

The Influence of Chamber of Commerce on Small Businesses

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Abstract

Nonprofit chambers of commerce have a long history in western culture but little if any empirical research has been conducted to explore why a small business would join one. This study focuses on members' evaluation of chamber assistance programs and benefits and how they mediate the impact of satisfaction and the perceived customer value of paid membership for chamber services. A mail census survey of all 2019 members, in a large category-four chamber of commerce, provided valid and reliable representation of existing membership demographics. Factor analysis identified four main benefits, whereas a LISREL model was applied to identify the mediating impact of relational benefits on satisfaction and perceived value. All four dominant benefits significantly correlated with both membership satisfaction and perceived value as did the correlation between satisfaction and perceived value. However, perceived value was found to have higher correlations with relational benefits than that of satisfaction. This study is important as it provides managers with a framework to identify and balance the benefits desired by the membership and adjust the level of expected satisfaction with perceived value in a nonprofit service-oriented assistance organization.

Keywords: Chamber of Commerce, Small Businesses, Members Evaluation

1. Introduction

A chamber of commerce is designated as a nonprofit 501(c) (6) organization. It comprises a business membership whose association with a chamber is to provide satisfactory service and assistance in the form of benefits and at a price they are willing to pay. The primary focus of this study is to specifically explore the types of benefits a chamber of commerce has to offer while assessing the value and satisfaction attributed to them. Both perceived customer value and satisfaction are popular constructs among business managers and academia (Cronin et al., 2000; Patterson & Spreng, 1997).

Perceived value considers the members' willingness-to-pay based on their responses to the satisfaction they receive from the current programs and benefits offered. Research suggests that they can both be conceptualized and measured as two distinct yet complementary constructs (Eggert & Ulaga, 2002). Satisfaction deals primarily with the delivery of the goods and services and is important as it is recognized as a key antecedent to loyalty and repurchase intention (Olsen, 2002). Perceived value is derived from the subjective trade-off and evaluation of the offerings themselves. The textbook concept of value has gradually moved away from a pricing or transaction process to one of evaluating the overall marketing relationship, especially in a business-to-business context. Cronin et al. (2000) consider the construct of value in business markets a better predictor of outcome variables than satisfaction, as businesses buy for economic rather than emotional reasons.

Delivering superior customer value involves the proper combination of benefits to customers. Customer-perceived value in business markets can be seen as the trade-off between the multiple benefits and sacrifices of a supplier's offering, as perceived by key decision makers in the customer's organization (Zeithaml, 1988, p. 14). These multiple benefits are a combination of physical attributes, service attributes, and technical support available in relation to a particular use situation. Bennett (2007) investigated what motivates small and medium enterprises to join a variety of national trade and professional associations, including some chambers of commerce, with a focus on UK organizations. He concluded that business trade associations in general form a complex "bundle" of services for their members (p. 12). Just what is the small business member's perceived value, satisfaction, and composition of this "bundle" of benefits and services a chamber of commerce offers is the main focus of this study.

2. Background of Chambers of Commerce

A nonprofit chamber of commerce is common to most industrialized countries operating within a free enterprise or mixed capitalist system (Pilgrim & Meier, 1995). History indicates that small businesses have a unique attraction to a local chamber of commerce. Business enterprises generally find the need for some form of affiliation so as to present an agreed front to local, state, and federal governments (Bennett, 1995). The title of chamber of commerce is applied to somewhat differing types of organizational models in various countries. In the USA, UK, and Belgium, for example, they are voluntary associations whose members subscribe to fees often on the basis of the number of a firm's employees and generated revenues. In other countries of the European Union and in some Latin American countries, they are bodies whose functions, membership, financial resources, and organization are prescribed by

law (Fallon & Brown, 2000). In such circumstances, the chambers of commerce are required to undertake duties, such as prescribe employment practices and financial regulatory services that are elsewhere usually performed by local or central governments. Fallon and Brown (1998) presented the similarities and differences between British, French, and German models of chambers of commerce along with the strengths and weaknesses of each.

