

Creating Loyalty in Relationship Marketing: A Case Study in Supermarket Loyalty Programs in Turkey

Dr. Olgun KITAPCI

Assistant Professor

Department of Management Information Systems

Faculty of Business and Administrative Sciences

Cumhuriyet University

+90 532 3617902

Sivas, Turkey

okitapci@cumhuriyet.edu.tr

&

Ibrahim Taylan DORTYOL

Research Assistant

Department of Management Information Systems

Faculty of Business and Administrative Sciences

Cumhuriyet University

Sivas, Turkey

+90 530 4197035

taylan_dortyol@yahoo.com.tr

&

Dr. Mustafa GÜLMEZ

Associate Professor

Department of Business Management

Faculty of Business and Administrative Sciences

Cumhuriyet University

Sivas, Turkey

+90 505 2797007

mgulmez@cumhuriyet.edu.tr

CREATING LOYALTY IN RELATIONSHIP MARKETING: A CASE STUDY IN SUPERMARKET LOYALTY PROGRAMS IN TURKEY

Abstract

The aim of this paper is to improve empirical knowledge about the impact of supermarket loyalty card programs on customer loyalty and measure the effectiveness of those loyalty card programs. This paper takes the problem from consumer viewpoint and do not mention the usage of loyalty programs in creating consumer databases. The data highlights loyalty card programs implemented within the supermarket industry and evaluates those programs based on variables of loyalty. The variables include trust, commitment, satisfaction and value. This study is adapted from C.M. Brumley's study. A face-to-face interview survey was conducted to collect data. SPSS 15.0 for Windows was used for data analysis. The results point out some significant cues related with the concept of satisfaction and loyalty, and, consumers' perceptions about the services and products of supermarkets with their price and quality levels. The most interesting finding of the study is that the loyalty card programs do not make the expected contribution to loyalty creating process.

Keywords: Relationship Marketing, Customer Loyalty, Supermarket, Turkey

Introduction

Customer relationships have been increasingly studied in the academic and professional marketing literature (Morgan and Hunt 1994; Grönroos, 1995). Customer retention rates and customer share of category purchase are important metrics in customer relationship management (Waarden, 2008:87).

To maximize these metrics, many firms use relationship marketing instruments and loyalty programs or frequency reward programs which have become key marketing activities for many companies. Some hotels offer free rooms for customers who have stayed a certain number of nights. And supermarkets reward customers with free shopping or some discounts after they accumulate sufficient shopping scores (Waarden, 2008:88).

As it is understood from this information, customer relationship management and, more specially, relationship marketing instruments and loyalty programs are crucial to survive in modern marketing. All we realize is that only the one who gain long-term relationship with consumers will succeed. And the most effective way to make that dream reality is to convert

consumers to loyal and consistent customer with all those relationship marketing instruments and loyalty programs. Herein, the statement of Brumley must be underlined:

“Loyalty programs should be designed and implemented to provide outstanding value; so current members have no desire or need to switch brands or companies”.

Literature Review

Relationship marketing has attracted considerable attention in the marketing literature over the last three decades (Kitapci, 2003). The importance of all processes of relationship marketing for service providers is the adverse effect potential which they have on customer satisfaction and loyalty. Relationship Marketing is defined by Hougaard and Bjerre (2002:40), as, “Company behavior with the purpose of establishing, maintaining and developing competitive and profitable customer relationship to the benefit of both parties.”According to Ravald and Gronroos (1996), referring to all marketing activities directed at establishing, developing and maintaining successful relational exchanges, relationship marketing shifts the focus from attracting customers to creating long-term loyalty among existing customers and maintaining mutually profitable relationships.

Five variables as trust, commitment, satisfaction, loyalty and value comprise relationship marketing (Brumley, 2002:1). The ultimate goal of relationship marketing is to build lifetime value for the consumer, which creates loyalty for brand. In addition, loyalty builds a strong barrier against competition by incorporating customer satisfaction and customer retention through repeat purchasing.

Relationship marketing differs from traditional mass marketing since it does not seek a temporary increase in sales, but attempts to create customer and brand values, and to develop customer satisfaction and loyalty by building a permanent bond with the customer (Takala and Uusitalo, 1996:46).

The creation and maintenance of brands is becoming more important today’s intensely competitive environment. Brand activities investments are creating brand value. According to Ravald and Gronroos (1996:21), value is the concept that consumers receive when purchasing a product. The valuation exists when consumers are aware of brand and perceive the brand as quality brand (Seetharaman et.al, 2001:244). It is expected that those consumer may continue to purchase related brand. Herein, the link among brand value and customer satisfaction is standing out. The concept of customer satisfaction is to tend or attend through the tendency of repurchasing the product or service that has known and recommended already (Altintas,

2000:29). As Kandampully and Suhartando have stated (2000: 346), loyal customer is the one who repurchases and recommends the product or service and exhibits positive attitudes to the firm. Hence, brand value increases customer satisfaction and makes customers more loyal.

