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Brand /Store loyalty or not?

Abstract

Brand loyalty is one of the most debated issues by scholars and corporations alike. Such issues have been studied from different aspects as they represent the most important feedback to customer satisfaction which is the core of any marketing strategy. However, today's consumer is a mobile flip-flopper with a rather unstable attitude and behaviour towards brand, stores and products. Such instability is further motivated by perceived advantages in terms of price and also affected by an emotional factor in the purchasing process. Furthermore, there is a general change of the consumers'attitude due to certain basic changes of today's society which makes people more unsecure in regards to one's values. The objective of this paper is to investigate whether there is a consumer who remains loyal to the product's brands and store. For this purpose a questionnaire has been developed whose analysis should enable the authors to identify some consumer groups who share the same behaviour as far as brand and store loyalty are concerned.

Key Words: *customer loyalty, store loyalty, consumer behavior, brand loyalty*

1. Introduction

Corporations pursue with any means the brand loyalty by putting in place several expensive CRM programs, and by developing a marketing strategy aimed to achieve the maximum customer loyalty.

However, todays'consumer is a mobile flip-flopper with a rather unstable attitude and behaviour towards brand, stores and products. Such instability is further motivated by perceived advantages in terms of price and also affected by emotional factors in the purchasing process (poly-sensory approach).

Any economical downturn can increase the insecurity level which is already high by itself due to lack of shared values regarding one's life style or to uncertainty about the future or, finally, due to some unexpected and sudden changes such as, for example, strong variations of the market price of petrol, stock market index, house mortgages, job security etc.

All such things further accentuate the research for cheaper products and the expectations from the product brands which, together, represent what the producer can offer. In such circumstances the consumer tends to seek services that the retailer is most of the times unable to provide in competitive terms.

Consequently, the consumer's un-satisfaction tends to increase because the consumers understand they can get better value for money by changing the retailer or the brands.

It is widely believed that all these symptoms are likely to make customer loyalty hard vs any brand or store. One of the results of this tendency is likely to cause a greater difficulty by the producer to improve the brand image in order to recover the revenue lost due to the reduction of products' demand.
Moreover, if the consumers are young people, they easily get tired with the repetitiveness of the daily purchasing process and therefore they seek new emotions by picking products which are focused on different values which sometimes conflict with the ones adopted before.
Loyalty implies the sharing of certain values, so how can we expect consumers to be loyal when their values are not stable? This should imply that un-loyal consumers have a very loyal attitude and behaviour vs brands and products they usually buy. But this contradict what explained above.
The question is therefore the one highlighted in the title, i.e., Brand/Store loyalty or not?
Or, better say, which ones are the loyal consumers and which ones are probably not?

2. Literature review

The consumer loyalty has been widely studied both by the academia and the corporate world. It has always represented an important theme in the marketing literature (Jacoby e Chestnut 1978, Oliver 1999, Reichheld 2001) and it is also one of the most important corporate objectives thanks to the benefits that it provides in terms of repeat purchasing (Reichheld e Sasser 1990, Birglen et al 1997, Uncles et al 2003), hence in terms of profitability with the customer.
The consumer loyalty is at the same time one of the main success indicators for a given marketing strategy (Aaker et al 2004). The major role that it plays in driving the marketing activity has induced the corporations to put in place various loyalty management programs (Kivetz e Simonson 2002) and also invest in the consumers behaviour in order to understand the psychological dynamics that lead to the repetition of the same products' purchasing (Dalli e Romani 2000, Hawkins et al 2001, Solomon et al 2002).
Brand loyalty may take different forms and develop in different ways that may impact a person, a country or a specific brand or store (Ruiz-Molina e Gil-Saura 2008, Melnyk, van Osselaer, Bijmolt 2009).
The driving factors are always the same and may be motivated by personal relations that may change during the course of time, depending on the psychological interaction with the person with whom such relationship is established. Such relationship breaks down into two major categories: attitude loyalty and behavioural loyalty. The former is considered as the main

driver (Dick e Basu 1994, Leung et al 1998; Oliver 1999). These attitudes and behavioural aspects of the loyalty issue refer to its development stage, such as the emotional, conative and cognitive stages and the action loyalty which from a behavioural point of view lead to the repurchasing of the same product by the consumer (Gabrielli, Galli, Grappi, Martinelli 2005).

While the attitudinal loyalty refers to the emotional and conative components of the consumer and therefore it implies a process of evaluation and preference by such consumer, the behavioural loyalty refers to the cognitive and practical components which translate into the decision by the consumer to repurchase the same brand. The repeat purchasing relates to the repurchasing frequencies performed by the consumer for the same brand after developing a previous consumer experience with this brand (Knox e Walter 2001).

Such repurchasing may therefore be measured by the number of times that a given brand has been purchased by the consumer in the course of time (Ehrenberg 1988).

Much different is the problem regarding the measurement of the brand loyalty where the repurchasing process reflects only the practical activity, as it implies either psychological and behavioural measurements (Knox e Walter 2001).

As to the loyalty measurement, Jacoby e Chestnut (1978), who where among the first to develop this issue in the literature, have proposed a classification of the different methods regarding the brand loyalty by identifying three main categories of reference.

The first category relates to the measurement focused on brand loyalty as this monitors the purchase frequency and regards as loyal only those consumers who purchase the same brand either all the times or with a very high frequency within a limited period of time.

The second category relates to the measurement methods focused on the psychological commitment by the consumer and therefore regards as loyal those consumers who declare a brand preference albeit without any monitoring of the actual purchase.

The last category relates to the loyalty measurement methods that call for some composite indices. These last ones regard as loyal those consumers who choose another brand only in case of contingency.

Such classification, however, is unable to identify a brand loyalty measurement as it only provides the technique used for its measurement by highlighting the presence of different levels of brand loyalty.

In order to distinguish between apparent loyalty to a given brand and long term brand retention, the authors have developed a method which consists in the identification of six basic conditions affecting the purchasing process whose presence is an indicator of brand loyalty, These are the presence of partiality in the consumer evaluation, the presence of a behavioural response in terms of purchasing, the perseverance of response in the course of time, the presence of a decision making subject, the presence of alternative brands and the presence of an evaluation process (Jacoby e Chestnut 1978).

