

MARKETING PERFORMANCE MEASUREMENT IN FMCG PROPOSING AND TESTING A CONCEPTUAL MODEL

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Abstract

Recent years, the Marketing Science Institute considered marketing performance measurement (MPM) a priority in marketing research and managerial practice. Several contributions on the same topic have been proposed in literature. The ability to measure the marketing performance is considered, in literature, a cognitive gap that determined a decrease of marketing relevance within firm and organizations. On the basis of relevant literature on retailing and an explorative case study, it will be proposed a model to investigate MPM for a leading retailer. The model is aimed to identify antecedents of “share of purchase”, “share of wallet” and “share of visit” for a consumer goods retailer. The model will be tested on the leading chain Superò, a master franchisee of SMA Spa, under control of the French Auchan Group, located in Campania Region and owned of 27 small supermarkets.

Key words: Marketing Performance Measurement, Share of Visit, Share of Purchase, Share of Wallet, Marketing Metrics and retail industry.

Introduction

Recent years the analysis and improvement of the marketing efficiency and effectiveness is one of the most analyzed topics in literature and one of most interesting for the managerial practice. The alignment strategies and marketing performance metrics with business goals is strategically relevant for the success of the companies. In the retailing business the process of Marketing Performance Measurement (MPM) is particularly important, because it permits to better plan the sales, and increase “traffic” both in terms of customers’ visits and sell-out. Implementing a system of MPM means to be able to arrange a metrics’ system that bear the best measure of these phenomena. The purpose of this paper is to determine the share of visit (SOV) and share of purchase (SOP) in the retail's industry, located in Campania region. Important is to understand which are the levers that carry customers in the stores and consequently increase their store purchases. The share of wallet (SOW) of each customer derives from these latter components: SOV and SOP. The analysis is focused on a product's type called Fast Moving Consumer Goods (FMCG) or Consumer Packaged Goods (CPG).

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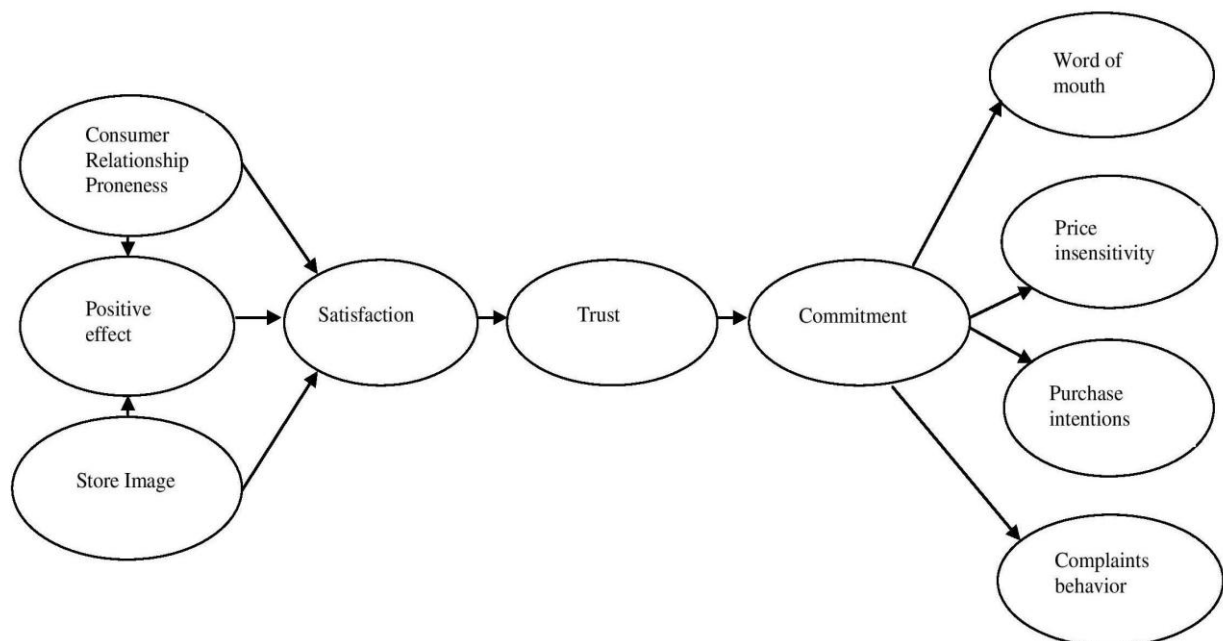
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FMCGs are sold quickly and at relatively low cost, have a short shelf life, either as a result of high consumer demand or because the product deteriorates rapidly (e.g. meat, fruits, vegetables, dairy products, and baked goods are highly perishable; other goods such as alcohol, toiletries, pre-packaged foods, soft drinks, and cleaning products have high turnover rates). The FMCGs are interesting to investigate because they have a low profit's margin (more for retailers than suppliers), but they are generally sold in large quantities; therefore, the cumulative profit on these products can be substantial. The model in this paper aims to interpret these dynamics in a managerial perspective.

