

The Emerald Research Register for this journal is available at
www.emeraldinsight.com/researchregister



The current issue and full text archive of this journal is available at
www.emeraldinsight.com/0263-4503.htm

MIP
23,2

Shoppers' satisfaction levels are not the only key to store loyalty

Mario J. Miranda

School of Applied Economics, Victoria University, Melbourne, Australia

László Kónya

*Department of Economics and Finance, LaTrobe University,
Melbourne, Australia*

Inka Havrila

School of Applied Economics, Victoria University, Melbourne, Australia

220

Received April 2004

Accepted December 2004

Abstract

Purpose – To identify the factors that influence shoppers' satisfaction with their "primary" grocery store, and those that encourage them to continue patronising it despite being presented with a significant inducement to shop elsewhere.

Design/methodology/approach – A structured questionnaire containing 31 variables relating to shopping behaviour and satisfaction was administered to 934 shoppers leaving a number of grocery stores in an Australian city during a two-week period. Results were used to construct two mathematical models predicting customer satisfaction and store loyalty, from which two research hypotheses were derived.

Findings – The results of model estimation show that factors with a significant influence on store satisfaction have little in common with others that impel shoppers to remain loyal to one store. Indeed, there was no evidence in this study that shoppers' overall satisfaction was by itself a significant influence on continued patronage.

Research limitations/implications – The questionnaire did not ask questions, judged to be intrusive, relating to respondents' income level, education background, employment status or household size – characteristics known to have a bearing on perception of risk associated with switching to an unfamiliar store and hence potentially to inhibit action. It would be instructive in future research to assess the extent to which demographic characteristics mediate perceptions of financial, psychological and social risk, and their influence on satisfaction and loyalty.

Practical implications – Retailers often do not recognise that what influences customer satisfaction is not the same as what engenders store loyalty, and consequently do not allocate scarce resources systematically among tactics influencing one or the other. Unless they are vigilant to changing consumer behaviour patterns, they will not be able to isolate in their strategy the elements of the retail mix that could insulate their loyal customers from responding to competitors' special offers.

Originality/value – This study introduces intelligence gatherers and strategic planners in the retail context to an important distinction between general satisfaction and specific loyalty.

Keywords Customer satisfaction, Strategic planning, Customer loyalty, Marketing intelligence

Paper type Research paper



Marketing Intelligence & Planning

Vol. 23 No. 2, 2005

pp. 220-232

© Emerald Group Publishing Limited

0263-4503

DOI 10.1108/02634500510589958

Introduction

Rhee and Bell (2002) believe that while shoppers often patronize many stores, they typically have a primary affiliation to a "main store" that captures the majority of their purchases. Being the first-choice store is especially important for grocery retailers



because, according to Knox and Denison (2000), loyal shoppers spend twice as much in "primary stores" as in others.

Roselius (1971) suggests that most consumers treat their primary store as a "safe bet" in their attempt to reduce their perceived risk of disappointment when shopping. However, according to Taher *et al.* (1996), being comfortable with a store, store satisfaction, is not enough to ensure repeat patronage. They contend that retailing is being threatened by a host of informative and value/cost alternatives for consumer patronage. They also draw attention to a growing number of consumers who are greater risk takers, and are being empowered by more information. Based on promises of receiving better value elsewhere, such customers are often willing to switch from their current primary stores.

Taher *et al.* (1996) and Sirohi *et al.* (1998) emphasise that it is therefore important for retailers to systematically seek information of the retail patronage experience and then plan to build store loyalty based on augmented services, including their financial implications. Reichheld and Sasser (1990) assert that increased rates of retention lead to increased profitability. According to Rhee and Bell (2002), the strength of allegiance or loyalty of customers to a store is an important indicator of store health. In fact, a study of retailing in the UK, Knox and Denison (2000) highlighted the importance of developing a corporate retail strategy to manage customer loyalty and prevent shoppers from switching stores.

Background

Research conducted by Woodside and Trappey (1992) identify an automatic cognitive processing of store attributes by means of which consumers decide which will be their primary store. The study found that customers could quickly name a store when asked what store comes to mind for specific attributes such as "lowest overall prices", "most convenient", and so forth. These top-of-mind responses are associated strongly with customers' affiliation with the main store in which they make most of their purchases. The overall conclusion was that the process of being satisfied with a specific store is a function of the store's characteristics and the consumer's shopping patterns.