The US Chamber of Commerce (U.S. Chamber, 2013) is the world's largest business federation representing more than three million businesses of all sizes, sectors, and regions. This makes representation popular among the estimated 22 million businesses in the USA as one-out-of-seven businesses is a member of a chamber of commerce. It includes nearly 3000 state and local chambers, 830 associations, and over 90 American Chambers of Commerce abroad. According to the US National Chamber of Commerce data, more than 96% of some 3000 plus local chamber members are small businesses with 250 or fewer employees (U.S. Chamber, 2013). Some represent local business communities, whereas others have formed into larger regional associations.

In the USA, there are typically three nonprofit organizations that are separate entities and provide the benefits of area business assistance programs but are often not part of the chamber of commerce. One is the Economic Development Corporation that is supported by the county and business interests to solicit businesses to move and relocate to that county or city. Some counties and local governments may fund and house this in the local chamber of commerce. The Small Business Development Center, which is under the US Department of Commerce, and S.C.O.R.E who are "Counselors to America's Small Businesses" work in partnership with the Small Business Development Center as counselors and advisors to small business operations. They provide assistance similar to the UK's "Business Link" (2013) program offering practical advice to small businesses concerning issues of government taxation, payrolls, contracts, import/export, and so on. These three organizations work in cooperation with the local chambers of commerce in offering business assistance and are often scheduled and promoted through the area chamber office. This study will address the many benefits and business assistance programs provided for by a chamber of commerce to their business membership. Those benefits and programs will then be examined for the mediating impact they have on satisfaction and perceived value, and the interaction, or trade-off, of these two outcome measures.

2.1 Identification of Chamber Programs and Benefits

Gwinner et al. (1998) suggest that customers in long-term relationships experience three types of benefits beyond that of the core product/service:

(1) Confidence benefits, (2) social benefits, and (3) special treatment benefits. Confidence benefits express the assuredness of expectations for the service encounter and describe any risk reduction in the uncertainty of transactions. Morgan and Hunt (1994) argue that confidence is the key mediating variable in relational exchanges and is built on the reliability, trust, and integrity of the provider. Social benefits describe the emotional aspects of relationships. They focus on personal recognition of members by (i.e., chamber) employees and the development of friendships. Gutek et al. (2000) make the distinction of this relational benefit as a difference between the firm as a whole (external) and that of individual relationships within the firm (internal). Social benefits can therefore be considered as two distinct categories of internal and external social benefits. Special treatment benefits are in the context of deals and treatments, or programs that are unavailable to non-relational customers and consist of the core benefits of the firm.

The following conceptual figure presents how the hypothesized relational benefits interact with satisfaction and perceived value as described in this introduction (Figure 1).

Chambers of commerce offer many benefits to its members and act as a central reference to other small business assistance programs. Local chambers of commerce range in their array of membership benefits according to their size and number of dues paying members. A top-rated category-four chamber with over a million dollars in dues has the ability to offer more benefits and programmed assistance to businesses than does a smaller chamber. An inventory of programs and benefits was assessed by reviewing Internet websites of larger chambers, discussions with the current president and key staff of one large category-four chamber, a review of published chamber brochures and documents, and personal interviews with select members.

2.1.1 Confidence Benefits

Some may join to establish the firm's credibility (credence) in the community and promote themselves (reputation) to their customers and other business members using the chambers seal of approval and inclusion into the membership directory. Central to the management of a chamber of commerce is the balance and sensitivity to each member's interests and the chamber's nurturing of those interests to evolve in importance with the overall chamber membership. Some chamber members seek out specific programs and benefits, whereas others take on the recognition of the membership as more important and may wish to rise to the level of a business council, such as the chamber's small business council, the international business council, or other special leadership groups. This leads to the following paired hypotheses:

H1a: Confidence benefits of credence/reputation identified with factor analysis will positively influence the satisfaction of chamber membership.

