). In this regard, research efforts have focused on the development of frameworks for building successful non-profit brands.

At least three research streams are evident in the literature on branding in the non-profit sector. The first examines the influence of *brand image* on donor attitudes and behaviour (Webb, et al. 2000b). The second focuses on the *process of creating* strong non-profit brands, including: (i) understanding stakeholders' brand perceptions; (ii) creating a unique brand identify; (iii) selecting the right position for a brand; and (iv) communicating the brand position to stakeholders (Tapp 1996). The final research stream focuses on *brand orientation* and its impact on organisational performance from the perspective of senior management (Hankinson 2001a, 2001b, 2002;Napoli 2006).

Within the non-profit sector, Hankinson (2001a, p.231) defined brand orientation as:

> … the extent to which charity organisations regard themselves as brands, an indication of how much (or how little) organisations accept the theory and practice of branding.

Using data from a series of in-depth interviews with charity managers, Hankinson (2000;2001b;2002) found that the charity managers were largely familiar with branding terminology as it was used by commercial organisations. The author also found that brands were frequently used to strengthen awareness of an organisation, assist fundraising activities, recruit employees and volunteers, build trust, and provide a system to establish practical cause-related marketing partnerships (Hankinson 2000). In a subsequent study, Hankinson (2001b) examined the impact of brand orientation on the practices of charity managers. A comparison of strongly brand-oriented managers and those with a lower level of brand orientation revealed that the former were: (i) better able to influence others in adopting a brand focus; (ii) more skilful at translating this commitment to the brand into managerial practice; and (iii) better able to raise voluntary income. In summary, the findings of this series of studies indicated that the extent of brand orientation adopted and implemented by non-profit organisations had a positive impact on their performance (Hankinson 2001b).

These findings are consistent with those of other studies in this area, which have proposed that a strong brand can: (i) enhance an organisation's ability to communicate its values to stakeholders (Tapp 1996); (ii) change public opinion (Lindsay and Murphy 1996); (iii) build loyalty (Ritchie, et al. 1999); (iv) achieve short-term and long-term objectives (Hankinson 2002;Simoes and Dibb 2001); and (v) attract a greater proportion of voluntary income (Hankinson 2001b). Despite these apparent benefits, brands are still largely under-utilised as a strategic asset in the non-profit sector. As Stride and Lee (2007, p.114) observed in a qualitative study of non-profit directors: "… whilst respondents talked enthusiastically about branding, it was rarely discussed in terms of it being an important strategic tool in its own right".

Although Hankinson (2000;2001b;2002) has made significant contribution to the literature on non-profit brand orientation, the reliability and validity of her measure have not been demonstrated and her research was confined to only one (charity) sector. Responding to this limitation, Ewing and Napoli (2005) developed a psychometrically robust and generalisable measure of non-profit brand orientation (NBO), which was tested across 12 categories of non-profit organisations. As a result of this work, Ewing and Napoli (2005, p.842) suggested that NBO can be defined as the:

> … organizational wide process of generating and sustaining a shared sense of brand meaning that provides superior value to stakeholders and superior performance to the organisation. Accordingly, NBO reflects an organisation's focus on the internal and external activities necessary to build and sustain strong brands in the marketplace.

Ewing and Napoli's (2005) work on the construct of non-profit brand orientation is of significance to the present study in view of the otherwise limited research into the measurement of brand orientation in the non-profit sector. The authors' NBO scale (Ewing and Napoli 2005) consists of three dimensions:

1. *Interaction:* The extent to which an organisation establishes a dialogue with key stakeholders and responds to changes in its environment.

2. *Orchestration:* The extent to which the brand portfolio and related marketing activities are effectively structured and communicated to both internal and external stakeholders.

3. *Affect:* The extent to which an organisation understands whether it is liked/disliked by its key stakeholders (and the reasons for their attitudes).

In a follow up study, Napoli (2006) found a significant relationship between NBO and organisational performance—as measured subjectively in terms of: (i) an organisation's ability to achieve its short-term and long-term objectives; and (ii) its ability to serve stakeholders better than its competitors. In particular, the study found a significant relationship between the 'orchestration and interaction' dimension of NBO and both measures of performance. More importantly, the study found that the more brand oriented an organisation is, the more likely it is to be classified as 'above average' in its performance (Napoli 2006).

3.3.3 Brand image: brand orientation from customer perspective

Because research into brand orientation in general is still in its infancy, it is not surprising that little attention has been paid to the specific question of brand orientation from a *customer perspective*. Whereas the PMO construct was developed to measure market orientation from a customer perspective, a similar measure (from the perspective of the customer) has not been developed for brand orientation. Given these circumstances, the present study contends that the construct of 'brand image' is the best alternative for the purposes of this investigation. The construct of ‘brand image’ is essentially concerned with assessments of brand from a customer perspective, which makes this construct the most relevant measure to examine a church’s level of brand orientation for the purposes of this study.

The term ‘image’ has been extensively used in a variety of contexts—including ‘store image’, ‘public image’, ‘corporate image’, ‘brand image’, ‘self-image’, and ‘national image’ (Dowling 1986). In particular, there has been considerable research in the area of ‘brand image’, which has been accompanied by numerous different definitions of the term. In an attempt to summarise this daunting list of definitions in the literature, Zinkhan (1990) classified these various definitions into five categories: (i) symbolisms; (ii) meaning; (iii) personification; (iv) psychological/cognitive; and (v) blanket definition. Of these, the fourth (‘psychological/cognitive’) is especially relevant to the present study.

A review of the literature reveals two commonly recurring themes among this plethora of definitions. First, most of the definitions of brand image are based upon the consumer’s perspective. Secondly, the theme of ‘brand associations’ can be found in many of the definitions. The present study takes up these two themes in examining the people’s perspective of a church organisation’s image based on associations with the organisation’s attributes. This approach is in accordance with the psychological/cognitive definition of brand image, which has been described as “… a constellation of pictures and ideas in people’s minds that sum up their knowledge of the brand and their main attitudes towards it” (Levy, 1978, cited by Zinkhan 1990, p. 114).

The present study thus examines the brand image of a church as perceived by the church members. The term ‘brand’ in this context is taken to apply to the church organisation itself, rather than to the products/services it offers. Within the marketing literature, this falls under the umbrella of ‘corporate brand image’. Corporate branding differs from product branding in the importance it places on so-called ‘brand values’—that is, the values that are inherent in, or associated with, the corporation (and its products and services) (de Chernatony 1999). A strong corporate brand is thus perceived as a guarantee of quality or as a form of insurance against poor performance or financial risk (Balmer and Gray 2003). Moreover, a strong corporate brand image not only provides a competitive advantage, but also encourages repeat purchases (Porter and Claycomb 1997) and customer loyalty (Ailwadi and Keller 2004;Keller 2003).

Although the literature provides mixed opinions on the appropriate use of various similar terms (such as 'corporate image', 'corporate brand', and 'corporate identity'), it has been suggested by Balmer (2001) that the term 'corporate brand identity' should be used to refer to 'corporate brand' as perceived by *internal stakeholders*, such as employees. On the other hand, the term 'corporate brand image' should be used to describe the *customer's* perspective of an organisation's image (Balmer 2001).

Within the non-profit context, several studies have examined the impact of 'corporate brand image' on organisational performance. According to Bendapudi et al. (1996), an organisation's image provides potential donors with important cues regarding the efficiency of its operations, its degree of familiarity, and its credibility. Thus, if a charity is perceived to possess these attributes, its marketing communication efforts tend to result in greater perceptions of need, which stimulates helping behaviour among its donors (Bendapudi, et al. 1996). In a similar vein, Webb et al. (2000b) found that monetary contributions are greater from individuals who have positive attitudes towards a charitable organisation, which suggests that 'brand image' is playing an important role in shaping stakeholders' attitudes and actions.

In summary, the apparent importance of brand image means that it is important for non-profit organisations to understand how they are perceived in the market and to create a sustainable brand identity that is relevant to the organisation's mission.

3.3.4 Branding in the church sector

Although there are conflicting opinions about the application of marketing concepts in the church context, some authors have supported the notion of a church as a 'brand'. As Abreu (2006, p. 141) observed:

> A religious organisation is perceived by its constituents as a brand, a heterogeneous set of characteristics including its key message, the people who work for it, the place where the service take place, its equipment and all the associations of its offer.

Djupe (2000) went so far as to propose that there is a resemblance between religion and products, and thus used the term ‘religious brand loyalty’ to refer to denominational loyalty. More recently, Einstein (2008, p.74) has asserted that:

> … given that brands contain meaning for our lives and that products become part of our identities, it is easy to see why religious organisations see the value in inventing their products and services as brands.

McDonald et al. (2001) argued that the intangible nature of a service offering means that the approach to branding needs to be adjusted in the services sector. According to these authors, the way in which consumers evaluate a corporate service brand depends on a variety of service-related factors, including the role played by the staff and the consumers’ role in the service delivery. As a service organisation, a church must decide whether to build its brand on a specific product (‘product brand image’) or on its corporate identity (‘corporate brand image’) (Olins 1995).

According to Stevens et al. (2005), a church with a ‘good name’ in the community (that is, positive ‘brand image’) is likely to have more committed members and will not suffer from as much member-switching behaviour as other churches that are less well regarded. A positive image is also a key component of effective positioning and targeting strategy. As Shawchuck et al. (1992, p.205) observed:

> … a responsive church will actively take steps to develop its image and position because this determines the target publics it will attract.

These statements by Stevens et al. (2005) and Shawchuck et al. (1992, p.205) underline the importance of brand image for religious organisations, particularly in encouraging church participation.

It would seem that Abreu’s (2006) work on the brand positioning and image of a religious shrine is apparently the only empirical study of brand image in the church context. The study found that church-goers and non-church-goers differed in their perceptions of the shrine's image due to differences in spiritual awareness. The study also found that the 'brand image' of the shrine did not coincide with the 'brand position' as determined by the church, which suggested a need for brand re-positioning (Abreu 2006).

3.3.5 The present study

This review of the literature suggests that little empirical research has been undertaken to examine the notion of 'brand orientation' from customer perspective. The present study addresses this gap in the research literature by developing a construct of brand image that examines respondents' perceptions of the level of brand orientation in an organisation. This section discusses the significant gaps in the literature on branding that this study seeks to address.

3.3.5.1 Market orientation and brand image

The literature on market orientation offers few insights into the relationship between market orientation and 'brand image' because research in this area has mainly focused on the relationship between market orientation and 'brand valuation' (Cravens and Guilding 2000) and on that between market orientation and 'brand equity' (Ind and Bjerke 2007;Yakimova and Beverland 2005). Moreover, a review of the literature reveals that most studies of market orientation have focused on branding as perceived by the management of organisations ('brand identity'), rather than how the brand was perceived by customers ('brand image'). Finally, the relationship between perceived market orientation (PMO) and brand image has yet to be established in the marketing literature.

Reid et al. (2005) proposed a conceptual model of the relationships among integrated marketing communication (IMC), market orientation (MO), and brand orientation (BO), which is apparently the only conceptual analysis of the relationship between market orientation and brand orientation. According to these authors, higher levels of market orientation are associated with higher levels of brand orientation. However, this proposed relationship between MO and BO has never been empirically examined in the literature and therefore presents an attractive subject of future research.

In light of these arguments, the present study contends that a positive relationship exists between perceived market orientation (PMO) and brand image. In this regard it is noteworthy that both MO and BO have usually been regarded as employee-perceived phenomena (Gounaris, et al. 2003); in contrast, the present study assesses both PMO and brand image from the customer's perspective. The following section provides a review of brand-image measures in the literature and the development of the brand-image measure in the present study.

3.3.5.2 Brand-image measures

In view of the lack of brand-image measures in the non-profit sector, Voeth and Herbst (2008) developed a non-profit 'brand personality' scale based on Aaker's (1997) work. Although Voeth and Herbst (2008) made an important contribution to the non-profit branding literature by developing a measure of brand image in the non-profit sector, there remains a significant gap in the literature with regard to a brand-image measure that takes account of the level of brand orientation of an organisation. As previously noted, proponents of the PMO approach have argued that the evaluation of an organisation's level of market orientation should be made from the customer's perspective (Deshpande, et al. 1993;Webb, et al. 2000a). In accordance with this argument, the present study contends that brand orientation should also be examined from the customer's perspective. However, because the notion of 'brand orientation' is still regarded as an 'emerging concept', even by recent researchers (Reid, et al. 2005), the question of assessing brand orientation from the customer's perspective has not been addressed in the literature.

According to Hankinson (2001a), brand orientation leads to the development of a strong brand. Within the non-profit sector, a strong brand is characterised by customers being aware of the organisation and associating it with a positive image (Ritchie, et al. 1999).

An organisation that is strongly brand-oriented is thus likely to enjoy a positive image as perceived by its constituents (Hankinson 2001a).

In light of these arguments, the present study develops a measure of brand image as the *indicator* of brand orientation. Just as the PMO measure is the indicator of an organisation's market orientation, the brand-image measure of this study serves as the indicator of a church's level of brand orientation as perceived by customers (members).

During the scale-development process in the present study, an attempt was made to adapt the NBO measure, but this encountered several methodological difficulties, all of which are discussed in Chapter 5. In view of these difficulties, the measurement items that were eventually developed for the brand-image construct of this study were therefore chosen in accordance with the brand-orientation themes originally identified by Ewing and Napoli (2005) in their development of the NBO scale: (i) uniqueness (creating a unique brand identity); (ii) reputation (monitoring brand value); and (iii) orchestration (managing brand communications) (Aaker 1991;de Chernatony and Riley 1998a;Keller 2000). Each of these is discussed below.

Uniqueness

The creation of a unique brand identity is an essential task for a brand-oriented organisation because it helps to establish relationships between the brand and its stakeholders (Aaker and Joachimsthaler 2000).

Brand identity has been defined by de Chernatony and Riley (1998a) as a set of brand associations created and maintained for a particular product. The identity of a brand represents what an organisation wants a brand to stand for, and can thus be regarded as the driving force behind the entire brand-building effort of an organisation (Urde 1999). A brand identity can be constructed on the basis of product attributes, organisational attributes, and/or personal characteristics (Aaker and Joachimsthaler 2000).

In the construction of brand identity, emphasis should be placed on the use of the identity as a means for differentiation (Park, et al. 1986;Reynolds and Gutman 1984). A brand identity should therefore be unique, personally appropriate, highly regarded, and well understood by customers (Agres and Dubitsky 1996). An organisation that is strongly brand-oriented emphasises the creation of a unique identity that reflects the vision of the organisation (Hankinson 2000;Saxton 1994). The brand-image measure in the present study was therefore designed to assess respondents' perceptions of the *uniqueness* of a church.

Reputation

The primary challenge for brand managers today is in understanding the level of consumer knowledge pertaining to a brand and its perceived value compared to competing brands. Aaker (1991) suggested four dimensions of brand value: (i) *brand awareness*, which refers to a customer's ability to recognise that a brand is a member of a particular product category (Keller 1993); (ii) *brand associations*, which include anything that is linked in a customer's memory to a particular brand (such as user imagery, product attributes, personality, and organisational associations) (Aaker and Joachimsthaler 2000); (iii) *brand loyalty*, which is the personal attachment that a customer has with a particular brand; and (iv) *perceived quality*, which is defined as a customer's judgment of the overall superiority of a product (Aaker 1991). The significance of these dimensions in the brand-orientation literature is reflected in the fact that Urde (1999) incorporated three of these elements ('awareness', 'associations', and 'loyalty') as fundamental inner relationships in his conceptual model of brand orientation.

According to Ritchie et al. (1999, p. 29), a strong brand helps to:

> … maintain top-of-mind awareness of the organisation in the minds of potential donors and volunteers, thus increasing the likelihood of attracting scarce resources.

An organisation that is strongly brand-oriented thus emphasises the creation of a strong brand to develop reputation among its target segment. Consequently, the brand-image construct in the present study was therefore designed to assess respondents' perceptions of the *reputation* of a church.

Orchestration

Marketing communication has long been recognised as playing an important role in expressing brand identity to the organisation's stakeholders (Gardner and Levy 1955). Some authors have even argued that the development of a brand is dependent upon the organisation's ability in managing its communication strategies (Schultz and Barnes 1999). According to Keller (1993), effective communication strategies must look beyond the promotional mix to include consideration of such factors as brand name, organisation image, logos, symbols, and other factors that affect consumers' perceptions of the brand.

The key to effective brand communication is to ensure that all the communication tools used in expressing the brand deliver a clear, unique, and consistent message regarding the brand and its identity (Keller 2000). Consistency is thus an important element of brand communication strategy. In view of the many cues that can be associated with a brand, and the diverse range of tools used to communicate it, there is significant potential for conflicting brand messages to occur. It is thus imperative to ensure that a consistent theme is presented to the organisation's stakeholders through all communication tools (Keller 2000).

In view of the above discussion, the final theme of brand orientation with which this study is concerned is, therefore, the organisation's ability to communicate consistent brand messages to internal and external stakeholders. The present study thus assesses respondents' perceptions of a church's ability to manage brand communication in terms of its consistency in delivering messages relating to its image. In accordance with Ewing and Napoli's (2005) terminology, this final theme of the brand orientation is referred to as *orchestration*.

3.4 Chapter summary

In summary, the implications for the present study of this literature review of market orientation and branding can be expressed as follows.

First, despite the increasing number of studies in the area of market orientation, the notion of 'perceived market orientation' (PMO) has received little attention in the marketing literature, particularly in the non-profit sector. Because customers play a significant role in service production in the non-profit sector, the present study contends that it is important to examine the influence of PMO on the performance of non-profit organisations. The study therefore examines the relationship between PMO and organisational performance in the church sector using 'perceived benefits' and 'extent of participation' as the indicators of performance.

Secondly, as a result of extensive research in the literature, the concept of 'brand image' has been linked with such indicators of organisational performance as customer satisfaction, commitment, and loyalty. However, research into brand image in the non-profit sector is still in its infancy. This study therefore contributes to the literature by: (i) developing a measure of brand image that reflects the level of brand orientation of an organisation; and (ii) examining the impact of brand image on church participation.

Chapter 4
Conceptual Framework and Research Hypotheses

4.1 Objective and structure of the chapter

The objective of the present chapter is to propose a conceptual framework based on the literature review presented in the previous chapters. The conceptual framework aims to address the research questions through an investigation of the relationship between constructs in the model.

The present chapter is divided into three sections. Section 4.2 presents a general overview of the conceptual framework. Section 4.3 describes the key components in the model. Section 4.4 presents the rationale behind the research hypotheses depicted in the conceptual framework.

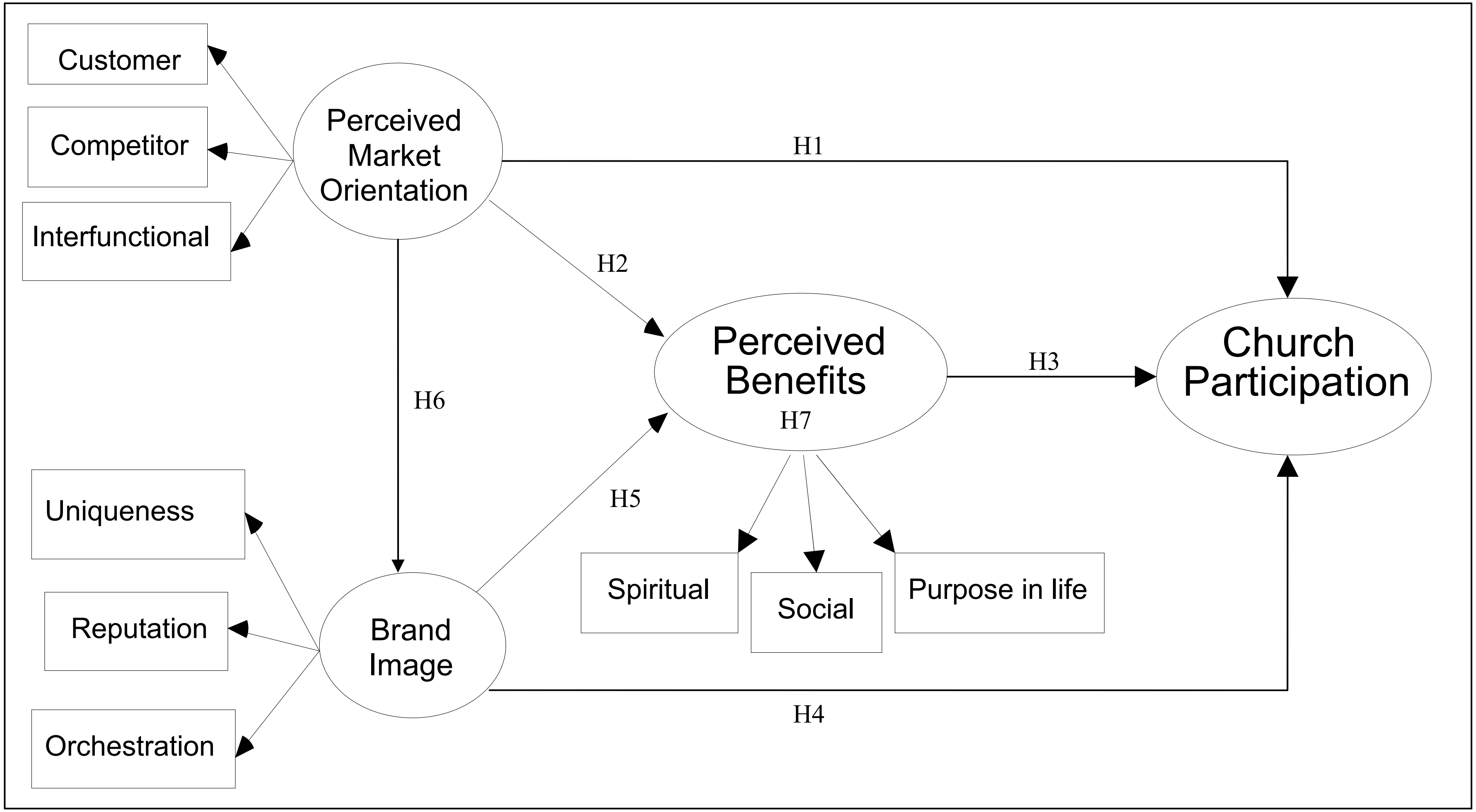
4.2 Proposed conceptual framework

The first focus of this thesis is on the examination of relationship between 'perceived market orientation' and 'church participation'. The conceptual framework proposes for the relationship between PMO and two indicators of church performance in the form of 'perceived benefits' and 'extent of church participation'. The use of 'perceived benefits' as a performance measure is consistent with Buckmaster's argument (1999) that the performance of non-profit organisations can be defined in terms of the benefits generated in favour of the individuals participating in the organisation's program. The use of 'extent of church participation' as a performance measure, on the other hand, is consistent with the resource allocation performance measure of White and Simas (2008).

The second focus of this thesis is on the link between brand image and church participation. Within the church context, scholars have recognised the importance of brand image in enhancing church participation (Stevens, et al. 2005).

Figure 4.1

A Conceptual Model of Market Orientation and Brand Image in Church Participation Framework



The final focus of the thesis is on the link between perceived benefits and church participation. The rational choice theory suggests that people's decision to join a church is based on the calculation of anticipated costs and benefits (Iannaccone 1995). This theory holds particular importance to the conceptual framework as it lends support for the relationship between perceived benefits and church participation in the conceptual framework. In light of the rational choice theory, it is argued that people's decision to join a particular church is driven by several relevant perceived benefits including 'spiritual', 'social', and 'purpose in life'.

4.3 Key components of the model

The model depicted in Figure 4.1 has four main components:

Domain 1: Perceived Market Orientation (PMO)
Domain 2: Brand Image
Domain 3: Perceived Benefits
Domain 4: Church Participation

Domain 1: Perceived market orientation

Narver and Slater's (1990) conceptualisation of market orientation was adopted in the development of the conceptual framework for the present study. The construct consists of three dimensions, namely customer orientation, competitor orientation, and interfunctional coordination (Narver and Slater 1990). Measurement items to examine each dimension were modified to ensure their relevance to the church context. The analysis of PMO construct in this study is conducted in two levels. First, PMO is analysed as a single predictor construct consisting of three dimensions. Second, this study adopts the 'component-wise' approach (Han, et al. 1998;Lukas and Ferrell 2000) in which the market orientation construct is disaggregated into three distinct components to examine the significance of each dimension on the dependent variables.

The *customer orientation* dimension concerns with respondents' perception of how well the church understands the needs of its constituents and the extent to which the range of services offered were designed based on this understanding of members' needs.

The *competitor orientation* dimension concerns with respondents' perception of the extent to which the church engages in competition with other churches. The scales used to measure this construct reflect the attitudinal and behavioural elements relating to competitive behaviour.

The *interfunctional coordination* dimension concerns with respondents' perception of the extent to which the different range of ministries in the church contribute in delivering superior value to its existing members and the community.

Domain 2: Brand image

As discussed in the previous chapter, the brand image construct used in the conceptual framework aims to serve as an indicator of how brand oriented an organisation is. Consequently, the brand image measure of this study is a unidimensional construct reflecting three brand orientation themes: uniqueness, reputation, and orchestration. *Uniqueness* reflects respondents' perception of the church's ability to create a unique brand identity which makes it stand out from other churches. *Reputation* reflects the surrounding community's awareness of the church as perceived by the respondents. The final theme, *Orchestration,* reflects respondents' perception of the consistency of the church's message as reflected in its communication strategies.

Domain 3: Perceived benefits

Based on a review of psychology and sociology literature on the antecedents of church participation, the conceptual framework proposes three dimensions of 'perceived benefits'. Consistent with Attaway, et.al (1995) approach, 'perceived spiritual benefits' construct reflects the motivation of intrinsically oriented individuals whereas 'perceived social benefits' construct reflects the motivation of extrinsically oriented individuals.

The final element, ‘perceived purpose in life benefits’, reflect the essence of psychic deprivation theory as well as theory for search of meaning and belonging (Furseth and Repstad 2006) which suggests that people engage in religious behaviour to discover purpose in life. Akin to market orientation construct, analysis involving ‘perceived benefits’ as the predictor variables will be conducted in two levels. First, ‘perceived benefits’ is analysed as a single predictor construct consisting of three dimensions. Second, the ‘perceived benefits’ construct is disaggregated into three distinct components of ‘spiritual’, ‘social’, and ‘purpose in life’ benefits to identify which element performs the strongest effect on ‘church participation’.

Domain 4: Church participation

‘Church participation’ is a central dependent construct in the present study. For the purpose of this study, ‘church participation’ is not only confined to Sunday Services but also includes respondents’ involvement in other church-related activities such as fundraising events, music concert, and cultural events.

4.4 Research questions and hypotheses

The relationships depicted in the conceptual framework are summarised into five research questions. The research questions, hypotheses, and their rationale are discussed below.

4.4.1 Research question one

“What is the role of perceived market orientation in church participation?”

As discussed in Chapter 3, the link between market orientation and various indicators of performance including achievement of objectives, financial subsidy, member satisfaction, attendance, resource acquisition, and peer reputation has been well established in the literature (Balabanis, et al. 1997;Chan and Chau 1998;Gainer and Padanyi 2002;Kara, et al. 2004;Voss and Voss 2000). Within the church context, market orientation has been proposed as having a positive impact on various indicators of performance including customer satisfaction (Wrenn 1993b), attendance commitment, resource allocation, and resource attraction (Considine 2001;White and Simas 2008;Wrenn, et al. 1995).

Within the conceptual framework of the present study, PMO is proposed as performing direct and indirect effects on 'church participation' through the mediating role of 'perceived benefits'. Cohen and Cohen (1983) argued that for a mediating role to occur, significant relationships must exist between the predictor, intervening, and dependent variable. Consequently, the relationship between the predictor (PMO) and the intervening variable ('perceived benefits') is addressed in Hypothesis 2 whereas the relationship between the intervening ('perceived benefits') and the dependent variable ('church participation') is addressed in Hypothesis 3.

The relationship between PMO and church participation

The relationship between market orientation and church participation has been conceptually proposed in the church marketing literature (Considine 2001;Wrenn, et al. 1995). Within the commercial sector, Baker, et.al (1999) found evidence to support the proposition that greater level of PMO is associated with greater suppliers' *commitment* to the relationship with resellers. These findings provide relevant insights for the present study as there is empirical support on the link between positive evaluation of an organisation's market orientation and customers' commitment. Within the church context, the extent of members' participation in church-related activities reflects *personal commitment* to the church organisation. Hence, with churches as the research context, the present author proposes that respondents' perception of the market orientation level of a church is positively associated with the extent of their participation in church-related activities. It is hypothesised that people who perceive the church as performing well in the respective dimensions of market orientation are likely to actively participate in church-related activities.

The link between PMO and church participation is also supported in the service literature. The literature has provided empirical support on the effect of PMO on customer satisfaction (Gounaris, et al. 2003;Webb, et al. 2000a). Within the church context, Wrenn (1993b) defined ‘satisfied customers’ as: “The members [who] want to continue to remain active participants in the church” (Wrenn 1993b, p.252). On the basis of these arguments, the following hypotheses are therefore proposed:

Hypothesis 1: PMO is positively associated with Church Participation

This can be disaggregated to the following hypotheses:
H1a: Customer Orientation is positively associated with Church Participation
H1b: Competitor Orientation is positively associated with Church Participation
H1c: Interfunctional Coordination is positively associated with Church Participation

The relationship between PMO and perceived benefits

One of the objectives of market orientation is the creation of superior value for the customers (Narver and Slater 1990). In the service-dominant logic paradigm, it is postulated that marketers can only offer value propositions whereas the real value of products/services are determined by consumers on the basis of ‘value in use’ (Vargo and Lusch 2004). Within the church context, Wrenn (1995, p.8) argued that “pastors must be able to perceive value in church membership from the parishioner’s viewpoint so that member satisfaction can be truly delivered by building value into the church-member experience.” Consequently, the assessment of perceived benefits is central to understanding customer value within the church context.

Using ‘spiritual’, ‘social’, and ‘purpose in life’ benefits as the measure of ‘perceived benefits’ construct, it is proposed that respondents’ perception of the market orientation level of a church (PMO) is positively associated with the benefits they associate with participating in that particular church. Highly market-oriented churches design their services based on existing and prospective members’ needs. Consequently, respondents that perceive the church as highly market-oriented are likely to perceive their services as providing relevant benefits for their life. It is therefore hypothesised that greater level of PMO will lead to greater level of 'perceived benefits'.

Hypothesis 2: PMO is positively associated with Perceived Benefits

This can be disaggregated to the following hypotheses:
H2a: Customer Orientation is positively associated with Perceived Benefits
H2b: Competitor Orientation is positively associated with Perceived Benefits
H2c: Interfunctional Coordination is positively associated with Perceived Benefits

4.4.2 Research question two

"What is the role of brand image in church participation?"

In the present study, 'brand image' is postulated as performing direct and indirect effects on 'church participation' through the mediating role of 'perceived benefits'. Consistent with Baron and Kenny's (1986) argument the relationship between predictor ('brand image') and intervening variable ('perceived benefits') must be examined before the mediating effect can be assessed. As the data analysis reveals that 'brand image' construct is unidimensional in nature, no corollary hypotheses are proposed. The relationships between the constructs are summarised in this section.

The relationship between brand image and church participation

In the branding literature, brand image has been positively associated with repeat purchases (Porter and Claycomb 1997) and customer loyalty (Ailwadi and Keller 2004;Keller 2003), as well as increased monetary contributions in the charity sector (Webb, et al. 2000b). Scholars have also linked positive church image with members' commitment (Stevens, et al. 2005).

Although the terms 'repeat purchase' and 'customer loyalty' are generally applied in the commercial sector, it can be argued that respondents' *extent of participation* in church-related activities reflects the notion of 'repeat purchase' and 'customer loyalty' as applied in the church context. Church with a positive image is likely to be perceived as being able to deliver superior values to the congregation which in turns affect their participation in church-related activities. Therefore it is hypothesised that positive evaluation of the church's 'brand image' will lead to higher level of 'church participation'.

Hypothesis 4: Brand Image is positively associated with Church Participation

The relationship between brand image and perceived benefits

The literature has suggested the importance of having a strong brand image for organisations to continue delivering superior value to its stakeholders. Within the commercial branding literature, corporate brands are seen as a guarantee of quality or insurance against poor performance or financial risk (Balmer and Gray 2003). In a similar accord, it can be argued that churches with positive image in the community are more likely to be perceived as having superior quality as compared to other religious organisations. 'Poor performance' within the context of the present study can be regarded as the church's inability to satisfy its members needs through relevant services and activities. A positive church image does not only provide an insurance against poor performance but also a guarantee of quality. That is, a guarantee of the church's ability to deliver benefits relevant to its members' needs and expectation. In light of these arguments, it is hypothesised that greater level of brand image will lead to greater level of perceived benefits.

Hypothesis 5: Brand Image is positively associated with Perceived Benefits

4.4.3 Research question three

"What is the role of perceived benefits in church participation?"

The relationship between perceived benefits and church participation

The rational choice theory suggests that people's decision to participate in church-related activities are driven by calculation of the costs and benefits involved (Iannaccone 1995). In light of this argument, it is hypothesised that greater perception of the benefits associated with church participation will lead to greater level of church participation. As the 'perceived benefits' construct incorporates three dimensions from church participation literature, the use of corollary hypotheses helps to determine which element of 'perceived benefits' is the strongest determinant of church participation.

Hypothesis 3: Perceived Benefits is positively associated with Church Participation

This can be disaggregated to the following hypotheses:
H3a: Perceived Spiritual Benefits is positively associated with Church Participation
H3b: Perceived Social Benefits is positively associated with Church Participation
H3c: Perceived Purpose in Life Benefits is positively associated with Church Participation

The mediating effects of perceived benefits on PMO – church participation

The conceptual framework indicates that market orientation performs indirect effects on church participation through 'perceived benefits' as the mediating variable. According to Baron and Kenny (1986), a variable performs a mediating role if it accounts for the relationship between the antecedents and the results. This section provides the rationale to justify the mediating role of perceived benefits in the conceptual framework.