The marketing literature has identified several factors that influence store satisfaction while shopping. Store attributes embraces the following:

- location of store (Woodside and Trappey, 1992);
- nature and quality of assortment stocked (Claxton and Brent-Ritchie, 1979; Sirohi *et al.*, 1998);
- pricing strategy (Williams *et al.*, 1978);
- in-store promotions (Urbany *et al.*, 2000; Kumar and Leone, 1988);
- sales personnel (Macintosh and Lockshin, 1997; Mägi, 2003);
- physical attributes (*Chain Store Age Executive*, 1987);
- "atmospherics" (Kotler, 1973-1974; Crawley, 1993; Yalch and Spangenberg, 1990; Babin and Darden, 1996); and
- loyalty cards (Mägi, 2003).

A causal factor defined as shopping patterns includes the following:

- time spent in the store (Flavián *et al.*, 2001);
- purchase volume (Mägi, 2003); and
- recommendations to relatives and friends (Sirohi *et al.*, 1998).

One would expect store satisfaction to be a necessary condition for achieving store loyalty. However, Mitchell and Kiral (1998), in a review of a number of store image studies, concluded that they had not identified a link between the store attributes and store loyalty. One such study by Garton (1995), for instance, discovered that perceptions of quality and service provided by the store contributed relatively little to the customer's intention to return to the store. Bloemer and De Ruyter (1998) were also unable to find a direct effect of store attributes on store loyalty.

Garton (1995) suggested that achievement of store loyalty required the consumer's self image and the consumer's image of the store to be as similar as possible. According to Sirgy (1985), consumers have both personal and social motives for shopping. In a study examining congruence between self image and store image, he posited that individuals use goods and services, including shopping behaviour patterns, to construct and maintain their social realities. In a more recent study, Sivadas and Baker-Prewitt (2000) found that the consumer attitudes which drive this congruence between self image and store image are linked to store satisfaction, but have no direct effect on store loyalty. Bloemer and De Ruyter (1998) contend that the relationship between perceptions of the store and store loyalty is mediated only by store satisfaction.

In the absence of a demonstrated connection between the factors that affect store satisfaction and store loyalty, Mitchell and Kiral (1998) believe that explanations of store loyalty remain largely speculative. The question unanswered by the literature is whether or not the same retail elements that contribute to generating store satisfaction in their primary store are also able to sustain the shoppers' continued patronage in the face of ongoing inducements from a competitor.

Research problem

Traditionally, retailers have not been able to discriminate, among the determinants of customer satisfaction, between those that generate or maintain satisfaction and those factors that build resistance to competitors' overtures. While the marketing literature discusses various store attributes and shopping patterns that contribute to store satisfaction, it does not specifically examine whether these factors are necessary and sufficient to sustain continued patronage of the retail store in a competitive repeat-purchase market.

No previous study of store loyalty has used the "arousal trigger" stimulus (MacKenzie and Lutz, 1989), which could reflect the shopper's positive or negative predisposition to switch to a value added offer. Woodside and Trappey (1992) believe that this attitude is the outcome of an automatic cognitive processing of consumers' personal and social motives that are a precursor to behaviour: stay loyal, or switch allegiance. They contend that it in turn determines which will be the consumers' primary store.

The study described here set out to find out whether or not Australian grocery shoppers would stay loyal to their current primary choice if they were offered

a discount on the price per litre for petrol (gasoline) at another comparable grocery store. The question was put to respondents immediately after establishing if they were regular customers of a particular store, alerting them to a special purchase opportunity in another store. Shoppers were deliberately put in this state of heightened consciousness of receiving added value if they shopped elsewhere because in order to improve the quality of store loyalty prediction, given that the relationship between stated intentions and subsequent behaviour is not always strong.

This alternative scenario has a particular resonance in Australia, where the big grocery chains have begun to sell discounted fuel, formerly the prerogative of the oil companies and their franchisees. One of the two largest has been regularly offering discounts of about 5 per cent since early 2001 at 290 sites adjacent to its supermarkets. In the recent past, another has struck a deal with Shell to offer regular discounts at 584 petrol stations. No official sales figures are yet available to indicate whether or not customers who regularly shop at other grocery stores have switched their patronage to the two discounters on the strength of those offers.

This research study sought to investigate the determinants of:

- grocery shoppers' *satisfaction* with their primary store; and
- their store *loyalty* in the face of a non-grocery discount inducement offered by another store.

Methodology

The research method included administration of a structured questionnaire over a two-week period (before the second large retailer entered the petrol-retailing market). Respondents were adult grocery shoppers in Australia's second-largest city, approached in the process of leaving retail stores other than the two discounters. Those were both chain stores and independents, of various sizes, but all selling a broad range of commonly purchased items. Respondents were only those who claimed to do their grocery shopping regularly at the store they were leaving. The final sample was made up of 376 males and 558 females from a range of occupations and aged between 18 and 75.