H1b: Confidence benefits of credence/reputation identified with factor analysis will positively influence the perceived value of chamber membership

2.1.2 Social Benefits

Gutek et al. (2000) make the distinction of a social benefit as a difference between the firm as a whole (external) and that of individual relationships within the firm (internal). They suggest that this distinction can take on a variety of characteristics. Members of a chamber of commerce may have a broad social benefit based on their community focus of civic and corporate responsibility, whereas others may have a social benefit based on the internal individual self-interest of specific economic development programs. The historical background suggests the chamber's influence on germane governmental issues dealing with business as one of its original functions (Lacho, 2008).

Conceptual Model Linking Relational Benefits, Satisfaction and Perceived Value

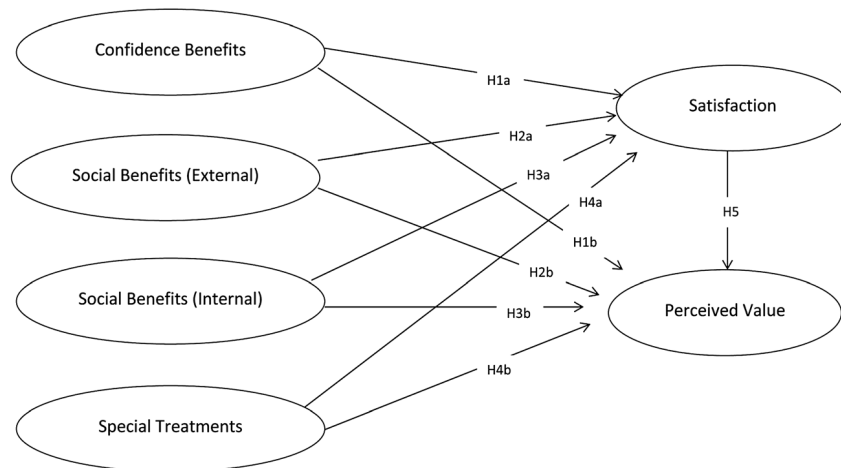


Figure 1. Conceptual model linking relational benefits, satisfaction, and perceived value.

Professional Group” for member employees younger than 40 years old to network in the business environment. This program rapidly grew to over 700 young business workforce professionals actively interested in local business issues.

Many chambers offer individualized business assistance programs featuring how to cut costs, access to local marketing data and business lists, business directories, website referrals, workshops on business success, and promotions displayed at chamber events and sponsorships. Members may join for offers of low cost advertising, marketing contacts, power networking, recognition awards, special industry lists, and referrals. Some may have special interests in business assistance programs, international business development, minority business development, education, and workforce development. Others may wish to become involved with volunteer work, professional growth, special committees, and task forces such as a new “green” environmental business initiative. These types of programs can be seen as social benefits with a focus to individual economic development within the business community. Both types of social benefits form the following hypotheses.

H2a: External social benefits of civic/corporate responsibility identified with factor analysis will positively influence the satisfaction of chamber membership.

H2b: External social benefits of civic/corporate responsibility identified with factor analysis will positively influence the perceived value of chamber membership.

H3a: Internal social benefits of business and community economic development identified with factor analysis will positively influence the satisfaction of chamber membership.

H3b: Internal social benefits of business and community economic development identified with factor analysis will positively influence the perceived value of chamber membership.

2.1.3 Special Treatment Benefits

As a membership organization, the chamber offers many money saving discounts on programs and services with other members such as access to YMCA health club memberships, discounts on credit card services, and programs to contain health and medical costs, among others. Some members see value in networking business-to-business programs to help grow revenue including golf outings, Java connections (monthly morning networks), business connections (after hour networking), and trustee programs (elite networking).

H4a: Special treatment benefits of marketing contacts/networking exposure identified with factor analysis will positively influence the satisfaction of chamber membership.

H4b: Special treatment benefits of marketing contacts/networking exposure identified with factor analysis will positively influence the perceived value of chamber membership.