When the choice of a given product by a consumer appears to be constant in the course of time in the presence of other alternatives, it may be defined as brand loyalty.

From a corporate view such loyalty looks interesting for the relationship that its presence can develop with the final consumer. A pre requisite for it to materialize is the satisfaction that may be brought back to a attitudinal type loyalty, albeit not sufficient for the development of a long term relationship with the customer (Reichheld 1996) and therefore suitable for the development of what we call behavioural loyalty.

Consequently the producer needs to know the stages that lead to the loyalty development in order to manage the process and develop the customer loyalty in the course of time.

For this purpose the companies had developed and implemented several customer relationship management programs which have become more and more sophisticated (CRM) (Dowling 2002, Day 2004), and some micro marketing strategies (Lugli e Ziliani 2001) like "one-to-one" marketing in order to satisfy the customer with the objective of developing, first, a customer loyalty and later a customer retention.

However the basic assumption for such actions is the actual possibility of developing the customer loyalty and eventually, the customer retention. The recent economical/financial crisis and the affirmative action by some post modern and multi channel consumers have put in doubt such assumption (Bohlen et al 2010).

Already a few authors have identified some limits in the CRM process (Zablah et al 2004), by proving that the development of such activity could lead to better performances only when the company managers tend to focus on the maximisation of the customer value because a better understanding of whether its value could have brought some changes in the CRM and not vice versa.

One therefore may wonder whether the consumer is still loyal and whether his loyalty and behaviour are still constant in the course of time. As a matter of fact loyalty reflects an equilibrium that is only apparent, since it is subject to the variability of the human behavior as such (Dekimpe et al 1997). These conditions of "non stability" are inevitably worsened when certain social forces such as the external environment, the economy, the society at large with its value system, the public institutions and the technological development are in a state of flux and uncertainty, being such conditions easily identifiable with those today prevailing and being such conditions those which have triggered the interest for this investigation.

3. Research questions and Methodology

To dispel the doubt raised in the paper's title, the authors have prepared a questionnaire split up into two parts and then submitted to a consumers' sample. In the first part, starting from a grid of standard consumers' values, they have identified a general persistence of such values among the interviewees (inspired value intensity) and have then measured their variation in the course of time.

In the second part, the brand and store loyalty has been analyzed in relation to six different categories of products. Such investigation has provided an answer to the following questions:

1. Have the interviewees that showed a strong persistence of certain consumer values in their daily activity, also showed a higher degree of loyalty (and vice versa) toward both store and product brand?
2. Which are the values more likely to remain stable and which ones are more likely to change?
3. Do the young people and the adults have different consumer values which translate into different perceptions of brand value and different inclinations in terms of customer retention ?
4. Is there any gender difference?

Of course, the persistence of certain consumer values is something that cannot be established with a one-off research as it needs a number of repeated tests in the course of time. Some reliable indications, however, may be provided by the interviewees if asked to specify for how long they have assumed this attitude and behaviour.

Fundamentally, the research has embraced a model which consists of four components as here below detailed:

a. Consumer product category
b. Degree of involvement
c. Interviewee's economical situation
d. Purchasing pattern

a) Consumer product category:

1. Food – mass market;
2. Personal care and cosmetics;
3. Underwear;
4. Clothing & accessories;

5. Footwear;
6. Consumers’ electronics (computers, cell phones, TV sets, cameras,)

The above six categories have been chosen because they represent a remarkably broad variety of consumer products that involve a large segment of the population, both young and adult, with a very high purchasing frequency in the course of time.

b) Degree of involvement

The level of interest for consumer products has been measured on a Likert scale from 1 to 5 which goes from almost nil to passion/cult.

c) Interviewee’s economical situation

The interviewers have considered the whole family income in order to put on the same level both the young and the adults. The surveyed people’s income has been split into three brackets which are: annual income below 20,000 €, annual income between 20,001 and 50,000 € and income above 50,000 €. Furthermore, the interviewers tried to measure the short term expectations in terms of income by rating such expectations in: 1) static; 2) decrease; 3) increase.

d) Purchasing pattern

The following purchasing patterns have been investigated:

- Functional, that is a pattern that favours quality and performances among available brands and products;
- Practical, that is a pattern that favours price over products and brands;
- Brand-driven, that is a pattern that favours the brand image when choosing a product.

The relationship between b, c and d has been investigated for the different types of products and this has enabled the researcher to obtain a credible classification of the involved subjects and thus to identify different clusters.

4.The Sample

The correctly filled-out questionnaires are 784 of which 478 collected on-line and 306 through a face-to-face interview. Of these last ones, 211 were collected in Venice and the remaining 95 in Milan. Such sampling is not probabilistic (convenience sampling) as it does not reflect the Italian market reality at large and is furthermore affected by a higher female participation (57,12% vs 42.88% male participation).

From an age point of view (Table 1) and consistent with the research assumption, the focus is on young individuals with less than 35 years of age who represent 68.82% of the sampling while the adults older than 35 (36.18%) are to be considered as the benchmark group.

Table 1 Age distribution of interviewees

Age	18-24	25-34	35-44	45-54	55-64	>65	No Answer	Total
Number	187	307	119	80	54	27	10	784
%	24,16	39,66	15,37	10,34	6,98	3,49	-	100,00

Within each identified group we have the same gender representation as surveyed in the total sampling where female represent 57.29% of young people and 57.04% of adults. As to family size, the two investigated groups are different, it being higher the number of family components for the young people than the adults'. (3.26 components for young families and 2.94 components for adult families with an average sample of 3.14 people per family.

The different age groups reflect different family cycles which impact the family income as well as the expectancy of future income variations (Table 2)

The percentage of individuals who report a high income (more than € 50,000) or an average income (between € 20,000 and 50,000) are more numerous in the adult group, respectively 24,42% and 62,79% for the adults against 21,38% and 60,48% for the young. Instead, the expectations for a positive variation of the current income are higher for the young (32,29% against 14,23%) whilst the expectations for a diminished income are less frequent (12,50% vs 22,31%)

Table 2 Percentage break-down of interviewees by income bracket and expectations

Annual family income	Young people (%)	Adults (%)
< 20.000,00	18,14	12,79
20.000,00 – 50.000,00	60,48	62,79
> 50.000,00	21,38	24,42
Expectations of annual income variations		
Increase	32,29	14,23
Static	55,21	63,46
Decrease	12,50	22,31

5. Results analysis

All responses to the questionnaire have been evaluated on a Likert scale from 1 to 5 where 1 = total disagreement and 5 = very much in agreement.
Such results analysis can be divided in 6 aspects.