The questionnaire tested each respondent on 31 variables (Table I). Two dependent variables related to satisfaction with the primary store and loyalty to it, 12 independent variables related to shopping patterns, and 17 to store attributes. All had been identified in the literature review as being contextual to shopper's store satisfaction.

The retailing literature emphasizes that store satisfaction mediates between store loyalty and store perceptions. Therefore, in this study the causal variables considered to influence store satisfaction were also tested for their influence on store loyalty.

The literature is silent on the use of an appropriate scale to measure levels of store satisfaction and store loyalty. In a study on measuring and managing brand loyalty, Knox and Walker (2001) concede that progress in providing a practical measure of satisfaction and loyalty constructs has been very limited. In the absence of a prescribed measuring instrument, a five-point Likert rating scale was employed to measure the respondents' level of satisfaction with each of the store attributes. Respondents were also required to choose the alternative that most closely corresponded to their shopping patterns, on multiple-choice scales. Their overall store satisfaction was again measured on a five-point Likert rating scale.

Shoppers' responses related to control items	Respondents' shopping patterns	Store attributes
Store satisfaction	Period of patronage	Proximity from home/work
Store loyalty	Frequency of store visit	Product range
	Size of grocery bill	Pricing
	Time spent in store	In-store promotions
	Travel for purchasing opportunity	Express lanes
	Recommend store	Number of service counters
	Purchase of produce from store	Aisle width
	Purchase of meat from store's delicatessen	Shelf signage
	Purchase of bread from store's bakery	Store ambience/layout
	Purchase of alcohol from store's liquor section	Stock freshness
	Purchase of store labels	Sales assistance
	Preference for unit shelf price	Frequent buyer programme
		Toilet accessibility
		Parking
		Music
		Home delivery
		Web sales

Table I.
Variables tested in the survey

Propensity to remain loyal was measured by a dichotomous question in the setting of a hypothetical discount of four Australian cents per litre available elsewhere.

This study estimated two models, one qualifying the character of store satisfaction (Model 1) and the other defining store loyalty (Model 2). These were assumed to broadly reflect how a shopper's satisfaction level and store loyalty could be influenced by the independent variables when a special purchase opportunity was presented in comparable stores. The effect of a number of specific causal variables on the dependent variables was tested in terms of two grouped variables representing store attributes and shopping patterns.

Representing Model 1 in equation form, we have:

$$S = \alpha_0 + \alpha_1 X_{SA} + \alpha_2 X_{SP} + \varepsilon_i \quad (1)$$

where S is the satisfaction level of the shopper with current primary store; X_{SA} the store attributes; X_{SP} the shopping patterns of the shoppers; α the parameter to be estimated; and ε_i the error term.

Similarly, Model 2 may be expressed in equation form as follows:

$$L = \beta_0 + \beta_1 X'_{SA} + \beta_2 X'_{SP} + \varepsilon_i \quad (2)$$

where L is the store loyalty to current primary store; X'_{SA} the store attributes; X'_{SP} the shopping patterns of the shoppers; β the parameter to be estimated; and ε_i the error term. The two null hypotheses were stated as follows:

H_0^1 : there is no correlation between level of store satisfaction (S) and the sets of variables X_{SA} and X_{SP} .

H_0^2 : there is no correlation between store loyalty (L) and the sets of variables X'_{SA} and X'_{SP} .

Estimation results for Model 1: store satisfaction

The multiple regression methods of forward selection, backward elimination and stepwise selection were applied to the cross-sectional data to identify the significant variables that influence store satisfaction. All three model specification procedures selected the same eight independent variables (at the 5 per cent level) from the list of 29 independent variables in Table I.

The resulting estimated equation for Model 1 can be expressed as:

$$S = 1.138 - 0.165 \text{ PR} + 0.179 \text{ ISP} + 0.157 \text{ Price} + 0.157 \text{ SAM} + 0.082 \text{ PHW} \\ + 0.082 \text{ AW} + 0.067 \text{ TSS} + 0.066 \text{ SA}$$

where S is the store satisfaction level; PR the product range; ISP the in-store promotions; Price the pricing; SAM the store ambience/layout; PHW the proximity from home/work; AW the aisle width; TSS the time spent in store; and SA the sales assistance.