Highly market-oriented churches place significant importance on understanding members' needs, responding to the competitive environment, and offering various ministries which contribute in delivering superior value to their existing and prospective members. On the other hand, churches that adopt the ‘production’ concept are only interested in defending their products against any change without proper understanding of members’ needs (Stevens, et al. 2005). Highly market-oriented churches are therefore able to design services that are relevant to the needs and expectation of the members. Consequently, those who perceive the church as highly market-oriented are likely to associate significant benefits related to church participation. In turns, these members are likely to be actively involved in church-related activities as they consider these activities as relevant in helping them to gain particular benefits in life. In light of these arguments, the following hypothesis is proposed:

Hypothesis 7a: Perceived Benefits mediates the relationship between PMO and Church Participation

The mediating effects of perceived benefits on brand image – church participation

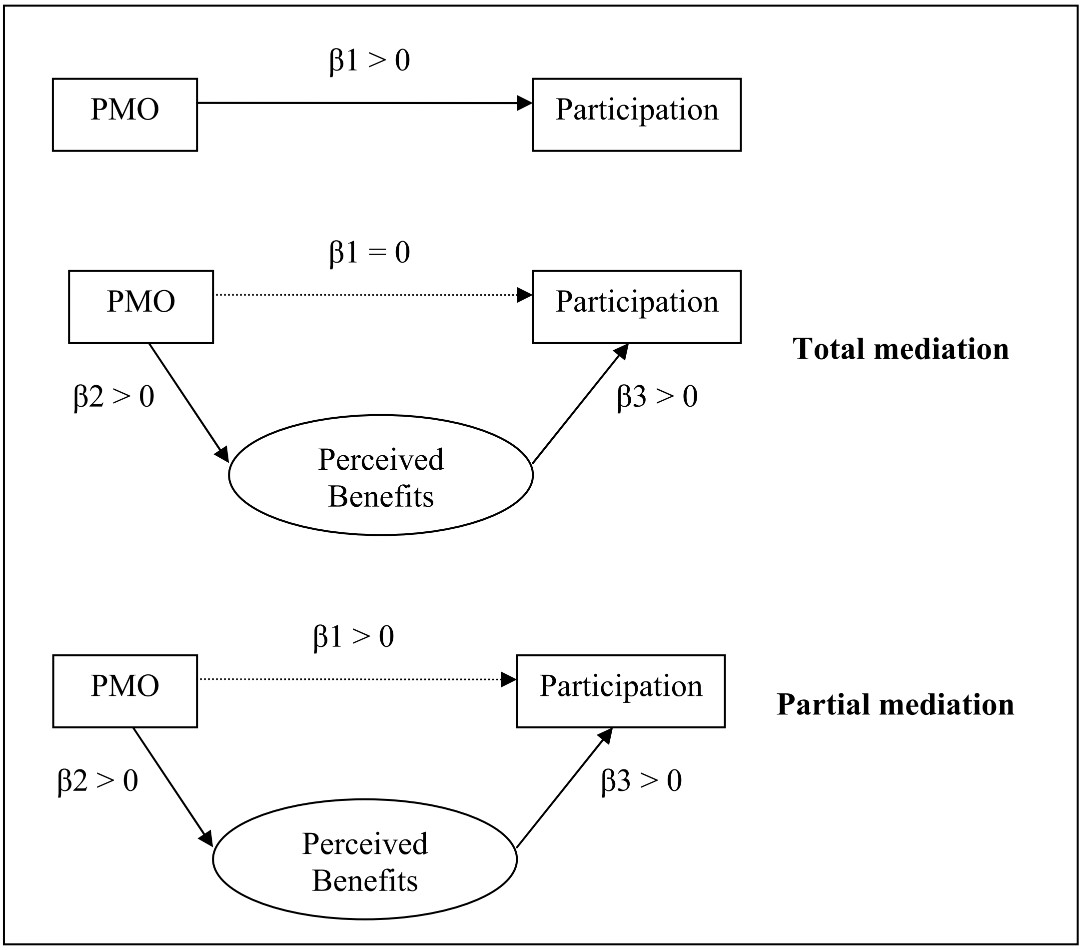
Churches with positive image in the community are likely to be perceived as being able to deliver superior values to its existing and prospective members. Consistently, respondents’ perception of the church’s image determines the benefits they associate with church participation. Respondents that perceive their church as unique and reputable are likely to associate certain benefits with church participation. These perceived benefits, in turns, determine respondents’ extent of participation. In light of this argument, the following hypothesis is proposed:

Hypothesis 7b: Perceived Benefits mediates the relationship between Brand Image and Church Participation

Figure 4.2 illustrates the concept of *total mediation* and *partial mediation*. As depicted in the figure, total mediation occurs when the predictor variables are reduced to a point where it is not statistically significant ($\beta 1 = 0$) after the intervening variable is included (Baron and Kenny 1986). On the other hand, partial mediation occurs when the relationship between dependent and independent variable is reduced, but remains significant ($\beta1 > 0$) after the inclusion of an intervening variable (Hair, et al. 2006). The significant reduction demonstrates that although the mediating effect is present, such intervening conditions are not necessary for significant relationship to occur between the dependent and independent variable (Baron and Kenny 1986). The assessment of full structural model in Chapter 7 and Chapter 8 will reveal the type of mediation effects that 'perceived benefits' perform on the relationship between PMO, 'brand image', and 'church participation'.

Figure 4.2

Illustration of Full and Partial Mediation Effects



4.4.4 Research question four

"What is the relationship between perceived market orientation and brand image in the church context?"

The relationship between 'market orientation' and 'brand image' has not been empirically examined in the marketing literature. As discussed in the previous chapter, Reid, et.al (2005, p.17) hypothesised that higher level of 'market orientation' leads to higher level of 'brand orientation'. In light of this argument, this study argues for the significant association between 'perceived market orientation' (PMO) and 'brand image'. Whereas PMO reflects the market orientation level of an organisation based on customer perspective, 'brand image' construct of the present study reflects the brand orientation level of an organisation based on customer perspective.

Market-oriented organisations place significant importance on the use of brands as strategic resources (Yakimova and Beverland 2005). Highly market-oriented churches place significant importance in developing positive 'brand image' through implementing activities that are relevant to the needs, interests, and expectation of their existing and prospective members. Consequently, members that perceive the church as highly market-oriented are also likely to see the church as having positive brand image. The following hypothesis is thus proposed:

Hypothesis 6: PMO is positively associated with Brand Image

4.4.5 Research question five

"What is the strongest determinant of church participation?"

This research question is addressed through an examination of H1, H3, and H4, all of which will reveal the strength of the predictive power of PMO, 'brand image', and 'perceived benefits' construct on church participation.

4.4.6 Research question six

Is the relationship between the determinants of church participation and 'extent of participation' stronger among non-church-goers (NCGs) than among church-goers (CGs)?

This study argues that the effect of market orientation and brand image on church participation is stronger within the NCG population. From the in-depth interview findings (see Chapter 5), it was found that church goers regard themselves more as a 'contributor' to the service rather than a 'consumer', and their participation in church-related activities is less affected by factors such as customer orientation and church's uniqueness. Consequently, factors such as 'market orientation' and 'brand image' may hold more importance in encouraging the participation of 'prospective members' (NCG) than 'existing members' (CG). In light of these findings, the following hypotheses are proposed

H8a: The relationship between PMO and church participation is stronger among NCG than CG group
H8b: The relationship between Brand Image and church participation is stronger among NCG than CG group

An overview of church participation theories in psychology literature indicates that the motivation of church attendance differs between intrinsically-oriented and extrinsically-oriented individuals. The characteristics of extrinsically-oriented individuals are consistent with the concept of religious consumption and religious markets proposed in the rational choice theory of religion (Iannacone 1992). Intrinsically oriented individuals engage in religious behaviour for the sake of religion itself whereas extrinsically-oriented individuals use religion for instrumental purposes to gain certain benefits such as social relationships, comfort, security and protection (Allport, 1967). Consequently, extrinsic individuals' level of commitment to a particular church is largely determined by the calculated benefits associated with what the church offers. With the intrinsic-extrinsic orientation in mind, it is anticipated that 'perceived benefits' play a more significant role in encouraging church participation for non church goers (extrinsically-oriented) than the church goers (intrinsically-oriented).

H8c: The relationship between Perceived Benefits and church participation is stronger among NCG than CG group

4.5 Chapter summary

The present chapter discusses the conceptual framework of the present study based on a review of church participation and marketing literature discussed in the preceding chapters. The framework establishes several research hypotheses which are subject to empirical testing in Chapter 7 (Church Goers) and Chapter 8 (Non Church Goers) respectively. Rationale of the relationships between the key constructs has been provided based on the insights from church participation, market orientation and branding literature. The next chapter discusses the research methodology employed in this study including the instruments used to measure the key components of the conceptual framework.

Chapter 5
Research Methodology

5.1 Objective and structure of the chapter

The preceding chapter has outlined the relevant research hypotheses to address the research questions. The objective of the present chapter is to describe the methods by which the research hypotheses stated in the preceding chapter are empirically tested.

This chapter is divided into five sections. Section 5.2 provides an overview of the research design. Section 5.3 discusses the data collection procedures. Section 5.4 presents an overview of the survey instruments. Section 5.5 discusses the data preparation procedure. Section 5.6 provides an overview of the data analysis procedure, including assessment of measurement reliability, validity, and invariance.

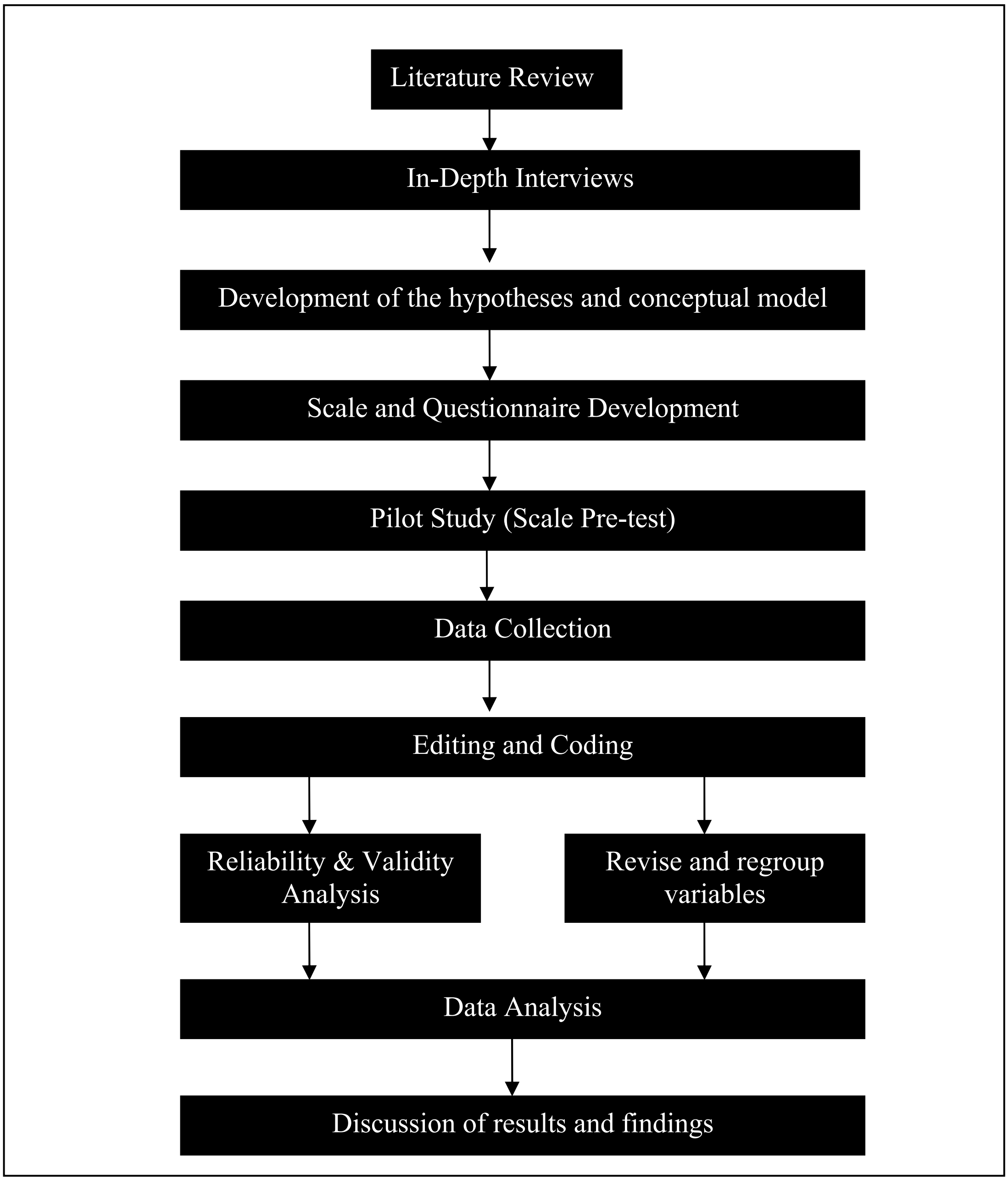
5.2 Research design

This research incorporated two stages of research design in the form of exploratory and descriptive techniques. As the purpose of the study is to examine the role of market orientation and brand image in church participation context, a mixed method incorporating exploratory and descriptive research design is considered the most appropriate. Despite extensive works on the respective area of market orientation and brand image, little research has been devoted to investigate the effects of these constructs on church participation, particularly when examined from church members' perspectives. Consequently, exploratory qualitative research is considered ideal for the purpose of this study as it facilitates an in-depth understanding of the underlying factors behind a particular phenomenon (Malhotra, et al. 2002).

Subsequent to the exploratory phase, the descriptive research design was employed to facilitate the assessment of scale validity and reliability, and to test the relationships between key constructs in the conceptual framework (Malhotra, et al. 2002). The descriptive research technique makes up the major part of the data analysis in the present study. Therefore, the present chapter focuses on providing an overview of the various techniques used in the descriptive research design to address the research hypotheses.

Figure 5.1

Outline of the research process



An outline of the research process is illustrated in Figure 5.1. In the initial stage of the research, a comprehensive literature review was undertaken to identify the key constructs relating to church participation, followed by a set of in-depth interviews to assess the relevance of these constructs to respondents. Measurement items and questionnaires were then developed based on the review of literature and interview findings. Finally, data collection and analysis were conducted to form the basis for discussions of results.

5.2.1 Selection of the sample

In this research, the sampling frame consists of regular church goers (CGs) and non-church goers (NCGs) in Australia. For the purpose of this study, church goers (CGs) are defined as those who attend Christian church services of worship at least once a month whereas non-church goers (NCGs) are defined as those who consider themselves as belonging to Christian faith but who attend church services of worship less than once a month. This definition of NCG is consistent with the term *nominal Christians* used by Bentley, et.al (1992) (see Chapter 2).

The choice of respondents for this study was considered in relation to the knowledge required on the particular issues under examination. Since the study incorporates sections on people's perception of the market orientation and brand image of the church, the respondents must have substantial exposure to church services based on their church-going experiences.

Non-probability sampling technique was employed in the study. In the exploratory phase of research, the in-depth interviews participants were recruited using snowball sampling. This technique allowed the researcher to identify an initial set of respondents with desired characteristics and then ask them to identify others who might have similar church-going experiences (Churchill and Iacobucci 2005). A total of twenty interviewees comprising of 10 CGs and 10 NCGs participated in this initial stage of research.

In the descriptive phase of research, this study employed self-administered survey method. To recruit CG respondents, the researcher approached a district leader in Assemblies of God (AOG) Victoria to send an invitation to participate in the study to AOG church leaders throughout Melbourne metropolitan and suburban area. Thirteen church leaders, out of 40 invited, responded positively to the invitation and agreed to allow the researcher to approach their congregation for data collection.

The NCG respondents were recruited through an advertisement on the 'voluntary' section of the community newspapers in Melbourne suburban and metropolitan area. In the advertisement, the researcher invited people who used to attend church regularly (at least once a month) at some stages of their life, but do not attend regularly anymore (less than once a month) to participate in the study. This condition was imposed to ensure that respondents have the sufficient knowledge to effectively answer the questions in the survey.

5.2.2 Anticipated sample size

The sample size of previous market orientation studies varies greatly depending on the analysis techniques and the unit of analysis involved. Studies involving end consumers (Dean 2007;Gounaris, et al. 2003) have involved larger sample size as compared to those involving business customers as the unit of analysis. Consistent with previous studies, the sample size of this research is determined based on the consideration of the unit of analysis and analysis techniques involved. Since this research focuses on 'end-consumers' as the unit of analysis, a relatively large sample size is required to effectively assess perceived market orientation (PMO) in both CG and NCG sample groups. Taking the analysis techniques into consideration, the use of Structural Equation Modeling (SEM) technique in the data analysis requires a relatively large sample size to ensure the generalisability of the findings and to maintain consistent power, parameter estimates, and standardised errors. The literature recommends a sample size of two hundred cases when using the Maximum Likelihood Procedure (Hair, et al. 2006) and to have at least five cases for each parameter estimate (Bentler and Chou 1987). As the total number of parameters to measure the key components of the model is approximately forty, a sample size consisting of 200 participants in each sample group (CG and NCG) is needed.

5.3 Data collection procedure

5.3.1 In-depth interviews

The first phase of the research focuses on the review of existing literature on the topics of market orientation and brand image within the non-profit sector and church context in particular. The objectives of the literature review were to examine the existing perspectives of market orientation, brand image, and church participation, and to identify the key components which are relevant to the church context. As a result, the researcher was able to identify the constructs relevant to church participation as well as the established scales in the literature to measure the construct.

Following the literature review, several in-depth interviews with CG and NCG respondents were conducted using snowball technique. The objective of the interviews is to explore the importance that people place on market orientation and brand image of the church and whether these have significant implications on their extent of participation in church-related activities. Second, the researcher also consulted the in-depth interview participants to further explore whether the market orientation and brand image items (extracted from the literature) were logical from their point of view when applied to the church sector. This approach is consistent with White and Simas' (2008) approach in the development of their market orientation scale. The in-depth interviews were semi-structured with both closed and open-ended questions relating to market orientation, branding, and perceived benefits associated with church participation. The following section provides a summary of the in-depth interview findings

5.3.1.1 Market Orientation

"How well does the church understand your needs and expectation as a congregation?" Does this contribute to your commitment?"

Findings from the in-depth interviews suggest that CG respondents think of their church as doing well in understanding their needs and expectation as a congregation. Most of the respondents also suggested that the church's understanding of their needs and expectation do contribute to their initial decision to join that particular church. However, once they are 'settled' in a particular church, they regard themselves as a 'contributor' rather than a 'consumer'. As an interviewee stated:

> *"I see myself more as a participant rather than a customer. Not what I can get from the church, but what I can give." (CG 7)*

> *"Even if they [church ministers] don't understand [my needs and expectation] I would still stay, but if it happened in the beginning I would have gone somewhere else. I don't see myself as a customer in churches, more like supplier. I'm there contributing to the brand development, I suppose. I think I probably moved from customer to supplier" (CG 9)*

Some NCG respondents suggested that the lack of the church minister's understanding of their needs and expectation is the main reason behind their attendance decline. A couple of interviewees stated:

> *"The minister in the local church is not as friendly as the previous minister. People don't really like him. He was probably one of the main reasons not to go. The previous minister was really nice." (NCG 5)*

> *"Mainly to do with the congregation is very old in terms of age, demographic profile and they haven't really got programs to meet our needs in the forms of young children and youth program. The problem with the particular church we went to is because they are old congregations and they don't address the needs of the young families in different stages of their life" (NCG 6)*

5.3.1.2 Brand Image

"Do you see church as a brand?"

Most of the respondents in both groups perceived the church as a brand, although they later admitted that the term 'church brand' may not be appropriate in a survey as people may not be familiar with the terminology.

> *"Yes. A denomination is definitely a brand. When I was involved in a network of churches, I found out that churches in a particular denomination*

have similar kind of teaching and worship style. I expect within denominations there would be differences, but generally you will get a sense of familiarity" (CG 2).

"Yes. Some are brands. Different organisations have their own styles. I've gone from one denomination to another denomination and they actually have obviously different teaching and they both believe that they are right. Going to places like that make you realise that not everybody is right and you have to work out yourself and form your own opinion. Whatever suits you at the end of the day is what matters, not what is right or wrong" (CG 4).

"*I never thought of it as a brand, but I guess denominations are brands, and I think that's more and more obvious now" (NCG 2)*

"What is so unique about your church as compared to other churches in the area?

When asked whether the uniqueness of the church contributes to their attendance commitment, a CG respondent suggested that the church's uniqueness do contribute to their initial decision to join a particular church, but not to their ongoing commitment.

"the message is very bible based…there are churches out there that have their own rules on top of whatever is on the Bible. They [my church] try to be contemporary. They're not stuck in what they used to do in 1950's, they're willing to move along with modern society. The message stays the same but the presentation changes as the culture constantly changes" (CG 1)

Does this uniqueness contribute to your commitment?

"Not really…it contributed in my decision to belong to the church in the first place but does not contribute to how much effort I put in or not. Because I think if you're involved in a church you should be contributing regardless" (CG 1)

5.3.1.3 Perceived Benefits

"What benefits do you get from attending church or being involved in church-related activities?"

The CG respondents' response to this question is consistent with spiritual, social, and purpose in life benefits used in the conceptual framework of the present study.

> *"Without going to church regularly I would be inclined to get focus on things at work, whereas the church pushes me back to think of a bigger picture as to how much am I thinking about eternity and how much am I living a life full of love" (CG 2)*
>
> *"As a Christian I think it's very important to have fellowship with other Christians as well as get teaching, the word of God. I really enjoy contact with likeminded people. I enjoy being able to be involved in different ways. Not necessarily from Christian standpoint but from world fair aspects. I actually get a lot of satisfaction from that." (CG 3)*
>
> *"Spiritual connection, fellowship, ability to sow the next generation" (CG 9)*

Most NCG respondents do not see the church as delivering significant benefits in life. One respondent, however, suggested that the church may be able to deliver significant benefits such as spiritual growth although she does not have the need to grow spiritually. In other words, the benefits that the church offers are *not relevant* to her personal life.

> *"When my daughter was little, I got this urge to start going [to the church] again. I got this need to go again, but I was sure this was linked to my daughter. When they were in secondary school I stopped going. I believe going to church can help me to grow spiritually, but I do not have the need to grow spiritually. Now I go only three times a year" (NCG 2).*

5.3.2 Pilot study

Subsequent to the in-depth interviews, the researcher proceeded with the scale development based on the adaptation of existing scales in the literature. The selection of the key constructs and research instruments was driven by the insights gained from the literature review and interview findings.

Whereas most of the instruments used in the present study were adopted or adapted from existing scales, the instruments to measure ‘church participation’ needed to be adjusted to the churches participating in this study. For this purpose, the researcher approached the leaders of the participating churches to ask them about the range of activities offered by their church. This resulted in a pool of 20 items of ‘common’ activities which are available across the 13 participating churches. However, as NCG respondents may not be familiar with some of the activities on the list, pilot studies involving 20 NCG respondents and 20 CG respondents were done to pre-test the questionnaire. The NCG respondents in the pilot study were undergraduate students in the faculty of business and economics at a leading university in Australia whereas the CG respondents were congregations from a particular AOG church in Melbourne, Australia.

In the pilot study, respondents were asked to indicate if there are any terminologies which they are unfamiliar with along with their suggestions. The feedback from the pilot study was particularly useful to refine the measurement scales, particularly under the ‘church participation’ section as the researcher was able to further reduce the pool of items in this section to six ‘most common’ church activities based on NCG respondents’ evaluation. Consistent with the interview findings, the feedback from the pilot study reflected a degree of unfamiliarity among CG and NCG respondents with the use of the term ‘church marketing’ and ‘church brand’. Consequently, attempts were made to avoid the use of terminologies such as ‘marketing’ and ‘branding’ in the final version of the questionnaire.

5.3.3 Administration of survey

Convenience sampling technique was employed in the distribution of the survey to both CG and NCG sample groups. Malhotra, et al (2002) recommended several strategies to overcome non-response issue which includes: (1) Prior notification, (2) motivating respondents by increasing interest (3) providing incentives, (4) well-designed questionnaire, and (5) follow up. Consistent with the recommendations, the following procedures were implemented in the data collection stage.

CG

1. One week prior to survey distribution, the church leaders informed the congregations of the data collection that would take place in the forthcoming week.

2. On the day of the data collection, the researcher explained the implications of the study to churches in Australia. The respondents were encouraged to participate by suggesting that their participation would help churches in Australia to be more effective in reaching out the surrounding community. The researcher also informed the respondents that the survey was anonymous in nature and that participation was purely voluntary. This explanation was put in the cover page of the survey and also verbally communicated prior to the distribution of the survey.

3. No particular incentives were given but the church leaders would receive a personalised summary of the study findings once the research is completed. The personalised summary is designed to help them understand their members' perception of the church's performance in respective dimensions of market orientation and branding so that they can serve their congregations more effectively.

4. The survey packs containing a cover letter, questionnaire, and reply-paid envelope were distributed at the exit doors as the congregations left the service venue.

5. In the week following the data collection, the church leaders thanked the respondents on behalf of the researcher and reminded the respondents to send the survey back to the researcher if they had not done so.

NCG

1. The researcher placed an advertisement under the ‘voluntary’ section of particular community newspapers in Melbourne, Australia. The advertisement invites people to participate in the research project entitled ‘Church participation survey’. Only people who attended church regularly (at least once a month) at some stage of their life but do not go regularly (less than once a month) anymore were invited to participate.

2. Incentives in the form of movie tickets were offered to the respondents. Prospective respondents were instructed to contact the researcher directly to obtain further information about the survey.

3. The researcher sent the survey pack to prospective respondents that registered their interest to participate in the study. The survey pack sent to NCG respondents was identical with the one distributed to CG respondents. The researcher also set a due date for submission to ensure that respondents fill the survey within a reasonable time frame.

4. Incentives were then sent to the respondents that return the survey to the researcher before the due date.

The researcher selected community newspapers which cover the geographical area in which participating churches are located. This was done to examine people’s awareness of their local church as well as to control for the socio-demographic factors, as it was anticipated that people who live in adjacent geographical locations have similar socio-demographic characteristics. This effort, however, did not perform strict control on the socio-demographic factor as some of the CG respondents might not live adjacent to the church location.

5.3.4 Survey response & characteristics of respondents

CG

1085 questionnaires were distributed in thirteen churches that participated in the study. The number of attendees slightly varies between churches with an average of 100 adult attendees in every service. In the subsequent response period, two people wrote back advising that they were unable to complete the survey because they are not regular attendees in the church and therefore could not complete the survey properly. A total of 344 usable questionnaires were received, indicating a response rate of over 31% which is considerably high given the absence of incentive.

NCG

The advertisements to recruit NCG respondents were run for five weeks period in six different community newspapers covering selected inner city and suburban area. In the ensuing period, 265 people responded to the advertisement and 248 people agreed to participate. During the telephone and e-mail inquiry, the researcher asked a few questions relating to the prospective respondents' church-going experience. This was done to ensure that prospective respondents fit the criteria to participate in the study. Consistent with the literature, the use of convenience sampling was expected to generate more response as compared to probability sampling technique (Malhotra, et al. 2002). A total of 220 usable questionnaires were returned, giving a response rate of almost 90%. Both in the case of CG and NCG respondents, the total number of responses were greater than the minimum target of 200. The following table presents an overview of respondents' characteristics, including demographics, frequency of church attendance, and denomination affiliations.

Table 5.1

Characteristics of respondents

Characteristics	**CG (n=344)**	**NCG (n=220)**
Frequency of church attendance		
Never	-	22%
At least once a year	-	78%
At least once a month	3%	-
Nearly every week	22%	-
Every Week	75%	-
Denomination affiliations		
Catholic	0.9%	29%
Anglican	0.3%	6%
Orthodox	-	9%
Evangelicals	98.5%	13%
Baptist	0.3%	3%
Uniting	-	5%
Others		35%
Age		
Less than 30 years	29%	30%
Between 31 and 40 years	22%	24%
Between 41 and 50 years	17%	24%
Between 51 and 60 years	14%	17%
More than 61 years	18%	5%
Gender		
Male	38%	30%
Female	62%	70%
Marital Status		
Single	33%	30%
Married	58%	46%
De Facto	1%	9%
Divorced	5%	13%
Widowed	3%	2%
Household annual income		
Under $30000	27%	24%
Between $30001 and $60000	31%	30%
Between $60001 and $90000	18%	23%
Between $90001 and $120000	13%	12%
More than $120001	11%	11%

5.4 The survey instrument

For the purpose of consistency, the questionnaire design for CG and NCG respondents was identical with most measures adapted from existing studies. The questionnaire was divided into six sections. Any references to 'the church' in the survey refer to the church in which they attend regularly at present (CG) or the *most recent* church in which they used to attend regularly for at least once a month (NCG). A copy of the questionnaire can be observed in Appendix C.

The first section contains items relating to 'intrinsic spirituality' and 'purpose-in life' (PIL). The items in the first section were not central to the conceptual framework but are nevertheless useful for the explanation of the results in the later stage of the research. Section two measures the extent of the church's market orientation (PMO) as perceived by the respondents. Section three assesses respondents' perception of the church's brand image. Section four assesses the extent to which respondents participate in the different type of church-related activities over the past twelve months. Section five examines respondents' perceived benefits associated with church participation. The fifth section also contains scales reflecting Purpose in Life benefits associated with church participation. This is not to be confused with the PIL measure in the first section. Whereas the PIL instrument in the first section measures respondents' extent of fulfilment in their sense of life purpose, the measurement items in section five were designed to examine respondents' perception of the purpose in life benefits associated with church participation. The final section consists of questions relating to respondents' demographic characteristics and frequency of church attendance. The questionnaire is 6 pages in length and had a total of 71 questions.

Previous studies on market orientation have used five-point (Jaworski and Kohli 1993) and seven-point (Narver and Slater 1990) Likert scale respectively. Consistent with the adaptation of the MKTOR scale, this study follows Narver and Slater (1990) scaling approach (7-point likert scale) in all sections of the questionnaire with the exception of the demographic section.

5.4.1 Measure of spirituality

Definition: One's relationship to God, or whatever perceived to be Ultimate Transcendence (Hodge 2003, p.48)

The present study adopted the intrinsic spirituality scale developed by Hodge (2003) as a measure of spirituality. Although Allport and Ross (1967) measure of religiosity is considered one of the most dominant paradigms in the psychology of religion (Hill and Hood 1999;Williams 1994), the growing perspectives on the distinction between religion and spirituality necessitated the development of a revised measure that can specifically assess spirituality as an intrinsic motivation (Cascio 1999;LaVerne, et al. 2004). Hodge's (2003, p.45) intrinsic spirituality scale was designed to "more accurately tap spirituality both inside and outside religious settings…while remaining faithful to Allport and Ross' underlying theoretical understanding of an intrinsic motivation." The ability of the scale to measure spirituality in both inside and outside religious settings is of significant interest to the present study as it involves CG and NCG respondents as the study participants.

The original 'intrinsic spirituality' scale consisted of six questions with a sentence completion format in which the respondents were asked to rank between '0' and '10' to the phrases that are linked to the original statement. To be consistent with other forms of questions in the survey design, the present author modified the scale to 7-point likert scale format in which the complete sentence is provided and respondents were asked to indicate their agreement to each statement using the provided scale ranging from *strongly disagree* to *strongly agree*. Although the format was revised, the content of the six questions remained the same with the original measure.

SP1	In terms of the questions I have about life, my spirituality answers most of my questions
SP2	Growing spiritually is one of the most important thing in my life
SP3	When I am faced with an important decision, my spirituality guides my consideration
SP4	Spirituality is the master motive of my life, directing every other aspect of my life
SP5	When I think of the things that help me grow and mature as a person, my spirituality has significant effect on my personal growth
SP6	My spiritual beliefs have a significant impact upon all aspects of my life

5.4.2 Measure of purpose in life

Definition: The degree to which an individual experiences a sense of meaning and purpose in life (Crumbaugh 1968, p.74)

Hoge and Polk (1980) used four items from the Purpose in Life (PIL) (Crumbaugh and Maholick 1964) index to measure subjective deprivation as the antecedent of church participation. Although the measures have been extensively used in the literature (Kopp, et al. 1998;Marsh, et al. 2003), the fact that it has been four decades since the measure was invented urged the present author to find an alternative scale which captures the same essence of the PIL measure with relevance to the modern society. The Life Engagement Test (LET), proposed by Scheier, et.al (2006), is a six items scale designed to assess the extent to which a person considers the activities he or she is involved in as personally valuable and important. The measure has been used in several studies to examine the relationship between purpose in life and health-related issues (Cohen, et al. 2008;Cohen, et al. 2006;Cohen and Lemay 2007). The scale was reported to possess a good level of internal consistency, convergent validity with other psychosocial measures, and discriminant predictive validity when compared to the original Purpose in Life scale (Scheier, et al. 2006).

P1	I feel there is a purpose in my life
P2	Most of the things I do are worthwhile to me
P3	Most of what I do seems important to me
P4	I value the activities I am involved in
P5	I care about the things I do
P6	I have reasons for living

5.4.3 Measure of perceived market orientation (PMO)

Definition: "Customer attitudes regarding the extent to which a firm's customer orientation, competitor orientation, and interfunctional coordination represents its total *value* offering" (Webb, et al. 2000a, p.104)

Following a review of relevant literature, this study adapted Narver and Slater's (1990) MKTOR scale to measure respondents' perception of the church's performance in the respective dimensions of market orientation.

MKTOR scale was developed by Narver and Slater (1990) through a review of major conceptual literature on sustainable competitive advantage (SCA) and marketing concepts. Following a thorough process of reliability and validity analysis, 15 items consisting of three dimensions (customer orientation, competitor orientation, and interfunctional coordination) were finalised (Narver and Slater 1990). Ever since its conception, the scale has attracted criticisms (Kohli and Jaworski 1993), questions (Farrell and Oczkowski 1997), and complements (Ward, et al. 2006) from scholars in this area.

There are at least two underlying reasons which necessitate a major modification of MKTOR scale in the present study. First, with churches as the research context, the scales need to reflect the non-profit environment under consideration. Secondly, since this research focuses on the examination of market orientation from customers' (members) perspective, the wording needs to be modified to reflect customers' perception. The modification procedure in this study followed closely the recommendations of previous scholars on the application of market orientation scale in non-profit settings (Gainer and Padanyi 2005;Padanyi and Gainer 2004;Wood, et al. 2000).

In the modification procedure of the MKTOR scales, two experts were consulted to ensure that the changes were reasonable and that the scale can accurately reflect what it intended to measure. In the pilot study, CG and NCG respondents were also consulted to explore whether the items were logical from their point of view. These steps are consistent with White and Simas (2008) approach in the development of their church market orientation measure. Consistent with previous studies (Narver and Slater 1990;White and Simas 2008), respondents were asked to score on a 7-point scale ranging from *the church does not engage in the practice at all* to *the church engages in the practice to a great extent.*

1. Customer Orientation

Definition: The sufficient understanding of customers to be able to create superior value for them continuously (Narver and Slater 1990)

MO-1	The church constantly monitors the needs of the congregation
MO-2	The practices of the church are driven by the goals to deliver greater value to the congregation
MO-3	The range of services offered by the churches are designed based on the understanding of the members' needs
MO-4	The ministers/pastors constantly seek to understand the expectations of the members

2. Competitor Orientation

Definition: An understanding of the short-term strengths and weaknesses and long-term capabilities and strategies of both current and potential competitors (Narver and Slater 1990)

MO-5	The members constantly share information about the practices of other churches
MO-6	When other churches undertake practices or activities that could attract the church members, the church quickly reacts to better them
MO-7	Ministers/pastors are always on the look out for what other denominations are doing
MO-8	The church spends a lot of effort on those communities where they can deliver a better message than other churches

3. Interfunctional Coordination

Definition: The coordinated utilisation of organisational resources in creating superior value for customers (Narver and Slater 1990)

MO-9	Ministers/pastors frequently visit current and prospective members
MO-10	Members are encouraged to communicate their experiences and ideas on how the church can be more effective in serving the community
MO-11	All members are encouraged to fully participate in the church pastoral and ecumenical activities, including ministry involvement
MO-12	The church ministers understand how the different range of ministry departments (e.g. music, counselling, children ministry) can contribute to deliver great value to the community
MO-13	The different ministry departments in the church shares their resources (e.g. financial, people) with each other

5.4.4 Measure of brand image

Definition: **"**a constellation of pictures and ideas in people's minds that sum up their knowledge of the brand and their main attitudes towards it" (Levy, 1978 cited by Zinkhan (1990, p.114)).

Whereas the MKTOR scale can be adapted to the church sector with ease, the adaptation of Non-profit Brand Orientation (NBO) measure (Ewing & Napoli, 2005) in the church context involves several methodological complexities. The first issue relates to the applicability of the construct with customers as the study respondents. As asserted by Urde (1999), brand orientation involves 'an additional degree of sophistication' above marker orientation. Hence, an assessment of the importance of branding in an organisation's strategy can only be effectively assessed by top managers. Statements relating to NBO such as 'in our organisations we ensure that managers within the organisation are aware of all of the marketing activities that involve the brand' and 'we create a brand/sub-brand-structure that is well thought out and understood by our staff' may not be applicable to customers as these are not experience-related but rather a strategic issue.

The second methodological issue relating to the adaptation of NBO scale is the use of the term 'brand' throughout the statements used in the scale. As discussed earlier, findings from the in-depth interviews suggest that the use of the term 'marketing' and 'brand' in church-related survey may not be appropriate as prospective respondents may not be familiar with the idea of marketing and branding as applied to the church sector.

