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When the customer has left the store: An examination of the potential for satisfaction rub-off effects and purchase versus no purchase implications

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ABSTRACT

Two lacunae in the relationship marketing literature are examined in this paper: (1) effects of satisfaction stemming from one particular store visit on the customer's relation to other stores (the existing literature typically focuses on the customer's relation to *one* satisfaction-creating store), and (2) the extent to which the impact of customer satisfaction on future intentions is moderated by what happens during the satisfaction-creating visit in terms of purchase versus no purchase (the existing literature typically assumes that the customer subject to satisfaction has purchased something, despite the fact that the reality of retailing consists of many customers leaving stores without purchases).

1. Introduction

According to the dominant contemporary relationship paradigm in marketing, the customer's visit to one particular store – at one particular point in time – should be seen by store management as an opportunity to encourage the customer to come back. Research within this paradigm has produced an extensive list of controllable store factors with a positive impact on the customer's overall evaluation of the store (e.g., in terms of customer satisfaction), while copious studies show that an overall store evaluation produces a positive effect on customers' intentions to come back. The main rationale behind encouraging the customer to come back, of course, and as discussed by many authors, is that there are favorable cost and revenue-related consequences of having long-term relationships with customers (cf. Anderson et al., 1994; Reichheld and Sasser, 1990). This paradigm has indeed inspired a huge number of studies of retail customers, and as research accumulates more details regarding the variables in the chain and their associations are discovered. Yet there are still neglected issues within the paradigm.

One such issue has to do with the customer's overall store evaluation and its consequences for the customer's future behavior. One of the most robust findings within the relationship marketing paradigm is that the customer's overall evaluation of one particular store is positively associated with the intentions to return to this store (cf. Szymanski and Henard, 2001). Usually, however, such results are obtained in a situation in which researchers focus on the customer's future activities vis-à-vis the store that created the overall evaluation. Yet in the typical case, from the customer's point of view, one particular store is not the only existing store; choices related to one particular store are often a part of an ongoing sequence of choices involving several stores (cf. Novemsky and Dhar, 2005). Intuitively, given the widespread assumption that repurchase intent is an indicator of customer loyalty, one would perhaps expect that a high level of satisfaction with one store *reduces* intentions to turn to other (competing) stores. A main premise in this paper, however, is that it is possible that a high level of customer satisfaction derived from one particular store could actually *increase* the customer's intentions to turn to other stores. That is to say, satisfaction with one particular store may "rub off" in a positive way on the customer's intentions to turn to other stores.

Another often overlooked issue is related to the fact that customers who visit one particular store may or may not purchase something in this store. In other words, not every visit ends with a purchase (Bloch and Richins, 1983; Bloch et al., 1989; Moe and Fader, 2001). Yet both these two activities – a visit followed by a purchase and a visit without a purchase – can create customer satisfaction. Because the distinction between visiting and purchasing is seldom made explicit in academic research within the relationship marketing paradigm, little is known about the distinction's potential of moderating satisfaction's causal potency with respect to the customer's future in relation to (a) the store that created satisfaction in the first place and (b) other stores. Presumably, the neglect of

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distinguishing between purchasing and visiting stems from the fact that much satisfaction-related research has been carried out in a service context, in which the product is produced and consumed (and paid for) within the same transaction – thus a context in which a customer typically is someone who also purchases something. In a retail context, however, it is clear that not every customer who comes into a store will actually purchase something, and therefore activities that boost the number of purchasers in relation to visitors are crucial for retailers (cf. the notion of *conversion rate*, i.e., the percentage of visits that result in purchases). It is also clear, however, that a customer "merely" visiting a store without purchasing something is not to be regarded as a "lost" customer, because the visit may serve knowledge-building purposes and may result in a purchase later on (Bloch et al., 1989; Moe, 2003). The mere visit may also result in word-of-mouth from the visitor, which may attract other customers (Bloch and Richins, 1983; Bloch et al., 1989). And the mere visit is likely to contribute to the visitor's perceptions of the store brand. In any event, in this paper we will be explicitly concerned with if customers purchase something or not, in order to explore what this distinction means for the customer's future in relation to the visited store – and other stores.

The purpose of this paper, then, is to examine two lacunae in the relationship marketing literature that we feel are particularly relevant in a retail context: (1) the effects of satisfaction stemming from one particular store visit on the customer's relation to other stores, and (2) the extent to which the impact of customer satisfaction on future intentions is moderated by what happens during the satisfaction-creating visit in terms of purchasing versus not purchasing.