1. Descriptive analysis of attitude and behaviour versus:
    a. Consumer's policy
    b. buyer's social responsibility
    c. brand
    d. pricing
    e. store
2. Variation of such aspects in the course of time
3. Brand and store loyalty and role of price/ quality and product performances
4. Analysis of trends by age and gender;
5. Analysis by group,
6. The mapping process.

5.1 Descriptive analysis of attitudes and behaviour

The first step of the analysis considers a description of attitudes and behaviour in relation to the above mentioned aspects.

a. about consumer's policy

Both age groups are interested in shopping, with a slightly higher interest by the young people (average value is 3,45 and 3,06 for the adults) while mostly the adults believe they are hardly prone to impulse shopping (3,00 – 3,30). As a general tendency, neither group tends to fill their home with useless stuff (3,91 - 4,10) as both tend to buy useful products (3,60 – 3,81) albeit they seldom buy the basic version of such products.

Both groups are keen to buy as much as possible on promotional or end-of-season sale campaign (3.67 -3,68).
The young people are attracted by fashionable items more than adults (2,97 - 2,50) even though this does not represent a key factor. More than seeking products that provide a feeling

of luxury, the young people tend to buy products with a stylish content (4,21 -3,80) while the adults tend to favour the national made products and also like to test new products. The average score resulting from the question " I do not like to test new products " is 2,02 vs 2,34, respectively.

From these early indications we can profile a very similar sample within each age group, albeit with some accentuated tendencies which are due to age.

b. about buyer's social responsibility

This second batch of questions is intended to further emphasize the young people's attitude compared to the adults' one. It appears that the young people are less concerned with producers that have an unfair behaviour with their employees (3,73 - 4,17) and are less interested in brands and products that are environmentally friendly (3,81 - 4,26). On the other hand, they place more confidence on Internet based purchases than the adult group. To the question: " The Internet based shopping does not provide any guarantee", the young people have scored an average of 2,92 points against 3,85 points for the adults.

c. about the brand

Generally speaking, brands do not seem to enjoy a great degree of trust. The question: " For my shopping I usually pick well known brands" has scored an average of 3,07 points for the young and 2,85 points for the adults. Moreover, both groups do not think that the brand, as such, is a guarantee of good quality (3,22 - 3,31) but they do acknowledge that not all the brands have the same quality content and that there is a big difference between well known and unknown brands (2,80 – 3,11). Mostly the adult group does not see positively what may be termed as aggressive brand promotion. One reports: " I do not like people who show off designed products" (3,21 – 3,61). More interesting the fact that certain handcrafted products are believed to be of better quality than those manufactured by world famous designers (3,94 – 3,96).

d. about pricing

Price, as such, is not viewed as a good indicator of product quality and this view is shared by the young and the adults alike (2,76-3,25). Adults are generally more concerned with price and frequently tend to translate the current prices in Euros into old Lire prices (2,63 – 3,88) which is an attempt to evaluate current prices with those prevailing in the long past.

e. about stores

Buyers' attitude and behaviour toward stores are generally more homogeneous. Both interviewed groups like stores with a large variety of products and brands (average score for young people is 4,07 and 4,19 for adults). All groups tend to visit well known stores and generally feel disappointed when they do not find in their regular store a frequently used brand (3,31 - 3,28). Mostly old people believe there is a lot of mess in the large stores (4,08 – 4,43) and generally do not love the overcrowded ones. To the question: " I like crowded stores" the average score is 2,29 for the young people and 2,31 for the adults. Both groups believe that the store is more important than the brand (3,29 – 3,54) and when there is a new store opening they are rather reluctant to visit it at the beginning (2,13 - 1,89). Moreover they do not like to take advise from the shop assistant even though the adults seem a bit more inclined to welcome it (2,48 - 2,86).

In summary, the interviewee's attitude and behaviour is generally consistent with the results produced by other recent surveys on the Italian consumers.

5.2 Variation of buying attitude in the course of time

In the light of certain modifications and adaptations that have taken place in a number of countries following the recent economical crisis, it seems worth wondering whether said attitudes and behaviours have somewhat changed during the last few years.
In order to evaluate this aspect, every interviewee has been asked whether the declared attitude has always been the same or whether it has changed either in the course of the latest years or in the last one. As expected, from this analysis of the two groups, it was evident that during the course of the last few years some attitudes and behaviours have changed, mostly for the young people. This survey highlights a change that ranges from a minimum of 15,54% to a maximum of 43,88% for the young people and from a minimum of 7,92% to a maximum of 28,57% for the adults. The major differences between the two groups seem to affect the buyer's social responsibility and, more generally, the business ethics as shown on Table 3 where we get the following answers:"I respect the environment" (43,88% - 19,26%); "I avoid companies with un-fair practices" (33,66% - 22,40%) and " I tend to buy only products that are actually useful" (33,10% - 28,57%). This last change, the most important one for the adult group, is to be interpreted in connection with the habit of buying on the occasion of promotional or end-of-season sales campaigns which has assumed a more important role for both groups, probably due to the economical crisis (32,72% - 23,65%).