2.1.4 Satisfaction and Perceived Value

Cronin et al. (2000) cite that both perceived customer value and satisfaction are popular constructs among business managers and academia. Ulaga and Chacour (2001) state that delivering superior value is an ongoing concern to managers especially in business markets. They consider the measurement of customer-perceived value as a prerequisite for marketing strategy development and implementation. The concept of perceived value is considered one of the most accepted constructs among business managers and academia (Ravald & Grönroos, 1996). It becomes critical for managers to know where consumer value resides from the standpoint of their customer. Hume and Mort (2006) investigated the role of satisfaction and value in the context of the cultural performing arts. They encouraged further understanding of how customers assign value and satisfaction specific to other types of organizations as an important task for both researchers and practitioners. The trade-off between perceived value and that of satisfaction in nonprofit service-oriented organizations has yet to be determined and is the focus of this study.

Perceived value can be described as “the customer’s overall appraisal of the net worth of the service, on the basis of the customer’s assessment of what is received (benefits provided by the service), and what is given (costs or sacrifice in acquiring and utilizing the service)” (Hellier, Geursen, Carr, & Rickard, 2003, p.1765)—or simply the value for the money already paid for chamber membership. Eggert and Ulaga (2002) suggest that they can both be conceptualized and measured as two distinct yet complementary constructs. In this study, perceived value considers the chamber members’ value for the money paid for membership in contrast to their responses to the satisfaction they receive from the current programs and benefits offered by the chamber. Two global measures were used to collect overall perceived value and overall cumulative satisfaction responses as were employed by Eggert and Ulaga (2002), Cronin et al. (2000), and Anderson, Fornell, and Lehmann (1994).

H5: Overall perceived value will have a significantly more positive influence than that of satisfaction on chamber membership evaluation of benefits.

3. Methodology

3.1 Instrument Development: Qualitative

The American Chamber of Commerce Executives (ACCE, 2011) is an independent organization that provides its chamber membership with career development, professional growth, and management effectiveness for chamber executives and professionals. The ACCE conducts chamber salary and operations surveys, membership statistics, retention, and market penetration studies among area chambers. The ACCE rates chambers on the basis of the size of the population and revenue produced by the chamber. The ACCE has listed over 50 chambers in the USA as category-four in their national membership; however, the size of the chamber may range from city to county or regional coverage. Examples of category-four chambers are the Association of Washington Businesses (WA), the Buffalo Niagara Partnership (NY), the Greater Dallas Chamber (TX), the Cincinnati USA Regional Chamber (OH), and the Chamber of Hawaii (HI).

This study focuses on one such category-four chamber in southwest Florida. This chamber serves a population of 250 000–499 999 and collected over \$1m of membership dues placing it in the (ACCE) highest classification of a category-four chamber. In contrast, a category-one chamber would have less than \$200 000 in membership dues. This chamber has a full-time staff of over 15 employees and more than 2000 members representing over 67 000 employees. An inventory of programs and benefits was assessed by reviewing Internet websites of large regional chambers, discussions with the current chamber president and key staff, a review of published chamber brochures and documents, and personal in-depth interviews with nine randomly selected members from different business categories. Fifty-two such programs, products, services, activities, and events that could be considered business benefits were identified for this one chamber. Chamber benefits evolve according to the interests and desires of its members, so a survey of benefits provides a current window to view their perceived value and level of satisfaction by the chamber membership.

3.2 Instrument Development: Quantitative

A four-page mail survey was developed containing some 80 items including demographic status, open-ended responses of some local business issues of current interest, and a 5-point Likert scale of perceived value members have with 52 programs and benefits. A no-opinion option was presented for each benefit. Two global measures, on 5-point Likert scales, were used to collect perceived value and overall cumulative satisfaction responses as were employed by Eggert and Ulaga (2002), Cronin et al. (2000), and Anderson et al. (1994). A mail survey was selected on the basis of an existing membership database and previous preference data. Members preferred postal mailing for responses from the primary business contact, whereas electronic mailing was most requested for general chamber informational announcements. Records of current membership provided information on the number of full and part-time employees, the number of locations in the county it serves, and the number of years the company has been in business. Also on record was the type of ownership and industry that most identifies that business.