Hypothesis 1: Perceived brand value increases customer satisfaction and makes customers more loyal.

Loyalty programs are applied in a variety of industries, including airlines, credit cards, hospitality, banks and supermarkets. Loyalty card program is defined by Waarden (2008:89), as an integrated system of marketing actions that aims to make customers more loyal by developing personalised relationships with them. Loyalty programs should be designed and implemented to provide high value.

Researchers who have studied on relationship marketing found significant differences on impacts of loyalty card on customer behaviour (Magi:2003; Yi and Jeon: 2003; Lewis:2004; Waarden:2008). According to Taylor and Neslin (2005), loyalty card programs which have both point and reward systems increase sales in a grocery retailing.

There are two important aims of customer loyalty programs. One of them is to increase sales revenues by raising purchase levels. Therefore, it is expected that price levels may decrease and consumers may become less price sensitive. The second aim is to build a closer bond between the brand and current customers. By this means, maintaining the current customer base is priority (Uncles, et.al. 2003:294-295). To realize that aim, company should offer consumers different utilities to make the company unique. In doing so, the danger of price sensitivity of consumers may eliminate more easily. The concept of price sensitive has come into prominence only on the assessment of similar products or services. Besides, it has already highlighted that loyalty card program provides many diversities to increase brand value. Thus, price sensitive may be off the point with the components of loyalty card programs that creates diversity.

Hypothesis 2: Increased perceived value with a supermarket loyalty card program makes consumers less price sensitive.

Methodology

The questionnaire was divided into two parts. Part one includes statements measuring customer satisfaction and loyalty. They were adapted from C.M. Brumley (2002). Part two includes questions about respondents' demographic profile. In part one, a five-point Likert scale (Likert, 1934) was used for data collection with "1" as "disagree" and "5" as "agree".

The data were collected from consumers of markets in Ankara which is the capital and second biggest city of Turkey. Intercept technique was used in front of one of the biggest shop centers in Ankara. The developed questionnaire was pilot tested in early-April 2008 by 20 supermarket visitors in Ankara. Respondents in the pilot test did not have any problem with the questionnaire and they suggested a few minor changes on wordings.

A face-to-face interview survey is conducted to collect data. SPSS 15.0 for Windows was used for data analysis. Descriptive statistics such as means, frequencies, Mann-Whitney U test and Chi-square tests were calculated. Besides all, Contingency Coefficient was also calculated. Contingency coefficient, which is presented as “C”, is a ratio and shows the power of relationship between two variables (Nakip, 2006, 297). The tendency related with the determination of the power of the relationship between variables is as follows (Saracel *et.al*, 2002:35):

- 0,00 - 0,25 = Poor relationship
- 0,251 - 0,35 = Medium-level relationship
- 0,351 - 0,50 = Strong relationship
- 0,501 – 1,0 = Very strong relationship

After the pilot test, in June 2008 a large-scale consumer questionnaire surveyed by six students who still attend to Marketing Research class. All students were educated about survey. They interviewed with a total of 290 consumers and at the end of the interview period, 268 usable questionnaires were collected. Twenty-two were not included in the analysis because of incompleteness. In all, 268 questionnaires were found to be useful which represents a 92,4 percent response rate. The questionnaire was in Turkish.

SPSS 15.0 for Windows was used for data analysis. Descriptive statistics such as means, standard deviations, frequencies and chi-square tests were calculated.

Findings

Table 1 summarizes the demographics of the respondents.

Table 1. Demographic Breakdown of The Respondents (n=268)

Age	F	%	Gender	F	%
<i>Between 18-34</i>	113	42,2	<i>Female</i>	118	44,0
<i>35 and above</i>	148	55,2	<i>Male</i>	147	54,9
<i>Missing</i>	7	2,6	<i>Missing</i>	3	1,1
Total	268	100,0	Total	268	100,0

Number in Household	F	%	Marital Status	F	%
<i>1</i>	16	6,0	<i>Single</i>	67	25,0
<i>2</i>	50	18,7	<i>Married</i>	178	66,4
<i>3</i>	64	23,9	<i>Divorced/ Widowed</i>	78	6,7
<i>4</i>	84	31,3	<i>Missing</i>	5	1,9
<i>5 and above</i>	35	13,1	Total	268	100,0
<i>Missing</i>	19	7,1			
Total	268	100,0			

Average Annual Income	F	%
<i>Less than 20,000 TL</i>	137	51,1
<i>Between 20,000 TL and 39,999 TL</i>	86	32,8
<i>40,000 TL and above</i>	39	14,9
<i>Missing</i>	6	2,2
Total	268	100,0

With regards to the descriptive statistics, 54,9 percent of the respondents are male while 55,2 percent fall into the 35 and above year-old group, 66,4 percent are married and 51,1 percent has less than 20,000 TL average annual income. The average number in household is 3,05. The details of the demographics are shown in Table I.