Table 3 Variation of buying attitude during the last few years (%)

Questions	Young people (%)	Adults (%)
Am very much interested in environmentally…friendly products and brands	43,88	19,26
If I happen to know of producers with unfair practices I do not buy their products	33,66	22,40
I tend to buy only indispensable products	33,10	28,57
I tend to buy as much as possible during end-of-season and promotional sales campaigns	32,72	23,65
Often, handcrafted products are better than those made by big industry	31,34	21,95
Brand is a guarantee of quality	29,87	18,95
I generally pick well known brands when I shop	24,35	18,07
There is not a big difference between products made by well known and unknown brands	26,54	22,45
For me, store is more important than brand	25,83	16,06

During the last few years the brand appeal has been affected by a number of variations of attitude which cannot be viewed as positive. Worth of notice are the relatively high values scored by the questions: “There is not much difference between the products representing well known brands and those representing less known brands”, mostly for the adult group, (26,54% - 22,45%), and regarding the young people, “For me the store is more important than the product brand” (25,83% - 16,06%). Among the most radical behaviours the following have been recorded: “I like products that can better satisfy my aesthetic sense” (83,99% - 84,92%) and “I like products that provide a feeling of luxury” (79,95% - 89,47%). The incidence of such variations of attitude and behaviour is confirmed more or less to this extent by all sampled groups and affects, among others, the providers of mobile and fixed phone services, bank retail services and even barbers and hairdressers. In percentage terms, such variations have been as follows among the young people and the adults, respectively: 36,97% - 35,23% for fixed phones, 34,14% - 34,52% for mobile phones, 29,49% - 31,67% for bank services and 45,05% - 33,08% for barbers and hairdressers.

5.3 Brand and store loyalty, role of price and quality/ performances

As said before, the brand and store loyalty has been measured in relation to six different product categories: food- mass market; personal care and cosmetics, underwear, clothing and accessories, footwer and consumers' electronics. Such loyalty must be evaluated also in the light of the responses provided for the factors price and quality/performances where such factors prevail in the purchasing decision. By examining the average numbers scored for these six product categories (Table 4) it may be rather surprising to notice that both the young people and the adult groups have produced similar results (being P(T>|*t*|) = 0,2302 and we may conclude that the difference between the two groups is negligible with an error probability around 1%).

In terms of customer retention there is no difference between young and adults. Both are moderately loyal to brands and stores alike while the relatively low number scored by the large-scale retail trade is due to the diversity of products not always available in such stores.

Table 4 Degree of brand and store loyalty by young people and adults

Questions	Young people	Adults
For purchases of…I always go into the same shop	3,53	3,52
For purchases of …I mainly shop in mass retail stores	3,07	3,05
For most important purchases of … I usually pick the same brands	3,43	3,44
For purchases of…I first consider price	3,51	3,48
For purchases of…I first consider quality/performances	3,96	3,96

The quality/performance factors prevail over price which, nevertheless, maintains a relative high influence in the product selection.

If we consider the results scored by product category (Table 5) it is worth noticing that that the results for the quality/performance factor always prevail over those achieved for the price factor. Within this context, the highest average score goes to consumers' electronic purchases (4,31 – 4,14), followed by food–mass market (4,09 - 4,18) and footwear (4,03 – 4,00). More distanced are the values achieved for clothing & accessories (3,86 – 3,78) and underwear (3,23 – 3,33).

Table 5 Attitudes toward price and product quality/performances by product category for young people and adults (average value)

Questions	Young people	Adults
For food purchases I first consider price	3,23	3,33
For food purchases I first consider quality/performances	4,09	4,18
For cosmetics purchases I first consider price	3,36	3,34
For cosmetics purchases I first consider quality/performances	3,94	4,01
For clothing purchases I first consider price	3,86	3,78
For clothing purchases I first consider quality/performances	3,67	3,66
For underwear purchases I first consider price	3,49	3,49
For underwear purchases I first consider quality/performances	3,56	3,68
For footwear purchases I first consider price	3,55	3,42
For footwear purchases I first consider quality/performances	4,03	4,00
For electronics purchases I first consider price	3,77	3,63
For electronics purchases I first consider quality/ performances	4,31	4,14

If we regard price as the main driver of product selection, the highest average values are those recorded for electronics (3,77 – 3,63) and clothing & accessories (3,67 – 3,66) while the mass market food takes the last position in this ranking (3,23- 3,33).

It is hereby confirmed the widespread opinion that consumers are mainly concerned with the quality of food and certain other products which however combines with that of price, mostly for electronics, clothing and underwear. Quality and price are therefore a combination that impacts all sectors and ages. More than a mere brand or store loyalty, this survey suggests a more mature loyalty encompassing both brand and store at the same time (Table 6).

Table 6 – Brand and store loyalty by product category for young people and adults (average value)

Questions	Young people	Adults
For food purchases I always go to the same shops	4,08	4,10
For food purchases I almost always pick the same brands	3,65	3,78
For cosmetics purchases I always go to the same shops	3,60	3,64
For cosmetics purchases I mainly pick the same brands	3,64	3,72
For clothing purchases I always go to the same shops	3,48	3,32
For clothing purchases I mainly pick the same brands	3,21	3,10
For underwear purchases I always go to the same shops	3,49	3,34
For underwear purchases I mainly pick the same brands	3,45	3,38
For footwear purchases I always go to the same shops	3,44	3,42
For footwear purchases I mainly pick the same brands	3,19	3,23
For electronic purchases I always go to the same shops	3,11	3,33
For electronics purchases I mainly pick the same brands	3,44	3,35

As a result, average loyalty scores high for the food stores (4,08 – 4,10) and gradually drops down to the cosmetics (3,60 – 3,64) to underwear (3,49 - 3,34), to clothing and accessories (3,48- 3,42), hence to footwear (3,44 – 3,42) and last to consumers' electronics (3,11- 3,33). As to the gender impact on the loyalty issue, no meaningful differences have emerged between females and males, nor between young people and adults as highlighted by all data shown on Table 7 which have been confirmed through the test T Student with an error probability of about 1% (comparison of averages between female and male young people, P(T>|t|) = 0,07156; comparison of averages between female and male adults, P(T>|t| = 0,7563; comparison of averages between young and adult males, P(T>|t|) = 0,0643; comparison of averages between young and adult females, P(T>|t|) = 0,0240).

Table 7- Degree of brand and store loyalty for the six product categories as a function of age and gender (average value)

Questions	Young people		Adults	
	Male	Female	Male	Female
For purchases of… go to the same shops	3,50	3,56	3,50	3,53
For purchases of…I mainly go to mass retail or chain stores	3,04	3,09	3,06	3,04
For purchases of more important products …I mainly choose same brands	3,44	3,42	3,48	3,41
For purchases of more important products…I first consider price	3,44	3,56	3,46	3,47
For purchases of more important products…I first consider quality/performance	3,88	4,03	3,95	3,97

It appears quite clear that, on average, loyalty does not change in relation to gender and age. If we consider the brand and the store (Table 8), store loyalty prevails on food, clothing, and footwear while the opposite is true for consumers' electronics. In all other cases store and brand loyalty are on the same level.