Following the complexities involved in the adaptation of NBO, this study refers to the brand orientation themes used by Ewing and Napoli (2005) in their development of NBO construct. Akin to the scale development process for PMO, the development process for the 'brand image' instrument involves consultation with experts in the area and in-depth interview participants. Although the 'brand image' measure in this study is unidimensional in nature, the items were designed to reflect three brand orientation themes which include uniqueness, reputation, and orchestration (Aaker 1991;de

Chernatony and Riley 1998a;Keller 2000). The final 8 items of brand image measure are as follows:

1. Uniqueness (de Chernatony 1993)

Definition: Respondents' perception of the church's distinctive characteristics which makes it stands out from other churches

BR-1	The church has a unique worship style which makes it stand out from other churches
BR-2	The church members have unique values which are transparent to the society. (differentiation) (Chernatony, 1993)

2. Reputation (Urde 1999)

Definition: Respondents' perception of the church's image in the community in the form of awareness, associations, and loyalty

BR-3	The church is well-known in the surrounding community
BR-4	People come to the church because of its' reputation
BR-5	The values and practices of the church make people feel proud to be associated with it

3. Orchestration (Napoli 2006, p.676)

Definition: Respondents' perception of the church's integrated marketing activities that deliver consistent brand messages to internal and external stakeholders

BR-6	The communication efforts of the church send consistent messages about the church's image to the community
BR-7	The church has strong spiritual appeal to the community
BR-8	The promotional materials of the church create an image that is well understood by the members

5.4.5 Measure of church participation

Definition: The extent to which respondents are involved in church-related activities

As the most important dependent variable in this research, the notion of 'participation' must be well defined to be able to capture the essence in which the present study aims to measure. For the purpose of this research, 'church participation' refers to respondents' extent of participation in church-related activities including worship services and social activities. The list of items listed in this section incorporates the 'most common' type of activities following scale pre-testing. In this section, respondents were asked to score their extent of participation in these activities ranging from *never* to *always*.

AP1	Sunday service
AP2	Fundraising event
AP3	Cultural event
AP4	Service with well-known guest speaker/evangelist
AP5	Music concert
AP6	Social activities

5.4.6 Measure of perceived benefits

Definition: Respondents' perception of the benefits associated with participating in church-related activities

The instruments in this section were designed to examine the extent to which respondents believe church participation can help them to achieve certain outcomes in life. Whereas numerous work have been done in the conceptualisation of perceived benefits construct in marketing literature (Forsythe, et al. 2006;Kinard and Capella 2006;Shoham 2000), the use of churches as a research context in the present study necessitates the adoption of scales relevant to church-related benefits. Consistent with the church participation theory discussed in the earlier chapter, this section contains items relating to 'spiritual', 'social', and 'purpose in life' benefits. This research utilised Emmons, et.al (1998) measure of personal goals to measure 'spiritual' and 'social' benefits. Emmons, et.al (1998) scales were originally designed to examine spirituality through personal goals and have been extensively used in the psychology of religion literature (Hill and Hood 1999;Zinnbauer, et al. 1999). Scales relating to 'purpose in life' benefits are adapted from Crumbaugh's (1968) Purpose in Life (PIL) measure.

1. Perceived Spiritual Benefits

Definition: Respondents' perception of the extent to which church participation is relevant in helping them to achieve spiritual outcomes in life

VARG1	Develop spiritual meaning of life
VARG2	Bring my life in line with my beliefs
VARG3	Deepen my spirituality
VARG4	Learn to tune into higher power throughout the day
VARG5	Understand the destiny of my life

2. Perceived Social Benefits

Definition: Respondents' perception of the extent to which church participation is relevant in helping them to achieve social outcomes in life

VARG6	Being liked by others
VARG7	Meet new people through my present friends
VARG8	Avoid being left out
VARG9	Develop good social relationships
VARG13	Build network of friends

3. Perceived Purpose in Life Benefits

Definition: Respondents' perception of the extent to which church participation is relevant in helping them to understand their purpose in life

VARG10	Clarify my life goals
VARG11	Feel useful to society
VARG12	Make my life meaningful
VARG14	Feel excited about my life
VARG15	Achieve fullness in life
VARG16	Be grateful for what I have in life
VARG17	Feel good about myself
VARG18	Increase my self-worth
VARG19	Coping with hardship in life

5.5 Data preparation procedure

Consistent with the data cleaning method proposed by Tabachnick and Fidell (2007), the data preparation procedure in this research was divided into three stages: replacement of missing data, handling of non-response bias, and tests for violations against assumptions.

5.5.1 Replacement of missing data

There are at least two reasons why missing data is a significant issue in Structural Equation Modeling. First, a random loss of data can decrease the efficiency of parameter estimates and the sensitivity of analysis techniques (Gold and Bentler 2000). Secondly, the use of AMOS software in this research requires complete data to calculate probability density (Blunch 2008). Following these consequences, the replacement of missing data is considered essential for the purpose of this study.

Methods of replacing missing data have been an attractive avenue of research in the literature over the past decade, with scholars suggesting techniques such as regression imputation, multiple imputation, mean substitution, maximum likelihood estimation, pairwise deletion, and listwise deletion to substitute missing values (Enders and Bandalos 2001;Gold and Bentler 2000;Olinsky, et al. 2003). Despite the abundance of methods available to substitute missing data, it can be argued that there is no single best way to handle missing data, and that the rationale to implement one particular technique would depend on the research context under consideration (Tabachnick and Fidell 2007). Following a thorough evaluation of the different substitution methods, it was decided to implement *mean substitution technique* to replace the missing values in this study. This technique is considered appropriate due to its simplicity as compared to other techniques mentioned earlier, and the fact that it does not eliminate valuable information as with the case of deletion methods. Further, since less than 10% of the data were missing, this technique is considered an appropriate method to substitute missing values (Olinsky, et al. 2003).

5.5.2 Handling of non-response bias

The problem of non-response bias can potentially occur in studies with poor response rate, particularly in mail surveys involving random sampling method. Lessler and Kalsbeek (1992) asserted that non-response bias occurs due to an inability to obtain a response from some members of the selected sample, particularly those who refuse or are unavailable to participate. The use of convenience sampling in this study significantly increased response rate and thus reduced non-response bias. However, within the CG respondents where the response rate is less than 40%, it is important to analyse the potential of non-response bias in the data.

The ideal method of addressing non-response bias is through the comparison of data between non-respondents and respondents (Lessler and Kalbeek 1992). However, this method could not be implemented in this research due to privacy issue. The researcher could not identify people who refused to participate in the study as the surveys were distributed after the church service and were anonymous in nature. As a consequence, this research followed the procedure proposed by Armstrong and Overton (1977) through a comparison between early and late respondents. This method assumes that late respondents were either too busy or less motivated in filling the survey as compared to the early respondents. With this assumption, late respondents could be deemed as representing the non-respondents as they possess similar attitude towards participating in the study.

For the purpose of this study, early responses were defined as the first 60% of returned surveys. The other proportion of the respondents was considered as representing the characteristics of non-respondents. A comparison of early and late respondent groups was conducted across both groups to assess whether significant differences exist in their responses. The test was conducted on all sections with the exception of demographics through a series of independent t-test at .05 significant level. The results indicated that there was no significant difference between both groups on any constructs analysed. The issue of non-response bias is therefore not significant in the present study.

5.5.3 Tests for violations against assumptions

Following the recommendation of Hair, et al (2006) and Tabachnick and Fidell (2007), the variables in this research were checked for outliers, normality, and linearity to assess whether any violations against assumptions existed and how these might impact on the interpretation of the results.

1. Outliers

Outliers can be described as an extreme value on the independent variables which appear inconsistent with the rest of the data set (Lattin, et al. 2003). Outliers can be detected through the observation of box plots, histograms, and Mahalanobis distance (Hair, et al. 2006). In this research, outliers were first detected through the examination of box plots and histogram. Consequently, several cases with the largest Mahalanobis distances were identified in SPSS. While the retention/deletion of outliers remain a debatable issue in the literature, it is suggested that identified outliers should not be deleted unless it is evident that they are truly abnormal and not representative of any observations in the population (Hair, et al. 2006). Consistent with this recommendation, it was decided to only eliminate cases with standardised residuals greater than four as the maximum cut-off points (Hair, et al. 2006).

2. Normality

Although normality is not always required for analysis, the solution is generally better if the variables are normally distributed (Tabachnick and Fidell 2007). An examination of the normal probability plot was done to examine the normality in the data. Normality occurs whenever the actual data distribution closely follows the diagonal line. Casewise diagnostics in SPSS identified a number of univariate outliers. That is, the cases which residuals distribution are more than two standard deviations from the mean. A further observation on the values of kurtosis and skewness was also conducted to assess the assumption of normality. **Kurtosis** refers to the flatness of the distribution as compared to normal distribution whereas **Skewness** is used to describe the balance of the distribution (left/right) (Hair, et al. 2006). For both kurtosis and skewness, values close to zero indicate normality whereas larger value indicates that the data is not normally distributed. Further discussion of Kurtosis and Skewness is presented in Chapter 6.

3. Linearity

Almost all analysis techniques in this study have an assumption of linearity. The problem of multicollinearity occurs when there is a linear relationship among all set of independent variables (Tabachnick and Fidell 2007). Whereas reasonable amount of multicollinearity can be tolerated, too much multicollinearity in the data can cause problem. The presence of multicollinearity causes high standard errors and small t-value, which ultimately lead to misleading inferences. Correlation analysis was conducted between predictors to examine whether the correlation of some independent variables might cause multicollinearity. The results of the correlation analysis are presented in Chapter 6.

5.6 Data analysis procedure

The data analysis procedure in this research was designed to establish valid and reliable scales for each relevant construct in the study. The following procedure was implemented in the data analysis stage.

5.6.1 Exploratory factor analysis

Factor Analysis is a technique commonly used to reduce a large set of variables into a meaningful set of items which reflect the essence of the construct under investigation. There are two dominant methods in conducting factor analysis, namely 'principal component analysis (PCA) and 'exploratory factor analysis' (EFA). PCA is a factor analysis approach which considers the total variance in the data whereas EFA, also known as 'common factor analysis', only considers common variance in the data (Malhotra, et al. 2002). The literature provides contrasting argument in regards of the advantages and disadvantages of each technique relevant to the goal of the research. PCA is appropriate when the research goal is data reduction whereas EFA is preferred when the goal is to identify latent constructs and understand the structure of correlations among measured variables (Fabrigar, et al. 1999). The goal of this research was not constrained to reducing the number of variables in observation, but also to understand latent constructs and assess the dimensionality of the highly adapted and self-developed scales. Having considered the research goal, the present author opted to use EFA as a method of scale refinement.

5.6.2 Confirmatory factor analysis

Whereas EFA observes the patterns of associations in the data to determine factor solution, 'confirmatory factor analysis' (CFA) initiates with a prior notion about the factor structure and subsequently test to see if it is consistent with the data (Lattin, et al. 2003). The prior notion about the factor structure was determined based on the literature, as some of the measures in the present study were adopted from existing scales. In the case of self-developed and highly adapted scales such as market orientation, brand image, and perceived benefits, the factor structure obtained from the EFA procedure will be used as the factor structure in CFA.

The use of Confirmatory Factor Analysis (CFA) in this research intended to achieve two objectives. First, it intended to examine the goodness of fit of a particular factor model and statistically test the adequacy of the model fit. Secondly, it intended to assess construct validity, which is discussed in the next section.

The assessment of the model fit in this research followed the suggestions of Bagozzi and Yi (1988), Kline (2005), and Hair, et al (2006) in regards of the overall absolute fit measures and incremental fit measures. The following cut-off points apply for both measurement model and structural model:

Absolute fit indices:

1. **Chi-Square**: A test of difference in fit between a given overidentified model and a just-identified version. In this context, the null hypothesis reflects the researcher's belief, hence the value of the Chi-Square should not be significant as the failure to reject null hypothesis means that the model is correct (Hair, et al. 2006).
   Cut-off point: **p > .05**

2. **Normed Chi-Square (NC):** is minimum sample discrepancy divided by the degree of freedom. The results of Chi-Square alone does not indicate accurate model fit as large sample size often lead to the rejection of the model and it may be unrealistic to have a perfect population fit (Kline 2005). Hence, this research takes into account the Normed Chi-Square (NC) value as a measure of fit as it takes into account the degrees of freedom in the calculation of Chi Square. The NC value indicates the level of fit between the model and the data.
   Cut-off point:
   NC ≤ 3 = Good fit
   NC between 3 -5 = Reasonable fit

3. **Goodness of Fit (GFI)** index and **Adjusted Goodness of Fit (AGFI)** index: GFI was an early attempt of standardised fit index which estimate the proportion of the variances in the sample covariance matrix explained by the model. AGFI corrects the

GFI value based on the complexity of the model. The adjustment is based on the ratio of the degrees of freedom used in a particular model and the total degrees of freedom available. Hence, the value of AGFI generally penalises more complex model and favours models with a minimum number of paths. The fit level of both GFI and AGFI is **between 0.9 and 1.0** with values closer to 1 indicates better model fit (Hair, et al. 2006).

4. **Root Mean Square Error of Approximation (RMSEA):** A test of the 'badness of fit' index in that a value close to zero indicates the best fit whereas higher values indicate worse fit. RMSEA equation estimates the amount of error of approximation per model degree of freedom while taking into account the sample size. The cut-off point, as suggested by Browne and Cudeck (1993), is as follows:

RMSEA ≤ .05:	**Close fit**
RMSEA between .05 and .08:	**Reasonable fit**
RMSEA ≥ .10:	**Poor fit**

Incremental fit indices

1. **Tucker Lewis Index (TLI):** involves a mathematical comparison of a specified theoretical measurement model and baseline model (Hair, et al. 2006). It is also known as non-normed index and hence its value can fall below 0 or above 1.

2. **Normed Fit Index (NFI):** is considered as one of the original incremental fit indices. It indicates the proportion of the improvement of overall fit in the proposed model as compared to null model through a comparison of the chi-square value of the proposed model to that of the null model (Hair, et al. 2006).

3. **Comparative Fit Index (CFI):** is considered an alternative to Normed Fit Index and one of the most widely used test for model fit (Hair, et al. 2006). CFI does not assume zero error of approximation and using AMOS 7.0 software, it allows the specification of baseline models where covariances between observed variables are required to be equal (Kline 2005).

The acceptable cut-off level for incremental fit indices are still being debated in SEM literature (Lance, et al. 2006). Hu and Bentler (1999) have proposed a revised cut-off value of .95, but Kline (2005) maintained a 'rule of thumb' that values greater than .90 may indicate reasonably good model fit. Consequently, in the present study values **between .90 and .95** were considered to indicate 'moderate/acceptable fit' whereas values **greater than .95** indicate 'excellent fit'.

5.6.3 Tests of validity

The validity of a scale means that the data must be objective and pertinent to the characteristics being measured. It reflects the ability of a scale to discern genuine differences among object of the measured characteristics (Churchill and Iacobucci 2005). This procedure includes the analysis of content validity, construct validity, discriminant validity, and convergent validity.

Content validity refers to the subjective evaluation of the representativeness of the content of a scale to measure the issues under investigation (Malhotra, et al. 2002). The previous sections have described the development procedure of the instruments used to measure the key constructs. A review of the existing literature provided insights into the relevant constructs, their definition, and the domain to which the constructs belong. Within this phase, the researcher was able to identify the items used in previous research to measure relevant constructs. However, due to the research context, the construct must be significantly adapted in order to reflect the nature of the study under investigation.

Following a review of the literature, two experts in the area of market orientation and branding were consulted to ensure that the adaptations of the scales were reasonable and the scales can accurately reflect what they intend to measure. Subsequently, in-depth interviews involving 10 CG and 10 NCG respondents were conducted to further explore whether the instruments, particularly relating to PMO and 'brand image', were logical from their point of view. The questionnaire was then developed and pre-tested in pilot studies involving 20 CG and 20 NCG respondents. Modifications to the items were made based on the comments of the participants in the pilot study. As the researcher intended to create a survey which is relevant to CG and NCG respondents, several modifications were made to ensure that respondents across the two sample groups would be able to attempt all questions in the survey effectively.

Construct validity is the extent to which a set of measured variables actually reflect the theoretical unobserved (latent) construct they are designed to measure (Hair, et al. 2006). Considered as the most sophisticated and difficult type of validity to establish (Malhotra, et al. 2002), construct validity concerns with the accuracy of measurement. This research implemented exploratory factor analysis to determine two elements of construct validity, namely discriminant validity and convergent validity.

Discriminant validity concerns with the assessment of whether two different constructs are in fact different from one another (Lattin, et al. 2003). Discriminant validity is evident when items measuring a particular construct do not strongly correlate with other items measuring other constructs. The first step of assessing discriminant validity is through the use of EFA by examining all pairwise constructs to study the number of components extracted. When only one component is extracted, then there is no discriminant validity as the variables are considered as measuring one dimension. Secondly, in the Structural Equation Modeling, discriminant validity can be assessed through an observation of the **average variance extracted (AVE**), which is calculated as the total of all squared standardised factor loadings divided by the number of items (Fornell and Larcker 1981). Discriminant validity exists when the variance shared between any latent constructs was less than the average variance extracted (AVE) by the constructs, and all measures loaded higher on intended constructs than on other constructs (Hulland 1999).

Convergent validity concerns with the extent to which the scale correlates positively with other measures of the same construct (Malhotra, et al. 2002). In CFA, convergent validity can be assessed through an examination of the **factor loadings** to see whether the items in a particular construct load together on a single construct in the measurement model. The size of the factor loadings is therefore an important consideration as high loadings on one factor would indicate that they converge on a common dimension. The standardised loading estimate of **0.7** is considered ideal whereas estimates between 0.5 and 0.7 indicate an acceptable level of convergent validity (Hair, et al. 2006). The second way of assessing convergent validity is through an observation of the AVE value. Hair, et.al (2006) asserted that AVE of **0.5 and higher** indicates adequate convergent validity (Hair, et al. 2006).

5.6.4 Tests of reliability

Reliability can be defined as the extent to which measures are free from error and therefore produce consistent results (Peter 1979). Consistent with the definition, the reliability level of a measure is determined by the consistency of the results produced by repeated measurements. Reliability is significantly associated with validity, as lack of reliability represents negative evidence for validity (Malhotra, et al. 2002).

Nunnally (1978) proposed four different methods of assessing the reliability of a measure, namely the test-retest method, alternative form, split-half method, and internal consistency method. In test-retest method, respondents are administered identical sets of measures at two different times in as nearly equivalent circumstances as possible. The degree of reliability is then determined based on the correlation coefficient between the two tests. Alternative-forms method uses two equivalent forms of measures to the same respondents over different period of time. In the split-half method, the scale is divided into two halves and the reliability coefficient is determined by correlating the scores of the two halves. Several disadvantages associated with these techniques include time consumption, high costs, and the difficulty to develop two equivalent forms of scale (Malhotra, et al. 2002).

Following several disadvantages associated with the techniques above, this study opted to use *internal consistency reliability*, which focuses on the intercorrelations between the set of items forming the scale to determine the reliability level of a measure (Malhotra, et al. 2002). This research uses the internal consistency formula proposed by Fornell and Larcker (1981) to calculate 'composite reliability' (C.R). The formula has been acknowledged and implemented in several studies to assess scale reliability (Bagozzi and Yi 1988;De Luca and Atuahene-Gima 2007;Sarkar, et al. 2001). Nunnally (1978) suggested 0.7 as a benchmark for modest composite reliability in the early stage of research. Consequently, this cut-off level is used in this research to assess construct reliability.

In addition to the internal consistency value, this research also observes the Cronbach's Alpha of the measures, which is calculated as the average of all possible split-half coefficients ensuing from different splitting of the measurement items (Malhotra, et al. 2002). In terms of Cronbach's Alpha, values between 0.5 to 0.6 are considered as acceptable, 0.6 and 0.7 as very good, between 0.7 and 0.9 as excellent, and above 0.9 as impressive (Cronbach 1951).

5.6.5 Tests of measurement invariance

Measurement invariance is defined as "measurement theory condition in which the measures forming a measurement model have the same meaning and are used in the same way by different groups of respondents" (Hair, et al. 2006). As this study involved two groups of respondents, a comparison of the inter-construct relationship between the two sample groups is only valid if measurement invariance exists. Cheung and Rensvold (1999) suggested that for measurement invariance to occur, a researcher must ensure that the versions of an instrument are identical in terms of format, instructions, and response options. Although the present study used an identical version of questionnaire for CG and NCG respondents, further analysis using Confirmatory Factor Analysis (CFA) technique was conducted to test for measurement invariance.

The assessment of measurement invariance in this study was done through an examination of *factorial invariance*, a condition which occurs when manifest variables load on the latent variables across groups while the factor loadings are not significantly different (Cheung and Rensvold 1999). Meredith (1993) asserted that factorial invariance involves the constraining of all elements in certain matrices to be equal across groups. For the purpose of this study, tests for measurement invariance will be conducted in three stages: configural invariance, metric invariance, and scalar invariance.

Configural Invariance is essentially the baseline model in which all estimates are freely estimated in each sample. (Vandenberg and Lance 2000). Configural invariance exists if: (i) the specified model fits the data well in both sample groups, (ii) all salient factor loadings are significantly and substantially different from zero, and (iii) the correlations between the factors are significantly below unity (Steenkamp and Baumgartner 1998).

Metric invariance is tested by specifying the same pattern of fixed and free factor loadings for each group. It requires all loading estimates between observed and latent variables to be equal across all groups (Vandenberg and Lance 2000). Metric invariance must be established to ensure that the comparisons of inter-construct relationship across groups are valid (Steenkamp and Baumgartner 1998).

Scalar invariance concerns with the equality of intercepts across groups. It addresses the issue whether there is consistency between groups in latent means and observed means. It requires all measured items zero-intercept estimates to be equal across all groups (Steenkamp and Baumgartner 1998). Scalar invariance must be established in to ensure that the comparisons of construct means across groups are valid (Hair, et al. 2006)

The assessment for measurement invariance is done through an examination of the differences in chi-square values ($\Delta\chi^2$) between the models. Measurement invariance exists if the Chi-Square differences between the models are **not significant**. That is, the $\Delta\chi^2$ value does not exceed the critical values of Chi Square at .001 level. Five fit indices in the forms of Normed Chi-Square (NC), RMSEA, TLI, NFI, and CFI are used to assess the practical fit of the models to the data.

5.6.6 Structural model analysis

Structural Equation Modeling (SEM) technique was employed to test the hypothesised relationships between constructs in the conceptual framework. The literature has described several advantages of using SEM as compared to other analysis techniques such as multiple regression. Some of the advantages include its ability to incorporate measurement errors in the analysis and examine the relationships between latent (unobserved) dependent and independent variables (Kline 2005). After a consideration of several analysis techniques available in the literature, SEM was considered the most suitable for the present study as it allowed the present author to test the relationship between latent constructs in a theory-driven manner (Hair, et al. 2006).

The fit assessment for the proposed structural model followed closely the suggestions of Bagozzi and Youjae (1988), Bentler and Chou (1987) Hair, et al.(2006) in terms of the cut-off level for the overall absolute fit indices and incremental fit indices.

5.7 Chapter summary

The present chapter discusses the research methodology of the present study including overall research design, data collection procedure, the survey instruments, data preparation procedure, and data analysis techniques. As churches represent a unique research context in the study of marketing, there was a need to modify existing scales to be able to reflect the nature of the research context under investigation. The methodology described in the chapter ensures that the data analysis presented in the following chapters follow a thorough analytical procedure consistent with the recommendation of prominent multivariate statistic researchers. The tests of measures and empirical results will be discussed in the following chapters.

Chapter 6
Tests of Measures

6.1 Objective and structure of the chapter

The objective of the present chapter is to present empirical report on the reliability and validity of the measures used in this research. Prior to the tests of hypotheses, it is essential to ensure that the constructs produce consistent results and accurately reflect the issues under investigation. An overview of the measurement models and descriptive statistics of the items are also presented in the chapter.

The chapter is organised into six sections. Section 6.2 describes the exploratory factor analysis procedure to determine the number of constructs, followed by Section 6.3 and Section 6.4 in which the issue of construct validity and reliability are discussed respectively. Section 6.5 provides an overview of the descriptive statistics of items including kurtosis and skewness values. Section 6.6 analyses the correlation matrix to check for multicollinearity. The final section provides a discussion of measurement invariance and its implications for further tests of hypotheses.

6.2 Exploratory factor analysis

In this study, factor analysis procedure using SPSS 15.0 was performed with *principal axis factoring* (common factor) as a method of extraction. This method considers the common variance in the data and helps identify underlying dimensions in large number of variables. This research also used Varimax rotation method which minimises the number of variables with high loadings on one factor (Malhotra, et al. 2002). The use of rotation helped to achieve simplicity and enhances interpretability of the scales. The number of factors in this study was determined by eigenvalue which reflects the amount of variance associated with a particular factor. For the purpose of this study, only factors with variances greater than 1.0 were retained.

6.2.1 PMO construct

Table 6.1 displays the EFA results of PMO construct in both the CG and NCG groups. The results indicated that the PMO construct in this research is consistent with Narver and Slater's (1990) dimension of market orientation with three distinct components of customer orientation, competitor orientation, and interfunctional coordination. The fact that the resulting dimensions were identical across two sample groups lends support to the multidimensionality nature of the PMO construct in this research. The factor loading of each construct also lends support to discriminant validity, although further tests of discriminant validity need to be conducted through the use of Confirmatory Factor Analysis.

Table 6.1

Factor Analysis: PMO

Items	CG			NCG		
	1	2	3	1	2	3
Customer Orientation						
Services designed based on members' needs	0.747	0.174	0.170	0.348	0.804	0.261
Ministers constantly seek to understand members' expectations	0.712	0.352	0.184	0.427	0.709	0.255
Goals-driven practice to deliver greater value to congregation	0.689	0.233	0.129	0.281	0.826	0.251
Constant monitoring of congregation needs	0.580	0.427		0.223	0.674	0.369
Interfunctional Coordination						
Feedback from members	0.284	0.698	0.131	0.666	0.269	0.370
The different ministry shares their resources with each other	0.204	0.632		0.725	0.401	0.127
Encouragement for members to be involved in ministry	0.202	0.611		0.763	0.192	0.192
Ministers understand how different ministry can provide great value	0.333	0.581		0.750	0.437	0.110
Ministers frequently visit congregations	0.146	0.494	0.203	0.526	0.110	0.373
Competitor Orientation						
Ministers' awareness of other churches' practice			0.874	0.210	0.158	0.869
Church reacts to better other churches' practice			0.807	0.115	0.275	0.809
Focus on particular communities	0.157		0.700	0.225	0.172	0.728
Members share information of other churches	0.248	0.234	0.569	0.188	0.263	0.632

6.2.2 Brand image construct

Table 6.2 presents the EFA results of brand image construct. Although the scale was originally developed to reflect three brand orientation themes, the EFA extracted one factor out of eight variables. The unidimensional nature of the brand image scale in the present study is consistent with Hankinson's (2001b) studies which found one unidimensional brand orientation scale which reflects three brand orientation themes, namely 'brand understanding', 'brand communications', and 'strategic use of brands'.

Table 6.2

Factor Analysis: Brand image

Items	CG	NCG
	1	1
Brand image		
communication sends consistent messages about the church to the community	0.843706	0.809372
strong spiritual appeal	0.838088	0.740376
promotional materials create an image that is well understood by the members	0.756434	0.689736
values and practices make people proud to be associated with it (	0.692044	0.817764
well known in the surrounding community	0.673812	0.595104
unique values which are transparent to the community	0.641837	0.507547
unique worship style	0.556371	0.417755
people come to the church because of its reputation	0.430206	0.623555

6.2.3 Perceived benefits construct

Due to the large number of variables incorporated in perceived benefits construct, EFA was employed to reduce the variables into meaningful dimensions. As depicted in Table 6.3, the EFA procedure resulted in three dimensions. Similar to the previous analysis, the resulting dimensions were found to be identical across two sample groups.

Table 6.3

Factor Analysis: Perceived Benefits

Items	CG			NCG		
	1	2	3	1	2	3
Purpose in Life						
Feel good about myself	0.396	0.706	0.210	0.427	0.726	0.338
Achieve fullness in life	0.289	0.697	0.398	0.507	0.617	0.398
Increase my self-worth	0.512	0.664	0.189	0.334	0.752	0.382
Be grateful for what I have in life	0.161	0.655	0.354	0.519	0.697	0.231
Make my life meaningful	0.327	0.640	0.414	0.543	0.596	0.422
Coping with hardship in life	0.292	0.633	0.309	0.539	0.573	0.263
Feel excited about my life	0.533	0.589	0.231	0.428	0.595	0.455
Feel useful to society	0.475	0.492	0.283	0.380	0.557	0.530
Clarify my life goals	0.423	0.476	0.442	0.533	0.547	0.429
Spiritual						
Deepen my spirituality	0.134	0.223	0.845	0.852	0.342	0.245
Bring my life in line with my beliefs	0.187	0.241	0.841	0.803	0.383	0.265
Develop spiritual Purpose in Life	0.101	0.201	0.808	0.783	0.201	0.231
Understand the destiny of my life	0.287	0.399	0.667	0.685	0.401	0.383
Learn to tune into higher power throughout the day	0.348	0.393	0.592	0.732	0.340	0.364
Social						
Meet new people through my present friends	0.799	0.234	0.202	0.325	0.234	0.808
Avoid being left out	0.777	0.228		0.195	0.227	0.819
Develop good social relationships	0.744	0.320	0.201	0.324	0.365	0.716
Build network of friends	0.734	0.362	0.166	0.319	0.419	0.689
Being liked by others	0.658	0.176	0.196	0.227	0.426	0.604

6.2.4 Church participation construct

Table 6.4 presents EFA results of church participation construct. Through EFA procedure, one component was extracted out of six variables. As discussed in Chapter 5, these six variables were developed based on the observation of the 'most common' activities shared by the churches participating in this study.

Table 6.4

Factor Analysis: Church Participation

Items	CG	NCG
	1	1
Church Participation		
Social activities (e.g. BBQ & Sports)	0.780	0.741
Music concert	0.751	0.725
Fundraising event	0.749	0.698
Cultural event	0.739	0.676
Service with well-known guest speaker/evangelist	0.630	0.593
Sunday service	0.422	0.549

6.3 Tests of validity – measurement model

An assessment of measurement model fit is considered an essential step prior to the assessment of structural model (Hair, et al. 2006). This section presents the results of Confirmatory Factor Analysis (CFA) on the key components of the conceptual framework. CFA procedure was implemented to further refine the constructs following EFA procedure and to assess the convergent and discriminant validity of the constructs through an observation of the standardised factor loadings (Table 6.8) as well as the average of variances extracted (AVE) (Table 6.9). This section also discusses the fitness level of the CFA model through the observation of the fit indices (Table 6.5).

The revision of the measurement model in this research followed closely the incremental modification approach of Segars and Grover (1993) and Cheng (2001). Using this approach, the model was revised by deleting some indicators with low factor loadings, squared multiple correlations, and those that attempted to load on more than one dimension as reflected by high modification indexes (Cheng 2001). The deletion of the variables was also done one by one as the elimination of one variable in the model may concurrently affect other parts of the model (Kline 2005).

Table 6.5

Measurement Model Fit

Constructs	GOF Test							
	χ^2	*NC*	*GFI*	*AGFI*	*RMSEA*	*TLI*	*NFI*	*CFI*
PMO	45.927 (df=24; p= .005)	1.914	0.982	0.967	0.040	0.990	0.986	0.993
Brand image	13.590 (df=9; p=.138)	1.510	0.992	0.982	0.030	0.995	0.991	0.997
Perceived Benefits	59.629 (df=24; p=.000)	2.485	0.978	0.959	0.051	0.991	0.990	0.994
Church Participation	3.961 (df=1; p= .047)	3.961	0.997	0.965	0.073	0.982	0.996	0.997

PMO

The results of CFA in general were very satisfactory after the deletion of four items. An examination of the fit indices indicated that the model fits the data very well. The standardised factor loading coefficients are all above the ideal level of 0.7, thus reflecting convergent validity. The AVE in all PMO constructs lend support to both convergent and discriminant validity as it surpasses the cut-off level of 0.5 and is significantly higher than the variance shared between other constructs in the correlation matrix (Table 6.9)

Brand image

The results of CFA in general were satisfactory after the deletion of two items namely ‘unique worship style’ (VARBR1) and ‘values make people proud to be associated with it’ (VARBR5). An examination of the fit indices indicated that the model fits the data very well. The standardised factor loading coefficients are between 0.5 and 0.7 indicating an acceptable level of convergent validity. An observation of the Average of Variance Extracted (AVE) also indicates discriminant validity as it surpasses the ideal level of 0.5 and is significantly higher than the variance shared between other constructs in the correlation matrix. The final six items reflect *uniqueness* (VARBR2), *reputation* (VARBR3 & VARBR4), and *orchestration* (VARBR6, VARBR7, VARBR8) themes of brand orientation as described in the preceding chapters.

Perceived benefits

The CFA procedure generated satisfactory results on 'perceived benefits' construct as the researcher was able to reduce the 19 items of perceived benefits into three dimensions with three variables in each sub-construct. An examination of the fit indices indicated that the model fits the data very well. The standardised factor loading coefficients are well beyond the acceptable level of 0.7, indicating convergent validity. An examination of the Average of Variance Extracted (AVE) values also lends support to both convergent and discriminant validity as it surpasses the ideal level of 0.5 and is significantly higher than the variance shared between other constructs in the correlation matrix.

Church participation

The results of CFA in general were satisfactory after the deletion of two items: 'cultural event' and 'music concert'. An examination of the fit indices indicated that the model fits the data well. The standardised factor loading coefficients are between 0.5 and 0.7 indicating an acceptable level of convergent validity. An observation of the Average of Variance Extracted (AVE) also indicates discriminant validity as it well surpasses the ideal level of 0.5 and is significantly higher than the variance shared between other constructs in the correlation matrix.

Intrinsic Spirituality and Purpose in Life

As both Intrinsic Spirituality and Purpose in Life (PIL) construct was adopted from existing literature, the scales were not subject to EFA. Further, as the constructs were not used in structural equation modeling analysis, they were not subject to CFA either.

The CFA model discussed above uses the combined data of CG and NCG respondents with all scores standardised as depicted in Table 6.5. The following tables present the separated version of CFA model fit for CG and NCG respondents.

Table 6.6

Measurement Model Fit (CG)

Construct	GOF Test							
	χ^2	*NC*	*GFI*	*AGFI*	*RMSEA*	*TLI*	*NFI*	*CFI*
PMO	64.193 (df=24; p= .000)	2.675	0.959	0.923	0.070	0.947	0.945	0.964
Brand Image	12.746 (df=9; p=.174)	1.416	0.988	0.973	0.035	0.993	0.985	0.996
Perceived Benefits	46.720 (df=24; p=.004)	1.947	0.971	0.946	0.053	0.985	0.980	0.990
Church Participation	11.406 (df=2; p=.003)	5.703	0.983	0.916	0.117	0.914	0.966	0.971

Table 6.7

Measurement Model Fit (NCG)

Construct	GOF Test							
	χ^2	*NC*	*GFI*	*AGFI*	*RMSEA*	*TLI*	*NFI*	*CFI*
PMO	53.878 (df=24; p= .000)	2.245	0.947	0.901	0.075	0.967	0.961	0.978
Brand Image	10.505 (df=9; p=.311)	1.167	0.984	0.963	0.028	0.994	0.976	0.996
Perceived Benefits	31.459 (df=24; p=.141)	1.311	0.970	0.943	0.038	0.994	0.984	0.996
Church Participation	7.468 (df=2; p=.024)	3.734	0.984	0.921	0.112	0.910	0.960	0.970

6.4 Tests of reliability

As discussed in Chapter 5, this research employed internal consistency formula proposed by Fornell and Larcker (1981) to attain Composite Reliability (CR), which is an indicator of scale reliability. The results of composite reliability analysis are presented in Table 6.9. In addition, this research also took into account the Cronbach's Alpha of each construct as displayed in Table 6.8 along with the description of the final items. The coefficient alphas for the respective constructs were calculated using the reliability procedure in SPSS. As can be seen in the table, the reliabilities of all constructs in this research fall within the excellent level (0.7 and above) (Cronbach 1951).