The mail survey was developed with cooperation by the local state university and mailed on chamber letterhead. The census mailing was sent to every owner or key employee responsible for maintaining their contact with the chamber. The chamber members were requested to take 12–15 min to complete the survey. A census of the entire membership of 2019 businesses was sent with a return envelope to the local state university to ensure complete confidentiality to individuals and businesses and to tabulate and assess the information collected. A follow-up survey was sent after 10 days to those who did not respond to the first mailing.

3.3 Data Analysis

3.3.1 Survey Response

A total of 524 usable responses (26% return) were collected from the two mailings. Twenty responses were excluded from this list of small businesses as they had more than 250 employees as a size limit determined by the US Chamber of Commerce (U.S. Chamber, 2013). Results from the mail returns were compared with known values for the population. Table 1 presents several known demographic variables of the chamber membership. The known values, recently updated from chamber membership records, were based on the number of full-time employees and the type of ownership of the firm. A comparison of the number of full-time employees reported from the collected mail surveys is within 95% confidence intervals with the known reported membership numbers. Nearly half of the respondents (48%) listed a corporate status, 16% reported a sole proprietorship, 10% nonprofit status, and the remaining 26% as a composite of partnerships, divisions, franchises, and individuals/associates. All four categories were within the 95% confidence intervals of these known membership numbers. No significant differences were reported between the type of ownership and the overall satisfaction and perceived value questions χ^2 (d.f. = 18, N = 524) = 21.13, $p = 0.273$. Results are consistent or generalizable to that of the entire membership.

Data collected from the chamber membership were analyzed using the Statistical Package for the Social Sciences (SPSS) and LISREL, and construct validity was assessed using factor analysis (Cronbach & Meehl, 1955). Exploratory factor analysis was used to uncover the underlying structure of a large set of chamber benefits, some 52 items, listed in the survey. The exploratory factor analyses of independent and dependent variables were conducted separately to determine the number and nature of latent variables of each scale and to explore whether the variables reflect the established literature on benefit constructs. Confirmatory factor analysis was used to measure reliability and the validity of the measures. To explore the causal relationships and test the hypotheses, a structural equation model was used consisting of both the measurement and the structural model.

Table 1. Demographic characteristics of chamber business membership

Variables	Frequency (N = 524)	Percent
Number of full-time employees (locally)	12 104	70
Number of part-time employees (locally)	5236	30
Corporate	252	48
Sole proprietorship	84	16
Nonprofit	52	10
Composite (partnerships, franchises, etc.)	136	26

4. Results

4.1 Factor Analyses

Confirmatory factor analysis with varimax rotation was conducted to identify the underlying dimensions of the relational benefits scale. The latent root criterion (eigenvalue) of 1.0 was used for factor inclusion, and a factor loading of 0.40 was used as the benchmark to include items in each factor. Four dimensions were derived from 18 benefit items that explain 72.55% of the variance (Table 2). Dimensions were reputation based on credence and integrity, networking and exposure via marketing contacts, a community sense of civic and corporate responsibility, and economic development for the local businesses and community. Reputation based on credence and integrity came from two items with factor loadings of 0.89 and 0.94 ($\alpha = 0.88$). Networking via marketing contacts comprised seven items with factor loadings from 0.47 to 0.84 ($\alpha = 0.84$). A community sense of civic and corporate responsibility consisted of five items between 0.70 and 0.82 ($\alpha = 0.82$). The final dimension, economic development of the local businesses and community, was composed of four items with factor loadings in the range of 0.63–0.85 ($\alpha = 0.85$). All significant dimensions and factors are listed in Table 2.