Table 8- Brand and Store loyalty by product category for young people and adults (average value)

Questions	Young people	Adults
For food purchases I go to the same shops	4,08	4,10
For food purchases I mainly pick same brands	3,65	3,78
For cosmetics purchases I go to the same shops	3,60	3,64
For cosmetic purchases I mainly pick same brands	3,64	3,72
For clothing purchases I go to the same shops	3,48	3,32
For clothing purchases I mainly pick same brands	3,21	3,10
For underwear purchases I go to the same shops	3,49	3,34
For underwear purchases I mainly pick same brands	3,45	3,38
For footwear purchases I go to the same shops	3,44	3,42

For footwear purchases I mainly pick same brands	3,19	3,23
For electronics purchases I go to the same shops	3,11	3,33
For electronics purchases I mainly pick same brands	3,44	3,35

Upon evaluating the responses altogether received, the score gap between quality/performance and brands appears to favour, all the times, the former over the latter, for any product category we consider.

This indicates that consumers are making a distinction between quality/performance and brand, it being understood that the latter still plays an important role only if it effectively represents a good value for money. For many the short-lived fashion is over. Today's consumers have a more rational and attentive approach to the product's functional and aesthetic values. This is why the store, with its promotional campaigns tends to assume a decisive role and thus override, for many product categories, the role of brand.

As to the mass retail trade and chain stores, their role remains strong for the food and consumers' electronics markets but is getting decisively less important for the purchase of underwear, clothing and, above all, footwear.

5.4 Analysis of trends by age and gender

The results scored on the first 32 questions of the questionnaire have been "clusterized" through the non hierarchical methodology of the *k-means* in order to identify some homogeneous groups in terms of consumer's behaviour which allows the mapping of some trends as subsequently confirmed by the average results scored on the questionnaire itself for each interviewed group. The number of clusters, as dictated by the *k-means* algorithm, is equal to 10 as this appears to be the optimal solution obtainable by comparing the identified partitions with different frequencies. Table 9 reports a brief description of these 10 trends so obtained.

Table 9 The trends (average value)

TREND	DESCRIPTION	Young people	Adults
Mass retail stores	Indicates preference for mass retail stores with many products and brands	3,29	3,54
Consumer-oriented	Indicates gratification in buying nice products (Shop till you drop attitude)	3,07	2,80

Tradition	Suggests preference for well known stores, brands and products.	3,57	3,56
Promotion	Indicates tendency to buy during promotional sales campaigns	3,67	3,68
No consumers' friendly	Just necessary purchases. No buying gratification sought.	3,37	3,62
Minimalism	Preference for simplest products	2,43	2,68
No brand	Non acceptance of brand as a driver of purchasing process	2,80	3,11
Ethics	Tendency to moderate consumerism with strong ethical connotations	3,61	3,95
Disorientation	Uneasiness with today's purchasing spree	2,97	3,65
Appearance is deceptive	Mistrust and suspicion of product's appearances.	3,76	3,98

In details:

1) MASS RETAIL stores indicate a tendency to prefer large department stores with plenty of products and brands. The items are:
   - I like stores with a very wide selection of brands and products;
   - I like highly frequented stores.
2) CONSUMERIST suggests gratification in buying sophisticated, fashionable and luxury products. The items are:
   - I am fond of fashion;
   - I like products that provide a feeling of luxury.
   - I like products that satisfy my sense of aesthetics;
   - I like shopping,
   - I usually pick famous brands when I shop;
   - When there is a new store opening I rush to visit it.
3) TRADITION indicates the tendency to buy only well known brands and products from familiar stores. The items are:
   - I feel disappointed when I cannot find my habitual brand in the store where I usually shop.;
   - When I shop I tend to buy from stores I well know.
4) PROMOTION is generally identified by one single item:
   - I tend to buy as much as possible on the occasion of end-of-the season and promotional sales campaigns.

5) NO CONSUMERS' FRIENDLY : it is the tendency to buy just the minimum required. No gratification in the shopping process is ever experienced. The items are:
    - Visiting shops is a tiring job;
    - I tend to buy only things that I badly need;
    - I am hard to yield to impulse shopping;
    - I do not love to fill up my home with un-necessary things.
6) MINIMALISM: indicates lack of interest for new products and a marked preference for very simple items:
    - I do not like to try new products;
    - I usually pick the basic version of any given product.
7) NO BRAND ATTITUDE: it is the tendency to reject the brand fad or the brand at any cost. The items are:
    - All brands are alike;
    - I do not like people who show off designer products;
    - There is not much difference between well known and unknown brands.
8) ETHICS : it reflects a tendency for a moderate and rational consumerism with strong ethical connotations. The items are:
    - I tend to prefer home made (i.e. not foreign) products;
    - For me, store is more important than product brand;
    - If I happen to know that a producer uses un-fair practices with its employees I tend not to buy its products;
    - I have a keen interest in brands and products that are environment friendly;
    - Most of the times handcrafted products are of a better quality than mass made products by the big industry.
9) DISORIENTATION: it denotes uneasiness toward today's manners of shopping, mostly for the "do-it-yourself" shopping. The items are:
    - I like to be assisted by a sales person when I shop;
    - Interned based shopping does not offer adequate security;
    - The product price is a good indicator of its quality;
    - I often happen to translate current prices into old Lire prices,
    - In the big department stores there is a lot of mess.
10) APPEARANCE IS DECEPTIVE: this tendency is usually shared by those who believe that the product appearance is a misleading factor ("Dress does not make the man" in Italian).