The Ramsey Reset test confirms that there is no specification error. The White test detected heteroscedasticity in the model, which was therefore re-estimated using the White heteroscedasticity-consistent standard errors and covariance test. The multiple regression techniques used are known to keep multicollinearity to the minimum. Table II presents the regression results.

Variable	Coefficient	Std error	<i>t</i> -statistic	Probability
<i>Constant</i>	1.138114	0.172217	6.608620	0.0000
1. Product range	-0.165567	0.056318	-2.939847	0.0034
2. In-store promotions	0.179142	0.027057	6.620826	0.0000
3. Pricing	0.157858	0.027675	5.704082	0.0000
4. Store ambience/layout	0.157508	0.031216	5.045804	0.0000
5. Proximity from home/work	0.082531	0.025859	3.191546	0.0015
6. Aisle width	0.082420	0.028634	2.878385	0.0041
7. Time spent in store	0.067204	0.024794	2.710486	0.0068
8. Sales assistance	0.065873	0.021948	3.001381	0.0028
R^2	0.418488			
Adjusted R^2	0.412594			
SE of regression	0.636817			
Sum squared residuals	375.1207			
Log likelihood	-899.2779			
Durbin-Watson statistics	1.807117			
Mean dependent variable	3.693790			
SD dependent variable	0.768082			
Akaike info criterion	1.944920			
Schwarz criterion	1.991554			
<i>F</i> -statistic	54.03444			
Prob (<i>F</i> -statistic)	0.000000			
<i>Ramsey Reset test</i>				
<i>F</i> -statistic	0.237625			
Probability	0.870146			

Notes: Dependent variable: store satisfaction; method: least squares; included observations: 934

Table II.
Regression results of
Model 1 – store
satisfaction

The adjusted \bar{R}^2 of 0.419 is considered reasonable for cross-sectional data (Studenmund, 2001). Therefore, the null hypothesis that there is no correlation between the level of store satisfaction and the sets of variables relating to store attributes and shopping patterns can be rejected at the 5 per cent level of significance. Thus, it can be concluded that these eight independent variables provide a satisfactory explanation for the variation in store satisfaction. In order to test the significance of the individual variables, the two-sided *t*-test was applied.

Discussion of results: Model 1

The results from the estimation of Model 1 show that all but one of the eight explanatory variables have a positive effect on shoppers' satisfaction with their primary store. The coefficients for all eight variables are significant at least at the 5 per cent level. Product range (parameter estimate -0.165) is the only explanatory variable that has an inverse relationship with store satisfaction. This result does not support the indication in the studies of Claxton and Brent-Ritchie (1979) and Sirohi *et al.* (1998), where the range of assortments available in the store was identified as being critical to making the consumer's shopping experience a positive one. Conversely, it may be that, too wide a variety of products to choose from makes shoppers' purchase decision-making difficult, as Stiglitz (1979) suggests.

In-store promotions seem to have the greatest effect on store satisfaction, vindicating the findings of Urbany *et al.* (2000) and Kumar and Leone (1988) that retail promotions increase shopper confidence in the store. Their studies indicate that retail stores regularly have price specials for limited periods of time on selected items, and shoppers are plainly grateful for the opportunity to enjoy additional value for money or to buy an item that they would not ordinarily afford.

Using price as a base for promoting a product is a strategy often used by retailers and marketers to facilitate purchase. The literature makes it clear that shoppers' perceptions of price are a central influence on their purchase behaviour. The price paid for the merchandise is traditionally considered to be the bellwether of shoppers being pleased with their shopping outcomes. The results of the estimation of Model 1 suggest that pricing of products in the store is a significant variable in influencing store satisfaction. According to Curry and Riez (1988), customers will balance the benefits derived from the store with their direct and implied costs to them when gauging value for the total bundle of benefits that the store delivers. Therefore, their views on their shopping experience are inextricably linked with their perception of the level of product prices in the store.

In this study, store ambience/layout has a significant influence on store satisfaction. As suggested in a number of studies, including Kotler (1973-1974), Yalch and Spangenberg (1990), Crawley (1993) and Babin and Darden (1996), store atmospherics is known to lift the mood of the shoppers and may impel them to buy more, to be more adventurous and to try other brands/products. These studies have severally identified various factors that can contribute to store ambience, namely the configuration of the store, lighting and store colour scheme.

The cognitive processing model for store choice proposed by Woodside and Trappey (1992) identified location as critical for attracting store traffic, because shoppers would prefer a store that is easy to get to. The positive and statistically significant coefficient in the present estimation confirms proximity to home/work as a desirable feature.