Table 6.8

Standardised Factor Loadings, t-Value, and Cronbach's Alpha

Construct	*Item*	*Standardised Factor Loadings*	**t-Value**
Intrinsic spirituality	Growing spiritually is important	0.926	41.657
α = .97	Spirituality guides my consideration	0.945	43.122
	Spirituality is the master motive of life	0.948	43.767
	My spirituality affects personal growth	0.940	42.287
	Spiritual beliefs affect all aspects of life	0.945	43.122
Purpose in Life	There is a purpose in my life	0.647	13.499
α = .89	The things I do are worthwhile	0.875	17.097
	What I do seems important	0.829	16.461
	Value the activities I'm involved in	0.821	16.342
	Care about the things I do	0.758	15.369
	Have reasons for living	0.646	13.479
Customer orientation	Constant monitoring of congregation needs	0.804	21.608
α = .89	Services designed based on members' needs	0.848	22.932
	Ministers constantly seek to understand members' expectations	0.918	25.068
Competitor orientation	Church reacts to better other churches' practice	0.841	20.709
α = .86	Ministers' awareness of other churches' practice	0.873	21.263
	Focus on particular communities	0.749	19.021
Interfunctional coordination	Encouragement for members to be involved in ministry	0.753	18.612
α = .88	Ministers understand how different ministry can provide great value	0.902	21.714
	The different ministry shares their resources with each other	0.860	20.859

Construct	*Item*	*Standardised Factor Loadings*	**t-Value**
Brand image	People come to the church because of its reputation	0.471	11.367
α = .85	Unique values which are transparent to the community	0.631	16.227
	Well known in the surrounding community	0.613	15.623
	Communication sends consistent messages about the church to the community	0.855	24.844
	Strong spiritual appeal	0.864	25.105
	Promotional materials create an image that is well understood by the members	0.807	22.887
Spiritual benefits	Develop spiritual meaning in life	0.905	42.114
α = .96	Bring my life in line with my beliefs	0.965	55.777
	Deepen my spirituality	0.952	52.711
Social benefits	Meet new people through my present friends	0.881	34.085
α = .93	Develop good social relationships	0.912	37.473
	Build network of friends	0.937	40.303
Purpose in life benefits	Make my life meaningful	0.939	42.453
α = .93	Achieve fullness in life	0.933	42.182
	Feel good about myself	0.858	32.638
Church participation	Sunday service	0.722	15.832
α = .85	Fundraising event	0.709	15.316
	Service with well-known guest speaker	0.800	16.992
	Social activities	0.824	17.327

Table 6.9
Internal Consistency, Square Roots of Average Variance Extracted and Correlation Matrix
(Combined Sample Groups)

Construct	C.R	1	2	3	4	5	6	7	8	9	10
1. Intrinsic Spirituality	0.97	*0.94*									
2. Purpose in Life	0.89	.346(**)	*0.77*								
3. Customer Orientation	0.89	.534(**)	.314(**)	*0.86*							
4. Competitor Orientation	0.86	0.06	-0.022	.309(**)	*0.82*						
5. Interfunctional Coordination	0.88	.519(**)	.308(**)	.730(**)	.221(**)	*0.84*					
6. Brand Image	0.93	.402(**)	.323(**)	.641(**)	.294(**)	.681(**)	*0.72*				
7. Spiritual benefits	0.96	.705(**)	.300(**)	.620(**)	.141(**)	.608(**)	.516(**)	*0.94*			
8. Social benefits	0.94	.548(**)	.318(**)	.556(**)	.172(**)	.544(**)	.509(**)	.684(**)	*0.91*		
9. Purpose in life benefits	0.94	.655(**)	.318(**)	.619(**)	.157(**)	.576(**)	.501(**)	.828(**)	.806(**)	*0.91*	
10. Church Participation	0.85	.647(**)	.357(**)	.555(**)	0.057	.602(**)	.460(**)	.645(**)	.618(**)	.640(**)	*0.77*

C.R = Composite Reliability (Internal Consistency Value)
Italics = Square roots of Average Variance Extracted
(*) = Significance at .05 level
(**) = Significance at .01 level

Table 6.10

Internal Consistency, Square Roots of Average Variance Extracted, and Correlation Matrix

(CG Sample)

Construct	**C.R**	1	2	3	4	5	6	7	8	9	10
1. Intrinsic Spirituality	0.93	*0.85*									
2. Purpose in Life	0.88	.419(**)	*0.75*								
3. Customer Orientation	0.80	0.101	.287(**)	0.76							
4. Competitor Orientation	0.84	-0.074	-0.036	.231(**)	0.80						
5. Interfunctional Coordination	0.74	.158(**)	.298(**)	.515(**)	.118(*)	*0.71*					
6. Brand image	0.92	.149(**)	.311(**)	.505(**)	.236(**)	.524(**)	*0.71*				
7. Spiritual benefits	0.92	.397(**)	.307(**)	.231(**)	-0.011	.260(**)	.238(**)	*0.89*			
8. Social benefits	0.90	.255(**)	.349(**)	.284(**)	.131(*)	.269(**)	.329(**)	.399(**)	*0.87*		
9. Purpose in life benefits	0.87	.234(**)	.377(**)	.312(**)	0.081	.280(**)	.288(**)	.583(**)	.658(**)	*0.83*	
10. Church Participation	0.76	.337(**)	.378(**)	.249(**)	-0.099	.262(**)	.211(**)	.359(**)	.364(**)	.347(**)	*0.67*

C.R = Composite Reliability (Internal Consistency Value)
Italics = Square roots of Average Variance Extracted
(*) = Significance at .05 level
(**) = Significance at .01 level

Table 6.11

Internal Consistency, Square Roots of Average Variance Extracted, and Correlation Matrix (NCG Sample)

Construct	C.R	1	2	3	4	5	6	7	8	9	10
1. Intrinsic Spirituality	0.96	*0.91*									
2. Purpose in Life	0.89	0.031	*0.76*								
3. Customer Orientation	0.89	.307(**)	0.046	*0.85*							
4. Competitor Orientation	0.90	.160(*)	-0.039	.527(**)	*0.86*						
5. Interfunctional Coordination	0.87	.202(**)	0.034	.658(**)	.411(**)	*0.84*					
6. Brand image	0.91	.187(**)	0.12	.572(**)	.417(**)	.666(**)	*0.67*				
7. Spiritual benefits	0.94	.507(**)	0.041	.523(**)	.299(**)	.443(**)	.464(**)	*0.91*			
8. Social benefits	0.92	.313(**)	0.021	.423(**)	.249(**)	.388(**)	.413(**)	.629(**)	*0.89*		
9. Meaning of life benefits	0.92	.479(**)	0.003	.483(**)	.274(**)	.367(**)	.391(**)	.786(**)	.768(**)	*0.89*	
10. Church Participation	0.74	.364(**)	0.011	.305(**)	.261(**)	.435(**)	.331(**)	.441(**)	.467(**)	.438(**)	*0.65*

C.R = Composite Reliability (Internal Consistency Value)
Italics = Square roots of Average Variance Extracted
(*) = Significance at .05 level;
(**) = Significance at .01 level

6.5 Descriptive statistics

The present section provides an overview of the descriptive statistics of the data including the means, standard deviations, skewness, and kurtosis of all constructs for CG and NCG sample group. The aim of this analysis is to assess the normality of the data by observing the values of skewness and kurtosis.

CG

As depicted in Table 6.12, the mean scores for the main constructs (e.g. PMO) are calculated by equally weighting the mean scores of all variables (e.g. Custor, Comptor, and Intfunc). The mean scores of 'customer orientation', 'interfunctional coordination', and 'brand image' are moderately high indicating that the CG respondents think of the church as performing well on these respective elements. On the other hand, the mean score of 'competitor orientation' is moderately low which suggests that CG respondents may not perceive their church as intensely engaging in competition with other churches.

Table 6.12
Descriptive Statistics for CG

Scales	*No. of items*	*Mean*	*Standard Deviation*	*Skewness*	*Kurtosis*
Intrinsic Spirituality	5	6.1651	0.9202316	-1.5466237	2.724138
Purpose in Life	6	6.2529	0.6795	-0.885	0.909
PMO	9	4.6647	0.8814	.000	.056
Customer Orientation	3	5.1957	1.1388	-0.795	0.893
Competitor Orientation	3	3.2054	1.4800	0.383	-0.592
Interfunctional Coordination	3	5.5930	1.0570	-0.551	-0.233
Brand Image	6	5.1381	1.0618	-0.583	0.218
Perceived Benefits					
Purpose in life benefits	3	6.4109	0.8313	-1.950	4.970
Social benefits	3	5.3469	1.3628	-0.852	0.399
Spiritual benefits	3	5.8915	1.1044	-1.283	1.790
Church Participation	4	5.4797	1.2430	-0.904	0.554

The mean score of 'purpose in life' benefits is very high, indicating that the CG respondents perceive church participation as relevant in helping them to better understand their life meaning. The mean score of 'social' and 'spiritual' benefits are also moderately high. Finally, the mean score of church participation indicates respondents' active participation in church-related activities.

Most of the skewness and kurtosis values shown in Table 6.12 are generally close to zero, indicating an assumption of normality. The only issue of non-normality only seems to appear in the kurtosis values of 'purpose in life' benefits and 'intrinsic spirituality'. However, the literature suggests that the impact of departure from zero kurtosis diminishes in a large sample and the underestimates of variance associated with positive kurtosis diminishes when the sample is more than 100 (Tabachnick and Fidell 2007). Consistently, the impact of kurtosis in these variables does not seem to cause problems of non-normality due to the large sample size of this study (n=344).

NCG

Table 6.13
Descriptive Statistics for NCG

Scales	*No. of items*	*Mean*	*Standard Deviation*	*Skewness*	*Kurtosis*
Intrinsic Spirituality	5	3.5918	1.7151	0.1709	-0.9960
Purpose in Life	6	5.7114	0.9075	-0.7204	0.1099
PMO	9	3.3949	1.17934	0.021	-.5290
Customer Orientation	3	3.3697	1.3971	0.0507	-0.8571
Competitor Orientation	3	3.0909	1.3749	0.3693	-0.3698
Interfunctional Coordination	3	3.7242	1.4916	0.1380	-0.4818
Brand Image	6	4.0856	1.1566	-0.1780	-0.1145
Perceived Benefits					
Purpose in Life	3	4.2303	1.8058	-0.2423	-1.0298
Social	3	3.3803	1.6917	0.1264	-0.9615
Spiritual	3	3.5955	1.8072	0.0174	-1.1449
Church Participation	4	3.1227	1.3412	0.4621	-0.4712

The NCG respondents score considerably low in all PMO dimensions. The mean scores of perceived benefits are also moderately low. As can be observed in the mean score of church participation, the NCG respondents' extent of participation in church-related activities is relatively low.

The kurtosis and skewness of NCG respondents are better than the CG counterparts. As all values are generally close to zero, it can be asserted that the assumption of normality in this study appears not to be violated.

6.6 Correlation analysis

Correlation Analysis on all constructs was performed to check for the presence of multicollinearity. The analysis was performed using bivariate correlation procedure in SPSS using two-tailed test of statistical significance ($p < 0.01$) in Pearson Correlation. Consistent with the literature, the multicollinearity exists when the inter-correlation between predictor variables exceeds 0.9 (Giles 2002;Hair, et al. 2006;Tabachnick and Fidell 2007). An observation of the correlation values at Table 6.9 indicates no multicollinearity in the data as the correlation among the predictor variables does not exceed 0.9.

An observation of the correlation matrix also indicates that almost all variables are significantly correlated with 'church participation' with the exception of 'competitor orientation'. It is also revealed that 'brand image' is significantly correlated with all three dimensions of PMO. The separated version of correlation tables for CG and NCG sample group can be observed in Table 6.10 and Table 6.11 respectively.

6.7 Tests of measurement invariance

Measurement invariance tests were conducted to examine whether the two groups of respondents (CG and NCG) interpreted and used the scales in the same way. In this study, the tests were conducted in three stages: the configural invariance model, metric invariance model, and scalar invariance model. The model comprises of three predictors of church participation, which includes PMO, 'brand image', and 'perceived benefits'.

Configural invariance (baseline) model

The configural invariance model (Figure 6.1) serves as a benchmark against which the fit of more restricted models is compared. In essence, it is a baseline model in which the values in all model matrices are freely estimated for each group.

The 'baseline model' had acceptable fit with the data as reflected in the following: χ^2 (102) = 211.796 (p = .000), NC (2.076), RMSEA (.044), TLI (.950), CFI (.961), and NFI (.929).

Metric invariance model

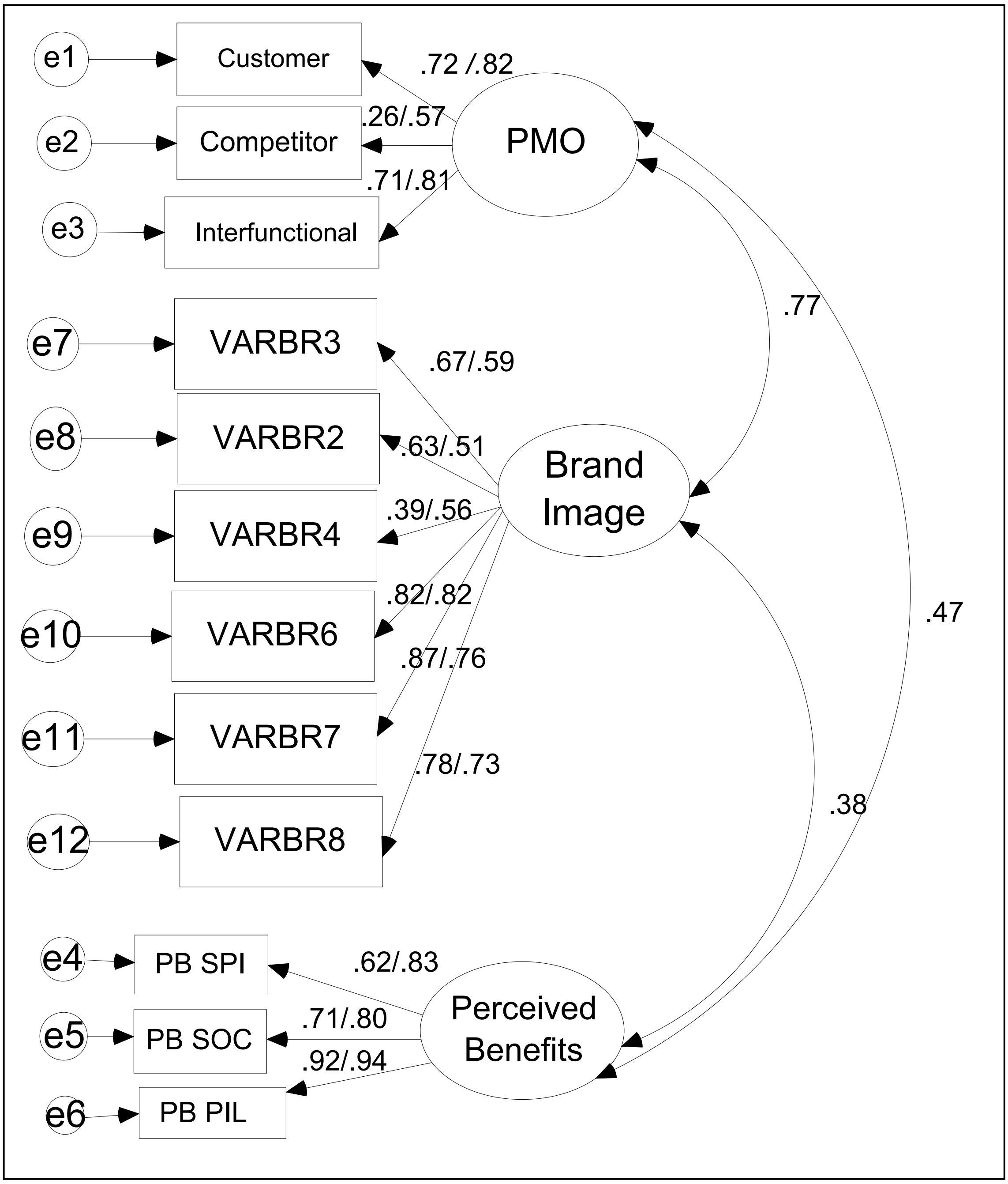
The existence of configural invariance does not provide evidence whether the two sample groups respond to the items in the same way. Hence, metric invariance test was employed through constraining the matrix of loadings between the measured variables and latent variables to be equal across two groups. The 'metric model' had acceptable fit with the data as reflected in the fit indices including χ^2 (111) = 265.488 (p = .000), NC (2.392), RMSEA (.050), TLI (.935), CFI (.945), and NFI (.910). Subsequent to the assessment of the model fit, the appropriate test was conducted by nesting the model in the configural model and test for chi-square difference.

The results, $\Delta\chi^2$ (Δdf) = 53.692 (9), $p < .001$ suggests that metric invariance **was not supported** since the differences between the two groups are **significant** at .001 level.

An assessment of scalar invariance requires a comparison between scalar model and the metric model. Since no support was found for metric invariance (as the model is significant), scalar invariance could not be established either. Consequently, the present study seeks to establish measurement invariance through an assessment of *partial measurement invariance*.

Figure 6.1

The Baseline Model (CG/NCG)



Tests for partial invariance

Steenkamp and Baumgartner (1998) suggested that full measurement invariance of a given type (metric or scalar) is frequently not satisfied in practice. Horn, et.al (1983) considered full measurement invariance to be ‘scientifically unrealistic’, whereas another study referred to it as “a condition to be striven for, not one expected to be fully realised” (Horn 1991, p.125). As full measurement invariance frequently does not hold, several scholars proposed the tests for partial measurement invariance, which is a ‘compromise’ between full measurement invariance and complete lack of invariance (Byrne, et al. 1989;Cheung and Rensvold 1999). It was contended that minimal degree of partial measurement invariance must exist for valid comparisons of cross-groups differences in factor means and inter-construct relationship (Hair, et al. 2006). The assessment of partial invariance in the present study was implemented in two levels: *partial metric invariance* and *partial scalar invariance*.

Partial metric invariance

Whereas full metric invariance requires all loading estimates to be equal across all groups, partial metric invariance only requires at least two factor loading estimates to be equal (Hair, et al. 2006). The approach began by identifying non-invariant items through an observation of the standardized factor loading between the latent and observed variables in both groups (Figure 6.1). From the figure, it can be observed that ‘competitor orientation’ (.26/.57) and ‘perceived spiritual benefits’ (.62/.83) are the loadings showing the greatest differences across the two groups. This implies that full measurement invariance may not exist due to the substantial differences shared between the two sample groups in these two variables. Subsequently, the two non-invariant items are retained, but their loadings are left unconstrained to equality when analysing group differences, whereas all other loading estimates are held equal across groups. Partial metric invariance was then tested by running the model and observing the Chi-Square differences between ‘partial metric model’ and the configural (baseline) model.

The ‘partial metric model’ had good fit with the data as reflected in the fit indices including χ^2 (109) = 225.882 (p = .000), NC (2.072), RMSEA (.044), TLI (.950), CFI (.959), and NFI (.924). As described in Table 6.14, the fit indices of the ‘partial metric model’ are similar to the baseline model which suggests that the imposition of equality on the matrix loadings between observed and latent variables, with the exception of ‘competitor orientation’ and ‘perceived spiritual benefits’, does not lead to significant worsening of model fit.

Table 6.14

Summary of Measurement Invariance

Model Comparison	χ^2 (df)	p=.000	χ^2/df (NC)	RMSEA	TLI	CFI	NFI	$\Delta\chi^2$ (Δdf)	p	$\Delta\chi^2/\Delta df$	ΔTLI	ΔCFI	ΔNFI
Baseline Model	211.796 (102)	p=.000	2.076	0.044	0.950	0.961	0.929						
Metric Model	265.488 (111)	p=.000	2.392	0.050	0.935	0.945	0.910						
Testing for metric invariance								53.692 (9)	$p<.001$	5.966	-0.015	-0.016	-0.019
(Metric vs. Baseline Model)													
Partial Metric Model	225.882 (109)	p=.000	2.072	0.044	0.950	0.959	0.924						
Testing for partial metric invariance								14.086 (7)	$p>.05$	2.012	0.000	-0.002	-0.005
(Partial Metric vs. Baseline Model)													
Partial Scalar Model	612.913 (120)	p=.000	5.108	0.085	0.809	0.793	0.826						
Testing for partial scalar invariance								347.425 (9)	$p<.001$	38.603	-0.126	-0.152	-0.084
(Partial Scalar vs. Metric Model)													

The $\Delta\chi^2$ (Δdf) between 'partial metric model' and the baseline model is 14.086 (7) which is below the critical values of Chi-Square in .05 level. The results imply that partial metric invariance **exists** since respondents' interpretation of the scales is **not significantly different** at .05 level.

Partial scalar invariance

As the previous analysis has provided evidence for partial metric invariance, partial scalar invariance can now be tested. Whereas full scalar invariance requires all measured item zero-intercept estimates to be equal across all groups, partial scalar invariance only requires at least two item zero-intercept terms to be equal across all groups (Hair, et al. 2006). In this analysis, the intercepts of those items that are not metrically equal across groups are left unconstrained, while the intercepts of the other items are held equal.

Table 6.15

Intercepts Value

	CG	NCG	Δ
Customer	5.196	3.37	1.826
Competitor	3.205	3.091	0.114
Interfunctional	5.593	3.724	1.869
VARBR2	5.052	3.795	1.257
VARBR7	5.265	3.882	1.383
VARBR8	5.468	4.005	1.463
VARBR3	5.282	4.845	0.437
VARBR4	4.355	3.864	0.491
VARBR6	5.407	4.123	1.284
PB SPI	6.411	4.23	2.181
PB SOC	5.347	3.38	1.967
PB PIL	5.891	3.595	2.296

An observation of the differences in intercepts as depicted in Table 6.15 reveals that PB SPI, PB SOC, and PB MOL are not metrically equal across groups. However, as the partial scalar invariance 'ideally' require the majority of factor loadings and intercepts to be equal across groups (Steenkamp and Baumgartner 1998), only one variable from each latent construct was unconstrained. Following an observation of the differences in intercepts between the two groups (Table 6.15), 'perceived purpose in life benefits' (PB PIL), 'promotional materials' (VARBR8), and 'interfunctional coordination' (Interfunctional) were left unconstrained whereas the intercepts of all other items are held equal. Partial scalar invariance was then tested by running the model and observing the Chi-Square differences between the 'partial scalar model' and the metric model.

The 'partial scalar model' had poor model fit as reflected in the fit indices including χ^2 (120) = 612.913 (p = .000), NC (5.108), RMSEA (.085), TLI (.809), CFI (.793), and NFI (.826). From the figures displayed in table 6.14, it can be observed that the imposition of equality on the vector of intercepts for the measured variables leads to very significant worsening of the model.

The results, $\Delta\chi^2$ (Δdf) =347.425 (9), $p < .001$ (significant) imply that partial scalar invariance **does not exist** since the construct mean differences between the two groups are **significant** at .001 level.

Implications for data analysis

As the primary objective of this study is to compare interconstruct relationships between CG and NCG respondents, full or partial metric invariance must exist whereas scalar invariance is not necessary because no absolute comparisons of scale scores are conducted (Hair, et al. 2006;Steenkamp and Baumgartner 1998). Hence, although scalar invariance does not exist, the existence of partial metric invariance in this study lends support for valid comparisons of interconstruct relationship between groups. This means that there is 'partial' evidence that the CG and NCG respondents interpret and use the scales in the same way. Consequently, there is enough evidence for the present author to conduct valid comparisons of the strength and nature of relationship between constructs in the two groups of respondents.

Since the measurement invariance established in this study is only 'partial', the tests of hypotheses in the present study were conducted separately for CG and NCG respondents. The tests of hypotheses for CG and NCG sample groups are presented in Chapter 7 and Chapter 8 respectively. The discussion of results will be presented in Chapter 9 in which the present author compares the interconstruct relationship between CG and NCG respondents based on the results presented in the preceding chapters.

6.8 Chapter summary

The present chapter examined the reliability and validity of the constructs used in this study. The tests of measures indicate that all constructs in the conceptual framework exhibit good level of reliability as well as discriminant and convergent validity. An observation of the descriptive statistics indicates no violation against the assumption of normality while an observation of the correlation matrix indicates no issues of multicollinearity. As the tests for measurement invariance indicate partial metric invariance across CG and NCG sample groups, the tests of hypotheses for the two groups of respondents were conducted separately and reported in separate chapters. The next chapter provides an analysis of the empirical results in CG sample groups.

Chapter 7
Tests of Hypotheses
(Church Goers)

7.1 Objective and structure of the chapter

The preceding chapter has established the validity and reliability of constructs used in this study. The objective of the present chapter is to report the empirical results relating to the research hypotheses. The chapter is divided into two major sections: Section 7.2 provides an analysis of separate structural models to test relevant hypotheses under examination and Section 7.3 provides an evaluation of the full (overall) structural model.

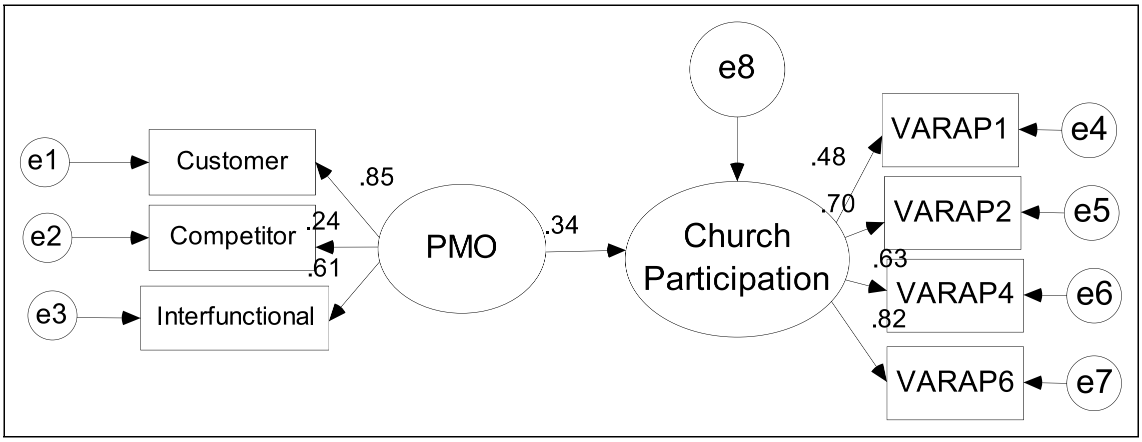
Two stages of empirical tests were conducted in this research using structural equation modeling (SEM) technique. The first stage of empirical tests employed structural models to test the relationship between the predictor and dependent variables. The objective in this stage of analysis was to examine whether significant relationship exist between the predictor and dependent variables relevant to the research hypotheses. Consistent with the ‘component-wise approach’, this study is interested to examine which dimension of the predictor variable performs the strongest effect on the dependent variable. Hence, structural models with sub constructs were also employed to test the corollary hypotheses. In the second stage of analysis, a full structural model was employed to examine the mediating role of ‘perceived benefits’ on the relationship between the PMO, ‘brand image’, and church participation. The discussion in this section will be organised based on the relevant hypotheses under examination.

7.2 Tests of hypotheses

Hypothesis 1: PMO is positively associated with Church Participation

Figure 7.1

PMO – Church Participation Structural Model



The structural model above was employed to test the first hypothesis. An examination of the fit indices suggested that the model had acceptable fit with the data. On one hand, the RMSEA (0.084) and TLI (.898) are outside the acceptable range and the Chi-Square was found to be statistically significant (χ^2= 44.406, df=13, p=.00). On the other hand, other indicators such as NC (3.416), GFI (.962), AGFI (.918), NFI (.914), and CFI (.937) are within the recommended level.

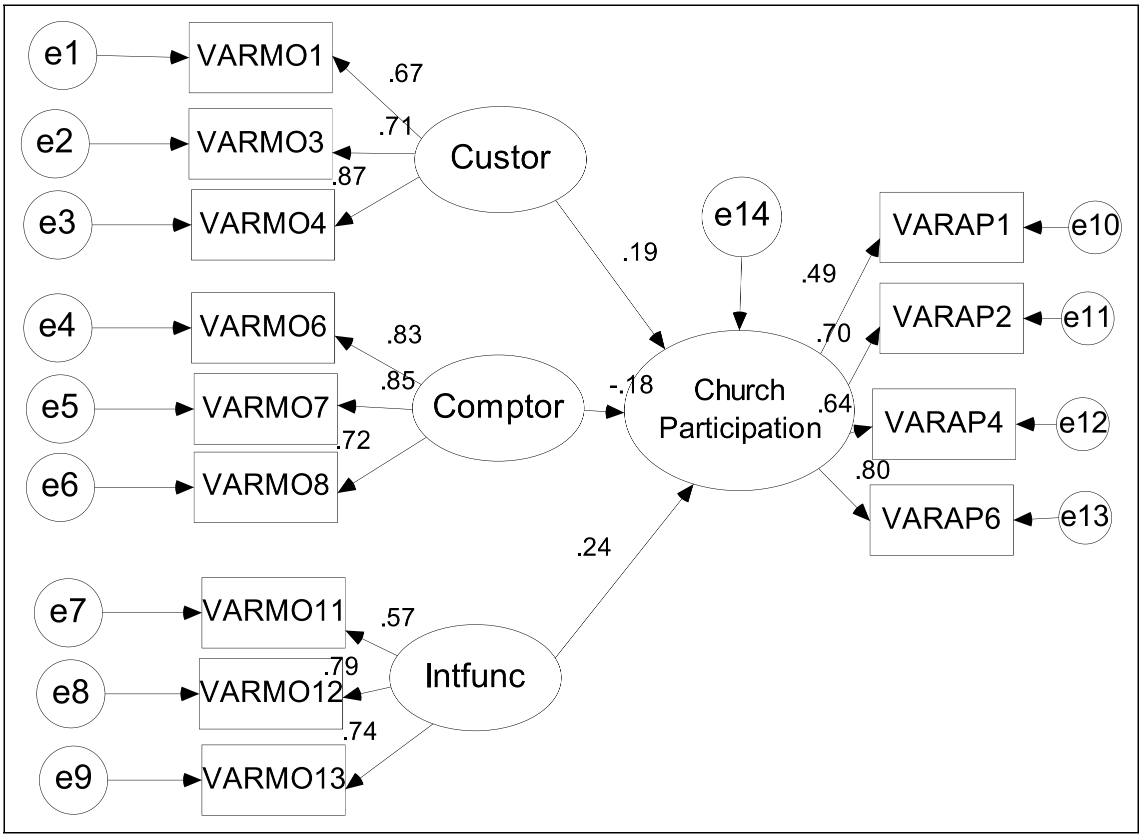
An examination of the standardised regression weights and Critical Ratio indicates that PMO is positively associated with 'church participation' (β = .34, p < .001), thus lending support to H1. Another structural model was employed to test the following corollary hypotheses:

H1a: Customer Orientation is positively associated with Church Participation
H1b: Competitor Orientation is positively associated with Church Participation
H1c: Interfunctional Coordination is positively associated with Church Participation

Figure 7.2

PMO – Church Participation

Structural Model with Sub Constructs



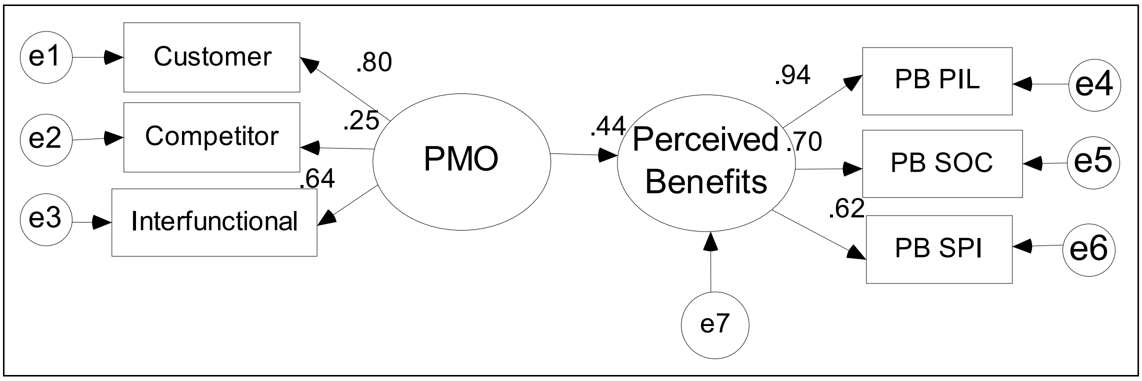
The model above incorporates three dimensions of PMO as predictor variables to determine which dimension performs the strongest effect on church participation. An examination of the GOF indices suggests that the model had excellent fit with the data. Although the Chi-Square was found to be statistically significant (χ^2= 139.736, df=59, p=.00), other indicators including NC (2.368), RMSEA (0.063), GFI (.936), AGFI (.902), TLI (.930), NFI (.913), and CFI (.947) are within the recommended level.

In terms of predictive power, it was found that 'interfunctional coordination' is the strongest determinant of 'church participation' (β = .24, $p < .05$), lending support to H1c. 'Customer orientation' is also found to be positively associated with 'church participation' (β = .19, $p < .05$), lending support to H1a. Although the path coefficient of 'competitor orientation' is statistically significant (β = -.18, $p < .05$), the sign is reversed thereby failing to support H1b.

Hypothesis 2: PMO is positively associated with Perceived Benefits

Figure 7.3

PMO – Perceived Benefits Structural Model



The structural model above was employed to test whether PMO is positively associated with 'perceived benefits'. An examination of the fit indices indicated that the model had excellent fit with the data. The Chi-square statistic of the model was found to be statistically non-significant (χ^2= 15.380, df= 8, p= .052). Other indicators including NC (1.923), RMSEA (0.052), GFI (.985), AGFI (.961), TLI (.973), NFI (.970), and CFI (.985) are within the excellent fit level.

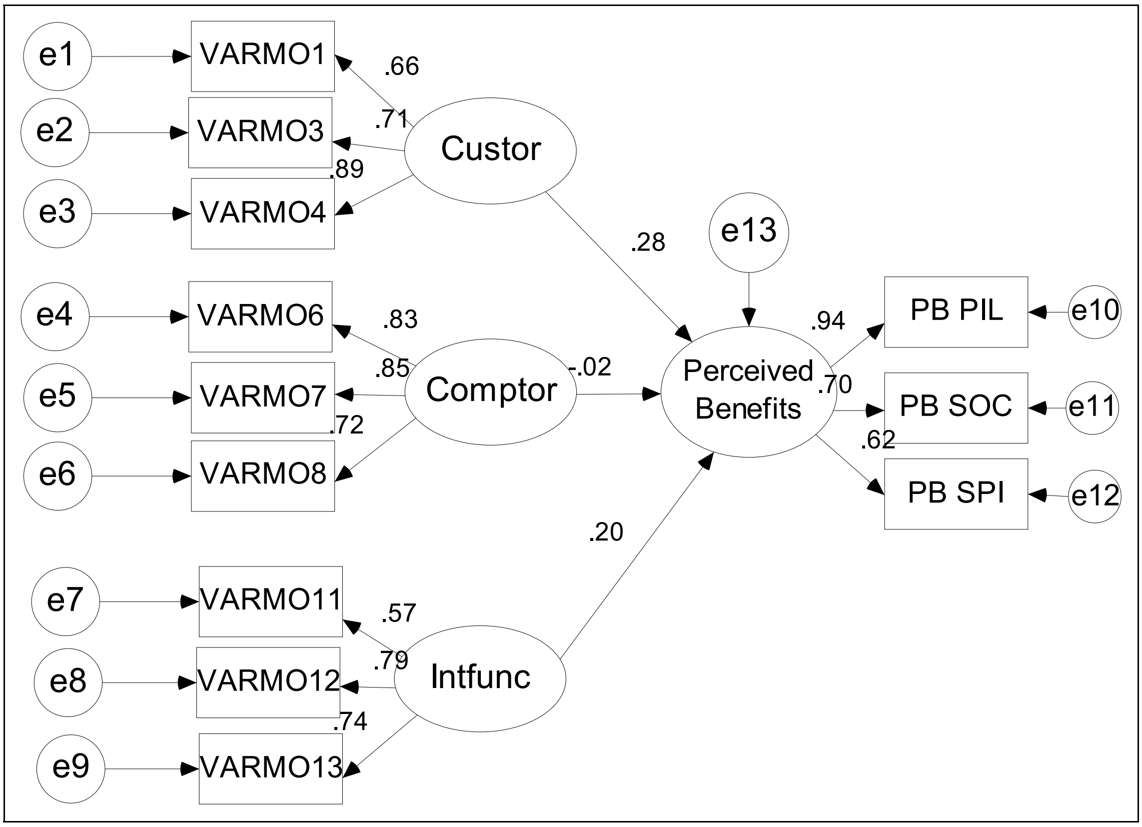
An examination of the standardised regression weights and Critical Ratio indicates significant associations between PMO and 'perceived benefits' (β = .44, p < .001). These results lend support to H2, suggesting that respondents' perception of the market-orientation level of the church is positively associated with their perceived benefits related to church participation. Another structural model was employed to test the following corollary hypotheses:

H2a: Customer Orientation is positively associated with Perceived Benefits
H2b: Competitor Orientation is positively associated with Perceived Benefits
H2c: Interfunctional Coordination is positively associated with Perceived Benefits

Figure 7.4

PMO – Perceived Benefits

Structural Model with Sub Constructs



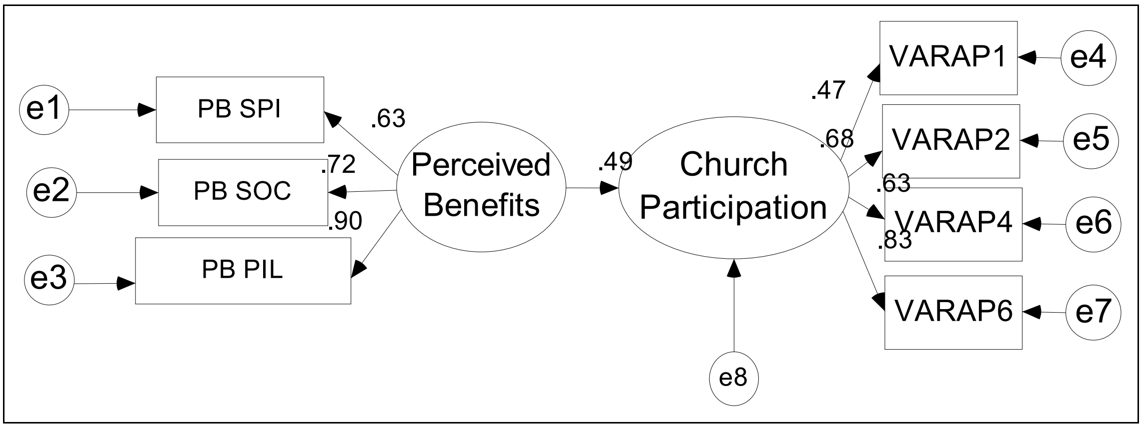
The model above incorporates three dimensions of PMO as the predictor of ‘perceived benefits’. An examination of the fit indices suggested that the model had acceptable fit with the data. Although the Chi-Square was found to be statistically significant (χ^2= 103.041, df=48, p=.00), other indicators including NC (2.095), RMSEA (0.058), GFI (.953), AGFI (.923), TLI (.950), NFI (.935), and CFI (.964) are within the recommended level.