The Cronbach Alpha test was realized to assess the internal consistency reliabilities of the scales. The Cronbach Alpha value for nine items of variables was 62 percent. The mean values, maximum and minimum values, number of items and reliability analysis are summarized in Table II.

Table 2. Descriptive Statistics of Variables

	Mean	Min-Max	Cronbach Alpha	Items
Variables	2,68	2,291-2,9	0.62	9*

** (1)I am satisfied with my primary market company, (2)My primary supermarket company provides outstanding value to customers, (3) The prices are reasonable at my primary supermarket, (4)The products and services are worth the money at my primary supermarket, (5)I pay a higher price at my primary supermarket than other competitors charge, (6)I shop only at my primary supermarket, (7)I am likely to take some of my business to a different supermarket offering lower prices, even if the different supermarket does not have a loyalty or card program, (8) I am likely to switch to a different supermarket if I experience a problem with my primary supermarket's service, (9)Supermarket loyalty or card programs do not entice me to shop at certain supermarkets.*

Data in Tables (from 4 to 18) are analyzed by chi-square test which is a test for independence evaluation of statistically significant differences between proportions for two or more groups (Tekin 2006:138).

Table 3 The shortenings of the item that are placed in the tables.

Items	Shortenings of The Items
(1)I am satisfied with my primary market company	Satisfaction
(2)My primary supermarket company provides outstanding value to customers	Outstanding Value
(3) The prices are reasonable at my primary supermarket	Reasonble Prices
(4)The products and services are worth the money at my primary supermarket	Products Worth to Money
(5)I pay a higher price at my primary supermarket than other competitors charge	Pay Higher Price
(6)I shop only at my primary supermarket	Loyalty
(7)I am likely to take some of my business to a different supermarket offering lower prices, even if the different supermarket does not have a loyalty or card program	Likely to Switch for Lower Prices
(8) I am likely to switch to a different supermarket if I experience a problem with my primary supermarket's service	Likely to Switch for Better Services
(9)Supermarket loyalty or card programs do not entice me to shop at certain supermarkets	Loyalty Card

Table 3 shows the shortenings of the item that are placed in the tables.

The main hypothesis and its sub-hypothesis are shown below:

Hypothesis 1: Perceived brand value increases customer satisfaction and makes customers more loyal.

H_{1-a} : There is a significant relationship between outstanding value and products worth the money.

H_{1-b} : There is a significant relationship between outstanding value and loyalty.

H_{1-c} : There is a significant relationship between outstanding value and satisfaction.

H_{1-d} : There is a significant relationship between products worth the money and loyalty.

H_{1-e} : There is a significant relationship between products worth the money and satisfaction.

H_{1-f} : There is a significant relationship between satisfaction and loyalty.

In the light of the results of chi-square tests, there are significant relationships between outstanding value and product worth the money (C=0,601), outstanding value and satisfaction (C=0,713), product worth the money and satisfaction (C=0,504), outstanding value and loyalty (C=0,430), products worth the money and loyalty (C=0,311) and satisfaction and loyalty (C=0,311). Related results are shown in related tables.

Table 4. Outstanding Value - Products worth the Money

		<i>The products and services are worth the money at my primary supermarket</i>									
		Strongly Disagree		Disagree		Agree		Strongly Agree		Total	
		F	%	F	%	F	%	F	%	F	%
<i>My primary supermarket company provides outstanding value to customers</i>	Strongly Disagree	4	1,6	4	1,6	3	1,2	2	0,8	13	5,1
	Disagree	2	0,8	37	14,5	35	13,6	0	0,0	74	28,9
	Agree	2	0,8	23	9,0	118	46,1	8	3,1	151	59,0
	Strongly Agree	0	0,0	1	0,4	6	2,3	11	4,3	18	7,0
	Total	8	-	65	-	162	-	21	-	256	-
	(%)	-	3,1	-	25,4	-	63,3	-	8,2	-	100

$$\chi^2 = 144,684 \quad p = 0,000 \quad df = 9 \quad \alpha = 0,05 \quad c = 0,601$$

Approximately half of the sample (46,1 %) agreed that their primary supermarket provided outstanding value and the products and services were worth the money. Besides, 14,5 percent of the sample were oppose to that opinion. The proposition of the respondents that agreed services and products were worth the money and did not agree that the supermarket provided outstanding value is 13,6.