According to a study reported in *Chain Store Age Executive* (1987), increasing real-estate prices exert continuous pressure on retail stores to be more efficient in accommodating their retail spaces, resulting in a strong temptation to reduce aisle width. Simultaneous increases in the size of trolleys (carts) and number of items bought per trip mean that shoppers are hard pressed to negotiate aisles, particularly during peak shopping times. As demonstrated by the positive coefficient of this variable in Model 1, wider aisles tend to increase store satisfaction.

In a study of the behaviour of grocery shoppers, Flavián *et al.* (2001) was able to demonstrate that those who were prone to linger longer in stores had a more positive shopping experience. The results of the present research confirm that time spent in store has a positive influence on store satisfaction.

In Model 1, sales assistance has a positive influence on store satisfaction. Studies by Mägi (2003) and Macintosh and Lockshin (1997) have identified the availability of sales assistance as a significant contributor to store satisfaction. With supermarkets becoming more expansive, shoppers often have difficulty in locating an item that they have never purchased from that store before, and may therefore need personal assistance.

Estimation results for Model 2: store loyalty

To identify the variables influencing store loyalty in the face of special purchase opportunities at other stores, analysis of the survey results was again conducted by the multiple regression methods of forward selection, backward elimination and stepwise selection. The six explanatory variables significant at the 5 per cent level are included in Model 2 as:

$$L = 0.808 + 0.143 \text{ FFP} - 0.141 \text{ TPO} + 0.071 \text{ BUT} + 0.043 \text{ SGB} + 0.035 \text{ SS} + 0.029 \text{ SA}$$

where L is the store loyalty; FFP the frequent flyer programme; TPO the travel for purchasing opportunity; BUT the purchase of meat from in-store delicatessen; SGB the size of grocery bill; SS the shelf signage; and SA the sales assistance.

Table III presents the descriptive statistics for store loyalty including the least-squares results with White heteroscedasticity-consistent standard errors and t -statistics. As before, the Ramsey Reset test confirms that there is no specification error. Based on the F -test, the null hypothesis of no correlation between store loyalty and the sets of variables relating to store attributes and shopping patterns X'_{SA} and X'_{SP} can be rejected at the 1 per cent level of significance. The outcome of the t -test reveals that all six independent variables are statistically significant at least at the 5 per cent level. The White test detected the presence of heteroscedasticity in Model 2, which was therefore re-estimated using the White heteroscedasticity-consistent standard errors and covariance test.

Discussion of results: Model 2

Model 2 defines store loyalty is defined in terms of six predictor variables, three of which represent store attributes and three shopping behaviour attributes.

Consistent with the literature, overall store satisfaction was not found to be a significant variable in influencing store loyalty and hence does not appear in Model 2. All but one of the explanatory variables, travel for purchasing opportunity, were found to generate store loyalty. Only one, sales assistance, contributed to both the influence of store satisfaction and store loyalty.

White heteroscedasticity-consistent standard errors and covariance				
Variable	Coefficient	Std error	t-statistic	Probability
<i>Constant</i>	0.808202	0.100037	8.079031	0.0000
1. Frequent buyer programme	0.143148	0.032048	4.466693	0.0000
2. Travel for purchasing opportunity	-0.141969	0.021715	-6.537981	0.0000
3. Purchase of meat from store's delicatessen	0.071202	0.035378	2.012625	0.0446
4. Size of grocery bill	0.043481	0.017145	2.536147	0.0115
5. Shelf signage	0.035127	0.016885	2.080355	0.0379
6. Sale assistance	0.028856	0.015111	1.909637	0.0567
R^2	0.429878			
Adjusted R^2	0.421089			
SE of regression	0.576622			
Sum squared residuals	84.25556			
Log likelihood	-262.3776			
Durbin-Watson statistics	1.978418			
Mean dependent variable	1.196339			
SD dependent variable	0.401729			
Akaike info criterion	0.896431			
Schwarz criterion	0.947663			
F-statistic	14.77721			
Prob (F-statistic)	0.000000			
<i>Ramsey Reset test</i>				
F-statistic	0.995009			
Probability	0.000227			

Table III.
Regression results of
Model 2 – store loyalty

Notes: Dependent variable: store loyalty; method: least squares; included observations: 934

Shoppers like to be rewarded with added value for the purchases they make. Being able to make an estimate of the additional value before buying may give them an extra level of control over their shopping experience. The frequent flyer programme variable appears to contribute positively to store loyalty, with a statistically significant positive coefficient in Model 2. Respondents were asked whether purchases from their primary store attracted such loyalty programme points as frequent-flyer miles. It appears that shoppers prefer to patronize retail stores whose loyalty programme they are familiar with, rather than shop at an alternative with a different one (for which quite often they have to sign up, sometimes at a cost) or with none at all. These findings support the research of Bolton *et al.* (2000), that beneficiaries of a loyalty rewards programme perceive that they are receiving better quality and service for their price – in other words, value for money.