An examination of the standardised regression weights and Critical Ratio indicates that ‘customer orientation’ is the strongest predictor of ‘perceived benefits’ (β = .28, p < .001). ‘Interfunctional coordination’ is also found to be positively associated with ‘perceived benefits’ (β = .20, p < .05). These results lend support to H2a and H2c, suggesting that people’s perception of the church’s performance in customer orientation and interfunctional coordination dimension positively determines their perceived benefits related to church participation. On the other hand, 'competitor orientation' is not significantly associated with 'perceived benefits' (β = -.02, p >.10), hence failing to support H2b.

Hypothesis 3: Perceived Benefits is positively associated with Church Participation

Figure 7.5

Perceived Benefits – Church Participation Structural Model



The structural model above was employed to test the effect of 'perceived benefits' on church participation. An examination of the fit indices indicated that the model had moderate fit with the data. On one hand, the Chi-Square was found to be statistically significant (χ^2= 57.130, df=13, p=.00), RMSEA (.099) outside the acceptable level, and NC (4.395) beyond the ideal level. On the other hand, other indicators such as GFI (954), AGFI (900), TLI (.905), NFI (.926), and CFI (.941) are within the recommended level.

An examination of the standardised regression weights suggests that 'perceived benefits' construct is positively associated with 'church participation' (β = .49, p < .001), thus lending support to H3. This suggests that people's perception of the benefits they get from church participation is positively associated with their extent of participation in church-related activities. Another structural model was employed to test the following corollary hypotheses:

H3a: Perceived Spiritual Benefits is positively associated with Church Participation

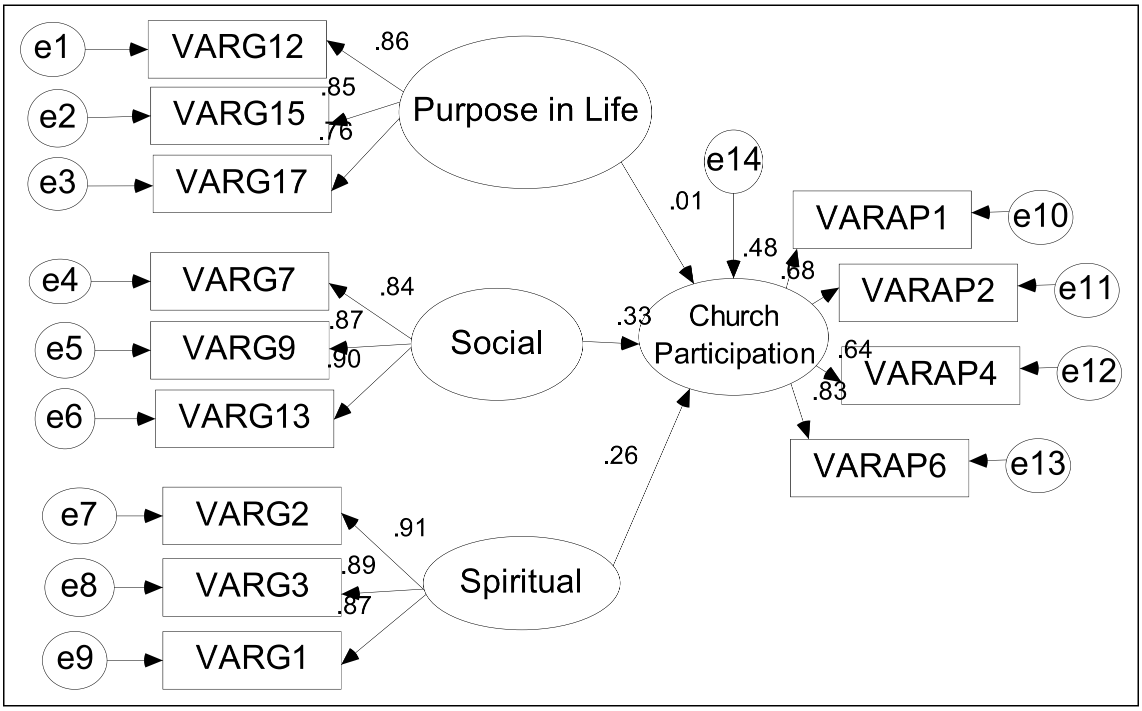
H3b: Perceived Social Benefits is positively associated with Church Participation

H3c: Perceived Purpose in Life Benefits is positively associated with Church Participation

Figure 7.6

Perceived Benefits – Church Participation

Structural Model with Sub Constructs



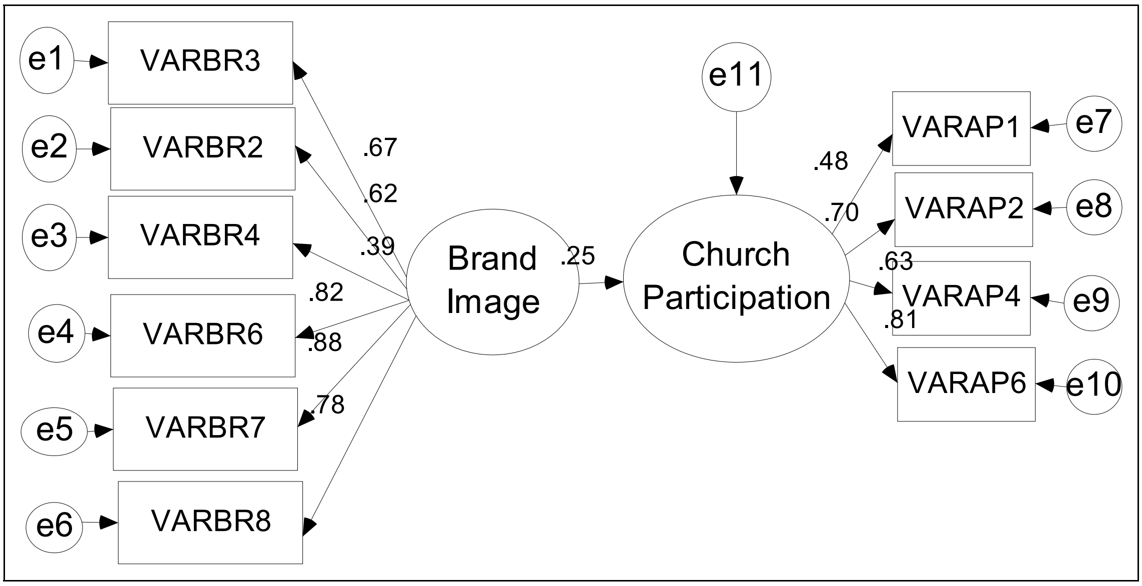
The model above incorporates three dimensions of 'perceived benefits' as the predictor of 'church participation'. An examination of the GOF indices suggests that the model had excellent fit with the data. Although the Chi-Square was found to be statistically significant (χ^2= 123.265, df=59, p=.00), other indicators including NC (2.089), RMSEA (0.056), GFI (.947), AGFI (918), TLI (.968), NFI (.955), and CFI (.976) are all within the recommended fit level.

In terms of the predictive power, it was found that 'perceived social benefits' is the strongest predictor of 'church participation' (β = .33, p < .001), lending support to H3b. 'perceived spiritual benefits' is also found to be positively associated with 'church participation' (β = .26, $p < .01$), lending support to H3a. The results suggest that people's perception of the spiritual and social benefits they get from being involved in church-related activities positively determines their extent of participation. Contrary to the expectation, however, no support was found for H3c, as the relationship between 'perceived purpose in life benefits' and 'church participation' was found to be non-significant (β = .01, $p > .10$).

Hypothesis 4: Brand Image is positively associated with Church Participation

Figure 7.7

Brand Image – Church Participation Structural Model



The model above was employed to assess the predictive power of 'brand image' on 'church participation'. An examination of the GOF indices suggests that the model had excellent fit with the data. The Chi-square statistic of the model was found to be statistically non-significant (χ^2= 47.593, df= 34, p= .061). Other indicators including NC (1.400), RMSEA (0.034), GFI (.973), AGFI (.956), TLI (.985), NFI (.962), and CFI (.989) are all within the excellent fit level.

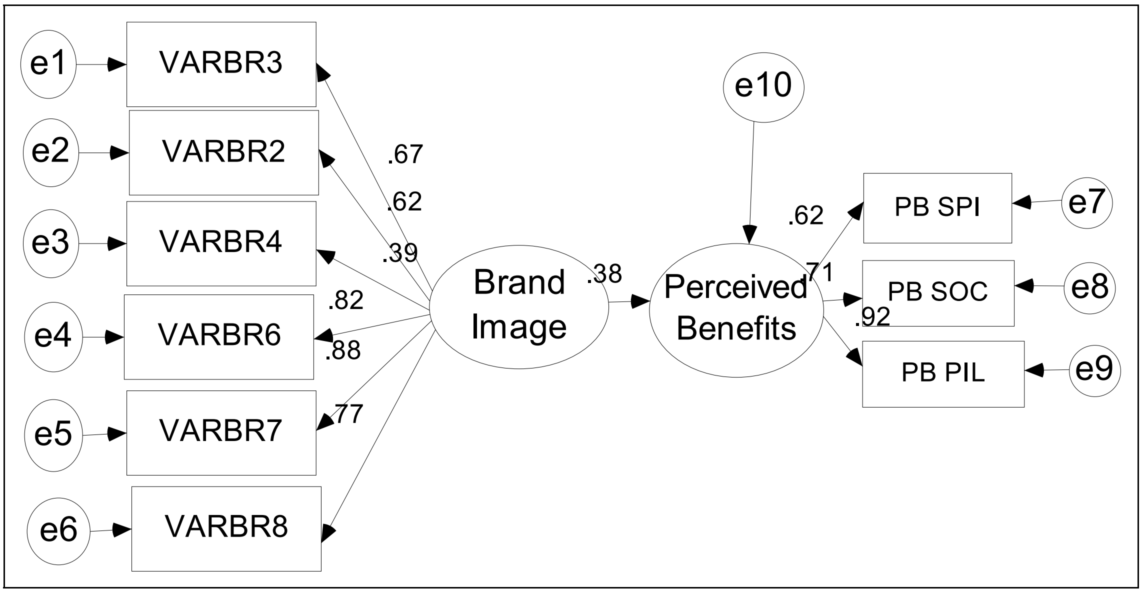
An examination of the standardised regression weights lends support to the direct effects of 'brand image' on 'church participation' (β = .25, $p < .001$), lending support to

H4. This suggests that people's perception of the church's image is positively associated with their extent of participation in church-related activities

Hypothesis 5: Brand Image is positively associated with Perceived Benefits

Figure 7.8

Brand Image – Perceived Benefits Structural Model



The objective of the structural model above is to examine the predictive power of the brand image construct on 'perceived benefits'. An examination of the GOF indices suggests that the model had excellent fit with the data. Although the Chi-Square was found to be statistically significant (χ^2= 51.920, df=26, p=.00), other indicators such as NC (1.997), RMSEA (0.054), GFI of (.968), AGFI (.944), TLI (.971), NFI (.960), and CFI (.979) are within the excellent level.

An examination of the standardised regression weights suggests that 'brand image' is positively associated with 'perceived benefits' (β = .37, p < .001), lending support to H5. This suggests that people's perception of the church's image is positively associated with their perceived benefits related to church participation.

7.3 Testing the mediation effect

The present study argues for the role of 'perceived benefits' as the mediating variable in the conceptual framework. The evaluation of the mediating role was done using the steps proposed by Cohen and Cohen (1983). The examination of respective structural models (H2, H3, and H5) in the preceding sections have provided evidence on the significant relationship between the predictor, intervening, and dependent variables, making it possible to test for the mediation effect using the full structural model as depicted in Figure 7.9. The relationship between PMO and 'brand image' (H6) is also addressed in the structural model.

7.3.1 Assessment of model fit

Table 7.1

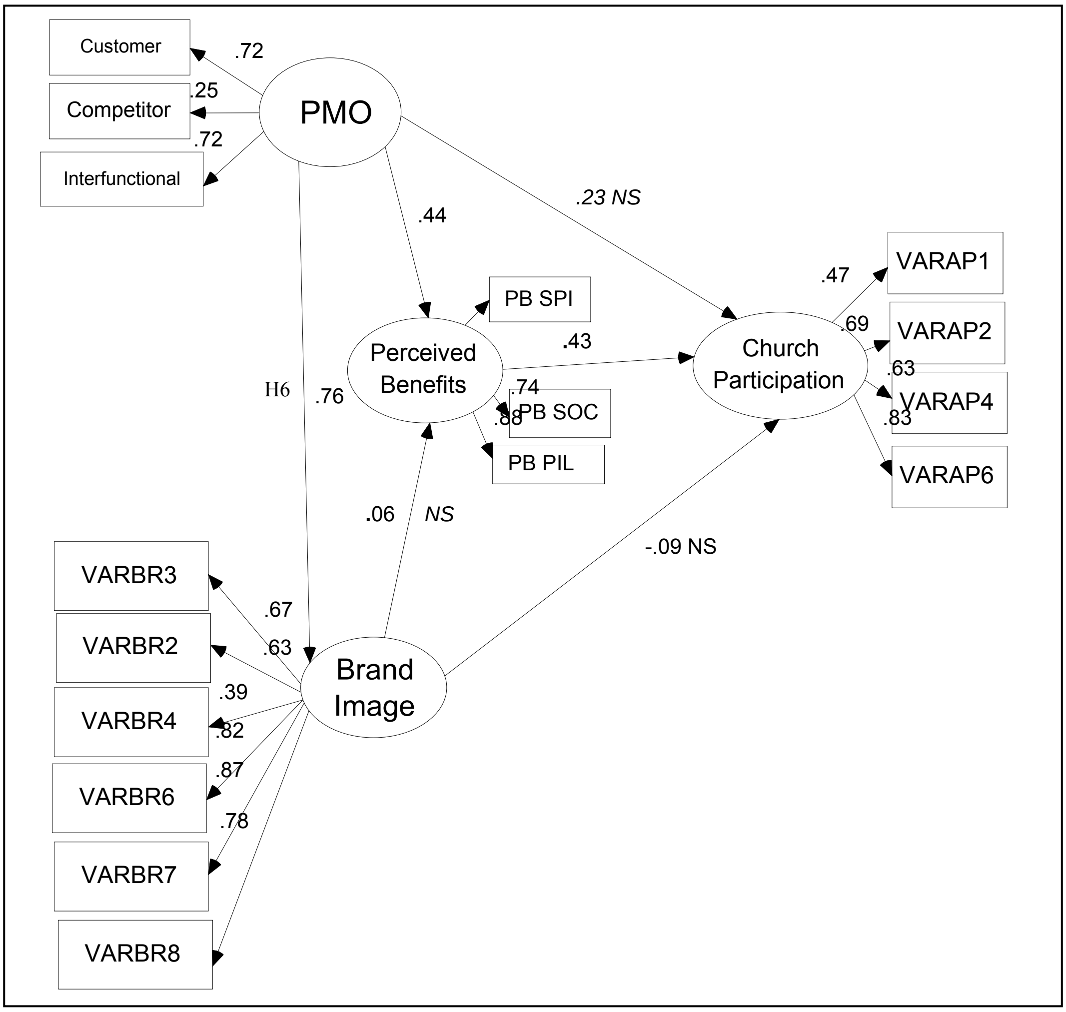
GOF Indices for the Full Structural Model

GOF Test	Statistics
χ^2 value	212.393 (df=98; p= .00)
NC	2.167
GFI	0.928
AGFI	0.901
RMSEA	0.058
TLI	0.930
NFI	0.900
CFI	0.943

The structural model was examined using maximum likelihood estimation and was found to possess moderate fit with the data as depicted in Table 7.1. The fit indices also lend support for the overall theoretical (conceptual) model, indicating that the relationship between the latent variables is statistically significant (Hair, et al. 2006).

Figure 7.9

The Full (Overall) Structural Model of Church Participation



7.3.2 Path hypotheses testing

Hypothesis 6: PMO is positively associated with Brand Image

Figure 7.9 presents the results of the analysis with the values below the path relationship indicating the standardised regression estimate shared between the variables. An observation of standardised regression weights between PMO and BI indicates a significant relationship ($\beta = .765$, $p < .001$), hence lending support to H6. This suggests that respondents' perception of the market orientation level of the church is positively associated with their perception of the church's image.

Hypothesis 7a: Perceived Benefits mediates the relationship between PMO and Church Participation

Hypothesis 7b: Perceived Benefits mediates the relationship between Brand Image and Church Participation

Table 7.2 summarises the results of the direct, indirect, and total effects of the predictor variables on church participation. Bootstrapping method was employed to estimate the standard error for direct effects, indirect effects, and total effects. Bootstrapping is a way of estimating standard error based on empirical resampling with replacement of the data (Byrne 2001). The literature suggests that the number of bootstrap to use is arbitrary, but 500 subsamples are generally considered sufficient. Consequently, these effects were calculated at a confidence level of 95% and the bootstrap was set to equal to 500. Critical Ratio displayed on Table 7.2 was obtained by dividing the regression estimate with the respective standard errors for direct, indirect, and total effects.

Table 7.2

Summary of Direct, Indirect, and Total Effects in Full Structural Model

Dependent Variable	Independent Variable	Standardised Coefficient					
		Direct	C.R	**Indirect**	C.R	**Total**	C.R
Brand Image	PMO	0.765**	8.664	-	-	0.765**	8.664
Perceived Benefits	PMO	0.441**	2.657	0.045	0.402	0.486**	5.097
	Brand Image	0.058	0.403	-		0.058	0.403
Church Participation	Perceived Benefits	0.426**	3.663	-	-	0.426**	3.663
	PMO	0.231	1.322	0.135	0.937	0.365**	3.279
	Brand Image	-0.094	-0.641	0.025	0.375	-0.07	-0.463

*significant at .05 level
**significant at .01 level

Direct effects

Direct effects were measured by path coefficient displayed in Figure 7.9. As revealed in the figure, significant direct relationship was found between PMO and ‘perceived benefits’ ($\beta = .441$, $p < .01$), as well as ‘perceived benefits’ and ‘church participation’ ($\beta = .426$, $p < .01$), which is consistent with the results reported in the preceding sections on H2 (Fig 7.3) and H3 (Fig 7.5). As opposed to the results reported in the preceding sections, both PMO ($\beta = .231$, $p > .10$) and 'brand image' ($\beta = -.094$, $p > .10$) are not significantly related to church participation in this full structural model. Further, the path relationship between 'brand image' and 'perceived benefits' is also found to be non-significant.

The non-significance of the relationship between PMO and church participation in the full structural model lends support to **total mediation effect**. This type of mediation occurs when the predictor variables are reduced to a point where it is no longer significant after the intervening variable is included (Baron and Kenny 1986). The results therefore lend support to Hypothesis 7a on the mediating role of 'perceived benefits' on the relationship between PMO and 'church participation'. As the relationship between 'brand image' and 'perceived benefits' is not significant in the full structural model, the mediation effect is not present in this case, hence failing to support Hypothesis 7b.

Indirect effects

Based on the approach suggested by Baron and Kenny (1986), the mediation effect was further assessed through an examination of the size and significance of the indirect effects. The indirect effects on the structural model was measured as the product of the structure coefficients involved (Kline 2005). The interest of this study is to examine whether PMO and 'brand image' performs significant indirect effects on 'church participation' through 'perceived benefits' as the mediating variable.

As depicted in Table 7.2, both PMO ($\beta = .135$, $p > .10$) and 'brand image' ($\beta = .025$, $p > .10$) were found to possess insignificant indirect effects on 'church participation'. The table also reveals weak, insignificant indirect effects of PMO on 'perceived benefits' ($\beta = .045$, $p > .10$) through 'brand image' construct.

Total effects

The total effects, as shown in Table 7.2, suggests that PMO is positively associated with 'church participation' ($\beta = .365$, $p < .01$) through the mediating effect of 'perceived benefits'. An examination of the full structural model suggests that when the predictor constructs are put together into one model, 'perceived benefits' remains the strongest predictor of 'church participation' ($\beta = .426$, $p < .01$). The results in the full structural model are therefore consistent with the results reported in the previous sections, as separate structural models have revealed that 'perceived benefits' ($\beta = .49$, $p < .001$), are more strongly associated with 'church participation' as compared to PMO ($\beta = .34$, $p < .001$) and 'brand image' ($\beta = .25$, $p < .001$).

Alternative models

Although the analysis of the structural models in this section has addressed the research hypotheses under examination, the present author has also provided alternative models (Appendix D) to complement the results of analysis in the present study.

The first alternative model aims to examine whether 'perceived benefits' play a significant mediating role on the relationship between 'brand image' and 'church participation' (H7b) without the presence of PMO. In the full structural model (Fig 7.9), 'brand image' was not significantly associated with either 'perceived benefits' or 'church participation'. It was suspected that the insignificant relationships may be attributable to the close associations shared between PMO and 'brand image'. Hence, it is the interest of the present author to examine whether significant mediating effects exist when PMO is excluded from the analysis.

The second alternative model presents another perspective of church participation in which participation in church-related activities acts as the mediating variable. Whereas the rational choice theory suggests that a person's extent of participation in religious activities is driven by anticipated benefits, it can be argued that perceived benefits are formed through participation in church-related activities. For instance, a person may have positive perception of the spiritual benefits associated with church participation because he or she actively participates in church-related activities such as bible study and worship. Although this view may hold particular significance, it is not the focus of this study and therefore the assessment of this alternative model is presented in Appendix D.

7.4 Chapter summary

The chapter began with the analysis of separate structural models to test the relevant hypotheses under examination. The results suggest that PMO, 'brand image', and 'perceived benefits' are all significantly associated with church participation. The second stage of the analysis puts together the three predictor constructs in a full structural model to test for the indirect effects of PMO and 'brand image' on 'church participation' through the mediating role of 'perceived benefits'. The implementation of the full structural model reveals that 'perceived benefits' plays a total mediation effect on the relationship between PMO and 'church participation'. The next chapter provides an analysis of the empirical results in NCG sample group.

Chapter 8
Tests of Hypotheses
(Non Church Goers)

8.1 Objective and structure of the chapter

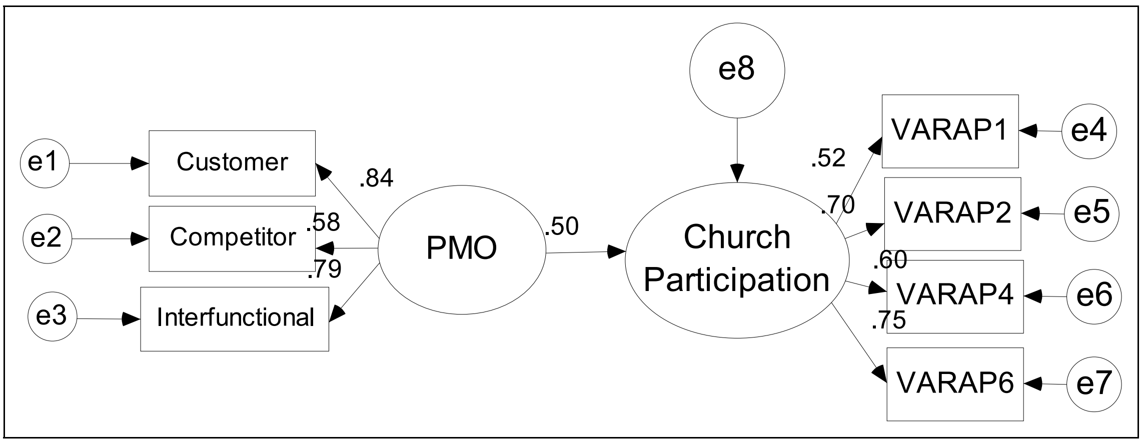
The objective of the present chapter is to report the empirical results relating to the research hypotheses in NCG sample group. The chapter is divided into two major sections. Section 8.2 provides an analysis of separate structural models to test the relevant hypotheses under examination and Section 8.3 provides an evaluation of the full (overall) structural model.

Two stages of empirical tests were conducted using SEM. The first stage of analysis employed separate structural models to test for the relationship between constructs. The second stage of analysis employed full (overall) structural model to test for the mediating role of 'perceived benefits' on the relationship between PMO, 'brand image', and 'church participation'.

8.2 Tests of hypotheses

Hypothesis 1: PMO is positively associated with Church Participation

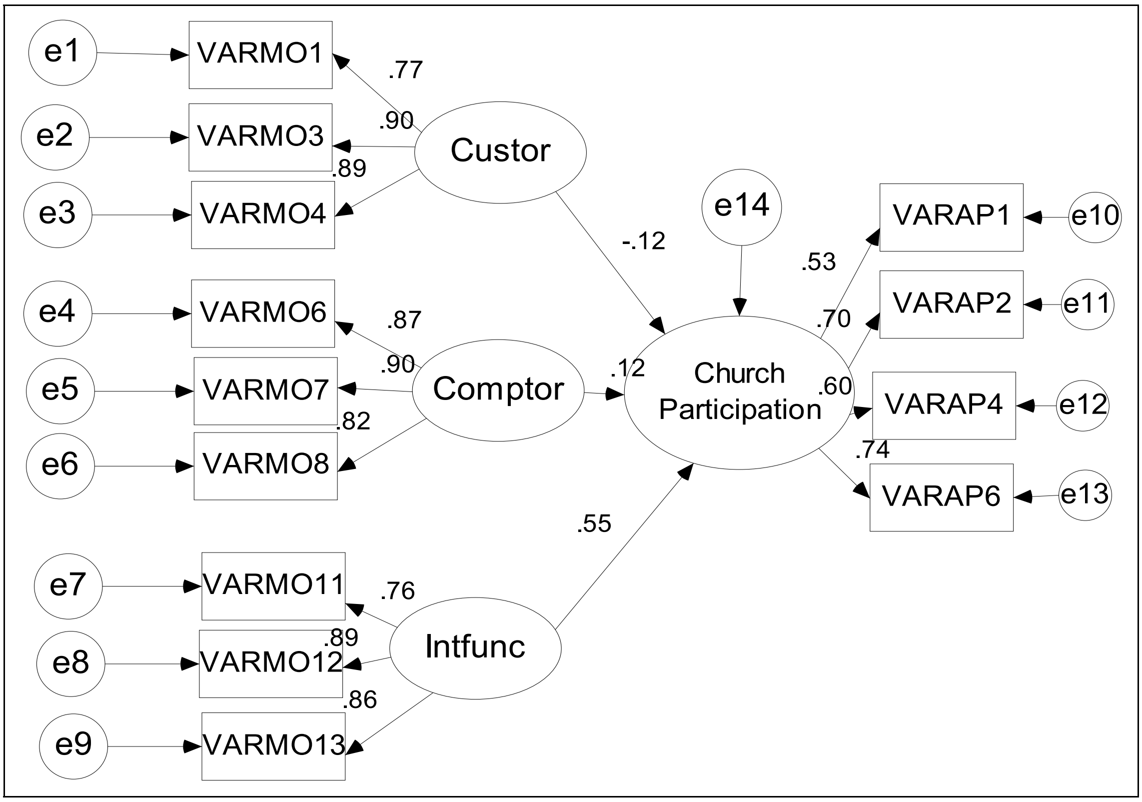
Figure 8.1
PMO – Church Participation Structural Model



The structural model in Figure 8.1 was employed to test the first hypothesis. An examination of the fit indices suggested that the model had moderate fit with the data. Although the Chi-Square (χ^2= 31.884, df= 13, p= .002) and RMSEA (.081) are outside the acceptable level, other indicators such as NC (2.453), GFI (962), AGFI (918), TLI (.928), NFI (.928), and CFI (.955) are within the recommended level. An examination of the standardised regression weights and Critical Ratio indicates that PMO is positively associated with 'church participation' (β = .50, p < .001), therefore lending support to H1. Another structural model was then employed to test the following corollary hypotheses:

H1a: Customer Orientation is positively associated with Church Participation
H1b: Competitor Orientation is positively associated with Church Participation
H1c: Interfunctional Coordination is positively associated with Church Participation

Figure 8.2
PMO – Church Participation
Structural Model with Sub Constructs



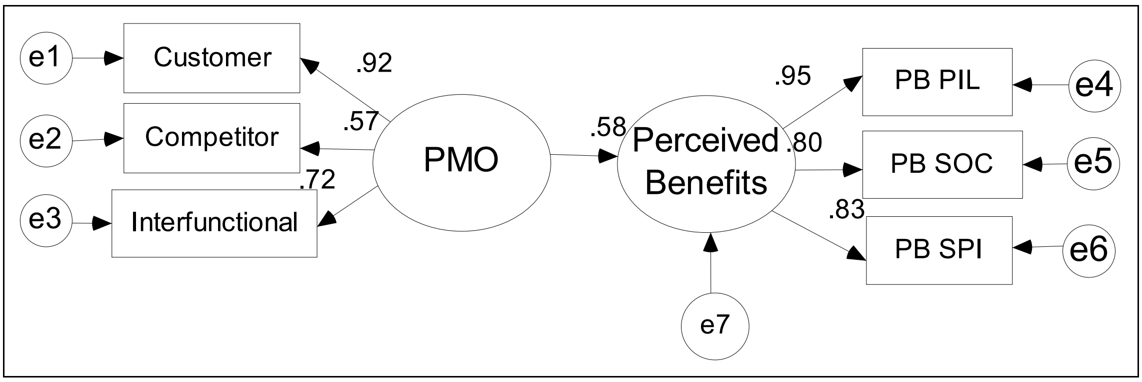
The model above incorporates three dimensions of PMO as predictor variables to determine which dimension performs the strongest effect on church participation. An examination of the GOF indices suggests that the model had good fit with the data. Although the Chi-Square was found to be statistically significant (χ^2= 105.146, df= 59, p= .00), other indicators such as NC (1.782), RMSEA (0.060), GFI (.932), AGFI (.900), TLI (.962), NFI (.937), and CFI (.971) are within the recommended level.

An examination of the standardised regression weight found that only 'interfunctional coordination' is significantly associated with 'church participation' (β = .55, p < .01), lending support to H1c. On the other hand, 'customer orientation' (β = -.12, p > .10) and 'competitor orientation' (β = .12, p > .10) are not significantly associated with 'church participation', hence failing to support H1a and H1b respectively.

Hypothesis 2: PMO is positively associated with Perceived Benefits

Figure 8.3

PMO – Perceived Benefits Structural Model



The structural model above was employed to test whether PMO is positively associated with perceived benefits. An examination of the fit indices indicated that the model had good fit with the data. The Chi-Square statistic of the model is found to be statistically non-significant at .01 level (χ^2= 19.264, df= 8, p = .014). With the exception of RMSEA (0.080), other indicators such as NC (2.408), GFI (974), AGFI (.931), TLI (.969), NFI (.972), and CFI (.983) are within the recommended level.

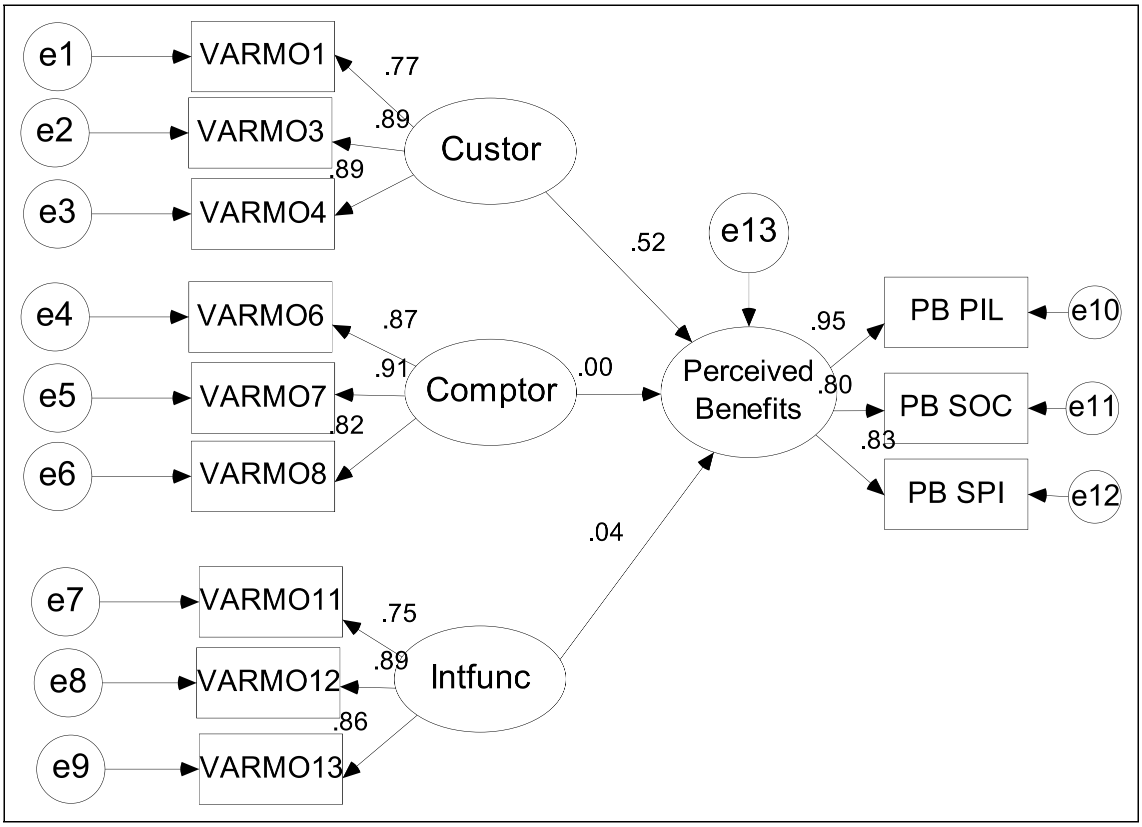
An examination of the standardised regression weights and Critical Ratio indicates that PMO is positively associated with ‘perceived benefits’ ($\beta = .58$, $p < .001$). The results therefore lend support to H2, suggesting that respondents’ perception of the church’s market orientation is positively associated with the benefits they associate with church participation. Another structural model was subsequently employed to test the following corollary hypotheses:

H2a: Customer Orientation is positively associated with Perceived Benefits
H2b: Competitor Orientation is positively associated with Perceived Benefits
H2c: Interfunctional Coordination is positively associated with Perceived Benefits

Figure 8.4

PMO – Perceived Benefits

Structural Model with Sub Constructs



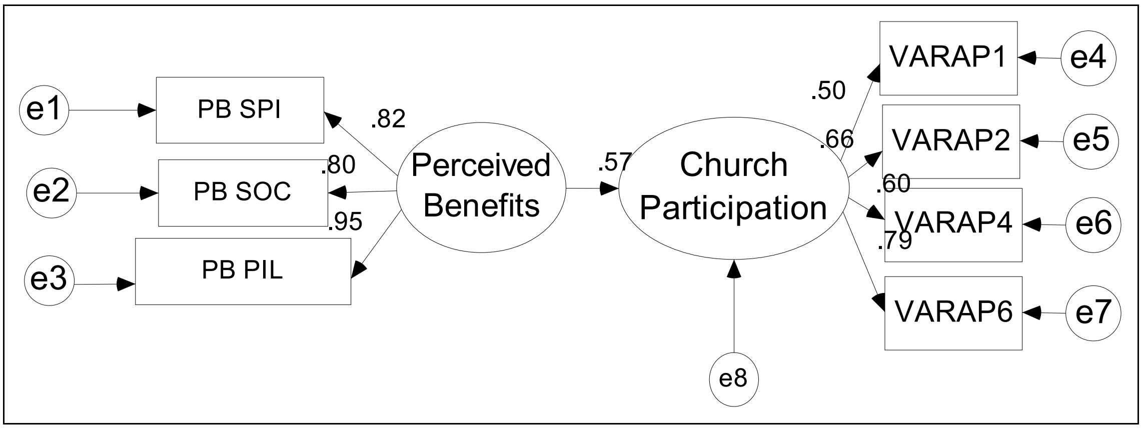
The model above incorporates three dimensions of PMO as the predictor of perceived benefits. An examination of the fit indices suggested that the model had moderate fit with the data. Although the Chi-Square was significant (χ^2= 99.266, df= 48, p= .001) and AGFI (.89) is slightly below the recommended level, other fit indices including NC (2.068), RMSEA (0.07), GFI (932), TLI (.962), NFI (.948), and CFI (.972) are within the recommended level.