Table 5. Outstanding Value – Loyalty

		<i>I shop only at my primary supermarket</i>									
		Strongly Disagree		Disagree		Agree		Strongly Agree		Total	
		F	%	F	%	F	%	F	%	F	%
<i>My primary supermarket company provides outstanding value to customers</i>	Strongly Disagree	3	1,2	7	2,7	2	0,8	0	0,0	12	4,7
	Disagree	15	5,9	47	18,4	12	4,7	0	0,0	74	28,9
	Agree	11	4,3	66	25,8	63	24,6	11	4,3	151	59,0
	Strongly Agree	1	0,4	4	1,6	7	2,7	7	2,7	19	7,4
	Total	30	-	124	-	84	-	18	-	256	-
	(%)	-	11,7	-	48,4	-	32,8	-	7,0	-	100

$$\chi^2 = 57,974 \quad p = 0,000 \quad df = 9 \quad \alpha = 0,05 \quad c = 0,430$$

With regard to the analyze results of outstanding value and loyalty, two very closed propositions were seen. Accordingly, the proposition of the respondents who declared that their supermarket provided outstanding value but still they were not loyal is 25,8 percent while the proposition of the respondents who agreed both they were loyal and their supermarket provided outstanding value is 24,6. All the same, 18,4 percent of the sample did not agree with both two proposals.

Table 6. Outstanding Value – Satisfaction

		<i>I am satisfied with my primary market company</i>									
		Strongly Disagree		Disagree		Agree		Strongly Agree		Total	
		F	%	F	%	F	%	F	%	F	%
<i>My primary supermarket company provides outstanding value to customers</i>	Strongly Disagree	9	3,4	2	0,8	2	0,8	0	0,0	13	4,9
	Disagree	7	2,7	30	11,4	39	14,8	2	0,8	78	29,5
	Agree	0	0,0	4	1,5	134	50,8	14	5,3	152	57,6
	Strongly Agree	0	0,0	0	0,0	3	1,1	18	6,8	21	8,0
	Total	16	-	36	-	178	-	34	-	264	-
	(%)	-	6,1	-	13,6	-	67,4	-	12,9	-	100

$$\chi^2 = 272,245 \quad p = 0,000 \quad df = 9 \quad \alpha = 0,05 \quad c = 0,713$$

Approximately half of the sample (50,8%) agreed that they were satisfied and their primary supermarket provided outstanding value while 11,4 percent did not. 14,8 percent of the sample were satisfied even though they did not have a feeling as their supermarket provided outstanding value to them.

Table 7. Products worth the Money – Loyalty

		<i>I shop only at my primary supermarket</i>								Total	
		Strongly Disagree		Disagree		Agree		Strongly Agree			
		F	%	F	%	F	%	F	%	F	%
<i>The products and services are worth the money at my primary supermarket</i>	Strongly Disagree	2	0,8	5	2,0	1	0,4	0	0,0	8	3,1
	Disagree	8	3,1	39	15,4	17	6,7	1	0,4	65	25,6
	Agree	18	7,1	72	28,3	60	23,6	11	4,3	161	63,4
	Strongly Agree	2	0,8	5	2,0	7	2,8	6	2,4	20	7,9
	Total	30	-	121	-	85	-	18	-	254	-
	(%)	-	11,8	-	47,6	-	33,5	-	7,1	-	100
$\chi^2 = 27,218$ $p = 0,001$ $df = 9$ $\alpha = 0,05$ $c = 0,311$											

The proposition of the respondents who declared that their supermarket's products were worth the money but still they were not loyal is 28,3 percent while the proposition of the respondents who agreed both they were loyal and the products and services were worth to money is 23,6. All the same, 15,4 percent of the sample did not agree with both two proposals.

Table 8. Products worth the Money – Satisfaction

		<i>I am satisfied with my primary market company</i>								Total	
		Strongly Disagree		Disagree		Agree		Strongly Agree			
		F	%	F	%	F	%	F	%	F	%
<i>The products and services are worth the money at my primary supermarket</i>	Strongly Disagree	4	1,5	2	0,8	2	0,8	0	0,0	8	3,1
	Disagree	4	1,5	20	7,7	40	15,4	2	0,8	66	25,5
	Agree	5	1,9	13	5,0	126	48,6	19	7,3	163	62,9
	Strongly Agree	1	0,4	1	0,4	9	3,5	11	4,2	22	8,5
	Total	14	-	36	-	177	-	32	-	259	-
	(%)	-	5,4	-	13,9	-	68,3	-	12,4	-	100
$\chi^2 = 88,195$ $p = 0,000$ $df = 9$ $\alpha = 0,05$ $c = 0,504$											

Approximately half of the sample (48,6%) agreed that the products are worth the money and they are satisfied while 15,4% are satisfied but still do not think that the products and services of the supermarket are worth the money.

Table 9. Satisfaction – Loyalty

		<i>I shop only at my primary supermarket</i>								Total	
		Strongly Disagree		Disagree		Agree		Strongly Agree			
		F	%	F	%	F	%	F	%		
<i>I am satisfied with my primary market company</i>	Strongly Disagree	2	0,8	9	3,5	4	1,6	0	0,0	15	5,8
	Disagree	7	2,7	23	8,9	6	2,3	1	0,4	37	14,3
	Agree	19	7,4	82	34,8	64	24,8	9	3,5	174	67,4
	Strongly Agree	2	0,8	11	4,3	11	4,3	8	3,1	32	12,4
	Total	30	-	125	-	85	-	18	-	258	-
	(%)	-	11,6	-	48,4	-	32,9	-	7,0		100
		$\chi^2 = 27,666$ $p = 0,001$ $df = 9$ $\alpha = 0,05$ $c = 0,311$									

Approximately a quarter of the sample (24,8%) are both satisfied and loyal customers. An extremely small percentage (2,2%) are loyal, yet not satisfied, compared to 34,8 percent of the sample whom are satisfied but not loyal customers.

