

Consumer Loyalty Indicator as Drivers to Satisfaction

Aram H. Massoudi

Department of Business Administration, Cihan University-Erbil, Kurdistan Region, Iraq

Abstract—This study focuses on understanding the leading indicators of loyalty among food and nourishments shoppers in two Syrian Malls, Cham City Center, and Massa Plaza, both located in Damascus, the capital of Syria. The research uses a descriptive approach; the data were collected from a questionnaire distributed to 110 shoppers in the two shopping malls, 100 valid responses divided (50 answers from Cham City Center, and 50 from Massa Plaza Mall). The data were analyzed using Statistical Package for the Social Sciences to test the hypothesis. The result showed that shopper attitudes toward the store positively related to his fulfillment and loyalty. Furthermore, shoppers call to the store is an indicator of his satisfaction and commitment toward the store. Finally, the perceived value is positively related to the four loyalty indicators. The novelty of this article comes from the analysis of the four loyalty indicators as an essential factor for sustainable customer. Loyal customers are free marketing tools that keep business running and can increase market share.

Keywords—Action loyalty, Attitude, Loyalty indicators, Satisfaction, Shopper loyalty.

I. INTRODUCTION

Shopper loyalty is a vital issue in the retail business of all industries. Loyalty takes a long time and devotion for the brand to be recognized, and the customer can purchase it without any hesitation.

Retailers focus on building a lasting relationship with their customer by hiring marketing experts to understand the mentality of the customer and how the company can sustain the customer's purchase of their brand and prevent their competitors from sharing their customers. Consequently, shedding light on loyalty and testing, the vital relationship between customers and retailers is the essence of good marketing. This relationship can lead the company either to succeed and prosper or to dwindle and disappear. The vital issue here is how to revive customer relationship management (CRM), it means strengthening the relationship with customers by offering him all the requirement to fulfill his need and wants.

Earlier studies addressed the issues of loyalty and satisfaction. Such reviews like (William and Nauman, 2011; Keiningham et al., 2009, and Reinartz and Kumar, 2000) have talked about customer loyalty and profitability, satisfaction and business performance, and CRM role in gaining customers. Based on the above points, the researcher's main objective is to test the effects of loyalty on customer satisfaction and how to implement loyalty indicators to

achieve the purpose of the firm. In this article, the critical indicators of shopper's commitment in retail stores will be debated, and the link between loyalty and shopper devotion to the store. The study was applied in the two biggest malls in Damascus, Cham City Center, and Massa Plaza.

Customer loyalty depends on both attitude and behavior, leaning toward a special brand and ignoring others. This leaning is related to product fulfillment, suitability, or merely the awareness of the brand. Customer loyalty inspires shoppers to visit the store more frequently, devote large some of the shopper's personal income, and appeal to customers to identify brands in comparison to its competitors.

According to Keiningham et al. (2005), loyalty is a feeling or a possibility that a shopper will buy a particular brand when he goes shopping. For example, the probability that a shopper will purchase a specific brand is 70% of the time, substitute brand is 20%, and a generic brand is 10% of the time. This indicates that no complete 100% shopper loyalty in today's business environment. In typical situations, it is impossible to make shopper entirely loyal. A more practical aim for retailers is to make shoppers as devoted to the brand as possible and also to increase shopper spending, the regularity of obtaining the brands, and overall success. Therefore, every retailer must pay more considerable attention to loyalty programs, as well as, reserving a portion of marketing budget toward loyalty programs. This article

will analyze grocery and food shopper's loyalty in two Syrian shopping malls.

II. LITERATURE REVIEW

Earlier studies have defined the concept of satisfaction as an assessment decision regarding a precise purchase decision (Farris et al., 2010). Customer satisfaction is the difference between customers' anticipation before purchasing and awareness after the purchasing decision was made. Customer satisfaction is a complex issue to define because, generally, it is related to expectation. Customers will be content if the product or service exceeds their request or belief (Goodman, 2009). Esaki, (2013) propose that affective procedures can donate the estimation of customer satisfaction. Kotler and Keller (2006) provided an inclusive definition of satisfaction as shoppers sense of pleasure or discontent when relating a product's perceived performance to his expectations. This indicates that shopper satisfaction in the retail business is directly connected to service quality. Rai (2008) concluded that the basic formula of customer satisfaction is the difference between shopper perception and shopper expectation of service. Other studies such as Massoudi and Salahaddin (2017) showed that Satisfaction of Employees toward overall Workplace Environment leads to productivity.

