



What loyal women (and men) want: The role of gender and loyalty program characteristics in driving store loyalty

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ABSTRACT

Despite the use of loyalty programs in the retail/service industry is now spread world-wide, marketing practitioners continue to debate whether loyalty programs increase store loyalty. This study aims to examine how two distinct features of a loyalty program namely: innovativeness and perceived advantages drive women's versus men's attachment to the program and loyalty to the store. Our findings show that the perceived advantages of the loyalty program will be more appealing to men, while female customers will more positively respond to the innovativeness of the program. Further, we show that the interaction between the characteristics of the program (i.e., perceived advantages and innovativeness) and gender affects store loyalty through the mediating role of emotional attachment.

1. Introduction

Although the use of loyalty programs in the retail/service industry is now spread world-wide (Meyer-Waarden, 2013, 2015), marketing practitioners continue to debate whether loyalty programs produce store loyalty in consumers (Bridson et al., 2008; Chai et al., 2015; Hutchinson et al., 2015). To date, most research has examined the effect of the program's rewards on customer loyalty (Arbore and Estes, 2013; Drèze and Nunes, 2011; Kivetz and Simonson, 2001; Melnyk and van Osselaer, 2012; Yi and Jeon, 2003), leaving other program features and consumers' personal characteristics largely unexplored. In this current research, we examine how two distinct features of a loyalty program namely: innovativeness and perceived advantages drive women's versus men's store loyalty. We argue that personal (i.e., gender) and program characteristics (i.e., innovativeness and perceived advantages) will interact to form in customers a desire to stay in the relationship with the loyalty program, which translates into long-term store loyalty.

Additionally, we contribute to the growing interest to examine gender differences in consumer behaviour. Women as opposed to men differ in their cognitive processes, attitudinal orientations and behavioral responses (Fisher and Dube, 2005; Helgesen and Nessel, 2010; Melnyk et al., 2009). Importantly, they differ in their selection and evaluation of salient information cues (Perez and del Bosque, 2013; Van Vugt et al., 2007). Herein, we expand this knowledge and show that women as opposed to men will focus on different loyalty-program

characteristics to assess their relationship with the loyalty program and the store. Specifically, we propose that the perceived advantages of the loyalty program will be more appealing to men; while female customers will more positively respond to the innovativeness of the program. Further, we propose that the interaction between the characteristics of the program and gender will affect store loyalty through the mediating role of emotional attachment.

This manuscript is organised as follows. First, we develop our conceptual model and advance the hypotheses of the study. In the methodology section, we present our data collection method and test our hypotheses. Finally, we discuss our contributions to theory and practice, present the limitations of the study, and outline avenues for future research.

2. Research framework and hypotheses development

We present our conceptual model in Fig. 1. Drawing on the literature, we expect that men and women will favor different characteristics of a loyalty program. They will use these characteristics to produce evaluations of the loyalty program's performance throughout the duration of the relationship. High evaluations of the performance of the loyalty program will form strong emotional bonds (i.e., attachment) and a desire to stay in the relationship with the loyalty program. We predict that this desire for continuity will lead to a stronger inclination to avoid separation and switching via remaining loyal to the store. Therefore, emotional attachment increases the likelihood of customer

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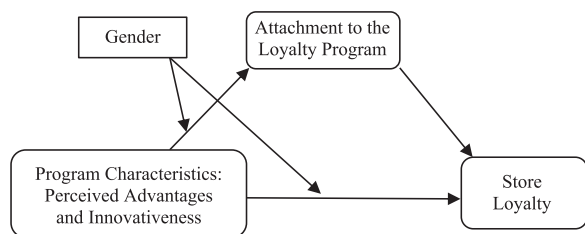


Fig. 1. Conceptual Model.

retention and store loyalty. Sections 2.1 and 2.2 formally advance our research hypotheses.

2.1. Loyalty program characteristics, emotional attachment and store loyalty

The literature advances convergent evidence that loyalty programs can exert a positive impact on both program loyalty and store loyalty (Brashear-Alejandro et al., 2016; Bridson et al., 2008; Evanschitzky et al., 2012; Huang and Chen, 2010; Kang et al., 2015; Yi and Jeon, 2003). Specifically, research has shown that consumers can develop an emotional attachment to a loyalty program, which in turn positively affects store loyalty (Meyer-Waarden, 2013; Pandit and Vilches-Montero, 2016; Steyn et al., 2010). For instance, loyalty programs can create emotional attachment (i.e., relational bonds) through personalised treatment (Palmatier and Gopalakrishna, 2005), rewards (Wirtz et al., 2007) and functional and social needs (Wirtz et al., 2013). Loyalty programs motivate consumers to stay in a long-term relationship, which contributes to feelings of attachment, identification and partnership with the loyalty program (Evanschitzky et al., 2012; Fullerton, 2005). In turn, attachment to the loyalty program influences the affective nature of the relationship between the customer and the store, positively affecting store loyalty (Fullerton, 2005; Steyn et al., 2010; Pandit and Vilches-Montero, 2016). Further, Evanschitzky et al. (2012) posit that although customers may not necessarily have a positive attitude towards the store, their positive assessment of its loyalty program may positively impact their behaviour. The authors suggest that a positive assessment of the loyalty program could have a greater impact on store loyalty than positive attitudes towards the store itself.