The main hypothesis and its sub-hypothesis are shown below:

Hypothesis 2: Increased perceived value with a supermarket loyalty card program makes consumers less price sensitive.

H_{2-a} : There is a significant relationship between outstanding value and pay a higher price.

H_{2-b} : There is a significant relationship between outstanding value and likelihood to switch for lower prices.

H_{2-c} : There is a significant relationship between outstanding value and reasonable prices.

H_{2-d} : There is a significant relationship between products worth the money and pay higher prices.

H_{2-e} : There is a significant relationship between products worth the money and likelihood to switch for lower prices.

H_{2-f} : There is a significant relationship between likelihood to switch for lower prices and reasonable prices.

H_{2-g} : There is a significant relationship between pay a higher price and reasonable prices.

H_{2-h} : There is a significant relationship between loyalty card and likelihood to switch for lower prices.

H_{2-i} : There is a significant relationship between loyalty card and likely to switch for better service levels.

H_{2-j} : There is a significant relationship between loyalty card and loyalty.

In the light of the results of chi-square tests, there are significant relationships between outstanding value and pay higher price (C=0,393), outstanding value and likelihood to switch for lower prices (C=0,273), outstanding value and reasonable prices (C=0,556), product worth the money and pay higher price (C=0,327), product worth the money and likelihood to switch for lower prices (C=0,298), likelihood to switch for lower prices and reasonable prices (C=0,304), pay higher price and reasonable prices (C=0,317), loyalty card and likelihood to switch for lower prices (C=0,375) and loyalty card and likelihood to switch for better prices (C=0,467). However, the relationship between loyalty card and loyalty is insignificant (C=0,243). Related results are shown in related tables.

Table 10. Outstanding Value – Pay Higher Price

		<i>I pay a higher price at my primary supermarket than other competitors charge</i>									
		Strongly Disagree		Disagree		Agree		Strongly Agree		Total	
		F	%	F	%	F	%	F	%	F	%
<i>My primary supermarket company provides outstanding value to customers</i>	Strongly Disagree	6	2,3	3	1,2	4	1,6	0	0,0	13	5,1
	Disagree	8	3,1	37	14,5	28	10,9	2	0,8	75	29,3
	Agree	14	5,5	79	30,9	54	21,1	1	0,4	148	57,8
	Strongly Agree	2	0,8	13	5,1	1	0,4	4	1,6	20	7,8
	Total	30	-	132	-	87	-	7	-	256	-
	(%)	-	11,7	-	51,6	-	34,0	-	2,7	-	100
$\chi^2 = 46,792$ $p = 0,000$ $df = 9$ $\alpha = 0,05$ $c = 0,393$											

Approximately one third of the respondents (30,9%) agree that they receive outstanding value from their supermarket, but still they do not agree that they pay higher price with 14,5 % believing that they do not receive outstanding value nor do they pay a higher price. The proposition of the respondents that both agree that their supermarket provides outstanding value and they may pay a higher price than other competitors charge is 21,1 percent.

Table 11. Outstanding Value - Likelihood to Switch for Lower Prices

		<i>I am likely to take some of my business to a different supermarket offering lower prices, even if the different supermarket does not have a loyalty or card program</i>									
		Strongly Disagree		Disagree		Agree		Strongly Agree		Total	
		F	%	F	%	F	%	F	%	F	%
<i>My primary supermarket company provides outstanding value to customers</i>	Strongly Disagree	4	1,5	2	0,8	5	1,9	2	3,3	13	4,9
	Disagree	4	1,5	20	7,6	32	12,2	21	8,0	77	29,3
	Agree	7	2,7	32	12,2	82	31,2	31	11,8	152	57,8
	Strongly Agree	0	0,0	4	1,5	10	3,8	7	2,7	21	8,0
	Total	15	-	58	-	129	-	61	-	263	-
	(%)	-	5,7	-	22,1	-	49,0	-	23,2	-	100
$\chi^2 = 21,098$ $p = 0,012$ $df = 9$ $\alpha = 0,05$ $c = 0,273$											

Approximately one third of the respondents (31,2%) are still likely to switch supermarkets although their supermarket provides outstanding value. The propositions of the respondents who disagree that they do not receive any value and unlikely to switch supermarkets and who believe that they receive outstanding value and would not switch supermarket for lower price are the same, 12,2%.