The notion of loyalty is complicated to clarify. Several studies addressed the issue of loyalty. Nevertheless, no unified definition has emerged as a standard. Massoudi (2018) defined loyalty as the reliable identification of people with their organization. Loyalty is the act of nonstop purchasing of goods or services for a certain brand no matter what the competition offers. Walsh et al. (2008) specified that loyalty has three prevailing principles: an attitude toward the brand; as articulated in relations with behavior; and as purchasing by specific features, circumstances, or the buying condition. Reichheld et al. (2000) describes loyalty as an expressive preference resulting in the behavior of an impulsive individual approval and acquisition. Loyalty is a pledge to repurchase an ideal product or service steadily in the future, which is the basis for repetitive actions. Dick and Basu (1994) contributed to discovering the phases of loyalty. However, Oliver (1997) has provided the utmost in explaining the loyalty concept. They considered four-comprehensive outlines of loyalty: First, cognitive loyalty indicates the existence of opinions or beliefs that an object is desirable over others (Han et al., 2011). Second, effective loyalty contains a satisfactory attitude created by the fulfilled practice of an object (Han et al., 2011). Third, conative loyalty entails the progress of the purposes created by an advanced level of commitment (Han et al., 2011). Finally, action loyalty is moving from the intentions stage into the actions stage (Harris and Goode, 2004). According to Dick and Basu (1994), customer loyalty is a mixture between the attitude of a shopper toward a brand and the number of purchases to the same brand. The shopper attitude is based on a strong desire to get the brand, and the level of brand differentiation from its competition (Dick and Basu, 1994).

Contented customers are expected to create an assured brand feeling that results in loyalty. Loyalty means further

recurrent buying, acquisitions in larger quantity, and other products that the firm sell (Howard, 1994). A satisfactory emotion toward the brand increases the status of the store. Furthermore, it creates a lasting relationship between the shopper and the store. Thus, devoted shopper typically has a positive feeling toward the store. Repeated shopper means the number of visits the shopper make to the store. Several studies have established the presence of a relationship between shopper and the store. Thus, repeated shopper spends more money at this favorite store and becomes loyal. Shopper loyalty is sorted into two groups, attitude and behavior. When the two groups are joined together, they can result in four possible results: No loyalty; loyalty, latent loyalty, and spurious loyalty. Loyal shoppers are often repeated the purchase of a brand from the same retailers. They endorse and mention the store to his acquaintances and do not fall out to the competitor's advertisement. No loyalty means that shoppers have sick feelings toward specific retailers. They base their purchasing decisions on convenience, brand discounts, and product placement. In Spurious Loyalty, the shopper has a positive feeling toward certain retailers and might buy some products from that retailer. Although they can buy the same product from a different place, they might seem loyal to certain brand they also might be influenced by the price and brand discount. Finally, in latent loyalty, the shopper has a positive feeling toward certain retailer, but does not have the desire to repeat purchase. These shoppers are very difficult to persuade because the purchasing decision is based on other factors such as salary, unemployment, and economic hardship (Harvey, 2017).

Oliver (1997) contended that shopper loyalty has three types of intention: Cognitive, affective, and behavioral intentions. Oliver (1999) extended this model to four phases and specified that shopper loyalty can be divided into four types: Cognitive, affective, loyalty, and action loyalty. In conclusion, Oliver stated that purchaser behavior changes to attitude and behavioral loyalty. Oliver claims that a shopper convert to a loyal one in a cognitive manner; he gains affective loyalty then conative loyalty, finally converts loyal shopper in action (Oliver, 1999). Cognitive loyalty, according to Oliver (1999), is the observed qualities of a brand that makes it desirable more than other choices. Affective loyalty is the attitude shopper shows to the brand; this attitude is created when the shopper is satisfied with the brand. Emotional loyalty is created when shopper becomes committed to the brand. Cognitive loyalty is created when the shopper is affected by the brand and changing his mine becomes very difficult. Conative loyalty is a profound commitment to obtaining a particular brand. Action loyalty is created when shopper reaches his popular brand. According to Oliver (1999), the action is the shopper final act in becoming loyal.

A study by Homburg and Giering (2001) debated the importance of individual features as mediators between shopper satisfaction and loyalty. The study revealed that shopper's age, product differentiation, and salary are significant factors of the relationship between the two, whereas shopper's gender was found less significant. Several studies,

relating to age, have focused on variances in the shopper's capabilities in evaluating a brand. Gilly and Zeithaml (1985) determined that shopper comprehension about the product decreases with age. Therefore, older shoppers are having a limited ability to process brand information. According to a study by East et al. (1997), shoppers who are under 45 years old showed greater loyalty than older shoppers. Therefore, age is likely to play an essential role in the relationship between shopper's satisfaction and loyalty. Finally, previous studies such as Mittal, 1995; Burton and Netemeyer, 1992, indicated that Shopping involvement also plays a significant role in shopper's loyalty. A widely held opinion by researchers stated that shopper involvement does conform to the degree of individual attention (Celsi and Olson, 1988; Flynn and Goldsmith, 1993).