Conceptual Framework

Since the marketing scholars are working to demonstrate their contribution to the firm's performance, it has been increasing interest in the academic literature on SOV, SOP and SOW. Several authors, have proposed a model for understanding sales dynamics in FMCGs. In this context, the construction of MPM's set is fundamental to improve the business performance measurement. The MPM *"...is the systematic management of marketing resources and processes to achieve measurable gain in return on investment and efficiency, while maintaining quality in customer experience"* (American Marketing Association, 2005). The MPM assumes a central facet because it is based on a set of measurable performance standards that put the focus on outcome of marketing's actions. This paper connects two different research streams in marketing: the store satisfaction (SS) and the store loyalty (SL) and their interconnections have a positive effect on purchase intentions (Bloemer & De Ruyter, 1998).

Fig.1 Positive effect of satisfaction on purchase intentions



Purchase intentions are crucial for the formation of SOW and this latter element is related to percentage ("share") of a customer's expenditures ("of wallet") for a product that goes to the firm selling the product. The firms fight over the share they have of a customer's wallet, trying to get of it as much as possible. Typically, for extending this share, they sell even ancillary or complementary products.

Literature Review

Table 1 (below), provides an overview of recent studies about the topics of customer satisfaction, purchase behavior and customer loyalty, which have strong impact on SOV, SOP and SOW.

Tab.1 SOP, SOW and SOV a reference frame in literature

Author	Topics	Field of application	Methodology	Findings
Clerfeuille and Poubanne 2002	consumers' share of purchase	veterinarian sector	qualitative/ survey and quantitative/ statistical	the categorization of satisfaction impact on the SOP " <i>tetraclass model</i> "
Mägi 2003	share of wallet in retailing	grocery stores	quantitative/ statistical	satisfaction and loyalty card impacts strong on SOP/SOV
Keiningham, Perkins-Munn and Evans 2003	impact of customer satisfaction on share of wallet	b2b environment	quantitative/ statistical	according to a statistical model is a positive relationship between customer satisfaction and SOW
Leenheer, Bijmolt, Van Heerde and Smidts 2004	loyalty programs and behavioral Loyalty influence on share of wallet	grocery retailing, Netherlands	qualitative/ survey and quantitative/ statistical	the SOW of a company's customer base is positively related to the presence of a loyalty program and SOW depends on its relative attraction to a consumer
Cool, Keiningham, Aksoy & Hsu 2007	customer Satisfaction and Share of Wallet	Canadian banking industry	qualitative/ survey and quantitative/ statistical	positive relationship between changes in satisfaction and SOW
Meyer-Waarden 2007	The effects of loyalty programs on share of wallet	grocery retailing in the French region	qualitative/ survey and quantitative/ statistical	positive relationship between SOW and lifetime duration

Babakus and Yavas 2008	perceived quality and share of wallet	national retailer of automobile accessories and replacement parts	qualitative/ survey and quantitative/ statistical	sex influence the relationship between interaction quality/ merchandise quality and impact on SOW
Carpenter 2008	Satisfaction,loyalty and share of purchase	discount retail shoppers	quantitative/ statistical	attitudinal loyalty influences word of mouth and SOP
Kim, Ok and Canter 2010	customer share of visits (CSOV)	full-service restaurant	qualitative/ survey and quantitative/ statistical	Procedural and Social Switching cost influencing directly SOV
Cheng,Han and Cao 2011	factors Influencing Share of Wallet	B2B market	qualitative/ survey and quantitative/ statistical	there is a certain reference value to predict SOW in customer lifetime value (CLV) measurement
Lourenço and Gijbrecchts 2013	national brands (NBs), hard discounters (HDs) and share of wallet (SOW)	hard-discounters in Belgian market	qualitative/ survey and quantitative/ statistical	the introduction of NBs impacts on HD image and HD assortment image and consequently on his SOW
Hunneman, Verhoef and Sloot 2015	share of Wallet formation	grocery chains in the Netherlands	qualitative/ survey and quantitative/ statistical	store attributes impact on SOW through store satisfaction (SS is influenced by consumer confidence and control variables)