Table 12. Outstanding Value – Reasonable Prices

		<i>The prices are reasonable at my primary supermarket</i>								Total	
		Strongly Disagree		Disagree		Agree		Strongly Agree			
		F	%	F	%	F	%	F	%		
<i>My primary supermarket company provides outstanding value to customers</i>	Strongly Disagree	5	1,9	3	1,2	2	0,8	2	0,8	12	4,7
	Disagree	3	1,2	35	13,6	38	14,8	1	0,4	77	30,0
	Agree	0	0,0	37	14,4	99	38,5	13	5,1	149	58,0
	Strongly Agree	0	0,0	1	0,4	9	3,5	9	3,5	19	7,4
	Total	8	-	76	-	148	-	25	-	257	-
	(%)	-	3,1	-	29,6	-	57,6	-	9,7	-	100

$$\chi^2 = 115,079 \quad p = 0,000 \quad df = 9 \quad \alpha = 0,05 \quad c = 0,556$$

38,5 percent of the respondents both agree that they receive outstanding value from their supermarket and pay reasonable prices, with 13,6 percent whom both disagree with both two proposals. Besides, the proposition of the respondents who do not agree that their supermarket provides outstanding value but still they agree to pay reasonable prices is 14,8 percent while 14,4 percent of the respondents do not agree to pay reasonable prices although they feel that they receive outstanding value.

Table 13. Worth the Money – Pay Higher Price

		<i>I pay a higher price at my primary supermarket than other competitors charge</i>								Total	
		Strongly Disagree		Disagree		Agree		Strongly Agree			
		F	%	F	%	F	%	F	%		
<i>The products and services are worth the money at my primary supermarket</i>	Strongly Disagree	2	0,8	1	0,4	5	2,0	0	0,0	8	3,2
	Disagree	8	3,2	28	11,1	27	10,7	2	0,8	65	25,7
	Agree	14	5,5	93	36,8	51	20,2	1	0,4	159	62,8
	Strongly Agree	5	2,0	10	4,0	3	1,2	3	1,2	21	8,3
	Total	29	-	132	-	86	-	6	-	253	-
	(%)	-	11,5	-	52,2	-	34,0	-	2,4	-	100

$$\chi^2 = 30,340 \quad p = 0,000 \quad df = 9 \quad \alpha = 0,05 \quad c = 0,327$$

The majority of the respondents (36,8%) declare that the products of their supermarkets are worth the money, but still they do not feel that they pay a higher price. Besides, 20,2 percent of the respondents both agree that they pay a higher price and the products are worth the money, with 11,1 percent neither agree the products are worth the money nor that they pay a higher price.

Table 14. Worth the Money - Likelihood to Switch for Lower Prices

		<i>I am likely to take some of my business to a different supermarket offering lower prices, even if the different supermarket does not have a loyalty or card program</i>									
		Strongly Disagree		Disagree		Agree		Strongly Agree		Total	
		F	%	F	%	F	%	F	%	F	%
<i>The products and services are worth the money at my primary supermarket</i>	Strongly Disagree	3	1,2	1	0,4	3	1,2	1	0,4	8	3,1
	Disagree	4	1,5	22	8,5	28	10,8	12	4,6	66	25,
	Agree	7	2,7	30	11,5	90	34,6	37	14,2	164	63,1
	Strongly Agree	1	0,4	3	1,2	10	3,8	8	3,1	22	8,5
	Total	15	-	56	-	131	-	58	-	260	-
	(%)	-	5,8	-	21,5	-	50,4	-	22,3	-	100
$\chi^2 = 25,334$ $p = 0,003$ $df = 9$ $\alpha = 0,05$ $c = 0,298$											

Approximately one third of the respondents (34,6%) believe that the products of their supermarket are worth the money nevertheless they still likely to switch their supermarket for lower prices. The proposition of the sample that they would not likely to switch and they get worthy products is only 11,5 percent.

Table 15. Likelihood to Switch for Lower Prices - Reasonable Prices

		<i>The prices are reasonable at my primary supermarket</i>									
		Strongly Disagree		Disagree		Agree		Strongly Agree		Total	
		F	%	F	%	F	%	F	%	F	%
<i>I am likely to take some of my business to a different supermarket offering lower prices...</i>	Strongly Disagree	3	1,2	4	1,5	7	2,7	1	0,4	15	5,8
	Disagree	0	0,0	26	10,0	26	10,0	6	2,3	58	22,3
	Agree	3	1,2	30	11,5	83	31,9	11	4,2	127	48,8
	Strongly Agree	2	0,8	18	6,9	32	12,3	8	3,1	60	23,1
	Total	8	-	78	-	148	-	26	-	260	-
	(%)	-	3,1	-	30,0	-	56,9	-	10,0	-	100
$\chi^2 = 26,555$ $p = 0,002$ $df = 9$ $\alpha = 0,05$ $c = 0,304$											

Approximately one third of the respondents (31,9%) believe that the prices at their supermarket are reasonable but they still likely to switch their supermarket for lower prices. The proposition of the sample that they would not likely to switch and the prices are reasonable is only 11,5 percent.