III. METHODOLOGY

This article uses a descriptive-analytical approach; the primary data were collected through a questionnaire surveyed 112 traditional mall shoppers to recognize the connection between shopper's satisfaction and loyalty and their leading indicators. Hundred valid responses were received, and 12 were discarded. The questionnaire was divided into two sections, demographic variables such as age, gender, marital status, income, family size, and the number of visits to your favorite store. The second section included five shopper satisfaction statements, five loyalty statements, five perceived value statements, and 12 loyalty indicators. A seven-degree Likert scale from one to seven was used, where one is very low and seven is very high. The researcher formulated the following hypothesis:

H1: Shopper satisfaction is positively related to shopper's attitude toward the mall.

H2: Shopper's satisfaction is positively affected by the shopper's visits to the mall.

H3: Shopper loyalty is positively affected by shopper visits to the mall.

H4: Shopper's perceived value toward the mall has a significant positive effect on the four stages of loyalty.

Statistical Package for the Social Sciences was used to analyze the data and test the hypothesis, including frequency and percent, mean, Pearson correlation, and regression analysis. Table I describes the demographics profile for the study sample.

In Table I, 62% of respondents are women and 38% are men. The majority of respondents are between the ages of 31 and 40. Furthermore, the majority of respondents are married with a monthly income of <\$1,000. Finally, 48% of respondents have four members in their household. In Table II, the number of shoppers who visited Cham City Centre last month was 48 shoppers and 41 shoppers have visited Massa Plaza mall last month. The average mean score for the shopper who visited Cham City Center last month was (7.39) times. Meanwhile, the shopper average visit to Massa Plaza was (5.8). Maximum visits per shopper to Cham City Center were ten visits while the minimum visits were two

visits. Massa Plaza shoppers' maximum visits by shoppers were nine visits while minimum visits were 2/month.

IV. DISCUSSION AND FINDING

The objective of this study is to point out the indicators that cause shoppers to be loyal and satisfy in two shopping malls in Damascus, Syria.

Shopper attitude and number of visits to the mall can be predictors to a satisfied shopper. To measure the satisfaction from shopper attitude and shopper's visits to the mall point view, Table III shows the attitude of Cham City Center shoppers that mean score was (5.73) and the attitude of Massa Plaza mean score was (5.89). This indicates that Massa Plaza shoppers have more attitude toward Massa Plaza mall than Cham City Mall Shoppers. Regarding the number of visits to both malls is shown in Table III.

Furthermore, the mean score of the shoppers showed that the satisfaction level of Massa Plaza is 5.98 and Cham City Center (5.39) which is considered a high level of satisfaction for both mall shoppers.

Table IV indicates that the attitude to the mall store has a positive effect on shoppers' satisfaction at the significant level of 0.05. Massa Plaza shoppers have a higher level of satisfaction compared to Cham City Center. This result supports the first hypothesis. Thus, shopper satisfaction is positively related to shopper's attitude toward the mall.

Another driver of shopper's satisfaction is the number of visits to the mall, as shown in Table III. We can predict that

TABLE I
RESPONDENTS DEMOGRAPHIC PROFILES (%)

	Frequency	Percent
Gender		
Male	38	38
Female	62	62
Total	100	100.0
Age (in years)		
18-30	26	26
31-40	62	62
41-50	10	10
Above 50	2	2
Total	100	100.0
Marital status		
Unmarried	26	26
Married	70	70
Divorced	2	2
Widow	2	2
Total	100	100.0
Family monthly income		
Below \$1000	74	74
Between \$1001 and \$2000	24	24
Between \$2001 and \$3000	2	2
Total	100	100.0
Family size		
2 Members	10	10
3 Members	26	26
4 Members	48	48
More than four members	16	16
Total	100	100.0

TABLE II
NUMBER OF VISITS BY SHOPPERS

Store	N of respondents who visited the store last month	The mean N of respondents visit last month	Minimum N of respondents visit last month	Maximum N of shopper's visit last month
Cham City Center	48	7.39	2	10
Massa Plaza	41	5.82	2	9

TABLE III
THE MEAN SCORE OF ATTITUDE AND SHOPPERS VISIT

Store	Attitude to the grocery store	Number of visits to the grocery store	Satisfaction at the grocery store
Cham City Center	5.73	7.47	5.39
Massa Plaza	5.89	5.89	5.98

