

To get customers to buy more in the future, help them buy a gift

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Researchers from the University of Paderborn and University of Rostock, both in Germany, published a new paper in the *Journal of Marketing* that examines how the purchase of a gift may promote future brand loyalty with the gifted brand.

The study, forthcoming in the September issue of the *Journal of*

Marketing and titled "Gift Purchases as Catalysts for Strengthening Customer-Brand Relationships," is authored by Andreas Eggert, Lena Steinhoff, and Carina Witte.

Companies are constantly looking for new ways to engage customers with their brands and to build deep and lasting customer-brand relationships. While gifts have been recognized as an effective means to build interpersonal relationships, they can also jump-start customer-brand relationships. The purchase of gifts may engage customers deeply with the gifted brand and promote their future brand loyalty. Also, in contrast with most of marketing's relationship-building instruments, encouraging customers' gifting behavior does not trigger any considerable costs, but instead generates instant returns.

The research team first conducted a [field study](#) with an international retailer of beauty products. The hypothesis is that customers purchasing gifts display higher future purchase behaviors towards the brand. The researchers expected that these positive effects would decrease for customers with more purchase experience.

Key findings include:

- Gift buyers spend 63% more in the year following a [gift](#) purchase than a matched sample of customers who purchase the brand for their personal use.
- Gift buyers increase their purchase frequency (25%), spend more per shopping trip (41%), and engage in more cross-buying (49%). The sales lift is particularly pronounced among new customers with little prior purchase experience with the focal brand.
- Receiving assistance during the gift purchase process and branded gift wrapping represent two gift purchase design characteristics which increase the effect.

Here is the story behind these findings. Laden with symbolic meaning, gift purchases create buying situations with special importance for customers' identity and are critical touchpoints during customer journeys. Eggert explains that "With so much at stake, gift purchases can deepen the customer relationship with the brand, with positive impacts on key customer metrics like attitude strength and future purchase behaviors. Our research suggests that gift purchases are an opportunity for retailers to engage customers with their brand."

Marketing managers can leverage gift purchases as effective relationship-building marketing instruments in retail settings. First, managers should identify products to position as gifts and promote them as such. Marketing managers should systematically highlight selected products in marketing communications and offer promotional incentives for consumers looking for a gift. Second, managers should target new rather than experienced customers with gift [purchase](#) promotions. Third, managers should facilitate the gift selection process. Retail store managers should train and encourage frontline employees to assist customers proactively in the gift selection process, to stimulate customer gratitude. Firms might also develop advanced online filters to help customers identify an appropriate product for specific gift-giving occasions. Fourth, retailers should make their brand more prominent on gift packaging. By providing high-quality, branded gift packaging, retailers can strengthen their customers' public commitment to the brand and stimulate long-lasting attitudinal and behavioral performance outcomes. Finally, retailers should encourage existing customers to recommend the brand to their peers for upcoming gift giving occasions.

More information: Andreas Eggert et al, Gift Purchases as Catalysts for Strengthening Customer–Brand Relationships, *Journal of Marketing* (2019). [DOI: 10.1177/0022242919860802](https://doi.org/10.1177/0022242919860802)

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