Table 16. Pay Higher Price - Reasonable Prices

		<i>The prices are reasonable at my primary supermarket</i>									
		Strongly Disagree		Disagree		Agree		Strongly Agree		Total	
		F	%	F	%	F	%	F	%	F	%
<i>I pay a higher price at my primary supermarket than other competitors charge</i>	Strongly Disagree	3	1,2	4	1,6	17	6,7	5	2,0	29	11,5
	Disagree	0	0,0	35	13,8	80	31,6	16	6,3	131	51,8
	Agree	5	2,0	36	14,2	43	17,0	3	1,2	87	34,4
	Strongly Agree	0	0,0	2	0,8	2	0,8	2	0,8	6	2,4
	Total	8	-	77	-	142	-	26	-	253	-
	(%)	-	3,2	-	30,4	-	56,1	-	10,3	-	100
$\chi^2 = 28,329$ $p = 0,001$ $df = 9$ $\alpha = 0,05$ $c = 0,317$											

31,6 percent of the respondents agree that the prices at their supermarket are reasonable and thus they do not have a feeling as they pay a higher price compared to 17,0 percent whom both agree that the prices are reasonable and they feel that they pay a higher price.

Table 17. Loyalty Card - Likelihood to Switch for Lower Prices

		<i>I am likely to take some of my business to a different supermarket offering lower prices, even if the different supermarket does not have a loyalty or card program</i>								Total	
		Strongly Disagree		Disagree		Agree		Strongly Agree			
		F	%	F	%	F	%	F	%		
<i>Supermarket loyalty or card programs do not entice me to shop at certain supermarkets</i>	Strongly Disagree	2	0,8	4	1,6	2	0,8	1	0,4	9	3,5
	Disagree	6	2,3	31	12,0	51	19,8	12	4,7	100	38,8
	Agree	3	1,2	20	7,8	67	26,0	29	11,2	119	46,1
	Strongly Agree	1	0,4	3	1,2	9	3,5	17	6,6	30	11,6
	Total	12	-	58	-	129	-	59	-	258	-
	(%)	-	4,7	-	22,5	-	50,0	-	22,9	-	100

$$\chi^2 = 42,148 \quad p = 0,000 \quad df = 9 \quad \alpha = 0,05 \quad c = 0,375$$

The majority of the respondents (26,0%) declare that the loyalty card program of their supermarket does not have a affect on their shopping behaviour for certain supermarkets and they would likely to switch their supermarkets for lower prices. Besides, the proposition of the sample who agree to switch for lower prices and think that supermarket loyalty card is a convincing marketing tool is 19,8 percent.

Table 18. Loyalty Card - Likelihood to Switch for Better Services

		<i>I am likely to switch to a different supermarket if I experience a problem with my primary supermarket's service</i>								Total	
		Strongly Disagree		Disagree		Agree		Strongly Agree			
		F	%	F	%	F	%	F	%		
<i>Supermarket loyalty or card programs do not entice me to shop at certain supermarkets</i>	Strongly Disagree	1	0,4	4	1,6	0	0,0	3	1,2	8	3,2
	Disagree	7	2,8	18	7,2	67	26,9	5	2,0	97	39,0
	Agree	2	0,8	20	8,0	76	30,5	18	7,2	116	46,6
	Strongly Agree	0	0,0	3	1,2	7	2,8	18	7,2	28	11,2
	Total	10	-	45	-	150	-	44	-	249	-
	(%)	-	4,0	-	18,1	-	60,2	-	17,7	-	100

$$\chi^2 = 69,456 \quad p = 0,000 \quad df = 9 \quad \alpha = 0,05 \quad c = 0,467$$

Approximately one third of the respondents (30,5%) both agree that the loyalty card program of their supermarket does not have a affect on their shopping behaviour for certain supermarkets and they would likely to switch their supermarkets for better services. Besides, the proposition of the sample who agree to switch for better service but also think that supermarket loyalty card is a convincing marketing tool is 26,9 percent.

CONCLUSION

This study suggests some important information related with loyalty card programs effectiveness and its dimensions like as price, product and service, quality. From the data analysis, these findings which are represented below are found:

- Consumers think that the products are worth the money when the supermarket provides outstanding value to them.
- Providing outstanding value is not adequate by oneself to convert consumers to loyal consumers.
- Satisfaction arises when an outstanding value is provided.
- Being worth the money of the products is not adequate by oneself to convert consumers to loyal consumers.
- Consumers who feel that the products of the supermarket are not worth the money, may still be satisfied due to other possible factors. In other words, the situation in which the products are not worth the money does not cause direct dissatisfaction.
- Besides, satisfaction arises when the products are worth the money.
- Satisfied consumer is not always loyal consumers.
- Reasonable prices are not adequate by oneself to convert consumers to loyal consumers.
- Consumers think that overall price levels of the supermarkets are reasonable and they do not feel that they pay a higher price.
- Loyalty card programs of the supermarkets are not effective on consumer shopping behaviour. Consumer would easily like to switch their supermarket if they realise lower prices or better services at another supermarket.