Table 2. Factor analysis of chamber benefits

Factor items	Factor loading	Eigenvalue (%)	Per cent of α
Variance Trustworthiness and integrity (reputation)	3.43	19.91	0.88
Establish your firm's credibility	0.94		
Chamber seal of approval	0.89		
Marketing contacts and exposure (networking)	2.61	16.29	0.84
Networking programs to grow your sales	0.84		
Business connections (after hour networking)	0.82		
Small business events	0.80		
Membership directory/buyers guide	0.63		
Website referrals	0.53		
Marketing and data lists	0.52		
Annual meetings	0.47		
Civic/corporate responsibility (community)	2.96	18.50	0.82
Community betterment programs	0.82		
Alliance for government advocacy	0.81		
Tourism and hospitality support	0.76		
Leadership Sarasota County program	0.73		
Arts task force	0.70		
Business and community (economic development)	2.86	17.85	0.85
Education and workforce development	0.85		
Business assistance programs	0.81		
International business development	0.79		
Minority business development	0.63		

The mean values for overall satisfaction (3.2) and perceived value (3.6) on a 5-point scale. Satisfaction and perceived value were global overall measures. Correlation coefficients for the two items in each scale were 0.87 and 0.91, respectively, and indicated an appropriate internal consistency.

4.2. Analysis and Results

Table 3 reports the means, standard deviations, and bi-variate correlations for the constructs included in the posited model. The table shows the relationships between the benefits, satisfaction, perceived value, and satisfaction with perceived value were all positive, and the coefficients were significant at the $p < 0.001$ level. These correlations reveal a consistent pattern with the relationships in the posited causal model.

4.2.1. Hypotheses Testing: Structural Equation Model Analysis

The full LISREL model consisted of both a measurement model and a structural model. The hypothetical model consists of four endogenous variables (relational benefits) and two exogenous constructs (member satisfaction and perceived value). The causal measurement model testing was conducted using LISREL 8.72 with maximum likelihood estimation method. The fit statistics including chi-square, goodness-of-fit (GFI), adjusted goodness-of-fit index (AGFI), and root mean square error of approximation assessed for model fit. A chi-square test assesses the suitability of the posited hypothesized model to reflect the variance and covariance of the data. Statistical significance of parameter estimates was tested using t-values. Fit statistics of at least 0.90 for GFI and AGFI indicate a good model fit (Bagozzi & Yi, 1988) with large sample sizes of greater than $N = 200$. The analytical results for the conceptual model reveal a suitable overall fit for the causal model. This study results in $\chi^2 = 21.01$ (d.f. = 7, $p < 0.005$), GFI was 0.93, and AGFI was 0.90.

The proposed research model positing the causal relational benefits as the mediator of the relationship between the chamber programs and benefits and the two outcome variables of satisfaction and perceived value is presented in Figure 2.

A t-value parameter estimate greater than 2.00 was considered an indicator of statistical significance indicating construct validity (Byrne, 1988). Figure 2 shows the results of the causal model analysis, which include significant standardized path coefficients (R^2) and t-values for each relationship. All paths in the proposed model received significant statistical confirmation supporting the validity of each outcome. Therefore, H1a–b, H2a–b, H3a–b, and H4a–b were supported in a positive direction to satisfaction ($R^2 = 0.19$) and perceived value ($R^2 = 0.73$). H5 fully supported the positive direction of satisfaction to perceived value. These strong and statistically valid relationships are representative of a group of businesses more willing to pay for desired benefits than for the satisfaction of services alone.

Table 3. Causal model statistics

	Mean	Standard deviation	Number of items	1	2	3	4	5	6
Confidence benefits	4.1	0.94	2	0.881 ^a					
Social benefits 1	3.7	0.96	5	0.321 ^b	0.822				
Social benefits 2	3.2	1.07	4	0.385	0.485	0.851			
Special treatments	3.7	1.01	7	0.415	0.395	0.527	0.840		
Satisfaction	3.2	0.84	1	0.478	0.555	0.472	0.870	1.000	
Perceived value	3.6	0.88	1	0.258	0.568	0.433	0.566	0.910	1.000

^aValues along the diagonal are correlational or Cronbach alpha coefficients.

^bAll correlations are significant at the 0.001 level (two-tailed).