Numbers shown are the means of the respondents' ratings with a maximum of seven

TABLE IV
ATTITUDE REGRESSION ANALYSIS FOR ATTITUDE (UNSTANDARDIZED COEFFICIENT B)

Variable	Satisfaction with Cham city center	Satisfaction with Massa Plaza Mall
Attitude toward the mall predict shoppers' satisfaction	596.0**	0.629**

Customer satisfaction measured by the average of the scores on the thirteen satisfaction indicators **= $P < .05$

TABLE V
ATTITUDE REGRESSION ANALYSIS FOR THE NUMBER OF VISITS (UNSTANDARDIZED COEFFICIENT B)

Variable	Satisfaction with Cham City Center	Satisfaction with Massa Plaza Mall
Number of visits to the mall predict shoppers' satisfaction	017.0**	0.069**

Customer satisfaction measured by the average of the scores on the 13 satisfaction indicators **= $P < .05$

TABLE VI
THE SCORE OF LOYALTY

Store	Cognitive loyalty	Affective loyalty	Conative loyalty	Action loyalty	Average loyalty
Cham City Center	4.71	7.48	5.16	3.90	4.80
Massa Plaza	5.84	5.86	4.82	4.05	4.75

The means of the respondents' ratings with a maximum of seven, higher score indicates higher loyalty

TABLE VII
REGRESSION ANALYSIS OF ATTITUDE TO PREDICT LOYALTY

	Cham City Center	Massa Plaza
Attitude to the grocery store	Cognitive=0.591** Affective=0.589** Conative=0.476** Action=0.439**	Cognitive=0.844** Affective=0.545** Conative=0.543** Action=0.956**

Dependent variable: The four types of customer loyalty. **= $P < .05$

Massa Plaza has more frequent shoppers It can be seen that Carrefour has the most frequent customers, while City Centre is the second tan Cham City Center.

Table V illustrates the number of shoppers' visits to the mall, the two malls shoppers have a slightly positive impact on shopper satisfaction, Table 7 shows that Massa

TABLE VIII
VALUE, TRUST, AND SATISFACTION AT BOTH MALLS

Store	Perceived value	Trust	Satisfaction
Cham City Center	5.15	4.89	5.29
Massa Plaza	4.88	4.62	5.12

The means of the respondents' scores. Higher numbers indicate higher scores (maximum 7)

Plaza shoppers' visits to the mall have an effect on their satisfaction at a significant level of (0.05). Therefore, only one store supported the second hypothesis, which is Massa Plaza (0.069**). Thus, shopper's satisfaction is positively affected by his visits to the mall.

A. Predicting Customer Loyalty by Shopper Attitude and Number of Mall Visits

As noted, shopper loyalty has four types. Cognitive, affective, conative, and action type. Table VI illustrates loyalty scores for both shopping malls in regard to the mall visits and attitude of shoppers.

Table VI shows a higher loyalty for Came City Centre shoppers, an average of 4.8 compared to 4.75 the average loyalty of Massa Plaza shoppers.

In Table VII, shoppers' attitude to the mall has a positive and significant effect on the four types of loyalty at both malls. Therefore, we accept hypothesis 3.

B. The effect of apparent value, trust and satisfaction on shopper's loyalty

Before the possible effect of perceived value, trust, and satisfaction on customer loyalty can be discussed, some general numbers about this variable must be handled. In Table VIII, the scores for these three drivers on the two grocery stores are shown.

Table VIII indicates that Cham City Center has the highest score in all three categories, while Massa Plaza had lowered rating. This indicates that Came City Centre shoppers have high apparent value, trust, and satisfaction. Based on the literature review, the results show that the perceived value of shoppers toward the shopping mall has a significant effect on all four loyalty indicators. The result is valid for the two shopping malls and thus accept hypothesis 4.

V. CONCLUSION

This study aimed to examine the relationship between shopper satisfaction and loyalty. The empirical data were collected from two shopping malls in Damascus, Syria. The researcher tested various indicators as likely bases of shopper loyalty and satisfaction. The outcomes of this research could give retail managers, especially shopping malls, an idea on

how to build loyal and satisfied shopper. The result of this study showed that shopper satisfaction is associated with the attitude of the shopper toward the mall. Furthermore, shopper loyalty is related to the number of visits by the shopper to the mall. Finally, the perceived value is positively related to the four loyalty indicators. This conclusion will help retail managers to learn how satisfaction and loyalty are created. Therefore, the researcher suggests that managers and marketers must train and exercise these concepts for the good of their organizations. This study covered a reasonably small number of respondents and only two shopping malls in Damascus. Further studies can inspect a bigger sample and more stores in all parts of Syria. Shopping mall products are low involvement products. It is essential to examine other products such as high-tech products to see if loyalty indicators can be applied and can be influenced by the same drivers in this article.