Despite the strong evidence supporting the notion that loyalty programs can elicit feelings of attachment towards the program and loyalty to its store, their specific drivers remain largely unknown. In many cases, the literature indicates that an overall satisfaction with, and trust in the loyalty program can produce attachment and loyalty (Pandit and Vilches-Montero, 2016), but we still ignore which specific characteristics of a loyalty program have a greater effect on consumers. The benefits of expanding this knowledge is of clear import to marketers who wish to design more effective loyalty programs.

Therefore, in this research we predict that the innovativeness and perceived advantages of the loyalty program will elicit feelings of attachment and a desire to continue in the relationship with the store. Innovativeness enhances the exploration value of a loyalty program (Mimouni-Chaabane and Volle, 2010) by prompting consumers to check out new arrivals, trends and events (Venkatraman and MacInnis, 1985). In turn, an increased exploration value increases satisfaction in consumers who seek high stimulation levels (Steenkamp and Baumgartner, 1992). Therefore, we argue that the positive emotions and satisfaction experienced while engaging in exploratory behaviours will contribute to form attachments and a desire to continue in the relationship with the loyalty program and the store. Similarly, we posit that consumers may feel attracted to a loyalty program that shows advantages over competing programs because it gives them the opportunity to join an advantaged group or community (Wirtz et al., 2007), which brings a sense of mattering and a feeling of connection with a brand (McAlexander et al., 2002). Moreover, perceived

advantages can explain both adoption and retention of a product (Henard and Szymanski, 2001; Montoya-Weiss and Calantone, 1994). Hence, within a loyalty program context, it is plausible to argue that when consumers have the opportunity to join a privileged group they will interact more with its members (e.g., at special events or exclusive lounges and changing rooms). This will increase consumers' emotional attachment to the loyalty program and their desire to stay with the store (Fullerton, 2014; Grisaffe and Nguyen, 2011). We formally advance that:

H1a. Innovativeness of the loyalty program will affect consumers' emotional attachment to the program. In turn, attachment to the loyalty program will affect loyalty to the store.

H1b. Perceived advantages of a loyalty program will affect customers' emotional attachment to the program. In turn, attachment to the loyalty program will affect loyalty to the store.

2.2. The moderating role of gender

In relation to gender differences, the selectivity model (Fournier, 1998; Evanschitzky and Wunderlich, 2006) posits that men and women process and respond to product characteristics in different ways (Henry, 2002) and undertake different buying behaviours (Fournier, 1998; Mittal and Kamakura, 2001). For example, men compared to women are more selective and logical in the evaluation of product information, focusing on the most salient information cues (Perez and del Bosque, 2013; Putrevu, 2001). They tend to value goods and services for functional and activity-related reasons (Zhang and Bloemer, 2011). In contrast, women tend to assimilate all the available product information and follow a much more comprehensive processing strategy (Meyers-Levy, 1989; Noble et al., 2006). Baumeister and Sommer (1997) suggest that women tend to be more involved in purchasing activities as they create a relationship with brands (Fournier, 1998), appreciate goods and services for emotional and symbolic reasons, and are characterized by their subjectivity and intuition (Perez and del Bosque, 2013). Women tend to put up fewer psychological barriers (Mittal and Kamakura, 2001) and this leads to a higher likelihood of retention by the organization (Gonçalves and Sampaio, 2012).

Research in the loyalty program domain also shows differential responses between women and men, although only in relation to the role of program rewards. Kivetz and Simonson (2001) show that consumers often evaluate loyalty programs on the basis of their individual effort to obtain the reward relative to the effort of typical other consumers (i.e., idiosyncratic fit). In studies 1 and 4, their results indicated that the influence of idiosyncratic fit on choice of a loyalty program was particularly pronounced among women compared to men. For example in study 4, female students who rated purchasing sushi as easier for them than for other students were more likely to join the program under high than low requirements (71% versus 47%; $t = 1.6$; $p < .1$). In contrast, the effect of (high) idiosyncratic fit on men did not approach statistical significance (75% versus 65%; $t = 0.7$; $p > .2$). The authors conclude that women consider idiosyncratic fit more heavily than men. Similarly, Melnyk and van Osselaer (2012) explore the differential effect of psychological rewards for female versus male consumers. The authors show that men respond more positively than women to loyalty programs that emphasize status as a reward, but only when their higher status is highly visible to others. In contrast, women respond more positively than men to loyalty programs that emphasize personalization as a reward, but only for personalization in private settings.

Thus, we advance that there will be differences in the manner in which men and women will select, evaluate and respond to the salient characteristics of a loyalty program. We present our arguments in the following sections.

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