Causal Model Results

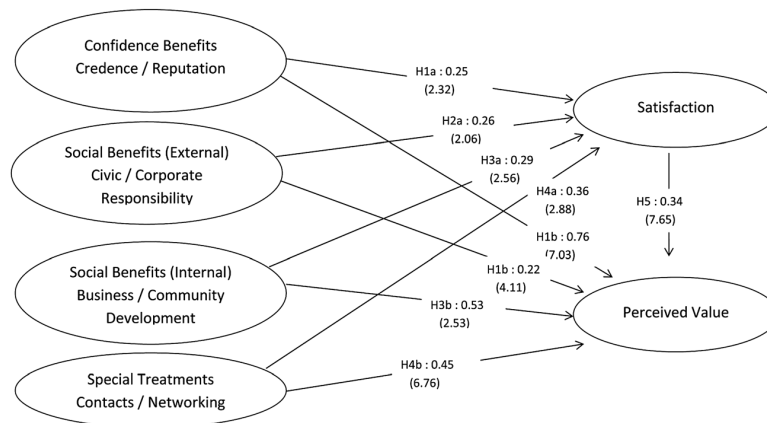


Figure 2. Causal model results.

5. Conclusions and Implications

The most important findings of this study lead to the identification of the core benefits provided by chamber membership as presented in Table 2. The findings help clarify and define the underlying reasons a small business would join a chamber of commerce. These core benefits help a small business owner distinguish among a numerous or an overwhelming list of specific programs and qualified benefits. These findings also help chamber management articulate and promote the core benefits of membership with a corresponding menu of related specific programs and benefits. Relational management can be strengthened by matching the key essential benefits to the interests of existing and prospective members, perhaps identifying niche markets. This study is also valuable to the management of small to mid-range chambers of commerce when considering the types of benefits and programs to offer their members compared with a large category-four chamber.

The most conspicuous intrinsic benefit to join a chamber is the immediate recognition and credence given to a small business member. The strength of the high correlation of the “credence/reputation” benefits is supported with previous studies by Morgan and Hunt (1994) and Cronin et al. (2000) who argue that confidence is the key mediating variable in relational exchanges and is built on the reliability, trust, and integrity of the provider. Their results corroborate the main finding of this study with the respondents’ desire to “establish your firm’s credibility” and access to the “chamber seal of approval” as presented in Table 2. Membership in a chamber provides a business with instant credibility and trustworthiness as seen in the posting and display of a chamber seal on business windows and company work vehicles along with the recognized membership among other trusted companies in the community. The chamber seal is not only a promotional tool but can also provide customers with a sense of reassurance of a qualifying agency they can go to if any disputes arise.

Chamber members were next most interested in special treatment benefits. Special treatment benefits that are uniquely provided by a chamber of commerce include access to marketing and data lists, a membership directory, website referrals, and a variety of networking opportunities such as annual meetings, business connection breakfasts, and after hour gatherings, as well as small business events including golf tournaments and trade shows. Chamber management can address which of these has the most perceived value as a package of special treatments among their small business constituency. Different types of social benefits between the firm as a whole and that of individual relationships within the firm were first noted by Gutek et al. (2000). They suggest that this distinction can take on a variety of characteristics. Members of a chamber of commerce have a broad external social benefit based on their community focus of civic and corporate responsibility. These consist of the respondents’ interests in community betterment programs, government advocacy, youth leadership programs, and programs in support

of the arts and tourism. Other small businesses may have an internal social benefit based on an individual self-interest of specific economic development programs, which directly favor their company. Many of these are specific to their operations such as international business development, minority business development, education and workforce development, and specific business assistance programs that directly avail their business. The local airport, for example, may join the chamber's international business council of like-minded companies promoting international trade and travel. Both of these social benefits show high correlations as relational benefits.

This study reports that perceived value mediates the relationship with that of satisfaction and has a stronger relationship with the benefits offered. Value is therefore driven mainly from the benefits extended to the chamber members. This relationship between value and satisfaction is supported by researchers in other contexts and applications: Hume and Mort (2006), Eggert and Ulaga (2002), and Ulaga and Chacour (2001), among others. Cronin et al. (2000) considered the construct of value in business organizations (such as chambers of commerce) a better predictor of outcome variables than satisfaction, as businesses buy for economic rather than emotional reasons. This study supports the assertion of Cronin et al. (2000) that perceived value is of primary importance not just in business organizations but also in nonprofit service-oriented assistance organizations.