An examination of the standardised regression weights and Critical Ratio indicates that only 'customer orientation' is significantly associated with 'perceived benefits' (β = .52, p < .001), thus lending support to H2a. On the other hand, both 'competitor orientation' (β = .002, p >.10) and 'interfunctional coordination' (β = .037, p >.10) are not significantly associated with 'perceived benefits', thus failing to confirm H2b and H2c respectively.

Hypothesis 3: Perceived Benefits is positively associated with Church Participation

Figure 8.5

Perceived Benefits – Church Participation Structural Model



The structural model in Figure 8.5 was employed to test whether 'perceived benefits' is positively associated with 'church participation'. An examination of the fit indices indicated that the model had moderate fit with the data. Although the Chi-Square was found to be statistically significant (χ^2= 33.269, df= 13, p= .002) and RMSEA (.084) outside the acceptable level, other indicators such as GFI (957), AGFI (908), TLI (.950), NFI (.951), and CFI (.969) are all within the recommended level.

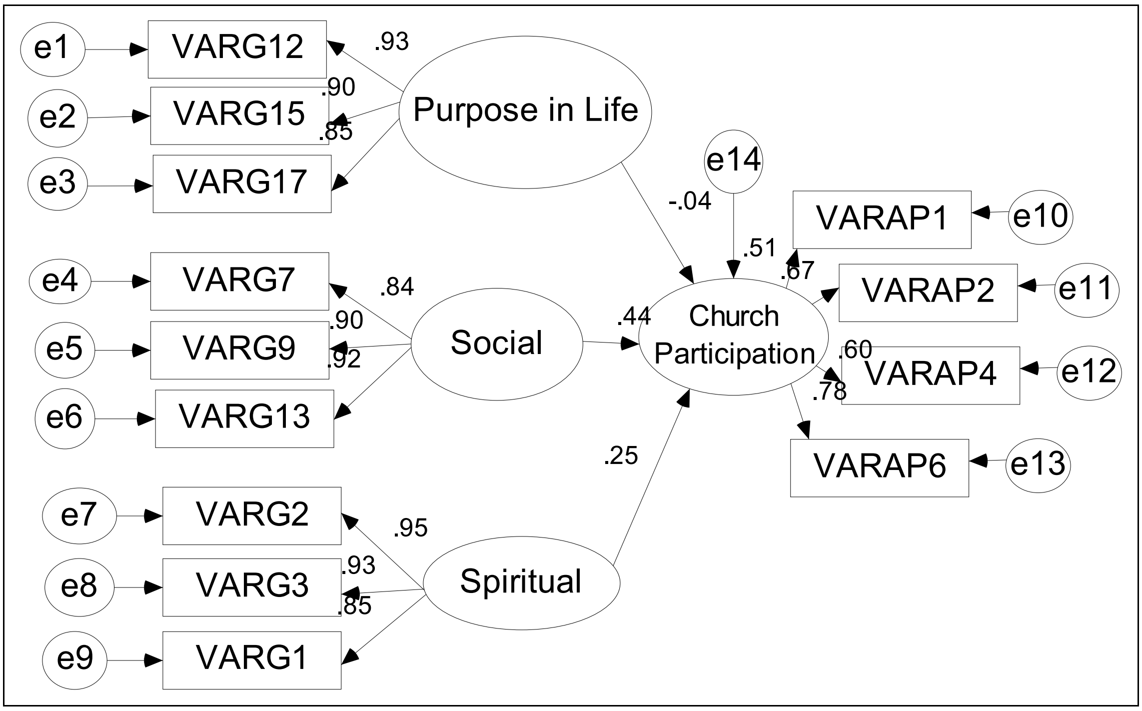
An examination of the standardised regression weights suggests that 'perceived benefits' construct is positively associated with 'church participation' ($\beta = .57$, $p < .001$), lending support to Hypothesis 3. This suggests that people's perception of the benefits related to church participation is positively associated with their extent of participation in church-related activities. Another structural model was employed to test the following corollary hypotheses:

H3a: Perceived Spiritual Benefits is positively associated with Church Participation
H3b: Perceived Social Benefits is positively associated with Church Participation
H3c: Perceived Purpose in Life Benefits is positively associated with Church Participation

Figure 8.6

Perceived Benefits – Church Participation

Structural Model with Sub Constructs



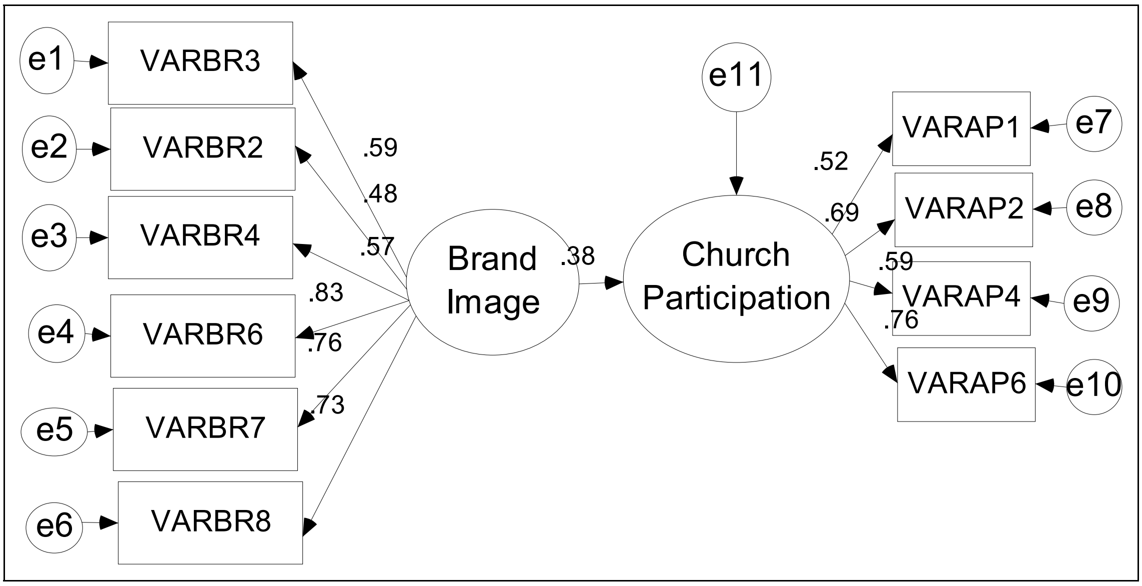
The model above incorporates three dimensions of ‘perceived benefits’ as the predictor of ‘church participation’. An examination of the GOF indices suggests that the model had excellent fit with the data. Although the Chi-Square was found to be statistically significant (χ^2= 92.165, df= 59, p= .004), other indicators such as NC (1.562), RMSEA (0.051), GFI (.943), AGFI (.911), TLI (.981), NFI (.960), and CFI (.985) are within the excellent fit level.

In terms of predictive power, only ‘perceived social benefits’ was found to be significantly associated with ‘church participation’ (β = .44, p < .01), lending support to H3b. On the other hand, no support was found for H3a and H3c as both ‘perceived purpose in life benefits’ (β = -.044, p > .10) and ‘perceived spiritual benefits’ (β = .252, p > .10) are not significantly associated with ‘church participation’.

Hypothesis 4: Brand Image is positively associated with Church Participation

Figure 8.7

Brand Image – Church Participation Structural Model



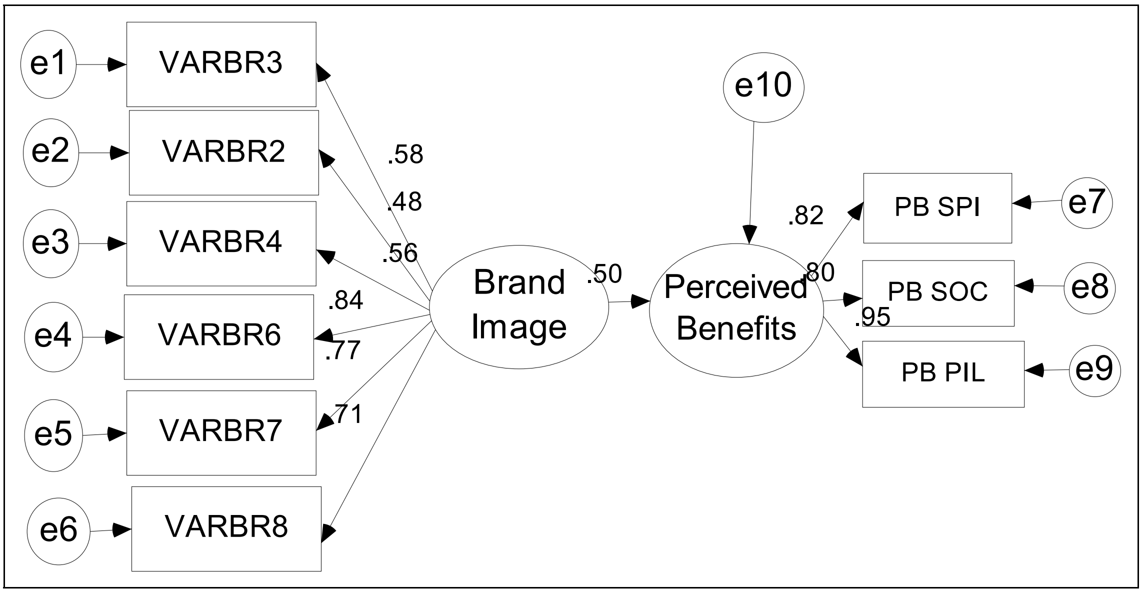
The model above was employed to examine the relationship between ‘brand image’ and ‘church participation’. An examination of the GOF indices suggests that the model had excellent fit with the data. The Chi-square statistic of the model is found to be statistically non-significant at .01 level (χ^2= 49.659, df= 34, p= .040). Other indicators including NC (1.461), RMSEA (0.046), GFI (.958), AGFI (.932), TLI (.967), NFI (.926), and CFI (.975) are within the excellent fit level.

An examination of the standardised regression weights suggests that ‘brand image’ is positively associated with ‘church participation’ ($\beta = .38$, $p < .001$), thus lending support to H4. This suggests that people’s perception of the church’s image is positively associated with their extent of participation in church-related activities.

Hypothesis 5: Brand Image is positively associated with Perceived Benefits

Figure 8.8

Brand Image – Perceived Benefits Structural Model



The structural model above was employed to test whether significant relationship exists between ‘brand image’ and ‘perceived benefits’. An examination of the GOF indices suggests that the model had excellent fit with the data. Although the Chi-Square was found to be statistically significant ($\chi^2 = 53.791$, df= 26, p= .001), other indicators such as NC (2.069), RMSEA (0.070), GFI (.949), AGFI (.911), TLI (.957), NFI (.942), and CFI (.969) are within the excellent fit level.

An examination of the standardised factor loadings suggest that ‘brand image’ is positively associated with ‘perceived benefits’ ($\beta = .50$, $p < .001$), thus lending support to Hypothesis 5. This suggests that people’s perception of the church’s image is positively associated with their perception of the benefits related to church participation.

8.3 Testing the mediation effect

Consistent with the recommendation of Cohen and Cohen (1983), separate structural models have been employed in the previous section to test whether significant relationships exist between predictor, intervening, and the dependent variable before all variables are put together in one structural model. The examination of the separate structural models reported in the preceding sections provides evidence of the significant relationship between the constructs, hence making it possible to test for the mediating role of ‘perceived benefits’ in the present section through the use of full structural model.

8.3.1 Assessment of model fit

Table 8.1

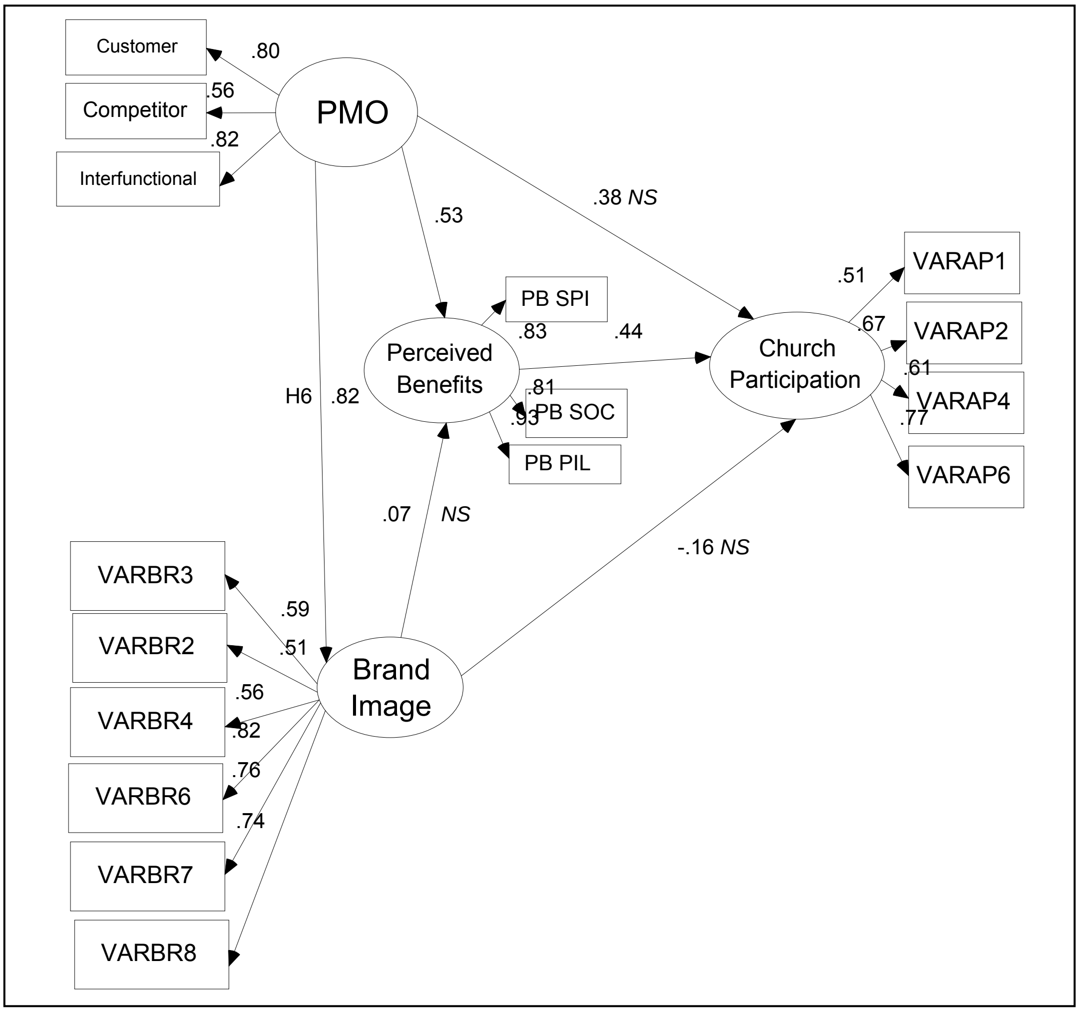
GOF Indices for the Full Structural Model

GOF Test	Statistics
X^2 value	187.052 (df= 98, p= .001)
NC	1.909
GFI	0.905
AGFI	0.868
RMSEA	0.064
TLI	0.929
NFI	0.887
CFI	0.942

The structural model was examined using maximum likelihood estimation and was found to achieve a moderate overall fit as can be observed in Table 8.1. On one hand, the AGFI and NFI fall outside the recommended fit level. On the other hand, the values of NC, GFI, TLI, and CFI are within the acceptable fit level. An observation of the absolute and incremental fit indices suggests that the theoretical model is statistically significant and possess construct validity.

Figure 8.9

The Full (Overall) Structural Model of Church Participation



8.3.2 Path hypotheses testing

Hypothesis 6: PMO is positively associated with Brand Image

An observation of the standardised factor loadings shared between PMO and BI indicates a significant relationship ($\beta = .822$, $p < .001$), hence lending support to Hypothesis 6. This suggests that respondents' perception of the market orientation level of the church is positively associated with their perception of the church's image.

Hypothesis 7a: Perceived Benefits mediates the relationship between PMO and Church Participation
Hypothesis 7b: Perceived Benefits mediates the relationship between Brand Image and Church Participation

Table 8.2 summarises the results of the direct, indirect, and total effects of the predictor variables on church participation. Bootstrapping method was used to estimate the standard error for direct effects, indirect effects, and total effects. These effects were calculated at a confidence level of 95% and the bootstrap was set to equal to 500.

Critical Ratio displayed on Table 8.2 was obtained by dividing the regression estimate with the respective standard errors for direct, indirect, and total effects.

Table 8.2
Summary of Direct, Indirect, and Total Effects in Full Structural Model

Dependent Variable	Independent Variable	Standardised Coefficient					
		Direct	C.R	**Indirect**	C.R	**Total**	C.R
Brand Image	PMO	0.822**	9.747	-	-	0.822**	9.747
Perceived Benefits	PMO	0.530**	2.643	0.061	0.359	0.591**	7.851
	Brand Image	0.075	0.37	-	-	0.075	0.37
Church Participation	Perceived Benefits	0.439**	3.866	-	-	0.439**	3.866
	PMO	0.381	1.405	0.131	0.626	0.513**	4.185
	Brand Image	-0.156	-0.732	0.033	0.357	-0.124	-0.549

*Significant at .05
** Significant at .01

Direct Effects

Direct effects were measured by the path coefficients displayed in Figure 8.9. As revealed in the figure, significant direct effects were found between PMO and 'perceived benefits' ($\beta = .530$, $p < .01$), as well as 'perceived benefits' and 'church participation' ($\beta = .439$, $p < .01$), which is consistent with the results reported in the preceding sections (Fig 8.3 and Fig 8.5). However, as opposed to the results of the previous analysis, 'brand image' is not significantly related to either 'church participation' or 'perceived benefits' in the full structural model.

Whereas previous analysis (Fig 8.1) found significant associations between PMO and 'church participation', the relationship between the two constructs in the full structural model was found to be non-significant ($\beta = .381$, $p > .05$) after 'perceived benefits' is incorporated as the intervening variable. Consequently, 'perceived benefits' was found to perform **total mediation effects** (Hair, et al. 2006) on the relationship between PMO and 'church participation', thus lending support to H7a. As the relationship between 'brand image' and 'perceived benefits' is not significant in the full structural model, the mediation effect is not present in this case, hence failing to support Hypothesis 7b.

Indirect Effects

Based on the approach suggested by Baron and Kenny (1986), the mediation effect is further assessed through an examination of the size and significance of the indirect effects. The indirect effects on the structural model was measured as the product of the structure coefficients involved in the model (Kline 2005).

As revealed in Table 8.2, both PMO ($\beta = .131$, $p > .10$), and 'brand image' ($\beta = .033$, $p > .10$) were found to possess weak, insignificant indirect effects on 'church participation'. PMO was also found to possess weak, insignificant indirect effects on 'perceived benefits' ($\beta = .061$, $p > .10$) through 'brand image' construct.

Total Effects

The total effects, as shown in Table 8.2, suggests that PMO performs the strongest total effect on 'church participation' ($\beta = .513$, $p < .01$). An examination of the full structural model suggests that when the predictor constructs are put together into one model, PMO is the strongest predictor of 'church participation' in NCG sample group.

Alternative Models

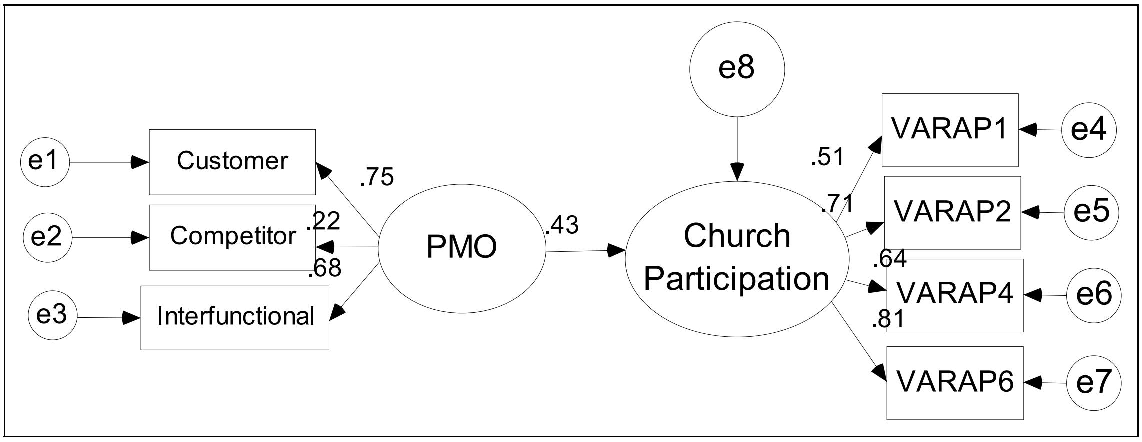
Two alternative models are presented in Appendix E. The first model assesses the mediating role of perceived benefits on the relationship between 'brand image' and 'church participation' by excluding the PMO construct from the structural model. The second alternative model presents another perspective in which 'church participation' acts as the mediating variable.

8.4 Tests for group differences

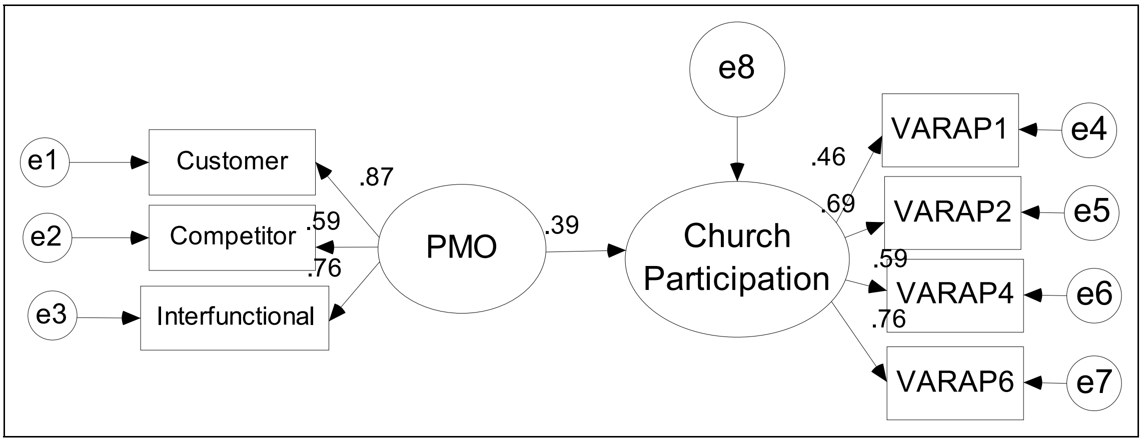
To assess whether there are significant differences in the inter-construct relationships between CG and NCG respondents, a structural model was run using multigroup technique in AMOS 7.0. The structural equation models presented in this section were employed using two groups of data. Initially, the two group model (CG and NCG) was tested to allow hypothesised relationships to be estimated freely in both groups. Subsequently, a second model is tested adding a constraint fixing the relationship between the predictor and dependent variable to be equal in both groups.

H8a: The relationship between PMO and church participation is stronger among NCG than CG group.

Group 1 (CG)



Group 2 (NCG)



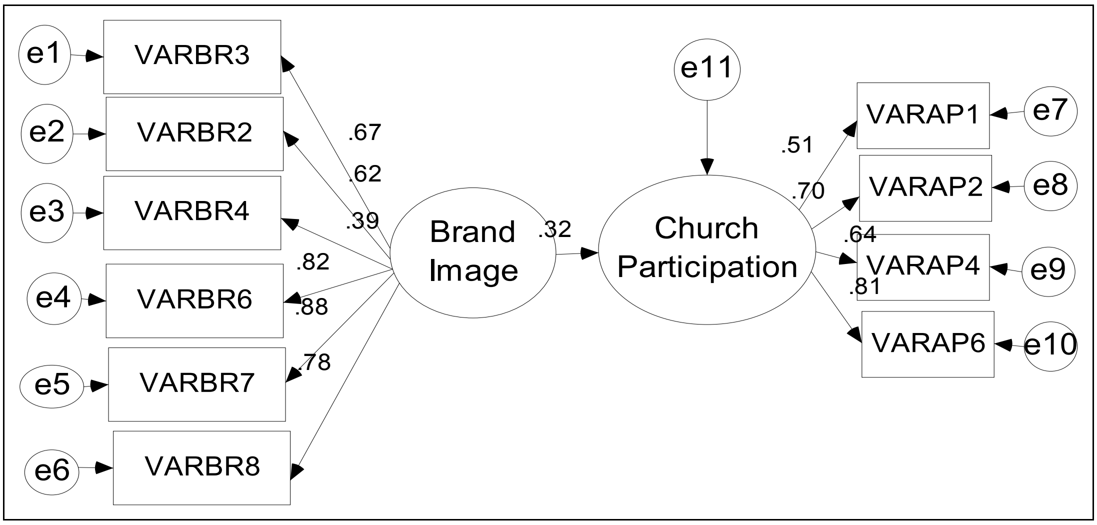
An examination of the fit indices indicated that the model had good fit with the data. Although the Chi-Square was found to be statistically significant (χ^2= 81.697, df= 27, p= .001), other indicators such as NC (3.026), RMSEA (0.060), GFI (.959), AGFI (.916), TLI (.907), NFI (.915), and CFI (.940) are within the recommended fit level.

The effect on fit was then estimated through an examination of the $\Delta\chi^2$ between the unconstrained and constrained model. The χ^2 of the unconstrained model is 76.3 (df=26) whereas the constrained model χ^2 is 81.7 (df=27). The $\Delta\chi^2$ is 5.4 which is significant at .05 level. From the observation of the figure, it can be observed that the standardised regression weight in the CG group is stronger than the NCG group, hence failing to support H8a. This suggests that the relationship between PMO and 'church participation' is significantly stronger in CG sample group than NCG sample group.

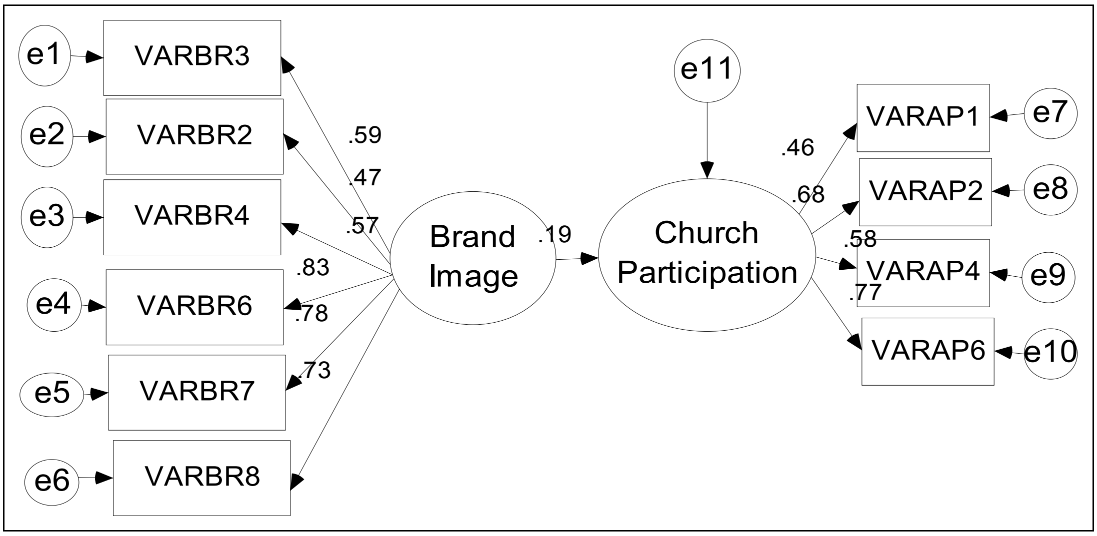
H8b: The relationship between Brand Image and participation is stronger among NCG than CG group.

An examination of the fit indices indicated that the model had good fit with the data. Although the Chi-Square was found to be statistically significant (χ^2= 105.358, df= 69, p= .01), other indicators including NC (1.527), RMSEA (0.031), GFI (.964), AGFI (.943), TLI (.974), NFI (.945), and CFI (.980) are within the recommended fit level.

Group 1 (CG)



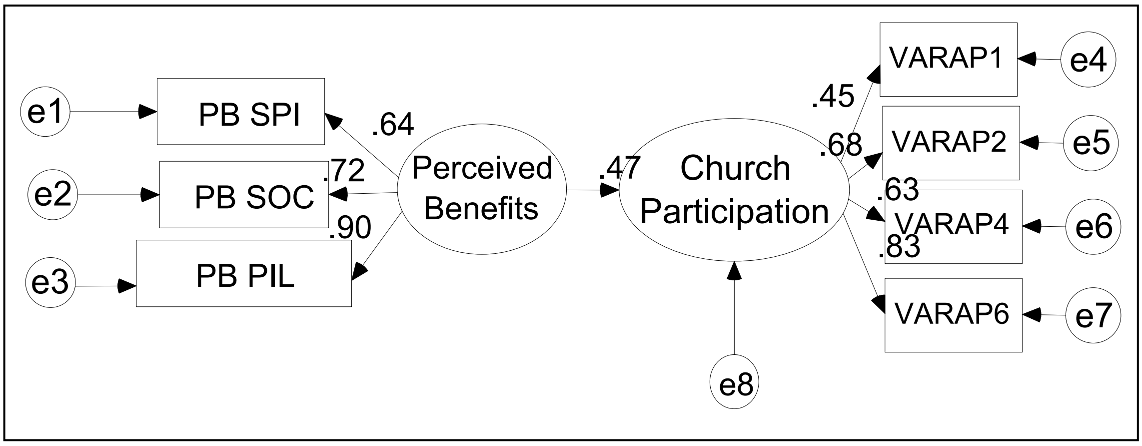
Group 2 (NCG)



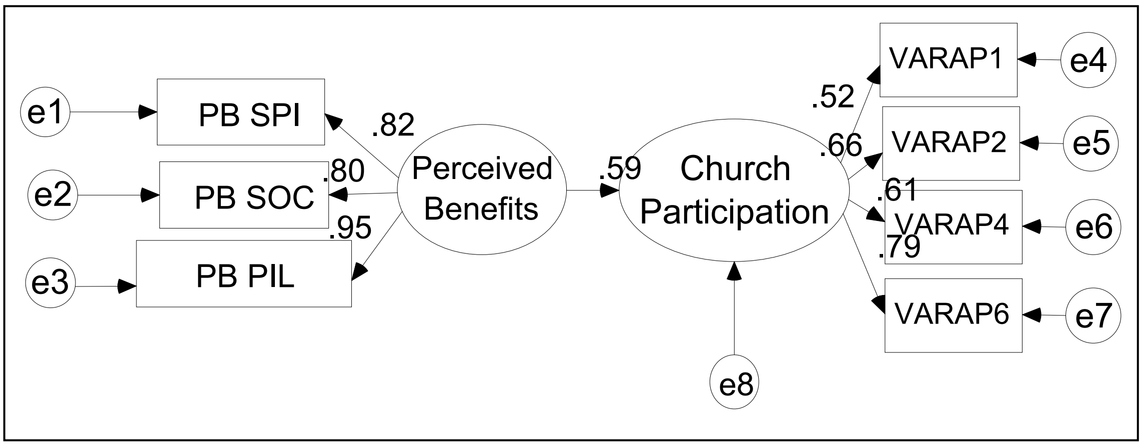
The effect on fit was then estimated through an examination of the $\Delta\chi^2$ between the unconstrained and constrained model. The χ^2 of the unconstrained model is 97.3 (df=68) whereas the constrained model χ^2 is 105.4 (df=69). The $\Delta\chi^2$ is 11.7 which is significant at .001 level. From the observation of the figure, it can be observed that the standardised regression weight in the CG group is stronger than the NCG group, hence failing to support H8b. This suggests that the relationship between Brand Image and 'church participation' is significantly stronger in CG sample group than NCG sample group.

H8c: The relationship between Perceived Benefits and participation is stronger among NCG than CG group.

Group 1 (CG)



Group 2 (NCG)



An examination of the fit indices indicates that the model had good fit with the data. Although the Chi-Square was found to be statistically significant (χ^2= 91.005, df= 27, p= .01), other indicators such as NC (3.371), RMSEA (0.065), GFI (.955), AGFI (.907), TLI (.929), NFI (.937), and CFI (.955) are within the recommended fit level.

The effect on fit was then estimated through an examination of the $\Delta\chi^2$ between the unconstrained and constrained model. The χ^2 of the unconstrained model is 90.4 (df=26) whereas the constrained model χ^2 is 91.0 (df=27). The $\Delta\chi^2$ is 0.6 which is not significant at .05 level. This suggests that although the relationship between 'perceived benefits' and 'church participation' seems to be stronger in NCG sample group, the differences are not significant and therefore fail to support H8c.

8.5 Chapter summary

The chapter started with the analysis of separate structural models to test the relevant hypotheses under examination. The results suggest that PMO, 'brand image', and 'perceived benefits' are all significantly associated with church participation. The second stage of analysis puts together the three predictor constructs in a full structural model to test for the indirect effects of PMO and 'brand image' on 'church participation' through the mediating role of 'perceived benefits'. The implementation of the full structural model reveals that 'perceived benefits' perform a total mediation effect on the relationship between PMO and 'church participation'. Using Multigroup technique in SEM, it was found that the predictive power of PMO and 'brand image' is stronger in CG sample group than the NCG counterparts. On the other hand, the relationship between 'perceived benefits' and 'church participation' is not significantly different between the two groups. The next chapter provides a discussion and comparison of the empirical results in both sample groups and their implications to the research questions of the present study.

Chapter 9
Discussion of Results

9.1 Objective and structure of the Chapter

The previous chapters have reported the empirical results relating to the research hypotheses in CG and NCG sample groups. The objective of the present chapter is to discuss the results of the analysis and their implications to the research questions under examination.