Loyalty programmes provide retailers with the opportunity to organize ongoing dedicated communication with their patrons. They also facilitate the collection of information on customers' shopping patterns, disaggregating sales data such as size of grocery bills or frequency of shopping, and demographic such as age, occupation, or places of residence and work. However, Australian supermarkets are not exactly offering a loyalty programme by extending their product range to discounted petrol, because a voucher for this purpose against a certain minimum purchase does not, as Ehrenberg *et al.* (1994) put it, "lock up the customer through the equity the customer builds in the (loyalty) programme".

Travel for purchasing opportunity is the only predictor variable that moves store loyalty in a negative direction. In response to a question relating to the distance they

would be prepared to travel to buy their groceries from alternative stores, if a special purchase opportunity were presented, loyal shoppers preferred not to travel at all or only a short distance. It appears that shoppers are less likely to switch their custom as the option moves further away from their prime store.

From Model 2, it appears that shoppers who regularly purchase their meat requirement from their primary grocery store's delicatessen are inclined to stay loyal to their primary store and resist any inducement to switch to an alternative. Meat products are generally priced higher in grocery stores than in markets or specialist butchers, suggesting that those patronizing delicatessens in supermarkets are less price-sensitive to meat products or time-poor, or both, while valuing some other attributes.

The results also indicate that the size of grocery bill may contribute to store loyalty. The parameter estimate is positive and statistically significant at the 5 per cent level. Respondents were asked to specify the average value of their purchases per visit to their primary store, and it was found that those whose average bills were larger appeared intent to stay loyal to their present store. This result supports the findings of Knox and Denison (2000) that loyal shoppers spend double the amount in their first choice store. The reason for their resistance to special purchase opportunities in alternative stores is perhaps because they believe that the likely savings will be marginal to the size of their regular grocery bills.

Familiarity with the shelf signage in the primary store makes the location of items easier, particularly for time-poor customers, which has been identified as retail management's "number one problem" (*Chain Store Age Executive*, 1987). It is possible that shoppers familiar with the configuration of their current store may hesitate to take up a purchase opportunity in an alternative store in which they expect to have to go through a learning experience with the different signage. This can be a particularly daunting task in grocery shopping, when a long list of items have to be located, at least in the first instance, before any assessment of their value can be made. In the current study, shelf signage is a significant, though small, contributor to store loyalty. When upgrading equipment or the store's ambience, retail stores must therefore be careful not to move too far away from the layout to which their current customers have grown accustomed.

Mägi (2003) interpreted the positive effect of sales assistance in generating store satisfaction, as being a direct contributor to the customer staying loyal to the store. In Model 2, sales assistance affects store loyalty in the same way as it affected store satisfaction in Model 1. Though its influence is small, it seems reasonable to assume that the availability of this support (such as assistance with product choice, explaining product usage, retrieving an item from storage that is not on the shelf) is reassuring to shoppers and increases their allegiance to the store. This being so, it is possible that shoppers may perceive the switch to an alternative store as risky, even with the promise of a special purchase opportunity, because they may not feel confident that they will be time or cost efficient in the new shopping environment without such assistance.

Conclusion

This research study was driven by the need to have a greater understanding of which elements in a retail store's marketing mix should be specifically directed at retaining

customers, faced with inevitable competitor onslaught, as against simply keeping them satisfied with their shopping experiences in the store.

This study estimated two models, one predicting store satisfaction and the other store loyalty when shoppers are presented with a special purchase opportunity by a retailer that is not their normal preferred choice. The store attributes and shopping behaviour patterns that influence store satisfaction in their primary store were different from those that influence them to stay loyal to their current store, except for sales assistance.

This study accords with the literature in demonstrating that overall satisfaction with a store does not significantly influence customers' loyalty to that store. It found that shoppers' intention to remain loyal to their "primary store" was in fact influenced by several other contextual factors: frequent-buyer reward schemes, travel distance, preference for an in-store delicatessen for meat products, size of the average grocery bill, store signage and the level of sale assistance. Even in a state of heightened awareness of discounted petrol (gasoline) prices in another grocery store, respondents in the study were motivated by those six factors to maintain their patronage at the primary store.