Measures of both perceived value and satisfaction provide chamber managers with significant insights in respect to price sensitivity and demand across benefits provided by this study. A strong positive correlation between satisfaction and value indicates a reasonable price given the level of satisfaction provided by the chamber's management and staff, and the benefits afforded to their members. Satisfaction is an antecedent to perceived value, and as such, increasing satisfaction will have some positive effect on value, but lowering or raising the price (value) would have little immediate effect on overall satisfaction.

Perceived value was found to have higher correlations with relational benefits than satisfaction, which supports the original findings of Eggert and Ulaga (2002). It might be assumed that an increase in the price of membership would have a diminishing effect on satisfaction, as would be in a reduction of the benefits offered. However, in this study, the higher value provided by the credentialing benefits of "establishing your firm's credibility" and the use of the chamber's "seal of approval" had a significant effect over and above both the value of membership and overall satisfaction. This may be interpreted as a reason to raise membership fees and/or reduce the level of satisfaction and other inconsequential relational benefits for cost savings. Negotiating a membership fee for a company to join a chamber typically entails sensitivity by the chamber president and staff in balancing the individual member's perceived value with the establishment of the chamber's strongest overall position in the business community. The identification of a chamber of commerce's dominant relational benefits has been shown here to directly and positively support both the satisfaction and the perceived value of chamber membership.

A corollary for this study can be made between different customer's value perceptions of a simple donut. A hedonic customer may not see much in the donut but wants to share the service and ambiance of an urbane setting to flaunt the donut among colleagues. A utilitarian customer may just want the value placed in the size and taste of the donut and cares less of status and what others think. This study concludes that chamber management may serve two separate customers: the hedonic member looking to flaunt the credence that comes with chamber and community acceptance, whereas the other utilitarian members just want the special treatment core benefits to enhance their businesses. Either one is best served when chamber management emphasizes the perceived value with the benefits offered rather than on a measure of customer satisfaction.

5.1. Limitations of the Study and Recommendations

The findings from this study are limited primarily to service 501(c) (6) types of organizations that negotiate price to closely match the members' perceived value of the benefits. The intangibles of the service provider are the core relational benefits, whereas tangible products often have a set price with only the relational benefits that are negotiable. The framework used in this study would be more applicable to service providers who can negotiate the level of intangible benefits with the customer's perceived value. Other service organizations may include insurance, health providers, and banking/financial services, as well as online service providers.

A limitation is that this study is not representative of all chambers of commerce although it is illustrative of the chamber of commerce system particularly in the USA. Notably, relational benefits can evolve over time, along with the size and mission of the chamber, thus reprioritizing relational benefits. Another limitation not investigated in this survey is the degree of involvement for each of the stated benefits and to whether members were taking full advantage of the benefits offered. Although no-opinion response was an option for each benefit stated, the respondents may not be fully informed or aware of each benefit or the value and satisfaction attributed to it.

Twenty of the companies excluded from this study were larger than the typically defined small business of 250 employees or less (U.S. Chamber, 2013). Many of these were regional or national companies in size. Interestingly, a few of the open-ended responses for joining a chamber referred not to their needing data lists or a chamber seal because they already have access to lists and existing reputational character. They joined the local chamber in support of the many small businesses that act as suppliers, contractors, agents and brokers, and a

general work- force that enhance their own operations on a community level. One succinct comment from a large corporate booster summarily stated, “a rising tide lifts all boats”. Therefore, larger companies with more than 250 employees may see their primary reason for chamber membership as one of an internal social benefit or self-interest in business and community economic development. A growing community is seen as a benefit to their business. The assessment and comparison of key chamber benefits by large and small businesses would provide interesting grounds for future research.

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