REFERENCES

- Burton, S., & Netemeyer, R. G. (1992). The effect of enduring, situational, and response involvement on preference stability in the context of voting behaviour. *Psychology and Marketing*, 9, 143-156.
- Celsi, R. L., & Olson, J. C. (1988). The role of involvement in attention and comprehension processes. *Journal of Consumer Research*, 14, 210-224.
- Dick, A. S., & Basu, K. (1994). Customer loyalty: Toward an integrated conceptual framework. *Journal of Marketing Science*, 22(2), 99-113.
- East, R., Harris, P., Wilson, G., Lomax, W., & Perkins, D. (1997). *First-Store Loyalty to US and British Supermarkets*. Vol. 1. (pp. 401-415). Warwick: Proceedings of the 26th European Marketing Academy Conference.
- Esaki, K. (2013). Prediction models for total customer satisfaction based on the ISO/IEC9126 system quality model. *American Journal of Operations Research*, 3(4), 393-401.
- Farris, P., Bendle, N., Pfeifer, P., & Reibstein, F. (2010). *Marketing Metrics: The Definitive Guide to Measuring Marketing Performance*. Upper Saddle River, New Jersey: Pearson.
- Flynn, L. R., & Goldsmith, R. E. (1993). Application of the personal involvement inventory in marketing. *Psychology and Marketing*, 10, 357-366.
- Gilly, M. C., & Zeithaml, V. A. (1985). The elderly consumer and adoption of technologies. *Journal of Consumer Research*, 12, 253-357.
- Goodman, J. A. (2009). *Strategy Customer Service: Managing the Customer Experience to Increase Positive Word of Mouth, Build Loyalty and Maximize Profit*. New York: AMACOM.
- Han, H., Kim, Y., & Kim, E. (2011). Cognitive, affective, conative, and action loyalty. *International Journal of Hospitality*, 30(1), 1008-1019.
- Harris, L. C., & Goode, M. M. H. (2004). The four levels of loyalty and the pivotal role of trust a study of online service dynamics. *Journal of Retailing*, 80, 139-158.
- Harvey, H. (2017). *Types of Consumer Loyalty*. Chicago, Illinois: American Marketing Association. Available from: <https://www.bizfluent.com/info-8208520-types-consumer-loyalty.html>. [Last accessed on 2020 Jan 06].
- Homburg, C., & Giering, A. (2001). Personal characteristics as moderators of the relationship between customer satisfaction and loyalty an empirical analysis. *Psychology and Marketing*, 18, 43-66.
- Howard, J. A. (1994). *Buyer Behaviour in Marketing Strategy*. New Jersey: Prentice Hall.
- Keiningham, A. L., Buoye, A., & Williams, L. (2009). Loyal customer isn't always profitable. *Wall Street Journal*, 22, 1-5.
- Kotler, P., & Keller, K. (2006). *Marketing Management*. 20th ed. New Jersey: Prentice Hall.
- Massoudi, A. (2018). *Essentials of International Management*. Germany: Noor Publishing.
- Massoudi, A., & Slahaddin, S. (2017). The Consequences of work environment on employees productivity. *Journal of Business and Management*, 19(1), 35-42.
- Mittal, B. (1995). A comparative analysis of four scale of consumer involvement. *Psychology and Marketing*, 12, 663-682.
- Oliver, R. L. (1999). Whence customer loyalty? *Journal of Marketing*, 63, 33-44.
- Oliver, R. L. (1997). *Satisfaction: A Behavioural Perspective on the Consumer*. New York: McGraw-Hill.
- Rai, A. K. (2008). *Customer Relationship Management: Concepts and Cases*. New Delhi: PHI Learning.
- Reichheld, F. F., Markey, R. G., & Hopton, C. (2000). The loyalty effect: The relationship between loyalty and profits. *European Business Journal*, 12(3), 134-139.
- Reinartz, W. J., & Kumar, V. (2000). On the profitability of long-life customers in a non-contractual setting: An empirical investigation and implications for marketing. *Journal of Marketing*, 64, 17-35.
- Walsh, G., Evanschitzky, H., & Wunderlich, M. (2008). Identification and analysis of moderator variables: Investigating the customer satisfaction-loyalty link. *European Journal of Marketing*, 10(1), 125-136.
- William, P., & Nauman, E. (2011). Customer satisfaction and business performance. *Journal of Service Marketing*, 25(1), 20-32.