Implications

It is almost axiomatic that shoppers will be exposed to overtures from competing retailers. Depending on the character of the offer and quality of merchandising at the other store, some will prospect the offer and some may decide to shift their permanent allegiance to the competition. An ongoing customer exodus of this sort can have a harmful effect on a retailer's profitability. The paradox is that these breakaway customers may not have been dissatisfied with the service provided by their "primary store" (at least at a conscious level); it is simply that it did not insulate them sufficiently from switching. On the other hand, many of a store's current customers will regularly resist the attractive offers made by competitors and stay loyal.

While the six factors that contribute to customer loyalty store have little in common with those that keep them satisfied with the shopping experience, both sets are supported by the marketing literature on customer satisfaction.

Augmenting services that improve store satisfaction may not by itself be sufficient to sustain store patronage. Understanding of which factors can build a cordon around customers can be built up only through systematic and sustained tracking of shopping patterns. As Knight (1999) observed, the need is for organised and regular feedback from the market place that uncovers and creatively pulls together the shoppers' latent needs. Such knowledge should help to distinguish the elements that contribute to customer satisfaction from those that sustain store loyalty, and thereby suggest an appropriate allocation of resources between the two sets. In combination with effective strategic planning and management, readiness to sustain investment in the related activities, such marketing intelligence, can help to keep customers coming back.

Limitations of the study

This study did not identify the income level, education background, employment status and household size of the respondents. Though these shopper characteristics are known from the literature to have a bearing on the shopper's perception of risk when buying from unfamiliar stores (Reynolds *et al.*, 1974-1975; Goldman, 1977-1978; Hisrich *et al.*, 1972; Dash *et al.*, 1976), they were considered intrusive in the context of investigating shopping experience. These studies point out that increased income,

assured employment, ability to process more information through greater education and lesser encumbrances in the family give the consumer greater confidence to try stores that they may not have frequented before. It would have been instructive to observe if demographic characteristics mediated by financial risk, psychological risk and social risk, identified in these store selection studies, had any influence in the shoppers' store satisfaction and in their resolve to stay loyal to the store.

References

- Babin, B.J. and Darden, W.R. (1996), "Good and bad shopping vibes: spending and patronage satisfaction", *Journal of Business Research*, Vol. 35, pp. 201-6.
- Bloemer, J. and De Ruyter, K. (1998), "On the relationship between store image, store satisfaction and store loyalty", *European Journal of Marketing*, Vol. 32 No. 5, pp. 499-513.
- Bolton, R., Kannan, P.K. and Bramlett, M.D. (2000), "Implications of loyalty programme membership and service experiences for customer retention and value", *Journal of the Academy of Marketing Science*, Vol. 28 No. 1, pp. 95-108.
- Chain Store Age Executive* (1987), "Service: retail's no. 1 problem", *Chain Store Age Executive*, Vol. 19.
- Claxton, J.D. and Brent-Ritchie, J.R. (1979), "Consumer pre-purchase shopping problems: a focus on the retailing component", *Journal of Retailing*, Vol. 55, pp. 24-43.
- Crawley, A.E. (1993), "The two-dimensional impact of colour on shopping", *Marketing Letters*, Vol. 4, pp. 59-69.
- Curry, D.J. and Riez, P.C. (1988), "Product and price quality relationship", *Journal of Marketing*, pp. 36-52.
- Dash, J.F., Schiffman, L. and Berenson, C. (1976), "Risk and personality related dimensions of store choice", *Journal of Marketing*, Vol. 40, pp. 32-9.
- Ehrenberg, A.S.C., Hammond, K. and Goodhardt, G.J. (1994), "The after-effects of price-related consumer promotions", *Journal of Advertising Research*, pp. 11-21.
- Flavián, C., Martínez, E. and Polo, Y. (2001), "Loyalty to grocery stores in the Spanish market of the 1990s", *Journal of Retailing and Consumer Services*, Vol. 8, pp. 85-93.
- Garton, P.A. (1995), "Store loyal? A view of 'differential congruence'", *International Journal of Retail & Distribution Management*, Vol. 23 No. 12, pp. 29-35.
- Goldman, A. (1977-1978), "The shopping style explanation for store loyalty", *Journal of Retailing*, Vol. 53, pp. 33-46.
- Hisrich, R., Dornoff, R.J. and Kernan, J.B. (1972), "Perceived risk in store selection", *Journal of Marketing Research*, Vol. 9, pp. 435-9.
- Knight, R. (1999), "The researcher as strategist", *MRSA Research News*, Vol. 16 No. 7.
- Knox, S.D. and Denison, T.J. (2000), "Store loyalty: its impact on retail revenue – an empirical study of purchasing behaviour in the UK", *Journal of Retailing and Consumer Services*, Vol. 7, pp. 33-45.
- Knox, S. and Walker, D. (2001), "Measuring and managing brand loyalty", *Journal of Strategic Marketing*, Vol. 9, pp. 111-28.
- Kotler, P. (1973-1974), "Atmospherics as a marketing tool", *Journal of Retailing*, Vol. 49, pp. 48-63.
- Kumar, V. and Leone, R.P. (1988), "Measuring the effect of retail promotions on brand and store substitutions", *Journal of Marketing Research*, Vol. 25, pp. 178-85.