DISCUSSION

The main objective of this study was to mention the role of supermarket loyalty programs in loyalty creating process in relationship marketing. A number of analyses have realized to measure that effect. Eventually, as it is stated above loyalty card programs are not effective on consumer shopping behaviour as well. Consumer would easily like to switch their supermarket if they realise lower prices or better services at another supermarket. At this point, the potential reasons that make those loyalty card programs non-functional will be discussed and some recommendations will be proposed in the basis of consumers' comments.

Besides the findings, with regard to other analysis it may be introduced that consumers are not loyal generally. The proposition of the sample whom declare that they shop only at

their primary supermarket is only 17,5 percent. Withal, the supermarket selection process is directed by mainly four factors. They are, price level (80,0%), convenience (77,8%), product variety and selection (76,9%) and freshness of the products (69,7%) respectively. The findings about the memberships of loyalty card programs show that majority of the sample (82,1%) have at least one membership, but most of them (71,3%) do not recommend that membership to their friends or families and only one quarter of them use their shopping loyalty card regularly.

In the light of these findings, it can be stated that loyalty card programs are not functional and have no contribution on long term customer loyalty creation process. The question is why these loyalty card programs are not popular. The most popular answers for the question what is the best part of loyalty card programs are price discount and point collecting. It means that consumers join to a loyalty program for its economic advantages. However, the answers related with the worst part of the loyalty program show big varieties. Basic views point out that necessity of card carriage, constricted and intermittent discounts and complicate usage of points are presented as main not in favour features of loyalty cards. Consumers also present some suggestion for better loyalty card programs. Accordingly, providing club services, more extensive and attracting companies and appointing a consumer number instead of physical card to take away the card carriage problem are declared by supermarket consumers to make supermarket programs better.

Managerial Implications

This study provides several significant implications for supermarket managers regarding attitudes and behaviours of consumers through their primary supermarket, supermarket choice criteria and supermarket loyalty cards as an effective loyalty intensifier. Supermarkets have to take preferential part in consumer's minds in present day conditions in which retaining consumers is a crucial action to survive. In this context, these will be key steps to identify the effective factors on the process of converting consumers to loyal and consistent customers and to develop selling tactics to this effect.

To convert consumers to loyal and consistent customers, first, the factors that affect the choice of primary supermarket have to be confirmed. In this study, respectively, price level, convenience, product variety and selection and freshness of the products were appeared as the most effective choice criteria. In the light of these findings, supermarket managers should develop marketing and selling application on these four factors basis.

Besides, the main duties of managers start immediately after the consumer's supermarket choice process. To succeed on modern marketing environment, it is needed to be done to develop long-term relationship with customers. Thus, infrequent visits of inadhesive consumers will not be a desirable situation for a supermarket manager. Consumers being talked should be converted to loyal and consistent customers. According to the findings of present study, providing outstanding value, products that worth to the money paid and reasonable prices were not adequate by oneself to convert consumers to loyal consumers. However, providing outstanding value and products that worth to the money paid provided satisfaction on consumers. But, as it is presented as another finding of this study, satisfied consumers are not always loyal consumers. This shows the irony between being satisfied and being loyal. Accordingly, supermarket managers should provide a loyalty packet that consists of many benefits instead of single feature and should distinguish themselves from the assumption that satisfied consumer equals to loyal customer.

One of the important tools in the supermarket loyalty program is supermarket loyalty cards. However, in this study it is found that those loyalty card programs were not effective as well. Such that, consumers declared that they would easily like to switch their supermarket if they realise lower prices or better services at another supermarket. Besides, in contravention of high supermarket loyalty card membership ratio, the ratio of recommendation of those loyalty card programs to family/friend and the ratio of regular loyalty card usage remained at considerably low levels. In this context, supermarket managers should take significant steps to make those programs more effective and functional. The suggestions related with this subject are presented in conclusion and discussion part.

Limitations and Directions for Further Research

As with any scientific study, this study has several limitations especially on generalization. This study was conducted only in Ankara and could not reach adequate sample number. Thus, the generalization of the results through Turkey-wide will not be a right step. The difference on income levels and life styles between sample and Turkey-wide can be seen as another limitation of the present study. However, in the study the external factors that affect the loyalty creating process like as customer life-stage cycles were ignored. And the analyses were only realized from the customer-side.

In this context, it can be suggested for future research that implementation of the study in different geographies will be a positive step to generalize the results and to comprise the attitudes and behaviours of those different geographies related with supermarket choice and

loyalty programs. However, both of internal and external factors should be considered to extend the scope of loyalty card programs context.

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