



journal homepage: [www.elsevier.com/locate/emj](http://www.elsevier.com/locate/emj)

# Studying motivations of store-loyal buyers across alternative measures of behavioural loyalty

Mercedes Martos-Partal <sup>\*</sup>, Óscar González-Benito

*Universidad de Salamanca, Dpto. de Administración y Economía de la Empresa, Campus Miguel de Unamuno, 37007 Salamanca, Spain*

## KEYWORDS

Buyer profile;  
Store loyalty;  
Motivations;  
Benefits sought;  
Budget allocation;  
Self-assessment

**Summary** This study establishes a theoretical framework and provides empirical evidence related to the motivations and benefits sought by store-loyal customers. From a theoretical perspective, the proposed framework distinguishes utilitarian benefits, such as monetary and time savings, from hedonic benefits, such as shopping enjoyment, innovativeness and impulsiveness. From a methodological perspective, this study suggests the appeal of considering different measures of store-loyal behaviour, particularly those based on consumers' self-assessments, as alternatives to measures based on solely on their budget allocations. The empirical findings indicate moderate consistency between these measures; self-assessment measures are more closely related to consumers' motivational profiles. They also indicate the greater explanatory power of motivational variables compared with socio-demographic variables for characterising store-loyal buyers. Finally, store-loyal buyers' general profile is less price sensitive, more time and service sensitive, less concerned about entertainment and new experiences, more likely to feature planning and more brand loyal.

© 2013 Elsevier Ltd. All rights reserved.

## Introduction

Customer loyalty remains a topic of great interest for firms (Kotler & Keller, 2009; Reichheld, 1996), as well as a core element of relationship marketing (Berry, 1995). Relationship marketing emphasises the business benefits of increasing consumption among existing customers and preventing their loss, rather than working to attract new customers. Creating and maintaining customer loyalty thus constitute strategic requirements for modern business, particularly in

the retail industry. Retailers offer various loyalty programs, including customer cards, discount coupons, special offers and promotions, with the main objective of retaining loyal customers and persuading less loyal consumers to spend more in their stores (Bustos-Reyes & González-Benito, 2006). A loyal customer base in turn exhibits several traits that are beneficial for retailers, including reduced sensitivity to other price and market offers and reduced proneness to seek other alternatives or switch stores (East, Hammond, Harris, & Lomax, 2000; East, Harris, Willson, & Lomax, 1995; Knox & Denison, 2000), increased spending and related sales (Knox & Denison, 2000) and significant communication potential through word of mouth (Bloemer, de Ruyter, & Wetzels, 1999; Gounaris & Stathakopoulos,

<sup>\*</sup> Corresponding author. Tel.: +34 923 294 500x3124; fax: +34 923 294 715.

E-mail address: [mmartos@usal.es](mailto:mmartos@usal.es) (M. Martos-Partal).

2004). Such advantages translate into higher retailer profitability (Chaudhuri & Ligas, 2009; East et al., 1995, 2000; Knox & Denison, 2000).

But not all efforts devoted to increasing customer loyalty produce the expected results. Several studies indicate a clear customer tendency to disperse purchases across stores, especially for frequently purchased products such as food and household items (Ailawadi & Keller, 2004; Baltas, Argouslidis, & Skarmas, 2010; Flavián, Martínez, & Polo, 2001; González-Benito, Muñoz-Gallego, & Kopalle, 2005; Knox & Denison, 2000; Rhee & Bell, 2002). In short, consumers' store choice is notably polygamous. The disappointing performance of loyalty programs might imply insufficient segmentation, because to increase loyalty, especially among their best customers, retail managers likely need to apply selective strategies to the customers with the greatest loyalty potential (Knox & Denison, 2000). Such a selective strategy is feasible only if potentially loyal customers share some common characteristics that make them identifiable and accessible (Baltas et al., 2010). Profiling (potentially) store-loyal customers is a high priority for managers.

In response to this priority, we establish a theoretical framework and provide empirical evidence related to the profiling of store loyal customers. Both sides of the store loyalty equation are approached. On the one side, we focus on motivations of and benefits sought by store-loyal customers as determinants of store loyalty. They are classified into hedonic and utilitarian benefits. If we can identify motivations underlying their store-loyal behaviour, retailers might be able to apply more focused strategies, designed specifically to enhance the loyalty of target consumers. On the other side, we focus on alternatives measurements of behavioural loyalty derived from budget allocation patterns and consumers' self-assessment.

