

Gifts that generate gratitude keep customers loyal

August 27 2014, by Rob Kidd



Dr Syed Hasan says retailers can increase customer loyalty by giving gifts that stimulate gratitude.

They promise us discounts, upgrades and freebies in exchange for our allegiance - so why are shoppers failing to stay faithful to customer loyalty programs?

Despite major retailers investing tens of millions of dollars a year into [loyalty programs](#), they are a dying breed, with customers struggling to see the benefits of signing up, according to QUT research.

But benefits that stimulate gratitude in customers have the power to strengthen the seller-customer relationship and ensure loyalty, researchers Dr Syed Hasan, Professor Ian Lings, Associate Professor Larry Neale and Dr Gary Mortimer, from QUT's School of Advertising,

Marketing and Public Relations, found.

Lead researcher Dr Hasan, a Postdoctoral Research Fellow, said the researchers found retailers that showed loyal shoppers they were "caring more for the customer than their own profit", would successfully secure customer gratitude.

The paper, titled "The role of customer gratitude in making relationship marketing investments successful", has been published in the September issue of the *Journal of Retailing and Consumer Services*.

"Shoppers are realising that a loyalty program provides the same benefits, discounts and communications to all members and you are not treated any differently than the tens of thousands, if not hundreds of thousands, of other members," Dr Hasan said.

"Our research suggests retailers should invest in ways to generate customer gratitude and appreciation, in order to make customers feel more valued.

"If a customer feels genuinely grateful, there is a stronger chance they will remain loyal to the retailer."

Dr Hasan said retailers could increase gratitude, and therefore secure loyalty, by providing "small favours" to customers or even "bending the rules" to meet their needs.

"Programs that provide gifts built into the product, like a free case with a new laptop, and those that end up financially benefitting the company in another way, like fuel dockets from Coles and Woolies, generate little gratitude because customers know the intention is not benevolent," he said.

"Instead, retailers need to offer a personal and flexible service to their best customers.

"For example, if a customer urgently needed to exchange the wrong-sized dress after the store has just closed, the store would generate more goodwill by delivering the right size to the customer's home or briefly re-opening the store, rather than offering an exchange the following day.

"Or, if a store does not have the right product in stock, referring a customer to a competitor shows it is more concerned with caring for the customer's needs, rather than its own."

Loyalty programs should also include some "random or discretionary elements", to ensure customers felt appreciated and valued, Dr Hasan said.

"That includes anything the [customer](#) is not expecting, that goes above the value of a normal transaction," he said.

"For example a free gift, members' only events or an extra special service offered."

More information: Syed Fazal e Hasan, Ian Lings, Larry Neale, Gary Mortimer, "The role of customer gratitude in making relationship marketing investments successful," *Journal of Retailing and Consumer Services*, Volume 21, Issue 5, September 2014, Pages 788-796, ISSN 0969-6989, [dx.doi.org/10.1016/j.jretconser.2014.06.007](https://doi.org/10.1016/j.jretconser.2014.06.007)

Provided by Queensland University of Technology

Citation: Gifts that generate gratitude keep customers loyal (2014, August 27) retrieved 28 April

2024 from <https://phys.org/news/2014-08-gifts-gratitude-customers-loyal.html>

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