

Shopping experiences would differ if businesses applied customer loyalty study findings

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Imagine a car dealership where telling a salesperson "I'm just looking" would allow you to do just that. Or an online retailer offering you price cuts or free shipping to improve its relationship with you.

That's what shopping experiences might be like if more retailers paid attention to the findings of a Kansas State University marketing professor and his research collaborators.

Swinder Janda is the Paul Edgerley Distinguished Chair in [Global Business](#) at K-State. Some of his recent research has looked at how businesses can cultivate and keep loyal customers. In a study to be published this year in the *Service Industries Journal*, Janda and collaborator Hong-Youl Ha of South Korea's Kangwon National University explored how relationships between businesses and customers mirror human relationships.

"I want a close relationship with my wife, but I may not want a close relationship with a salesperson at a car dealership, for instance," Janda said.

He was not surprised to find that in order to create a relationship, consumers have to perceive it will pay off, monetarily or otherwise. Janda, Ha and collaborator Sang-Kyu Park of Kangwon National University published a study in the *International Marketing Review* in

2009 that found promotional events designed to counter customers' negative attitudes can significantly enhance the customers' likelihood to engage in a long-term relationship with the business.

For a car dealership, Janda said this could mean promotions that focus on encouraging buyers to use the option of communicating with salespeople via e-mail. It also could mean not focusing on a hard-sell approach but rather on providing relevant information such as the availability of rebates for the customer.

"It is important for companies to understand this, because there may be different types of customers who may seek different types of relationships with the business," Janda said. "It may thus be important to create different marketing approaches for different groups based on the type of relationship those groups are seeking with the company."

In order for online retailers to enhance customer loyalty and create return shoppers, they have to focus on enhancing customer perceptions of their trustworthiness. For instance, this can be accomplished by associating with the Better Business Bureau or providing assurance that personal and credit card information is secure.

Janda, Ha and Siva Muthaly of Australia's Swinburne University of Technology have research that will appear this year in the *European Journal of Marketing* that shows it takes more than satisfaction with a product for customers to return to a retail Web site. The researchers suggest that irrespective of current satisfaction levels, online retailers should use positive reinforcement like providing customers with discount offers on future purchases or free merchandise to increase probability of future site visits.

In 2003, Janda published research showing that customers judge an online retailer not just by the quality of the product purchased but also

by factors like whether the Web site loads quickly and the frequency of pop-up windows.

"One of the things often overlooked -- and it's critical in online service quality -- is when an [online retailer](#) says your product will arrive in a certain number of days, do you actually get it in time? Do you get the right color? Those are the kinds of things companies constantly need to focus on to get customers to come back."

With the prevalence of social media, Janda said it's more important now than ever for companies to implement systems that are geared toward managing unsatisfied customers. As an example, he points to the more than 8 million views for the YouTube video "United Breaks Guitars," posted by a dissatisfied United Airlines customer.

"With social networking, it's very easy for one dissatisfied [customer](#) to post on his or her blog or Facebook page that a company messed up," Janda said. "As customers, I think we can expect to see companies taking the time and the money and the energy to understand us and what experience we're having and constantly modifying our experience."

Janda's current research has been ongoing for the past 10 years, during which he and collaborators have collected data from four business contexts to see whether companies get a monetary return when they develop strong brand identities. The researchers expect results to be published later this year.

Provided by Kansas State University

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