Our contribution is twofold, namely, theoretical and methodological. From a theoretical view, we focus on motivations and benefits sought in shopping and propose a framework that distinguishes utilitarian benefits, such as monetary and time savings or quality searches, from hedonic benefits, such as shopping enjoyment, innovativeness and impulsiveness (versus planning). Most previous studies of store loyalty focus on socio-demographic variables, which seem insufficient to identify loyal customers accurately (East et al., 2000; Mägi, 2003). Less evidence is available regarding whether purchase motivations might help explain store loyalty, despite some suggestions and empirical evidence that such variables have more potential than socio-demographic variables (Konus, Verhoef, & Neslin, 2008; Mägi, 2003). Segmentation by benefits sought offers a deeper sense of the motivational reasons and causal factors underlying consumption and therefore can help determine shopping behaviour more accurately than descriptive factors (Haley, 1995). Moreover, the few studies that relate motivations to store loyalty lack an overriding theoretical framework for integrating shopping motivations. Instead, they tend to study specific motivations (e.g., East et al., 2000; McGoldrick & Andre, 1997), mainly as covariates to be controlled to isolate the effect of other determinants of store loyalty (Ailawadi, Pauwels, & Steenkamp, 2008). Only Mägi (2003) considers the relationship between shopping motivations and store loyalty, by analysing the effect

of economic, apathetic and personalising shopping motivations. However, she also concludes that the consideration of other consumer characteristics and motivations might provide greater insight into the motivational drivers of loyal behaviour. In summary, the scarce attention and empirical evidence contained in previous literature strongly indicates the need to provide a more complete, comprehensive framework to analyse the motivational profile of store loyalty.

From a methodological perspective, we highlight the appeal of measures of store-loyal behaviour based on consumers' self-assessment as alternatives to measures based on budget allocation. Most previous research determines behavioural loyalty on the basis of allocations of budgets or visits across available stores, using objective data from consumer panels (e.g., Ailawadi et al., 2008; González-Benito & Martos-Partal, 2012; Kau & Ehrenberg, 1984; Martos-Partal & González-Benito, 2011; Mägi, 2003) or subjective estimations from consumers (Baltas et al., 2010; Bustos-Reyes & González-Benito, 2006, 2008; East et al., 2000; Flavián et al., 2001; McGoldrick & Andre, 1997). However, such an approach might obviate some loyalty behavioural patterns by failing to distinguish different shopping situations or specific product categories. For example, a consumer who always purchases dairy products in one store and vegetables in other could seem disloyal from an aggregated viewpoint, because his or her shopping budget is spread across multiple stores. In this case, the consumer's subjective self-assessment of his or her behaviour would provide a more reliable measure of behavioural loyalty and therefore enhance the profile of store-loyal consumers.

In the next section, we present our conceptual framework and review previous research to offer some theoretical support for our proposed hypotheses. After we describe the methodology for our empirical analysis, we present and discuss the findings. Finally, we outline our main conclusions and some implications for marketers.

## Conceptual framework

### Store loyalty

Dick and Basu (1994) point out that a behavioural approach to loyalty definitions and measures constitutes only a partial assessment of true loyalty. However, it is common in academic literature (Ailawadi et al., 2008; Bustos-Reyes & González-Benito, 2008; East et al., 1995; Knox, 1998; Knox & Denison, 2000). Because it is based on behaviour, it relates to market responses, sales and, ultimately, the retailer's profitability. Even though it is not possible to discern if behavioural loyalty derives from a solid affective link or simply stems from greater convenience or accessibility, retailers aim to foster attitudinal and affective links with customers to the extent that it leads to desirable behaviours that contribute to their profit in the long run. Therefore, a behavioural perspective is the most interesting method for retailers (East et al., 2000) and the one considered in this study.

There are three main approaches to measuring behavioural loyalty (Knox & Denison, 2000): (1) repeat purchases according to the number of store visits, (2) switching frequency, or the degree of successive visits to a store and

Download English Version:

<https://daneshyari.com/en/article/1014989>

Download Persian Version:

<https://daneshyari.com/article/1014989>

[Daneshyari.com](https://daneshyari.com)