Discussions in the present chapter are divided into six sections based on the relevant research questions. Section 9.2 presents a discussion of the significance of 'perceived market orientation'. Section 9.3 discusses the significance of 'brand image'. Section 9.4 provides an overview of the relationship between 'perceived benefits' and 'church participation'. Section 9.5 discusses the relationship between PMO and 'brand image'. Section 9.6 presents a discussion of the strongest predictor of church participation in respective sample groups. Section 9.7 discusses the differences of the inter-construct relationships between CG and NCG sample groups to address the final research question of the present study.

Table 9.1

Overview of Research Hypotheses

Research Hypotheses		**Results**	
		CG	**NCG**
H1	PMO is positively associated with Church Participation	Supported	Supported
H1a	Customer Orientation is positively associated with Church Participation	Supported	Not Supported
H1b	Competitor Orientation is positively associated with Church Participation	Not Supported	Not Supported
H1c	Interfunctional Coordination is positively associated with Church Participation	Supported	Supported
H2	PMO is positively associated with Perceived Benefits	Supported	Supported

Research Hypotheses		Results	
		CG	**NCG**
H2a	Customer Orientation is positively associated with Perceived Benefits	Supported	Supported
H2b	Competitor Orientation is positively associated with Perceived Benefits	Not Supported	Not Supported
H2c	Interfunctional Coordination is positively associated with Perceived Benefits	Supported	Not Supported
H3	Perceived Benefits is positively associated with Church Participation	Supported	Supported
H3a	Perceived Spiritual Benefits is positively associated with Church Participation	Supported	Not Supported
H3b	Perceived Social Benefits is positively associated with Church Participation	Supported	Supported
H3c	Perceived Purpose in Life Benefits is positively associated with Church Participation	Not Supported	Not Supported
H4	Brand Image is positively associated with Church Participation	Supported	Supported
H5	Brand Image is positively associated with Perceived Benefits	Supported	Supported
H6	PMO is positively associated with Brand Image	Supported	Supported
H7a	Perceived Benefits mediates the relationship between PMO and Church Participation	Supported	Supported
H7b	Perceived Benefits mediates the relationship between Brand Image and Church Participation [1]	Not Supported	Not Supported
H8a:	The relationship between PMO and church participation is stronger among NCG than CG group	Not Supported	
H8b	The relationship between Brand Image and church participation is stronger among NCG than CG group	Not Supported	
H8c	The relationship between Perceived Benefits and church participation is stronger among NCG than CG group	Not Supported	

9.2 RQ1: The role of perceived market orientation in church participation

The PMO construct in the present study comprises of three dimensions (customer orientation, competitor orientation, and interfunctional coordination), all of which

[1] Please refer to Appendix D and E for further discussion

possess an excellent level of reliability and validity. The three dimensions are consistent with the MKTOR scale (Narver and Slater, 1990), which was used as the main reference for the development of PMO scale in this study.

9.2.1 PMO and perceived benefits

The analysis reveals that PMO is positively associated with ‘perceived benefits’ in both sample groups. An examination of the corollary hypotheses reveals that ‘customer orientation’ plays a more significant role when it comes to influencing ‘perceived benefits’ in both sample groups. This implies that *the more people perceive the church as being customer-oriented in designing and delivering its services, the more they perceive church participation as relevant in helping them to achieve significant outcomes in life.* On the other hand, ‘interfunctional coordination’ was only found to be positively associated with ‘perceived benefits’ in CG sample group. This implies that *the more existing members perceive the church as having ministries that deliver superior value, the more they perceive church participation as relevant in helping them to achieve significant outcomes in life.*

It is interesting to note that ‘competitor orientation’ is not significantly associated with ‘perceived benefits’ in either group of respondents. This implies that people’s perception of the competitive attitude and behaviour of the church does not significantly affect their perception of the benefits associated with church participation.

9.2.2 PMO and church participation

The results of the analysis has provided empirical support on the conceptual link between market orientation and extent of participation as proposed by scholars in this area (Considine 2001;Wrenn, et al. 1995). First, PMO was found to be positively associated with church participation in both sample groups. Second, an examination of corollary hypotheses suggests that interfunctional coordination is ‘what matters most’ when it comes to church participation in both CG and NCG sample groups. This implies that *the more existing and prospective members perceive the church as having* *ministries that deliver superior value, the higher their extent of participation in church-related activities*. The result is in some way consistent with White and Simas' (2008) findings that only interfunctional coordination dimension is significantly associated with attendance growth. However, as a complement to White and Simas (2008) findings, this study also found that 'customer orientation' is positively associated with 'church participation' in CG sample group. This suggests that *the more existing members perceive the church as being customer-oriented in designing and delivering its services, the higher their extent of participation in church-related activities.*

The relationship between 'competitor orientation' and 'church participation' in CG sample group is statistically significant, but the sign is reversed (negative). This implies that *the more existing members perceive the church as being competitive with other churches, the lower their extent of participation in church-related activities*. These findings further suggest that existing church members do not endorse the idea of 'competition' among churches, and that the competitive attitude and behaviour of the church can cause adverse effects on their extent of church participation.

9.3 RQ2: The role of brand image in church participation

The 'brand image' construct in this study is a unidimensional measure which reflects three brand orientation themes: uniqueness, reputation, and orchestration. The construct was found to possess good validity and reliability. The unidimensional nature of the 'brand image' construct in this study is consistent with Hankinson's (2001b) brand orientation construct. It implies that the three themes are inter-dependent in a sense that those who perceive the church as unique are also likely to perceive the church as being reputable and consistent in delivering their message.

Through the use of Structural Equation Modeling, the analysis addressed the research hypotheses relating to the role of 'brand image' in the conceptual framework. First, it was found that 'brand image' is positively associated with 'church participation' in both sample groups. This implies that *positive evaluation of the church's image leads to higher extent of participation in church-related activities*, thereby providing an empirical support on the link between 'brand image' and 'church participation' as proposed in the literature (Stevens, et al. 2005).

Second, the analysis found a significant association between 'brand image' and 'perceived benefits' in both sample groups. This implies that *the more positive image people have about a particular church, the more they perceive church participation as relevant in helping them to achieve significant outcomes in life*. This is consistent with the 'insurance' proposition of Balmer and Gray (2003), which suggests that positive organisation image is an insurance against poor performance as well as a guarantee of quality. The present study provides empirical evidence to suggest that positive church image is an indicator of the church's ability in providing relevant benefits to existing and prospective members.

9.4 RQ3: The role of perceived benefits in church participation

The analysis found significant associations between 'perceived benefits' and 'church participation' in both sample groups. An examination of the corollary hypotheses indicates that 'perceived social benefits' is the strongest determinant of 'church participation' in both groups. This finding is somewhat interesting because it was anticipated that intrinsically oriented individuals (CG) would be more motivated by 'spiritual benefits' whereas extrinsically oriented individuals (NCG) would be more motivated by 'social benefits' (Attaway, et al. 1995). The results of this study is inconsistent with Attaway, et.al (1995) propositions, as it was found that both sample groups are more affected by 'perceived social benefits' when it comes to church participation. This suggests that *the more people perceive church participation as relevant in delivering social benefits, the higher their extent of participation in church-related activities.*

Another interesting finding is the fact that 'purpose in life benefits' is not significantly associated with 'church participation' in both sample groups. This phenomenon can arguably be explained through an observation of the descriptive statistics reported in Chapter 6. The descriptive statistics reveal that the mean score of 'purpose in life' (PIL) construct is moderately high ($\bar{x}$ = 6.25 (CG); $\bar{x}$ = 5.71(NCG)) in both sample groups. As described in Chapter 5, the 'purpose in life' construct was designed to assess the degree to which the respondents experience a sense of meaning and purpose in life. Thus, the lack of support for this hypothesis (H3c) may be due to the fact that *as the respondents already feel fulfilled in their sense of purpose, they do not see the need to further enhance their purpose in life through church participation.* This argument, however, is speculative in nature and needs further empirical examination in future studies.

The results of the structural model also reveal that 'perceived spiritual benefits' is only significantly associated with 'church participation' in CG sample group. The results of the analysis are consistent with the interview findings with NCG respondents (see Chapter 5). A NCG respondent actually stated that church participation could help her to grow spiritually. However, as the respondent does not feel the need to be 'more spiritual', she does not consider spiritual benefits as a motivating factor for church participation. The interview findings are also consistent with the relatively low mean score of 'Intrinsic Spirituality' in NCG sample group ($\bar{x}$ = 3.59) which further suggests that this group of respondents do not consider spirituality as an important aspect in life.

A full structural model was employed to test the mediating role of 'perceived benefits' in the relationship between PMO, 'brand image', and 'church participation'. The analysis suggests that 'perceived benefits' perform a total mediating effect on the relationship between PMO and 'church participation' in both sample groups. Consequently, 'perceived benefits' is identified as the primary precursor of 'church participation' in both sample groups. The results imply that existing and prospective members' perception of a church's market orientation alone does not affect their extent of participation in church-related activities. Rather, it is only through perceived benefits that respondents eventually 'transform' their *evaluation* of a church's market orientation to *actual participation* in church-related activities.

9.5 RQ4: The relationship between PMO and brand image

An observation of the full structural model reveals significant associations between PMO and 'brand image' in both sample groups. The results imply that *the more people perceive the church as being market-oriented, the more they perceive the church as being unique, reputable, and consistent in delivering their messages*. The results provide 'partial' empirical support to the conceptual link between 'market orientation' (MO) and 'brand orientation' (BO) as proposed in the literature (Reid, et al. 2005). The empirical support was considered 'partial' as the PMO and 'brand image' construct in the present study was examined from customers' perspectives whereas Reid, et.al (2005) conceptualisation of MO and BO was based from employees' perspectives.

9.6 RQ5: The strongest determinant of church participation

The examination of the total effects in the full structural model allowed the present author to observe which predictor variable is the strongest determinant of church participation. Within the CG sample group, 'perceived benefits' ($\beta = .426$, $p < .01$) was found to be the strongest determinant of church participation. The results further highlight the central role of 'perceived benefits' in encouraging church attendance among 'existing members'.

On the other hand, PMO ($\beta = .513$, $p < .01$) was found to perform the strongest total effects on 'church participation' in NCG sample group. The results suggest that prospective members' perception of the church performance in respective dimensions of market orientation is 'what matters most' when it comes to church participation.

9.7 RQ6: The differences between CG and NCG sample group

In light of the intrinsic-extrinsic religious orientation concepts, the present study hypothesises that extrinsically oriented individuals (NCGs) are more affected by PMO, 'brand image', and 'perceived benefits' than intrinsically oriented individuals (CGs). The rationale behind these hypotheses is that extrinsically oriented individuals *use* religion for instrumental purposes whereas intrinsically oriented individuals participate in religious activities for the sake of religion itself rather than anticipated benefits (Allport and Ross 1967).

The results of analysis reveal that the effects of PMO and ‘brand image’ on ‘church participation’ are significantly stronger in CG sample group than the NCG sample group, thereby failing to support H8a and H8b. This implies that the effects of ‘perceived market orientation’ and ‘brand image’ on ‘church participation’ are stronger among existing members than prospective members. An analysis of the multigroup SEM model also reveals that the relationship between ‘perceived benefits’ and ‘church participation’ is not significantly different in the two sample groups, hence failing to support H8c.

9.8 Chapter summary

The present chapter has provided a discussion of the results of analysis relevant to the research questions under examination. It was found that PMO, ‘brand image’, and ‘perceived benefits’ are positively associated with ‘church participation’ in both sample groups. The ‘perceived benefits’ construct was found to be the strongest predictor of ‘church participation’ in CG sample group whereas PMO construct plays the most important role in affecting ‘church participation’ among the NCG sample group. The next and final chapter discusses the theoretical contributions of the study and practical implications for church leaders.

Chapter 10
Conclusions

10.1 Objective and structure of the chapter

The present chapter is the final part of the thesis. The objective of the chapter is to discuss the theoretical contributions, practical implications, and limitations of the present study.

This chapter is divided into five sections. Section 10.2 provides an overview of the thesis. Section 10.3 presents the summary of research findings. Section 10.4 discusses the theoretical contributions of the thesis. Section 10.5 presents practical implications of the study. Section 10.6 discusses the study limitations. The discussion of the future research directions is presented in two sections: those relating to the theoretical contributions of the present study (10.4), and those relating to the study limitations (10.6). Section 10.7 provides a conclusion of the chapter and the whole thesis.

10.2 Overview of the thesis

The thesis began with an outline of the motivation for the research, the research questions, and the research objectives. In the first chapter, the thesis outlined the existing gaps in the literature in which the present study aims to contribute. The significance of the study to the body of literature was also stated.

Chapter 2 provided the background to the research context under examination. The first part of the chapter provided a review of existing church participation literature. This was followed by a review of church-related studies in marketing literature. The point was made that in spite of plethora of studies in the area, little empirical research has been done on the investigation of the role of marketing in encouraging church participation. The final part of the second chapter presented an overview of church participation in Australia as the research context under examination.

Chapter 3 presented an overview of market orientation and branding literature. The chapter highlighted existing studies in the area and their relevance to the conceptual framework. The argument was made that the construct of market orientation in non-profit sector should be examined from customer perspective due to the high level of customer participation in the production and delivery of services within the non-profit sector.

Having reviewed the existing literature, a conceptual framework integrating the key components derived from church participation and marketing literature was presented in Chapter 4. Several research hypotheses relevant to the research questions were proposed in the chapter along with the rationale behind the relationships between the key constructs.

The purpose of Chapter 5 was to explain the choice of methodology for addressing the research questions and hypotheses outlined in Chapter 4. In this chapter, the research design, data collection procedure, survey instrument, data preparation procedure, and data analysis procedure were discussed in detail.

Chapter 6 provided the assessment of the measurement reliability, validity, and invariance. All scales were found to have a good level of reliability and validity. Empirical support was found for ‘partial metric invariance’, which allows the present author to make valid comparisons of the inter-construct relationship between the two groups of respondents. The empirical results for the Church Goers (CG) and Non Church Goers (NCG) respondents were reported in Chapter 7 and Chapter 8 respectively. Subsequent to the presentation of the empirical results, the results were discussed in Chapter 9 along with their significance to the research questions under examination. Finally, the present chapter provides an overview of the contribution of the thesis to the body of literature as well as its practical implications for church leaders. Several limitations are also outlined along with future research directions.

10.3 Summary of research findings

The present study has generated interesting findings on the role of PMO, 'brand image', and 'perceived benefits' in affecting 'church participation'. As the discussion of the results has been discussed in detail in Chapter 9, this section provides an overview of the major findings of the study.

First, the present study found that positive evaluation of a church's market orientation leads to greater level of perceived benefits and greater extent of participation in church-related activities. Further, it was found that 'customer orientation' is the strongest determinant of 'perceived benefits' whereas 'interfunctional coordination' is the strongest determinant of 'church participation'. 'Competitor orientation' was not found to be positively associated with 'church participation' in either group of respondents, suggesting that the church's competitive attitude and behaviour do not play a significant role in encouraging church participation among existing and prospective members.

Second, the present study found that positive evaluation of the church's image leads to greater level of perceived benefits and greater extent of participation in church-related activities. The 'brand image' measure in the study is a unidimensional construct which reflects three brand orientation themes in the forms of uniqueness, reputation, and orchestration. The significance of the brand image construct on participation implies the importance of these three themes in the creation of a strong brand image for non-profit organisations in general and church organisations in particular.

Finally, 'perceived benefits' were found to be the strongest predictor of 'church participation' among existing church members whereas 'perceived market orientation' is the strongest predictor of participation among prospective church members. Among the three dimensions of 'perceived benefits', 'social benefits' was found to be the most significant predictor of 'church participation' in both sample groups.

10.4 Theoretical contributions and future research directions

The theoretical contributions of the present study are threefold. First, the study contributes to the general marketing literature in the area of market orientation through the application of PMO construct in an attempt to explain customer participation phenomenon. Secondly, the study has made significant contribution to the non-profit marketing literature through an examination of the impact of PMO and 'brand image' on customer participation in non-profit organisations. Finally, the study has made a significant contribution to the church participation literature through an integration of church participation and marketing theories to explain church participation phenomenon.

10.4.1 Contribution to the marketing literature

The literature on perceived market orientation (PMO) is still in its infancy despite its significance on important performance attributes such as perceived service quality (Dean 2007;Gounaris, et al. 2003;Webb, et al. 2000a) and satisfaction (Baker, et al. 1999;Krepapa, et al. 2003). The present study has provided empirical evidence on the link between PMO, perceived benefits, and customer participation. Due to the resemblance between church members and customers as discussed in Chapter 2, it can be argued that the notion of 'perceived benefits' and 'church participation' in the present study respectively resembles the notion of 'perceived benefits' and 'customer participation' in the commercial sector. This can be considered an important contribution to the marketing literature as the present study found that customers' perception of an organisation's market orientation positively affects their perceived benefits and extent of participation in the organisation. These propositions have yet to be examined in the commercial sector and therefore can serve as an attractive subject of future research.

Despite an extensive array of studies in the branding literature, there is an extant gap of research on the examination of brand orientation from customer perspective. Whereas marketing scholars have developed PMO to assess customers' perception of the market orientation level of an organisation (Baker, et al. 1999;Gounaris, et al. 2003), the present author argues that similar efforts need to be done to examine brand orientation from customers' perspective. Following a review of brand-orientation themes identified in the literature, the present study has developed a 'brand image' measure which examines an organisation's ability to create a unique brand identity (uniqueness), monitor brand values (reputation), and manage brand communication strategy (orchestration) (Aaker 1991;de Chernatony and Riley 1998a;Keller 2000) from customers' perspective. Whereas the NBO scale (Ewing and Napoli, 2005) was designed with non-profit managers in mind, the 'brand image' construct in the present study was designed with customers (members) as the study participants. Having contributed to the body of literature, the 'brand image' constructs in the present study needs further validation in commercial context and other non-profit sectors. An examination of the perceptual gap of 'brand orientation' between managers and customers, and how this affects organisational performance is another attractive subject of future research.

The final contribution of the thesis to the general marketing literature is on the empirical support on the relationship between PMO and 'brand image'. Although the link between market orientation and brand orientation has been conceptually proposed in the marketing literature (Reid, et al. 2005), little attention has been devoted to provide empirical support on the relationship between the two constructs. The contribution of the present study to market orientation – brand orientation relationship needs further validation in commercial settings and should also be examined from employees' perspectives to further complement the findings of the present study.

10.4.2 Contribution to the non-profit literature

Review of the literature indicates that the application of PMO in the non-profit sector is almost non-existent. Although Voon (2006) studied the significance of PMO in higher education sector, the term 'non-profit' was not mentioned in his study and thus it is questionable whether the study made significant contribution to the non-profit literature as not much implications for non-profit researchers were identified. Thus, the present study can arguably be considered as the first attempt to examine the significance of PMO in the non-profit sector. The results in the present study suggest that customers' perception an organisation's 'market orientation' and 'brand image' can significantly affect their extent of participation in the services offered by the organisation. Future research should further explore the significance of PMO in other non-profit contexts such as sports club and museum where customer participation is critical for the organisations' survival. An examination of the effects of PMO and 'brand image' on other consumer behaviour aspects relevant to non-profit sector such as volunteering and financial contribution is another attractive subject of future research.

The development of 'brand image' measure in the present study can be considered a significant contribution to the non-profit literature due to the limited number of brand image scales available in the non-profit sector (Voeth and Herbst 2008). The validation, extension, and application of our 'brand image' measure in other non-profit contexts can serve as an attractive avenue for future research.

10.4.3 Contribution to the church participation literature

In the literature review of this thesis, it was stated that the focus of the present study is on the *application* of marketing concepts to explain church participation phenomenon. Although inventing a new theory of church participation is beyond the scope of the study. the study has made a significant contribution to the literature of church participation through providing empirical supports on the relationship between market orientation, brand image, and church participation, all of which have been conceptually proposed in the church marketing literature (Considine 2001;Stevens, et al. 2005;Wrenn, et al. 1995).

Several interesting findings arise from the empirical examination of the relationship between 'perceived benefits' and 'church participation'. First, based on the classification proposed by Donahue (1985) and Hood, et.al (1996), CG respondents can be classified as intrinsically oriented whereas NCG respondents can be considered as extrinsically oriented based on their frequency of church attendance. Attaway, et.al

(1995) argued that intrinsically oriented individuals are motivated by spiritual motives whereas extrinsically oriented individuals are motivated by social motives in their church attendance. However, the findings of the present study suggested otherwise, as it was found that 'perceived social benefits' is the strongest predictor of 'church participation' in both CG and NCG respondents.

Second, the present study also confirms that intrinsically oriented individuals (CG) are more affected by factors such as PMO and 'brand image' in their extent of participation. Future research opportunities exist to examine how PMO and 'brand image' interact with other factors affecting church participation such as normative expectation, family background, orthodoxy, and culture. An examination of how PMO and 'brand image' may contribute to spiritual growth is also another attractive subject of future research.

Finally, the study found that 'competitor orientation' dimension is not positively associated to either 'perceived benefits' or 'church participation'. Consistent with the findings, future research should take into account the church's attitude and behaviour relating to competition with other secular activities such as hobbies and entertainment (Wrenn 1993a) in developing the 'competitor orientation' construct within the church sector. It will be interesting to examine whether the church responds effectively to these 'competitors' and how this affects members' participation in church-related activities.

10.5 Practical implications for church leaders

As stated in Chapter 1, the third objective of the present study is to provide practical implications for church leaders as to how the church can be more effective in encouraging church attendance. This is considered as an important contribution to the church sector, particularly due to the declining rate of church attendance in Australia over the past 10 years (NCLS, 2001). The results of the present study provide several practical implications for church leaders. First, it was found that PMO, particularly relating to 'customer orientation' and 'interfunctional coordination', is significantly associated with 'perceived benefits' and 'church participation' among existing and prospective church members. Church leaders should therefore place an emphasis on understanding the needs of both existing and prospective members, and ensure that the various ministries in the church are perceived as delivering significant value by its members. The fact that 'competitor orientation' is negatively associated with church participation among existing members (CG) poses significant implication for church leaders. The results of this study found that existing members do not endorse the idea of competition among churches, and that church's competitive attitude and behaviour can have adverse effects on church participation. Consequently, church leaders should ensure that the range of ministries offered by the church is not perceived as the strategic tools to compete with other churches, but rather as the means to serve its members effectively.

Second, the study also found that 'brand image' is positively associated with 'church participation' in both sample groups. Consequently, church leaders should create a unique brand identity as a means for differentiation; monitor the church reputation as perceived by its existing and prospective members, and deliver consistent messages about the church's image to the community to encourage church attendance.

Finally, another practical implication of the present study relates to the significance of 'perceived benefits' in encouraging participation. The results reveal that 'purpose in life benefits' was not significantly related to respondents' extent of participation in church-related activities. A possible explanation for this lies in the respondents' sense of life purpose. As the respondents already feel fulfilled in their sense of life purpose, they do not see 'purpose in life benefits' as a significant motivator to participate in church-related activities. Similarly, NCG respondents do not regard 'perceived spiritual benefits' a motivating factor for church participation as they place little importance on spirituality. The implication of these results suggests that the church should focus on offering benefits that are **relevant** to its members. As 'perceived social benefits' was found as the most significant predictor of church participation in both CG and NCG sample group, church leaders should therefore focus on social activities such as BBQ and sports to attract prospective church members. Church leaders should also emphasise on social attributes (such as 'sense of belonging') in communicating the church's image both through the sermon and promotional materials of the church. Slogans such as ‘community church’ or ‘family church’ could also be utilised to further emphasise the social atmosphere of the church.

Finally, the results reveal that ‘perceived benefits’ is the strongest predictor of ‘church participation’ among CG sample group whereas PMO is the strongest predictor of ‘church participation’ among NCG sample group. This suggests that the church should implement different approaches to attract the participation of existing and prospective members. Church leaders should emphasise on delivering spiritual and social benefits to enhance the extent of participation of existing members. On the other hand, church leaders should ensure that the church is perceived as having ministries that deliver superior value to the congregations to attract the participation of prospective members.

10.6 Limitations of the study and future research directions

Several limitations of the study are identified. First, the use of convenience sampling method to recruit the study respondents possesses some weaknesses. In the case of CG sample group, the respondents may feel ‘obliged’ to evaluate their church positively. Although the respondents were informed that the survey is anonymous in nature, they were notified that a summary of the study findings will be reported to the church leaders for evaluation purposes. Hence, respondents’ evaluation of the church’s image and market orientation may contain certain bias towards giving positive response, either due to their respect for the church leaders or to give positive impressions to the researcher. Further, the sampling frame for CG respondents in the present study was confined to one particular denomination, which is the Assemblies of God in Australia. Church attendees from other denominations may possess different views relating to the key constructs used in this study. As some denominations in Australia have suffered significant decline in attendance over the past 10 years (Bellamy and Castle 2004), there are future research opportunities to examine the applicability of these constructs in declining denominations such as Catholic Church and the Uniting Church of Australia. It would be insightful to evaluate how people from different denominational background differ in their evaluation of the market orientation and brand image of the church and how these relate to attendance decline/growth among different denominations.

The second limitation of the study concerns with the issue of non-response bias. This study adopted Armstrong and Overton's (1977) method to assess non-response error through a comparison between early and late respondents. Although the results indicated no significant differences between the two group of respondents, it has been suggested that alternative techniques such as sampling non-respondents may be more effective to assess this issue (Lessler and Kalbeek 1992).

The third limitation of the study is the limited measure of church performance. This study used 'customer-perceived' performance measure in the forms of 'perceived benefits' and 'extent of participation'. Future studies should further explore how PMO and 'brand image' affect other notions of church performance such as members' satisfaction, spiritual growth, ministry involvement, and financial contribution.

Finally, although the study has established the significance of PMO and 'brand image' in encouraging church participation, there are other factors which should be taken into considerations such as family religious background and culture. Respondents who are raised up in strongly religious family or culture might be less affected by market orientation, brand image, and perceived benefits as their church participation might be *habitual* rather than *rational* decision. On the other hand, there are other factors which may affect NCG respondents' lack of participation such as work commitment and doctrinal issues. People with work commitment in the weekend may find it difficult to actively participate in church-related activities despite their positive evaluation of the church's market orientation and brand image. On the other hand, those who disagree with the doctrinal position of the church (intellectual dissent) may be less affected by the predictor constructs used in the present study as their lack of participation is due to doctrinal issue rather than the church's performance in the respective dimensions of market orientation and brand image.

10.7 Chapter summary

The present study has addressed the research objectives outlined in Chapter 1. The first objective concerns with the influence of market orientation on church participation. The second objective concerns with the influence of brand image on church participation. The final objective concerns with the practical implications of the study for church leaders to encourage participation among existing and prospective members. Several theoretical contributions were addressed in this chapter. Primarily, the study contributes to the marketing literature through an investigation of the effects of PMO and 'brand image' on customers' perceived benefits and participation. The study also contributes to the non-profit literature and church participation literature through an integration of marketing concepts to explain church participation phenomenon. Several practical implications for church leaders were also stated. Overall, it was suggested that pursuing market orientation and brand orientation will lead to marked improvements on church's performance, particularly relating to members' perceived benefits and extent of participation in church-related activities.

Several limitations of the study and several future research directions were also described in this chapter. Potentially, future researchers could focus on the interaction of perceived market orientation and brand image on other aspects of church participation antecedents such as family religious background and culture. The application of PMO and 'brand image' constructs developed in the present study in other commercial and non-profit contexts is another attractive subject of future research.

In conclusion, the present study has provided useful insights into the role of market orientation and brand image in church participation. The results presented in this thesis suggested that marketing plays an important role in encouraging church participation, and that church leaders should embrace market orientation and brand orientation to effectively encourage the participation of existing and prospective members of the church. It is expected that the study will be a catalyst to draw further attention on research in this important topic.

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APPENDICES

APPENDIX A
Nominal Christians in Australia

Historical background

Most of the population in the first European Settlement in Australia were nominal Anglicans (Hogan 1987). The cause for Nominalism during the first settlement was attributed to the lack of resources, as suggested by Bentley, Blombery and Hughes (1992, p.8):

> Religious expression in the first thirty years of the colony was volatile, disparate, and unpredictable. Very often, the lack of ministers and priests, church buildings, and associated features (schools, services, etc) hindered institutional affiliation and the personal practice of a particular denominational religion. If there was not a priest available in your local area, then church attendance was probably not even considered as a possibility

The arrival of other denominations such as Methodist (1812), Presbyterian (1822), Congregationalism (1828), Baptist (1830), Lutheran (1830), and Churches of Christ (1840) provided more access for the public to worship. Consequently, there was a rise on the average church attendance to about 28% by the end of the 19th century (Hogan 1987). An overall look at the available evidence suggests that the average church attendance (at least once a month) stayed in the range of 25%-30% in the late 19th and early 20th century. Since the 1960's, there has been an increase in Nominalism particularly in mainline denominations such as Roman Catholics, Methodists, and Presbyterians, as evident in the declining church attendance in these denominations over the past decades (Bentley, et.al. 1992). On the other hand, some denominations such as Baptists and Assemblies of God (AOG) have defied the general trends of decline and seen increased levels of attendance over the past two decades (Bentley, et al. 1992).

What they believe

The classification of faith, proposed by Hughes (1991), explain how people express their spirituality differently based on their values and perspectives of religion. The four types of faith (adapted from Hughes, 1991) are as follows:

1. Conversionists

See the world as evil and God as a redeemer who helps 'the converts' to have a fulfilling life. Firmly holds on to tradition and spiritual gathering. The church is seen as an important centre of social life where the Conversionists can strengthen one another's faith.

2. Devotionalists

See God as a personal friend who is involved in everyday's life of the believers. Does not endorse the idea of an evil world and emphasise on the personal relationship with God rather than tradition.

3. Conventionalists

Emphasise on the worship, attendance at church services, and the traditional role of clergy. This group of people places less emphasis on personal relationship with God and more on the rules and commandments as written in the Scripture.

4. Principalists

Identify Christian faith as important because it gives them values and moral standards to live for. The values are expressed in everyday life rather than the commandments written in the Scripture. Attending churches is not mandatory, but expression of faith in life is the most important aspect of their beliefs.

The types of faith mentioned above have significant effect on church attendance with Conversionists and Devotionalists being the most regular attendees followed by Conventionalists and Principalists. Based on this classification, it was asserted that 75% of Nominals belong to the Principalists category (Bentley, et al. 1992)

Research suggests that most people who have dropped out of the church or who were nominal in their involvement had not rejected belief in God. Bentley, et al (1992) suggested that the image of God which was strongly affirmed by the nominals is that of a friend and a creator. In summary, Bentley, et.al (1992) suggested that although the nominals may be less certain about the existence of life after death, they have not rejected Christian belief, particularly its role in providing moral guidance. However, the issue of church attendance and personal access to God seems to have little relevance to them.

Rejection of the church

Following an overview of literature, Bentley, et al (1992, p.86) proposed that the reasons for disaffection and disaffiliation with churches can be categorised as follows:

1. Intellectual Dissent: The irrelevance of doctrines, conflict between secular and religious views including views on abortion, gay marriage, and attitude towards other religions.

2. Institutional Dissent: Criticism of organisation or clergy at an institutional or parish level – including failure in fulfilling mission, being irrelevant to the youth, and being hypocrites.

3. Personal Dissent: Conflict with lifestyle, personal contextual problems for church participation including family issue (parents leaving the church), contradictory life-style, and pressure from peer group outside the church.

Table A-1 summarises the results of the *Australian Community Survey* in regards of the reasons people give for not going to church with nominal Christians as the study participants.

Table A-1

Reasons people give for not going to church

(Adapted from Bellamy, et.al (2002))

Stated Reasons	**Percent citing reason**
Worship services too boring or unfulfilling	42
The church doctrine	35
The moral views of churches	35
No Need to go to church	34
Other activities on weekend	31
No strong belief	27
The organisation/management of the church	24
Too many other commitments	21
Personal bad experiences	16
Not enough time (work commitment)	15
Uncomfortable with the church members	14
Lack of previous involvement with churches	8
Family and friends don’t like church	6
No churches of my denominations nearby	4
No good churches nearby	4
Poor health, disability, or infirmness	3
No transport	2

APPENDIX B

The definition and conceptualisation of market orientation in non-profit literature

A review of market orientation studies in the domain of non-profit literature reveals three dominant paradigms on the conceptualisation of market orientation: (1) market orientation as the implementation of marketing concept, which is consistent with Kohli and Jaworski (1990), (2) market orientation as an organisation's philosophy, which is consistent with Narver and Slater (1990), and (3) market orientation as a customer orientation, which considers market orientation as both an organisation's philosophy and a set of behaviour.

Table B-1

Main approaches on the definition of market orientation in non-profit context

Approach	Central premise	Proponents
Implementation of marketing concept	Market orientation as activities and implementation of marketing concept	(Balabanis, et al. 1997;Bennett 1998;Caruana, et al. 1998;Wood and Bhuian 1993;Wrenn 1996)
Organisation's philosophy	Market orientation as a philosophy which organisation adopts and adhere to	(Buchanan, et al. 1987;Chan and Chau 1998;Evans, et al. 1996;Qureshi 1993)
Customer Orientation (mixed perspectives)	Market Orientation as a focus on customers. Most references to market orientation refer to actions towards customers although they refer to it as a philosophical component as well	(Hayden 1992;Mayfield and Crompton 1995;Siu and Wilson 1998)

Implementation of marketing concept

The first group of scholars outlined in the table asserted that market orientation is the implementation of the marketing concept. Bennett (1998) recommended ways in which an organisation can become more marketing-minded through the implementation of marketing orientation such as market research, product innovation, and intelligence generation. Caruana, et.al (1998) used the terms market orientation and marketing concept interchangeably and although the scholars do not explicitly define market orientation as the implementation of marketing concept, this was implied in their use of Kohli and Jaworski's definition and construct. Balabanis, et.al (1997) and Wood and Bhuian (1993) explicitly stated their belief that market orientation is the implementation of the marketing concept. In their comparison of market orientation approaches, it was argued that Kohli and Jaworski's approach of market orientation is a "more focused, activity based, and operationally useful definition of the marketing concept" (Balabanis, et al. 1997, p.585)

Wrenn (1997) explicitly stated his belief that marketing orientation is the implementation of marketing concept. The scholar asserted that "while the marketing concept is a way of thinking about the organization, its products, its customers, a marketing orientation is doing those things necessary to put such a philosophy into practice" (Wrenn 1997, p.34). In another study, the scholar argued that marketing concept as a philosophy is not possible to be empirically tested, but 'marketing orientation', which is the behavioural manifestation of the level to which the marketing concept has been implemented in an organisation, can be subject to empirical testing (Wrenn, 1996).

Organisation's philosophy

Other groups of scholars regard market orientation as an organisation's philosophy and therefore are consistent with Narver and Slater's (1990) approach. Chan and Chau (1998) used the term 'marketing oriented philosophy' and argued that a marketing orientation contributes to the marketing effectiveness of a firm. Evans, et.al (1996) defined market orientation as a bias towards the market which require knowledge of customer needs, wants, competitors, and external factors affecting the market environment whereas marketing orientation is the extent to which an organisation adheres to the principles and practice of marketing. Although the scholars did not explicitly state market orientation as the philosophical component of marketing orientation, it was implied on the scholars' use of the word 'bias' in defining market orientation.

Qureshi's (1993) used Kotler's (1977) five dimensions of marketing orientation (customer philosophy, integrated marketing organisation, adequate marketing information, strategic orientation, and operational efficiency) and referred to marketing orientation as a philosophy.

Customer Orientation

Within the non-profit sector, there are some studies which include both the philosophical and behavioural perspectives in their approach of market orientation, and therefore label the approach as 'customer orientation'. Proponents of this perspective generally argued that market orientation is a focus on customers.

Hayden (1992) used the term market orientation and customer orientation interchangeably, and described that an organisation with this orientation places an emphasis on discovering and satisfying customer wants. Hayden's (1992) argument implies that market orientation involves understanding and responding to customer needs, which is consistent with both Kohli and Jaworski's (1990) and Narver and Slater's (1990) approach. In a similar tone, Mayfield and Crompton (1995) argued that the implementation of marketing concept involves establishing a way for the organisation to identify customer wants and use that information to create programs that will satisfy customers. The scholars used the terms 'adoption of the marketing concept' and 'market orientation' interchangeably in the paper, but when the term 'market orientation' was introduced in the paper, their use of the term implies an implementation of the marketing concept.