2. Theoretical framework

2.1. The rub-off effect

As already stated, existing research has repeatedly shown that a satisfaction-producing choice to patronize one particular retailer makes it likely that the customer forms intentions to return to this retailer in the future. Our first purpose, however, is to examine the potential for the customer to also form intentions to turn to *other* retailers within the same category – despite the fact that the initially selected retailer made the customer satisfied. One of our main premises is that when the choice of one particular object is part of a sequence of choices involving also other objects, the initial choice can influence subsequent choices. This is the same assumption as in, for example, Novemsky and Dhar (2005) and Dhar et al. (2007). Yet in contrast to these authors we examine the issue when the choice objects are different stores, not different objects supplied by the same vendor. Another premise is that a visit to one particular store is often a part of a sequence involving visiting several stores during the same shopping trip. Although researchers' interest in the possibility that the same customer may visit several stores during the same trip seems to have vanished during recent years, previous research does indicate, for example, that many customers who are searching for a particular product do so in several stores (Newman and Staelin, 1972; Newman and Lockeman, 1975).

In any event, the main reason why satisfaction with one particular retailer can have a positive impact on the customer's intention to visit (and purchase from) other retailers is that (a) satisfaction is a state of mind characterized by positive affect (Russell, 1980; Russell and Carroll, 1999), and (b) positive affect is likely to influence information processing and motivation so that the customer is encouraged to seek out additional stores. We develop these arguments further below.

In general, the individual who is experiencing positive affect as opposed to negative affect has an expanded attention focus, is more open to new information, and makes more flexible cognitive categorizations. A specific example of flexible cognitive categorization is the inclusion of fringe exemplars in a category (e.g., viewing *camel* and *elevator* as examplars of the category *vehicle*; cf. Fredrickson and Branigan, 2005). In other words, positive affect is assumed to increase the size of the consideration set (Fredrickson, 1998; Isen, 2001; Kahn and Isen, 1993; Seo et al., 2007). One reason is that positive affect facilitates access to a larger and more diverse set of ideas (Isen and Shalker, 1982) and facilitates integration and comparison of ideas (Isen et al., 1991), so that more objects are grouped together and are seen as related (Isen, 1984; Isen et al., 1987). At a neurological level, the release of dopamine is assumed to mediate the influence of positive affect on information processing activities (Ashby et al., 1999). In addition, positive affect is likely to motivate the individual to act in relation to the additional objects made more accessible in his/her mind; positive affect seems to promote enjoyment of variety and of a wider range of possibilities (Ashby et al., 1999). More specifically, positive affect is assumed to have a positive impact on approaching novel objects, exploratory behavior (Cacioppo and Gardner, 1999; Menon and Kahn, 2002), variety-seeking behavior (Fredrickson, 1998; Fredrickson, 2001; Isen, 2001; Kahn and Isen, 1993; Menon and Kahn, 2002), and thought-action repertoires (Fredrickson and Branigan, 2005). Given this, we expect that positive affect resulting from one specific object can encourage the individual to both (a) think about the related objects and (b) approach those related objects.

Empirical evidence for this type of rub-off effect in customer settings exists. For example, Michaelidou and Dibb (2009) and Van Trijp et al. (1996) found that the pleasure generated by buying products from a category is positively associated with switching behavior within this category. A similar pattern appears in Lammers' (1991) study of the effects of free samples of chocolate distributed in a store; he showed that of the customers receiving such samples 16 percent purchased nothing, 23 percent purchased the same variety of chocolate, while 61 percent purchased some *other* variety of chocolate. Lammers (1991) suggests that enjoyment may be involved in this "category expansion effect", but he did not offer details about the influence mechanisms. Positive affect, in terms of positive mood, has also been shown to have a positive impact on perceptions of brand extensions (Barone et al., 2000). Moreover, and specifically related to customer satisfaction, some studies indicate a positive association between customer satisfaction with one particular supplier and customer purchase behavior in terms of the number of product categories purchased from this supplier (i.e., cross-selling is occurring from the supplier's point of view). In other words, a high level of satisfaction seems to encourage the customer – over time – to purchase products in additional categories from the same source (Hallowell, 1996; Li et al., 2005). In this cross-selling case, it thus seems as if the positive charge of satisfaction leads the customer to expand his or her view of what one specific supplier is offering.

What we wish to explore in the present study, however, is if customer satisfaction with one specific retailer can encourage the customer to form intentions to (a) visit other retailers and to (b) purchase from them. Indirect support for an effect of this type exists in an e-retailing context, in the sense that Menon and Kahn (2002), in an Internet mall context, found that perceived pleasantness generated visits to more stores and visits to a higher variety of stores. One of the few existing studies examining this effect in a brick-and-mortar context is Soderlund and Berg (2012), and their study indicates that a rub-off effect was at hand for some of the included retailers and with regard to some of their competitors. In methodological terms, however, the Soderlund and Berg (2012)