For the two remaining stand-alone questions, which create two distinctive trend groups, the questionnaire highlights a preference for the big mass market stores with many products and brands where the popular saying “appearance does not reflect the product quality” is shared by both groups with a slight accentuation for the adults.
Regarding the other 8 resulting clusters, it is worth noticing that the tendency is to purchase well known brands and products in well known stores and, whenever possible, during promotional and end-of-the season sale campaigns. Such tendency applies to both groups with the same intensity and also to the same degree. In other words, the two tendencies are unrelated to age.
The young people show an interest slightly higher than adults for the purchase of fashion and luxury products while the opposite is true for the purchase of indispensable goods.
The tendency to neglect or reject the brand and embrace a low consumption lifestyle with strong ethical connotations prevails in the young people group but even in such case there is no conflict between young and old groups, just a different accentuation of this tendency.
Rather interesting is the average value scored in cluster 9 (disorientation) which is much higher for the adults.
Basically, all the trends resulting from this “clusterization” seem to confirm the analysis previously made on the punctual results obtained from each specific question raised in the questionnaire.
As said, another differentiation factor, besides age, is offered by the gender as per Table 10.

Table 10- Trends by age and gender (average value)

TREND	Young people		Adults	
	Male	Female	Male	Female
Mass retail stores	3,48	3,14	3,53	3,57
Consumer-oriented	3,04	3,10	2,80	2,80
Tradition	3,61	355	3,52	3,59
Promotion	3,55	3,76	3,71	3,66
No consumers' friendly	3,50	3,27	3,61	3,65
Minimalism	2,44	2,42	2,64	2,70
No brand attitude	2,72	2,85	3,03	3,17
Ethics	3,54	3,66	3,82	4,05

Disorientation	2,88	3,04	3,50	3,77
Appereance is deceptive	3,72	3,80	3,92	4,03

As can be observed from data in Table 10, the average difference, in terms of results, between different genders and age groups is rather negligible. The same conclusion is confirmed by the results produced by the T Student test with an error probability of 1% (comparison of averages between young males and females, P(T>|t|) = 0,3432; comparison of averages between male and female adults, P(T>|t| = 0,0177; comparison of averages between young and adult males, P(T>|t|) = 0,0580; comparison of averages between young and adult females, P(T>|t|) = 0,3469).

However, if we consider only the differences above 5% on the average value calculated between male and female adults, such differences impact two trends exclusively, which are ethics and disorientation, both stronger for the female group, regardless of age.

For the young people, instead, the differences (in eccess of + 5%) are slightly higher and impact four trends which are: higher preference for mass retail stores, higher propensity to seek discount and promotional sales and a more marked uneasiness for many of today's shopping styles for the males while females show a lower propensity to buy only indispensable and basic products.

Altogether, age is a more characterizing trend than gender, even though, as said before, both are statistically negligible, thereby confirming what surveyed for the loyalty factor.

5.5 Consumers 'clusters

In order to identify certain consumers'clusters, a non hierarchical "clusterization" (*K-means*) of the interviewees has been carried out on the basis of such trends as detailed in the previous paragraph. Trough such clusterization, number four groups have been identified on the basis of the average value resulting from each group.

1. Shopping lovers
2. Utilitarists
3. Ethic
4. Post modern

Tables 11 and 12 riport the clusterization results of the interviewees broken down by age and gender.

Table 11 Consumer groups break-down by age

Groups	Young people		Adults	
	N.	%	N.	%
1. Shopping lovers	178	36,18	36	12,90
2. Utilitarist	128	26,02	77	27,60
3. Ethic	76	15,45	124	44,45
4. Post modern	110	22,35	42	15,05
Total	492	100	279	100

Table 12 Consumer groups break-down by age and gender

Groups	Young people				Adults			
	Male		Female		Male		Female	
	N.	%	N.	%	N.	%	N.	%
1. Shopping lovers	77	36,67	101	35,82	18	15,13	18	11,46
2. Utilitarist	69	32,86	59	20,22	38	31,93	38	24,20
3. Ethic	28	13,33	48	17,02	43	36,13	80	50,96
4. Post modern	36	17,14	74	26,24	20	16,81	21	13,38
Total	210	100	282	100	119	100	157	100

As can be observed from data reported in table 11, the brake-down of four groups varies remarkably. The young people are mainly positioned in the "Shopping lovers" group (36,18%), while the adults are mainly positioned among the "Ethics"(44,45%). For both group the second largest trend is made up by the "Utilitarist" with a percentage frequency of 26,02% and 27,60% respectively. Worth of notice is the strong reduction among the adults of the "Shopping lovers" and the hire incidence of the young people among the "Post moderns".

The young people show a high propensity for shopping and are more capable of adopting controversial behaviours which are typical of the post modern consumer.

The adults, instead, have higher propensity to adopt a more ethical behaviour, hardly tolerant to consumerism.

As to the gender (table 12), it is worth noticing that both the Ethical and the Utilitarist groups are to a greater extent represented by the adults, both male and female, even though the latter ones are more concentrated in the Ethical group.

For the young people the gender factor is a more discriminating difference.

The “Shopping lovers” group is remarkably characterised by young people, both male and female (36,67% and 35,82% respectively), while the Utilitarist are more heavily represented by the young males (32,86%) and the Post modern by the young females (26,24%).
Overall, with regards to the identified groups, gender has a higher impact on the young people than the adults’, for whom it is possible that the married life may have a strong influence on their life style which in turn favours an affinity of consumptions.

Table 13 Average values of brand and store loyalty broken-down by trend for young people and adults

	Young people		Adults	
Groups	Brand loyalty	Store loyalty	Brand loyalty	Store Loyalty
1. Shopping lovers	3,59	3,64	3,44	3,51
2. Utilitarists	3,38	3,38	3,37	3,48
3. Ethic	3,52	3,70	3,59	3,64
4. Post modern	3,16	3,42	3,13	3,25

Table 13 highlights the average brand and store loyalty values, broken-down by age (young people and adults) for the four groups identified in the clusters. As can be observed from such data, the average scored values both for brand and store loyalty in both age groups reveal a loyalty which goes from medium to medium/high (5= 100%) which in turn translates, for the brand, into a 62,8% among the young people and 71,8% among the adults and, for the store, into a 65,0% and 72,8% respectively.
With the exclusion of the Post modern it is observed that such variations are minimal, either with regards to the difference between young people and adults and the difference between brand and store loyalty.
Concerning the brand loyalty among the young people, the most loyal are the Shopping lovers (average value 3,59) and the ethic (3,52), while, as expected, the least loyal are the Post modern (3,16). Among the adults the most loyal are the ethics (3,59) and the least loyal are the Post modern (3,13).
The very same groups are also the most loyal to the store. Even in this case, respectively, the Shopping lovers and the Ethic show an average value of 3,64 and 3,70 for the young people

while for the adults the Ethic show an average value of 3,64 and the Shopping lovers an average value of 3,51.