- MacKenzie, S.B. and Lutz, R.J. (1989), "An empirical examination of the structural antecedents of attitude toward the ad in an advertising pre-testing context", *Journal of Marketing*, Vol. 53, pp. 48-61.
- Macintosh, G. and Lockshin, L.S. (1997), "Retail relationships and store loyalty: a multi-level perspective", *International Journal of Research in Marketing*, Vol. 14, pp. 487-97.
- Mägi, A.W. (2003), "Share of wallet in retailing: the effects of store satisfaction, loyalty cards and shopper characteristics", *Journal of Retailing*, Vol. 79, pp. 97-106.
- Mitchell, V.W. and Kiral, R.H. (1998), "Primary and secondary store loyal customer perceptions of grocery retailers", *British Food Journal*, Vol. 15 No. 7, pp. 312-19.
- Reichheld, F.F. and Sasser, W.E. Jr (1990), "Zero defections: quality comes to services", *Harvard Business Review*, pp. 105-11, September-October.
- Reynolds, F.D., Darden, W.R. and Martin, W. (1974-1975), "Developing an image of store loyal customer", *Journal of Retailing*, Vol. 50, pp. 73-84.
- Rhee, H. and Bell, D.R. (2002), "The inter-store mobility of supermarket shoppers", *Journal of Retailing*, Vol. 78 No. 4, pp. 225-37.
- Roselius, T. (1971), "Consumer rankings of risk reduction methods", *Journal of Marketing*, Vol. 35, pp. 56-61.
- Sirgy, M.J. (1985), "Using self-congruity and ideal-congruity to predict purchase motivations", *Journal of Business Research*, pp. 195-206, June.
- Sirohi, N., McLaughlin, E.W. and Wittink, D.R. (1998), "A model of consumer perceptions and store loyalty intentions for a supermarket retailer", *Journal of Retailing*, Vol. 74 No. 2, pp. 223-45.
- Sivadas, V. and Baker-Prewitt, J.L. (2000), "An examination of the relationship between service quality, store satisfaction and store loyalty", *International Journal of Retail & Distribution Management*, Vol. 28 No. 2, pp. 74-82.
- Stiglitz, J.E. (1979), "Equilibrium in product markets and imperfect information", *American Economic Review*, Vol. 69, pp. 339-45.
- Studenmund, A.H. (2001), *Using Econometrics: A Practical Guide*, 4th ed., Addison-Wesley Longman, Glen View, IL, p. 49.
- Taher, A., Leigh, T.W. and French, W.A. (1996), "Augmented retail services: the lifetime value of affection", *Journal of Business Research*, Vol. 35 No. 3, pp. 217-28.
- Urbany, J.E., Dickson, P.R. and Sawyer, A.G. (2000), "Insights into cross- and within-store price search: retailer estimates vs. consumer self-reports", *Journal of Retailing*, Vol. 76 No. 2, pp. 243-58.
- Williams, R.H., Painter, J.J. and Nicholas, H.R. (1978), "A policy-oriented typology of grocery shopper", *Journal of Retailing*, Vol. 54, pp. 27-42.
- Woodside, A.G. and Trappey, R.J. (1992), "Finding out why customers shop at your store and buy your brand: automatic cognitive processing models of primary choice", *Journal of Advertising Research*, Vol. 32, pp. 59-78.
- Yalch, R. and Spangenberg, E. (1990), "Effects of store music on shopping behaviour", *Journal of Consumer Marketing*, Vol. 7, pp. 55-63.

Further reading

- Sharp, B. and Sharp, A. (1997), "Loyalty programmes and their impact on repeat-purchase loyalty patterns", *International Journal of Research in Marketing*, Vol. 14 No. 5, pp. 473-86.