In an attempt to examine market orientation within the education sector, Siu and Wilson (1998, p.303) argued that "if colleges attempt to move to a market-oriented culture, it becomes necessary for the teaching staff to take a caring attitude and adopt an interactive approach to their students". In the paper, the scholars argued that students, referred to as 'customers' in their study, need to be taken into consideration in the decision making of an organisation. The scholars' argument reflects the adoption of perspectives that market orientation is both a philosophy and behaviour which focus on the customer.

Aside from the studies mentioned above, there are several other non-profit researchers in this area which do not explicitly define which school of thought they subscribe to. Scholars such as Arbuthnot and Horne (1997), Dwyer (1993), and Raju, Lonial and Gupta (1995) seemed to believe that market orientation is a philosophy or a culture, but they also believe that it is based on activities and behaviour. On the other hand, other scholars considered the terminology of market orientation to be inappropriate in non-profit context and argued for the use of 'societal orientation' to place an emphasis on the needs of the wider society rather than individual customers (Liao, et al. 2001).

APPENDIX C
RESEARCH QUESTIONNAIRE

MONASH University
Business and Economics
Department of Marketing

RESEARCH QUESTIONNAIRE ON CHURCH PARTICIPATION
November 2007

A PhD Research Project conducted by Riza Casidy Mulyanegara
Department of Marketing, Monash University

About the researcher: My name is Riza Casidy and I am currently undertaking a research study as part of my PhD studies under the supervision of Dr. Yelena Tsarenko and Prof. Felix Mavondo, Department of Marketing, Faculty of Business and Economics, Monash University.

Purpose: It has been suggested that the range of services and activities offered by churches plays a significant role in encouraging church participation. This study investigates the extent to which church services and promotional activities motivate church participation for both existing and prospective church members.

In this study we are interested in gaining the views and opinions of church members and non-church members. There is no right or wrong answer since we are only interested in the views of those participating in the study.

About your participation: Participation is purely voluntary and participants can withdraw at any time. No findings which could identify any individual participant will be published and no name or any personal information is required. The information received will be kept confidential and only the student and the two supervisors will have access to this data. The data will be securely stored for at least five years as prescribed by Monash University regulations. Should you have any queries about the aggregate research findings, please contact:

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Should you have any complaint concerning the manner in which this research is conducted, please do not hesitate to contact the Standing Committee on Ethics in Research Involving Humans. You can then ask to speak to the Secretary of the Human Ethics Committee and tell him or her that the number of the project is 2007/0618 LIR**.** The contact detail is as follow:

The Secretary
The Standing Committee on Ethics in Research Involving Humans
Monash University Victoria 3800

Telephone (03) 9905 2052 Fax (03)9905 1420
Email: SCERH@adm.monash.edu.au

Definition

Any references to 'The church' in this study are defined as follows:

- The church you attend regularly (at least once a month) (CG)
- The most recent church you used to attend regularly (at least once a month) (NCG).

Section 1

Please indicate your agreement to each of the following statements using the provided scale.

		Strongly Disagree						Strongly Agree
SP1	In terms of the questions I have about life, my spirituality answers most of my questions	1	2	3	4	5	6	7
SP2	Growing spiritually is one of the most important thing in my life	1	2	3	4	5	6	7
SP3	When I am faced with an important decision, my spirituality guides my consideration	1	2	3	4	5	6	7
SP4	Spirituality is the master motive of my life, directing every other aspect of my life	1	2	3	4	5	6	7
SP5	When I think of the things that help me grow and mature as a person, my spirituality has significant effect on my personal growth	1	2	3	4	5	6	7
SP6	My spiritual beliefs have a significant impact upon all aspects of my life	1	2	3	4	5	6	7

		Strongly Disagree						Strongly Agree
P1	I feel there is a purpose in my life	1	2	3	4	5	6	7
P2	Most of the things I do are worthwhile to me	1	2	3	4	5	6	7
P3	Most of what I do seems important to me	1	2	3	4	5	6	7
P4	I value the activities I am involved in	1	2	3	4	5	6	7
P5	I care about the things I do	1	2	3	4	5	6	7
P6	I have reasons for living	1	2	3	4	5	6	7

Section 2

Please indicate to what extent you believe the church performs the following practices
(1 - The church does not engage in the practice at all; 7- the church engages in the practice to a great extent)

		Not at All						To a great extent
MO-1	The church constantly monitors the needs of the congregation	1	2	3	4	5	6	7
MO-2	The practices of the church are driven by the goals to deliver greater value to the congregation	1	2	3	4	5	6	7
MO-3	The range of services offered by the churches are designed based on the understanding of the members' needs	1	2	3	4	5	6	7
MO-4	The ministers/pastors constantly seek to understand the expectations of the members	1	2	3	4	5	6	7
MO-5	The members constantly share information about the practices of other churches	1	2	3	4	5	6	7
MO-6	When other churches undertake practices or activities that could attract the church members, the church quickly reacts to better them	1	2	3	4	5	6	7
MO-7	Ministers/pastors are always on the look out for what other denominations are doing	1	2	3	4	5	6	7
MO-8	The church spends a lot of effort on those communities where they can deliver a better message than other churches	1	2	3	4	5	6	7
MO-9	Ministers/pastors frequently visit current and prospective members	1	2	3	4	5	6	7
MO-10	Members are encouraged to communicate their experiences and ideas on how the church can be more effective in serving the community	1	2	3	4	5	6	7
MO-11	All members are encouraged to fully participate in the church pastoral and ecumenical activities, including ministry involvement	1	2	3	4	5	6	7
MO-12	The church ministers understand how the different range of ministry departments (e.g. music, counselling, children ministry) can contribute to deliver great value to the community	1	2	3	4	5	6	7
MO-13	The different ministry departments in the church shares their resources (e.g. financial, people) with each other	1	2	3	4	5	6	7

Section 3

Please indicate your agreement to the statements below using the provided scale.

		Strongly Disagree						Strongly Agree
BR-1	The church has a unique worship style which makes it stand out from other churches	1	2	3	4	5	6	7
BR-2	The church members have unique values which are transparent to the society	1	2	3	4	5	6	7
BR-3	The church is well-known in the surrounding community	1	2	3	4	5	6	7
BR-4	People come to the church because of its' reputation	1	2	3	4	5	6	7
BR-5	The values and practices of the church make people feel proud to be associated with it	1	2	3	4	5	6	7
BR-6	The communication efforts of the church send consistent messages about the church's image to the community	1	2	3	4	5	6	7
BR-7	The church has strong spiritual appeal to the community	1	2	3	4	5	6	7
BR-8	The promotional materials of the church creates an image that is well understood by the members	1	2	3	4	5	6	7

Section 4

The following is a list of church services and activities offered by a number of churches to the community. Please indicate your extent of participation in the following services and activities over the past twelve months.

		Never						Always
AP1	Sunday service	1	2	3	4	5	6	7
AP2	Fundraising event	1	2	3	4	5	6	7
AP3	Cultural event	1	2	3	4	5	6	7
AP4	Service with well-known guest speaker/evangelist	1	2	3	4	5	6	7
AP5	Music concert associated with church event	1	2	3	4	5	6	7
AP6	Social activities (e.g. BBQ & Sports)	1	2	3	4	5	6	7

Section 5

The following is a list of benefits generally associated with church participation. Please indicate to what extent you believe church participation is relevant in helping you to fulfil the following outcomes in life:

(1 – Not relevant at all; 7- Relevant to a great extent)

		Not at All						To a great extent
G1	Develop spiritual meaning of life	1	2	3	4	5	6	7
G2	Bring my life in line with my beliefs	1	2	3	4	5	6	7
G3	Deepen my spirituality	1	2	3	4	5	6	7
G4	Learn to tune into higher power throughout the day	1	2	3	4	5	6	7
G5	Understand the destiny of my life	1	2	3	4	5	6	7
G6	Being liked by others	1	2	3	4	5	6	7
G7	Meet new people through my present friends	1	2	3	4	5	6	7
G8	Avoid being left out	1	2	3	4	5	6	7
G9	Develop good social relationships	1	2	3	4	5	6	7
G10	Clarify my life goals	1	2	3	4	5	6	7
G11	Feel useful to society	1	2	3	4	5	6	7
G12	Make my life meaningful	1	2	3	4	5	6	7
G13	Build network of friends	1	2	3	4	5	6	7
G14	Feel excited about my life	1	2	3	4	5	6	7
G15	Achieve fullness in life	1	2	3	4	5	6	7
G16	Be grateful for what I have in life	1	2	3	4	5	6	7
G17	Feel good about myself	1	2	3	4	5	6	7
G18	Increase my self-worth	1	2	3	4	5	6	7
G19	Coping with hardship in life	1	2	3	4	5	6	7

Section 6

D1. Which of the following describes you best? (Please tick one box)

D1- A	I am a Christian and I go to church regularly	
D1 - B	I am a Christian who used to attend churches (few years back/childhood) but do not go to church regularly anymore	
D1 - C	I am a Christian but I never attend churches	
D1 - D	I do not belong to any religion and I never attend any places of worship	
D1 – E	I do not belong to any religion but I attend churches at times	
D1 – F	I belong to a religion other than Christianity and I attend my places of worship (e.g. temple, mosque, synagogue) regularly	
D1 - G	I belong to a religion other than Christianity but I never attend any places of worship	

D2. What is your religious affiliation?

☐ Christianity (Denomination _____________) ☐ Other religions (Please specify _____________) ☐ No Religion

D3. How often do you attend church worship services?

☐ Every Week ☐ Nearly Every Week ☐ At least once a month ☐ At least once a year ☐ Less than once a year ☐ Never

D4. Have you received Holy Communion (sacrament) in the last year?

☐ No ☐ Yes

D5. In an <u>average week</u>, how many days do you spend in church activities, including church meetings such as bible study groups which may not actually meet in the church building?

☐ Two or more ☐ One ☐ None

D6. What is your age group? (*Please tick*)

☐ Under 20 ☐ 20-25 ☐ 26-30 ☐ 31-35 ☐ 36-40 ☐ 41-50 ☐ 51-60 ☐ 61-74 ☐ 75 and above

D7. What is your gender? (*Please tick*)

☐ Female ☐ Male

D8. Do you belong to any clubs/associations (e.g. sports club, dance club)?

☐ No ☐ Yes (please specify _____________, _____________, _____________)

D9. Marital Status (*please tick*)

☐ Single ☐ Married ☐ De Facto ☐ Divorced/Separated ☐ Widowed

D10. How many children do you have?

☐ None ☐ 1 ☐ 2 ☐ 3 ☐ 4 and more

D11.What is the age of your youngest child? __________

D12. What is your country of origin? (Please specify) ________________

D13. What was your household annual income in the last financial year?

☐ Under $30000 ☐ $30001 - $60000 ☐ $60001-$90000 ☐ $90001 – $120000 ☐ Over $120000

Thank you for your participation

APPENDIX D

Alternative Models (CG)

Model 1. The mediating effect of Perceived Benefits on the relationship between Brand Image and Church Participation

The model depicted in Figure D-1 incorporates 'perceived benefits' as the mediating variable on the relationship between 'brand image' and 'church participation'. An examination of the GOF indices suggests that the theoretical model is statistically significant and possess construct validity. Although the Chi-Square was found to be statistically significant (χ^2= 128.943, df=62, p=.000), other indicators such as NC (2.080), RMSEA (0.056), GFI (.946), AGFI (.920), TLI (.950), NFI (.927), and CFI (.960) are all within the recommended range.

Table D-1

Summary of direct, indirect, and total effects

Dependent Variable	Independent Variable	Standardised Coefficient					
		Direct	C.R	Indirect	C.R	Total	C.R
Perceived Benefits	Brand Image	0.398**	4.97	-	-	0.398**	4.97
Church Participation	Perceived Benefits	0.477**	4.22	-		0.477**	4.22
	Brand Image	0.062	0.81	0.19**	3.24	0.251**	2.81

*Significant at .05 level
**Significant at .01 level

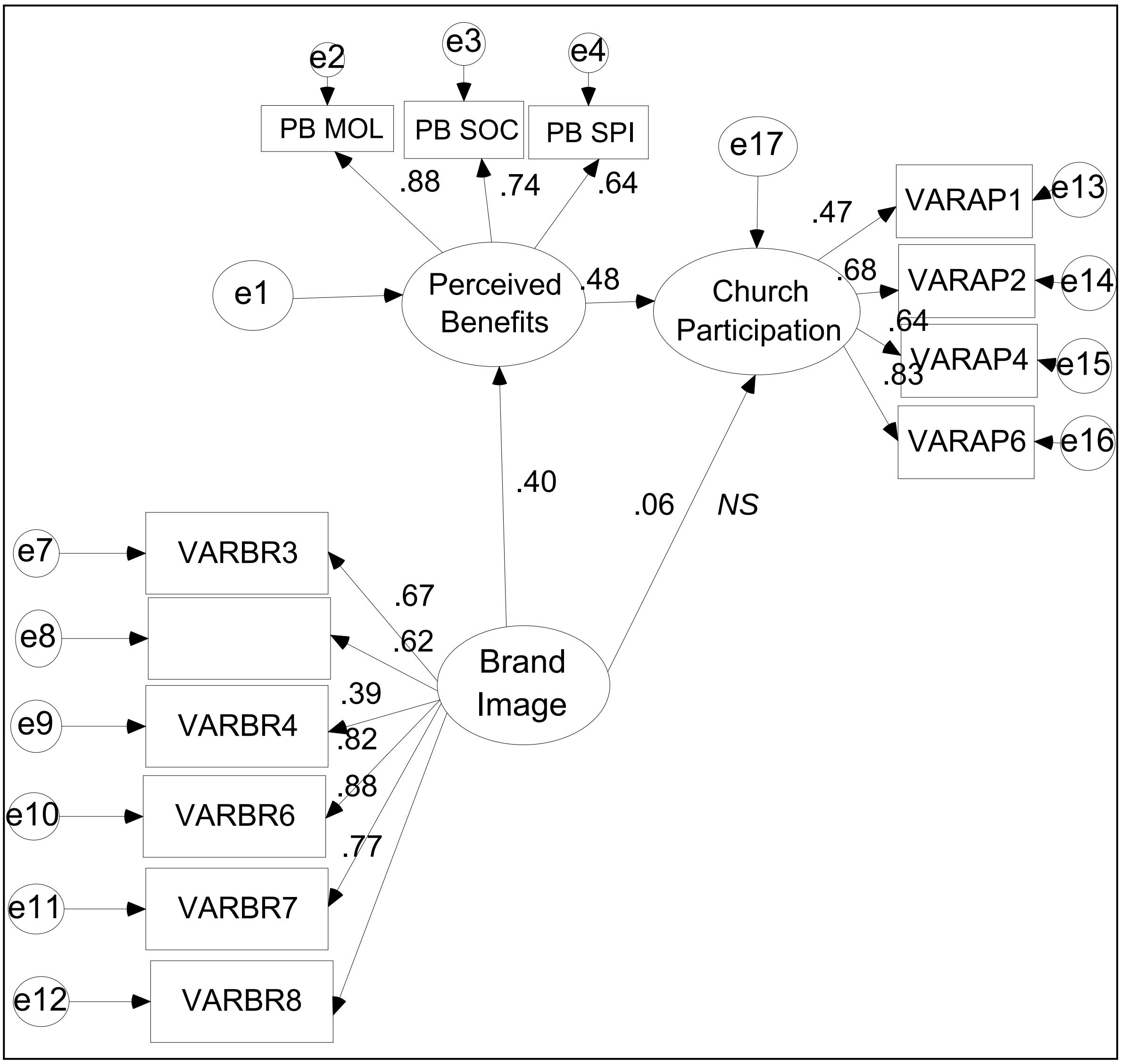
Direct Effects

Direct effects were measured by path coefficients displayed in the figure. Consistent with the results in previous analysis, significant direct relationship was found between 'perceived benefits' and 'church participation' (β = .477, $p < .01$) as well as 'brand image' and 'perceived benefits' (β = .398, $p < .01$).

However, as opposed to the results presented in Chapter 7, 'brand image' is not significantly related to church participation (β = .06, $p > .05$) in the present model. This condition lends support to **total mediation effect** (Cohen and Cohen 1983), which occurs when the relationship between predictor and dependent variable is no longer significant when the intervening variable is introduced.

Figure D-1

Perceived Benefits as mediating variable on Brand Image – Church Participation (CG)



Indirect Effects

'Brand image' was found to possess significant indirect effects on 'church participation' ($\beta = .190$, $p < .01$).

Total Effects

The total effects suggest that 'brand image' is significantly associated with 'church participation' ($\beta = .25$, $p < .01$) through the mediating effect of 'perceived benefits'.

CONCLUSION

Analysis of the first alternative model suggests that 'brand image' alone does not directly affect church participation among CG respondents. Rather, the effects are 'indirect', in the sense that 'existing members' perception of the church's image leads them to form certain 'perceived benefits' which in turns affect their extent of participation in church-related activities.

Model 2. Church Participation as the mediating variable

The model in the present section incorporates 'brand image' and PMO as the predictors of 'church participation' and 'perceived benefits'. The relationship between 'church participation' and 'perceived benefits', as opposed to the conceptual model (H3) is reversed, with 'church participation' acts as the predictor of 'perceived benefits' in this alternative model.

As the model structure is in essence identical with the full structural model presented in Chapter 7, the fitness of the model is identical with the one presented in Table 7.1. An examination of the GOF indices suggests that the theoretical model is statistically significant and possess construct validity.

Table D-2

Summary of direct, indirect, and total effects

Dependent Variable	Independent Variable	Standardised Coefficient					
		Direct	C.R	**Indirect**	C.R	**Total**	C.R
Brand Image	PMO	0.765**	8.66	-	-	0.765**	8.66
Church Participation	PMO	0.419*	2.30	-0.053	-0.45	0.365**	3.27
	Brand Image	-0.07	-0.46	-	-	-0.07	-0.46
Perceived Benefits	Church participation	0.375**	3.28	-	-	0.375**	3.28
	PMO	0.284	1.85	0.202	1.75	0.486**	5.09
	Brand Image	0.084	0.59	-0.026	-0.44	0.058	0.40

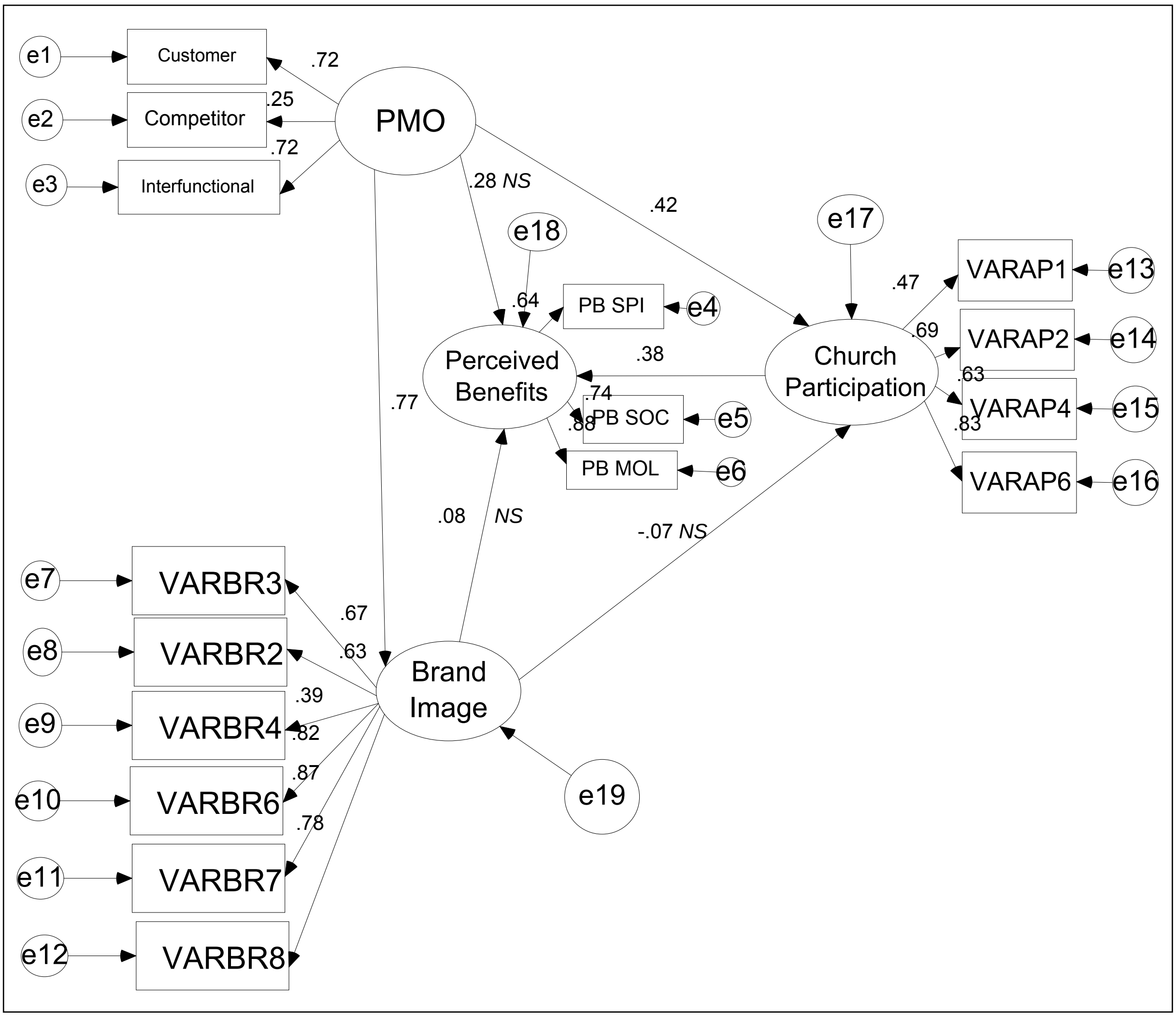
Direct Effects

Direct effects were measured by path coefficient displayed in the figure. Significant direct relationships were found between PMO and 'brand image' ($\beta = .765$, $p < .01$), PMO and 'church participation' ($\beta = .419$, $p < .05$), as well as 'church participation' and 'perceived benefits' ($\beta = .375$, $p < .01$). 'Brand image' is not significantly related to either 'church participation' or 'perceived benefits' in the present model.

An observation of the results in the present model suggest that 'church participation' performs **total mediation effects** on the relationship between PMO and 'perceived benefits' as the relationship between the two constructs (β = .284, p > .05) is no longer significant after 'church participation' is introduced as the intervening variable.

Figure D-2

Full Structural Model with Church Participation as the mediating variable (CG)



Indirect Effects

PMO performs weak, insignificant indirect effect on 'church participation' (β = -.053, p > .05) through 'brand image'. PMO also possesses insignificant indirect effects on 'perceived benefits' through the mediating role of 'church participation' (β = .202, p > .05). 'Brand image' was found to possess weak, insignificant indirect effects on ‘perceived benefits’ through the mediating role of ‘church participation’ (β =.-.026, $p > .05$).

Total Effects

An examination of the total effects suggests that PMO has significant relationship with ‘perceived benefits’ ($\beta = .486$, $p < .01$) through the mediating role of ‘church participation’.

CONCLUSION

The alternative model implies the view that perceived benefits is formed through respondents’ participation in church-related activities. Although the direct and indirect effects of PMO on ‘perceived benefits’ were found to be non-significant, the total effects are significant at .01 level. The results imply that PMO alone does not lead to ‘perceived benefits’. Hence, the alternative model suggests that although ‘existing members’ may perceive the church as performing well in their market orientation, it is only through participating in church-related activities that they eventually perceive church participation as relevant in helping them to achieve particular outcomes in life.

APPENDIX E

Alternative Models (NCG)

Model 1. The mediating effect of 'perceived benefits' on the relationship between Brand Image and Church Participation

The model in the present section incorporates 'brand image' and 'perceived benefits' as the predictors of 'church participation'. An examination of the GOF indices suggests that the theoretical model is statistically significant and possess construct validity. Although the Chi-Square was found to be statistically significant (χ^2= 114.249, df=62, p=.00) and AGFI (.892) slightly below the acceptable level, other indicators including NC (1.843), RMSEA (0.062), GFI (.926), TLI (.950), NFI (.927), and CFI (.960) are all within the recommended range.

Table E-1

Summary of direct, indirect, and total effects

Dependent Variable	Independent Variable	Standardised Coefficient					
		Direct	C.R	Indirect	C.R	Total	C.R
Perceived Benefits	Brand Image	0.509**	6.54	-	-	0.509	6.54
Church Participation	Perceived Benefits	0.529**	5.02	-	-	0.529	5.02
	Brand Image	0.106	1.08	0.269**	4.02	0.375**	3.54

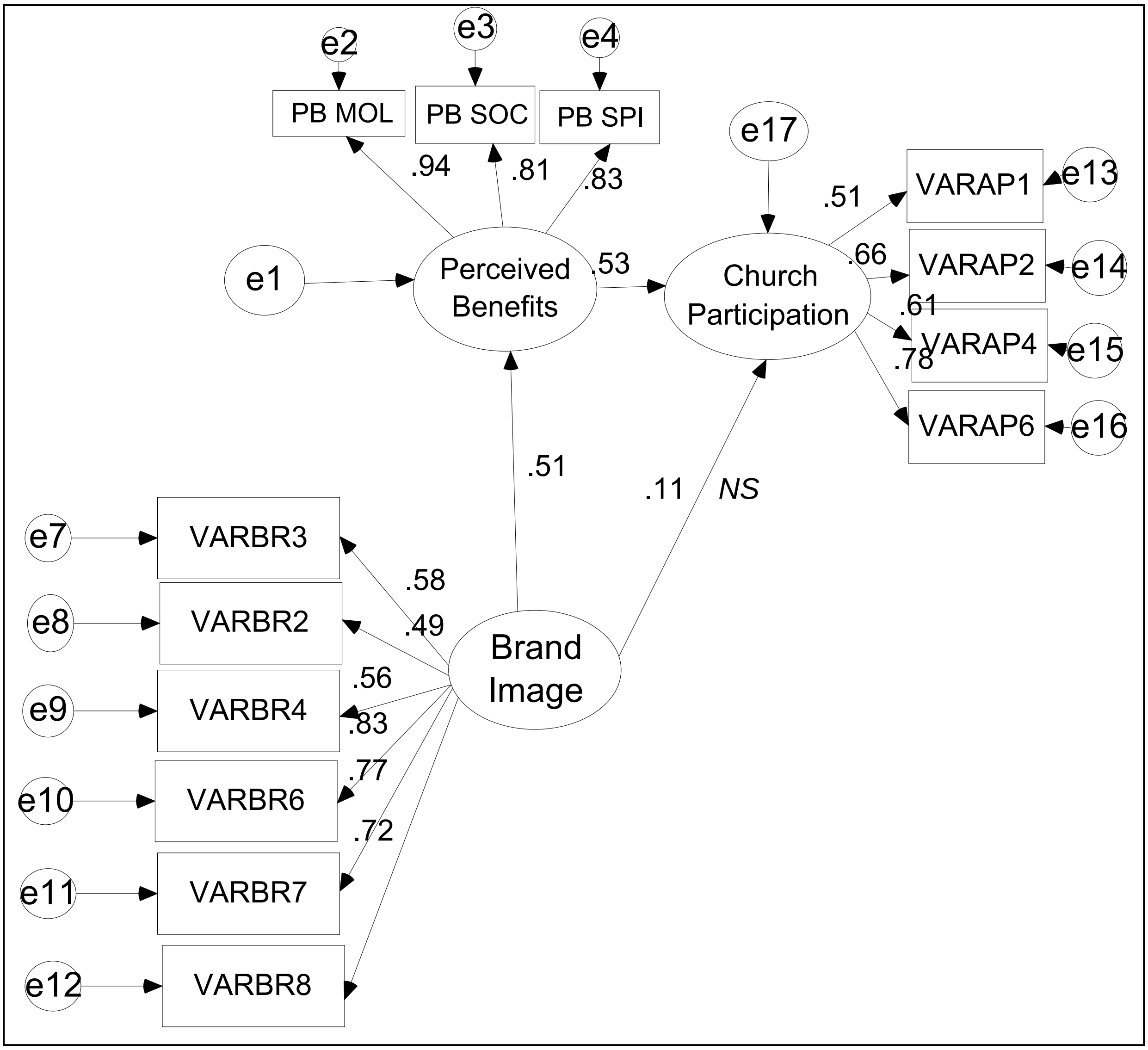
Direct Effects

Direct effects were measured by path coefficient displayed in the figure. Significant direct relationships were found between 'perceived benefits' and 'church participation' (β = .529, p < .01) as well as 'brand image' and 'perceived benefits' (β = .509, p < .01).

As opposed to the results presented in Chapter 8, 'brand image' (β = .106, p > .05) is not significantly related to 'church participation' in this structural model after the introduction of perceived benefits as the mediating variable. This condition therefore lends support to **total mediation effect** (Cohen and Cohen 1983).

Figure E-1

Perceived Benefits as mediating variable on Brand Image – Church Participation



Indirect Effects

As can be seen in Table E-1, 'brand image' is found to possess significant indirect effects on 'church participation' (β = .269, p < .01).

Total Effects

The total effects, as shown in Table E-1, suggests that 'brand image' has significant relationship with 'church participation' (β = .375, p < .01) through the mediating effect of 'perceived benefits'.

CONCLUSION

The results suggest that 'brand image' alone does not directly affect church participation among NCG respondents. Rather, the effects are 'indirect', in the sense that prospective members' perception of the church's image leads them to form certain 'perceived benefits' which in turns affect their extent of participation in church-related activities.

Model 2. Church Participation as the mediating variable

The model in the present section incorporates 'brand image' and PMO as the predictors of 'church participation' and 'perceived benefits'. The relationship between 'church participation' and 'perceived benefits', as opposed to the conceptual model (H3) is reversed, with 'church participation' acts as the predictor of 'perceived benefits' in this alternative model.

As the model's structure is in essence identical with the full structural model presented in Chapter 8, the model fitness is identical with the one presented in Table 8.1. An examination of the GOF indices suggests that the theoretical model is statistically significant and possess construct validity.

Table E-2

Summary of direct, indirect, and total effects

Dependent Variable	Independent Variable	**Standardised Coefficient**					
		Direct	C.R	**Indirect**	C.R	**Total**	C.R
Brand Image	PMO	0.822**	9.75	-		0.822**	9.75
Church Participation	PMO	0.614*	2.29	-0.102	-0.52	0.513**	4.18
	Brand Image	-0.124	-0.55	-	-	-0.124	-0.55
Perceived Benefits	Church participation	0.389**	3.27	-		0.389**	3.27
	PMO	0.291	1.34	0.300	1.51	0.591**	7.85
	Brand Image	0.123	0.62	-0.048	-0.52	0.075	0.37

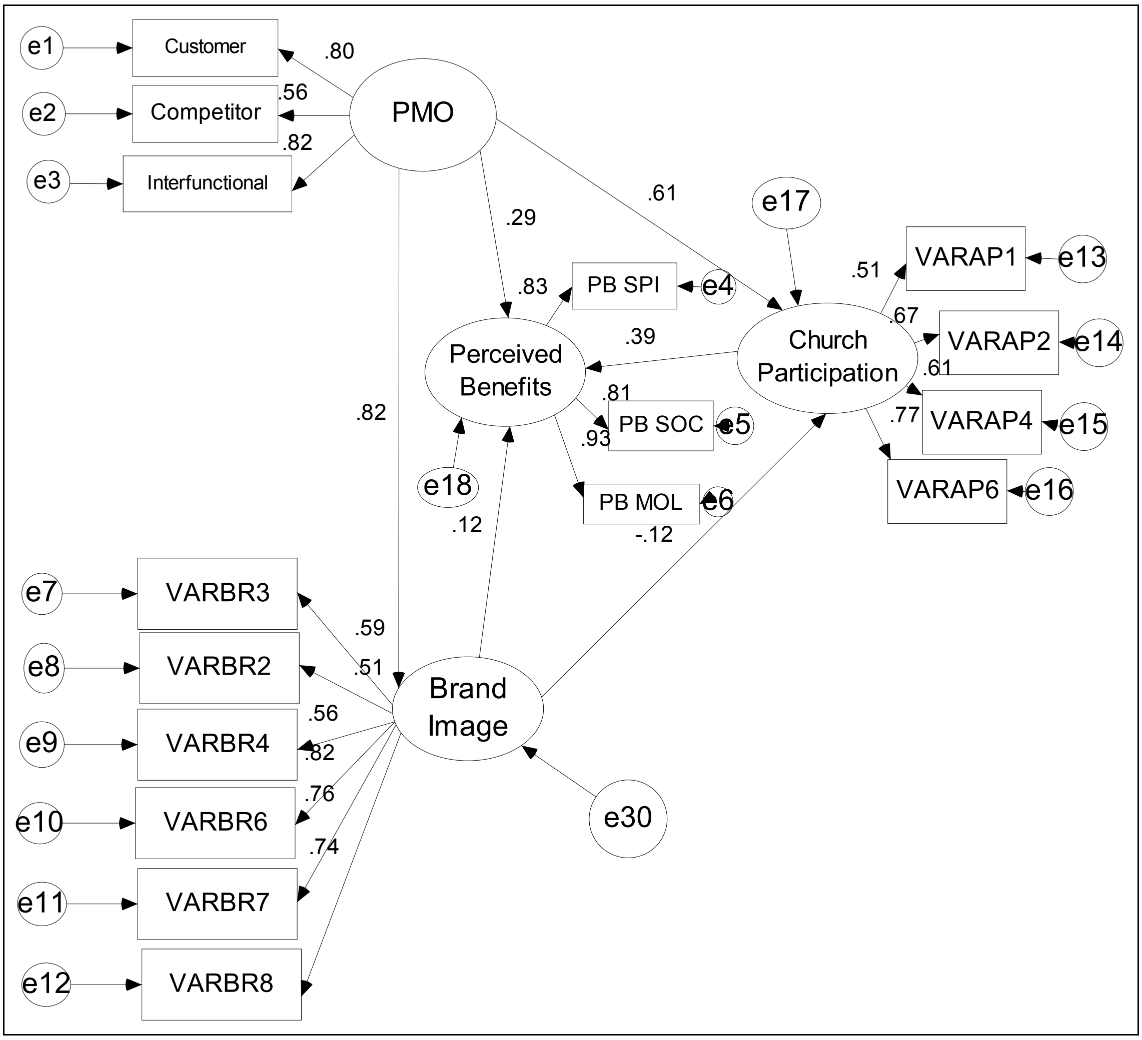
Direct Effects

Direct effects were measured by path coefficient displayed in Figure E-2. Significant direct relationships were found between PMO and 'brand image' ($\beta = .822$, $p < .01$), PMO and 'church participation' ($\beta = .614$, $p < .05$), as well as 'church participation' and 'perceived benefits' ($\beta = .389$, $p < .01$). 'Brand image' is not significantly related to either 'church participation' or 'perceived benefits' in this alternative model.

From the results, it can be seen that church participation plays a **total mediation** role on the relationship between PMO and 'perceived benefits', as the relationship between the two constructs is no longer significant (β = .291, p >.05) after 'church participation' is introduced as the intervening variable.

Figure E-2

Full Structural Model with Church Participation as the mediating variable (NCG)



Indirect Effects

PMO performs weak, insignificant indirect effects on 'church participation' (β = -.102, p > .05) through 'brand image'. PMO performs insignificant indirect effects on 'perceived benefits' through the mediating role of 'church participation' (β = .300, p > .05). 'Brand image' was found to possess weak, insignificant indirect effects on 'perceived benefits' (β =.-.048, p > .05).

Total Effects

The total effects suggest that PMO has significant relationship with ‘perceived benefits’ ($\beta = .591$, $p < .01$) through the mediating effect of ‘church participation’.

CONCLUSION

The alternative model implies the view that perceived benefits is formed through respondents’ participation in church-related activities. Although the direct and indirect effects of PMO were found to be non-significant, the total effects are significant at .01 level. The results imply that PMO alone does not lead to ‘perceived benefits’. Hence, although prospective members may perceive the church as performing well in their market orientation, it is only through participating in church-related activities that they will eventually perceive church participation as relevant in helping them to achieve particular outcomes in life.