The Post modern are those who show the least store loyalty (average score is 3,42 for the young people and 3,25 for the adults) with the lowest average value shown among the Utilitarists (3,38).

Overall, for both age groups, the store loyalty highlights a higher degree of loyalty than the brand's loyalty.

Among the most and least loyal groups there is, however, a greater difference regarding the brand compared to the store, being the least loyal of all the young people (0,43 and 0,26 respectively, against 0,45 and 0,39 among the adults).

5.6 The mapping

In order to reduce the number of identified trends and better analyse the existing relationship between trends and interviewees an analysis of the principal components (PCA) has been carried out on the average scores identified for each trend. Such analysis has the advantage of generating some maps where one can visualize, simultaneously, both trends and interviewees.

Figure 1 reports the map corresponding to the first two main component where both the trends and the consumer groups, as identified in the previous paragraph, are visualized.

Figure 1. Maps the first two main components (displayed variance equal to 73.9%, Stress = 0,244) where consumer groups and trends are visualized

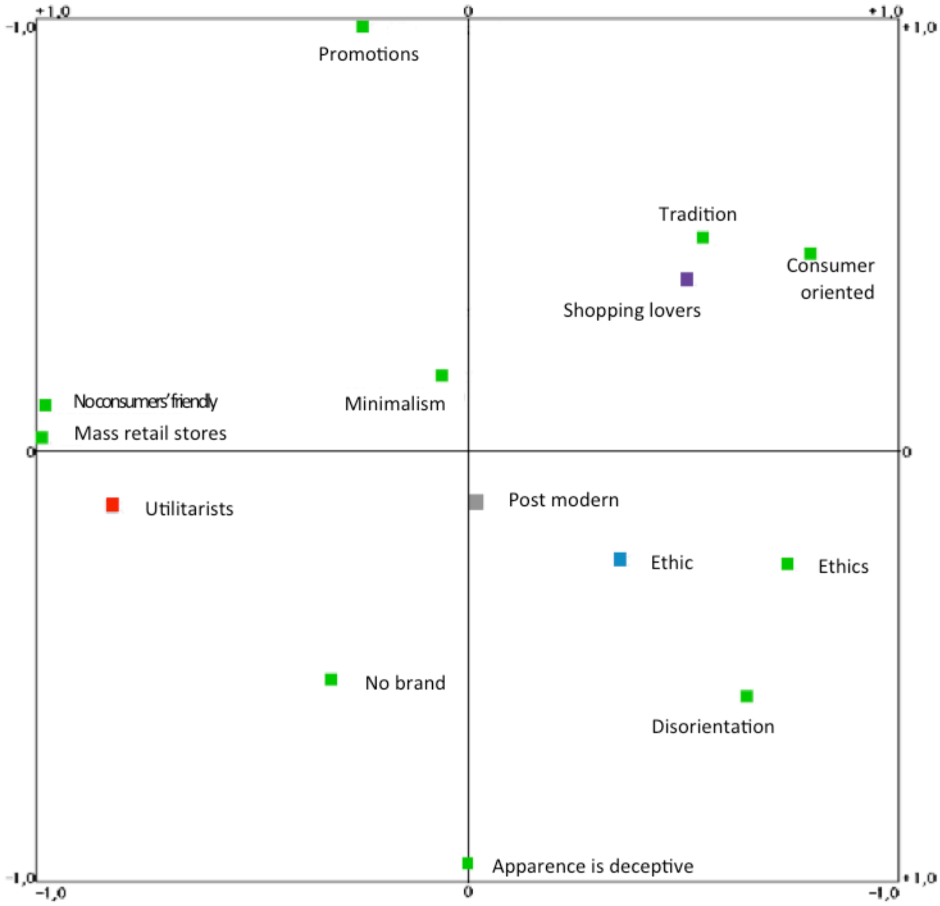
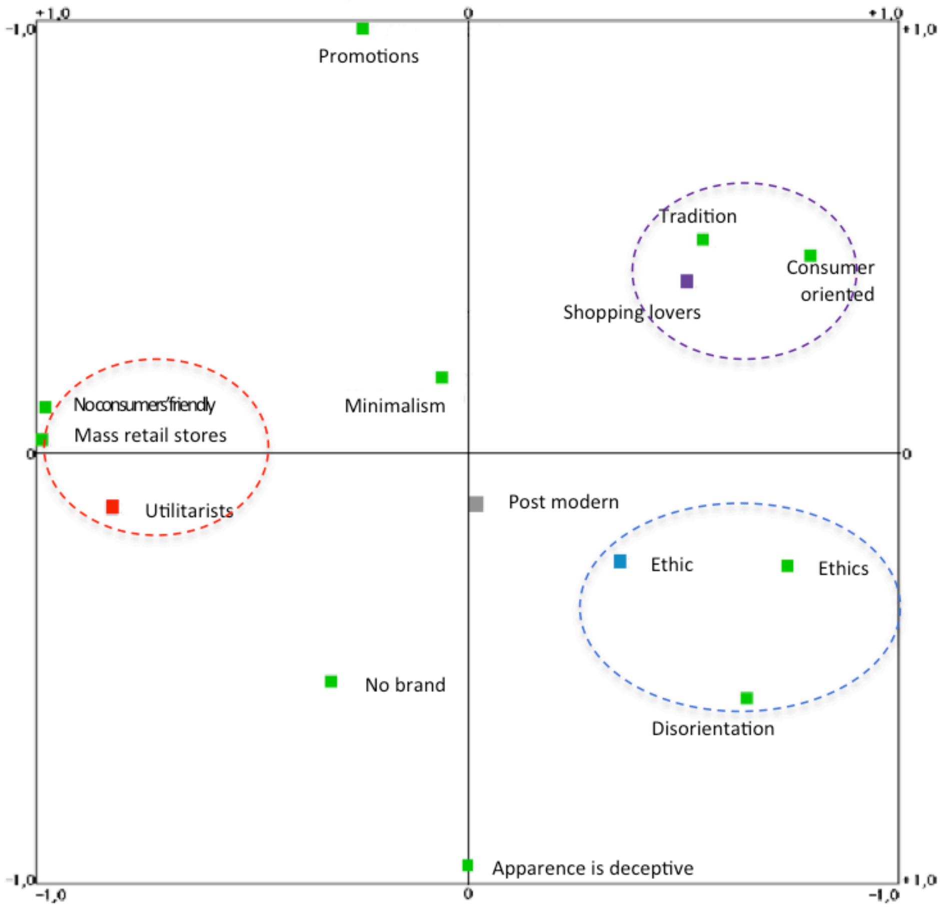


Figure 2 shows the trends that more effectively represent each consumer groups. As suggested by the graph, the Shopping lovers, utilitarist and Ethic groups present virtually homogeneous attitudes and behaviours, while the last group (the Post modern), though not well represented in this map, seem to be mostly characterized by the interviewees that belong to the Promotion, Consumerist, No brand and "Appearance is deceptive" groups. This is partly due to consumption decisions which are apparently conflicting. As a matter of fact, certain behaviours which are "No brand" tend to merge with a purchasing effort focused on "end-of-the season" sales at one hand, and consumerism at the other hand which are typical behaviours of the post modern consumer.

Figura 2. Maps the first two main components (displayed variance equal to 73.9%, Stress = 0,244) where consumer groups and trends are visualized



6. Conclusions, paper limits and managerial implications

Before drawing the principal conclusions obtained from this investigation, it is believed that some paper limits are to be made explicit. First of all, those relating to the sampling which is not probabilistic and hence not representative of the Italian market reality. Moreover there are the typical limits of the on-line survey for a significant part of the interviewees as well as the rough approximation regarding the persistence of the value in the course of time.

Notwithstanding such limits, the relatively high number of interviewed people and the highly homogeneous results produced by this research, suggest some interesting conclusions in addition to providing some credible answers to the issue of brand and store loyalty, mostly by the young people.

As to the values that relate to consumer policy in general the research has disclosed results that are very similar both for young people and adults though with some specific differences.

In brief, the young people are more susceptible to the fashion issue, even if this does not represent a very much sought after value. They also tend to buy products with a high aesthetic content while, unlike the adults, they are less interested in environmentally friendly products and brands.

In general, brand does not enjoy a great trust; both groups believe that brand is not a guarantee of quality, furthermore the young people believe that price is not a good indicator of quality and seem rather convinced that the store is more important than the brand.

As expected, from the analysis regarding the two groups it clearly appears that in the last years the attitudes and behaviours of the young people have changed more than the adults'.

Among the most significant and widespread changes for the young people we highlight those regarding ethics and environment as well as an increased tendency to purchase during promotional and "and-of-season" sales campaigns.

During the last few years the brand, in particular, has been the subject of behavioural changes that are not always positive. Mostly the young people believe less in brand as synonymous of quality and also believe that there is not much difference between well known and less known brands and that store is more important than brand.

As to the key question of this research paper "brand/store loyalty or not?" it appears that both young people and adults are moderately loyal to brands and stores with a higher loyalty to the store, mostly by the young people.

Such results also support the view that on average loyalty does not change in relation to age and gender.

However, it may be noticing that quality/performances prevail over price which in any case maintains a very high value in the purchasing decision, to the point that the combination of the quality/price issue seem to cross all the products categories and all the age groups.

On assessing the responses provided altogether it appears that there is a significant score difference between quality/performances and brand, always to the advantage of the former for all product categories.

As said before, this indicates that consumers are making a distinction between quality/performances and brand. The latter one plays an important role in the purchasing process only if combined with quality and competitive price. Today's consumer is more rational and susceptible to the functional and aesthetic attributes of the product. For such reasons the store with its own offers and promotional activity, often assumes a more decisive role, overriding brand for many product categories.

These results supported the view of a more mature loyalty to brand and store.

In response to the question "which consumers are loyal and which are not" some consumer groups have been identified through a non hierarchical clusterization (*K-means*) of the interviewees on the basis of the ten trends previously identified.

From this process 4 groups have been obtained, as defined on the basis of the average values. These are:

a. Shopping lovers
b. Utilitarists
c. Ethic
d. Post modern.

The incidence of these 4 groups varies remarkable between young people and adults. For the young people the major group is represented by the Shopping lovers, while for the adults, the first position goes to the Ethic. In the second position, for both groups, we have the Utilitarists. Worth of notice is the strong reduction of the Shopping lovers among the adults and the higher incidence of the Post modern among the young people.

The young people have a higher propensity for shopping and are more capable of assuming controversial attitudes which are typical of the post modern consumer. The adults, instead, have a tendency to assume a more ethical behavior and are less tolerant to consumerism.

In terms of brand and store loyalty the most loyal appear to be the Shopping lovers and the Ethics as far as the young people are concerned but this applies also to the adults. The least loyal are the Post modern and, though to a lesser degree the Utilitarists. For all groups store loyalty appears to be greater than brand loyalty which is in any case hard to achieve and to be maintained.

Not only the young people but also the adults put it under numerous constrictions regarding quality, performances, price and distribution. In order to supported the brand the producer should tie it to a number of continuous innovations in accordance with two possible alternatives:

1. Become Product specialist focused on a niche market;
2. Become Mass producer by focusing this strategy on certain key values of the core product and then adding some additional features. By doing so, one can segment the market demand according to such values and hence position its own product offer on more trajectories with an ongoing innovation, without caring about possible discrepancies between brand image tied to the core product and image tied to the other products.

In terms of communication strategy one must therefore operate in such a way as to consistently support the coexistence of the different images created by the customer interaction with the basic image that reflects the key brand values.

By doing so the brand relationship with its own customer base is likely to assume a more lasting impact and thus benefit all subjects involved.

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