In accordance with Macintosh & Lockshin (1997) and Reynolds & Beatty (1999), SOP is defined as the percentage of purchases made by customers in a specific period of time. Literature research suggests that satisfaction (Zeithaml et al., 1996; Reynolds and Beatty, 1999) and attitudinal loyalty influences the SOP (Berry and Parasuraman, 1991; Fornell, 1992; Zeithaml et al., 1996; Macintosh and Lockshin, 1997; Reynolds and Arnold, 2000).

The complexity of these concepts gives different results by the scholars. In fact some authors suggest links between consumer satisfaction and SOP and underline the presence of a linear process between the concepts of satisfaction and product repurchase (Ngobo, 2000). The links between consumer satisfaction, consumer commitment and purchase behavior in the retailing industry, are identified in the service's elements evaluated by the consumer (Clerfeuille and Poubanne 2002). For retailers, SOW have a great significance and an important question are: *"How the customers divide their purchases across competing stores and how retail managers can increase their share of purchase?"* The customer satisfaction is a way for affecting the consumer's behavior and its stores' choice (Weir, 2001). The factors that determine where consumers make most of their purchases not always be the same as the factors that determine which store they visit most frequently. Although SOP would be the dimension of ultimate interest from a managerial perspective, the possibility that some factors affect SOV to a greater extent than SOP, warrants an examination of both dimensions. For example, a consumer who is highly satisfied of his store could spend all of his budget for weekly purchases and consequently increase the visits to the shop. The SOV is not capable, alone, to

increasing the SOW of retailers, in fact, the customers that visit the shop could be not satisfied of store' service and then they buy products with low margins. The loyalty programs have a positive effects on SOW and on customer lifetime duration⁴ (Meyer-Waarden 2007). Then the use of loyalty programs within the same stores chain can create a positive effect on SOP and SOV but it is neutralized when the consumer compares several loyalty cards (Mägi, 2003). So in this case must come into play effects such as satisfaction and loyalty for create a lasting relationship with the store and these factors have a positive effect on SOW (Keiningham, Perkins-Munn and Evans, 2003). We find a positive relationship between SOW and lifetime duration, which indicates that more the customers buys proportionally in a specific store, longer they will remain with that retailer. Furthermore, the impact of SOW on lifetime duration increases over time. These results are in line with those of East and colleagues (1997, 2000) but contrast with those of Reinartz (1999). Different explanations are possible due to consumer heterogeneity. For example, SOW and lifetime may not be related when shoppers lack interest in stores and have a lifestyle that emphasizes activities unrelated to shopping; in these circumstances, people try to simplify their shopping problems by limiting the range of stores they use and continuing to use the same store for long periods of time. Increased SOW also occurs when people ignore deals and simplify their shopping by consistently using the same stores (East et al. 1997). The degree of SOW that a household gives to a store chain also depends on its attraction to *product-service-system* (PSS) of a particular retailer compared to the attraction of the competitors. In order to analyze the effects of loyalty programs on SOW, we need to understand what drives customers to become loyalty program members. The basic idea is that the SOW of a store depends on its relative attraction to a consumer (Leenheer, Bijmolt, Van Heerde and Smidts 2004)⁵. Empirical results show that the SOW of a firm customer base is positively related to presence of a loyalty program. For all supermarket chains, the customer's average predicted SOW is higher when a loyalty program is available. Several studies indicate that changes in satisfaction are positively but not linearly, related to the SOW that a customer allocate to a particular product-service

⁴ In the same way, the *Customer Lifetime Value* (CLV) is a prediction of the net profit attributed to the entire future relationship with a customer. The present value of the future cash flows attributed to the customer during his/her entire relationship with the company. When margins and retention rates are constant, the following formula can be used to calculate the lifetime value of a customer relationship: *Customer lifetime value (\$)* = *Margin (\$)* * (*Retention Rate (%)*) ÷ [*1 + Discount Rate (%)*] * *Retention Rate (%)*

$$SOW_{ist} = \frac{A_{ist}}{\sum_{s=1}^S A_{ist}}$$

⁵ The attraction of a store (A_{ist}) is a function of loyalty program membership and store characteristics. We specify the attraction function as a Multi Nominal Logit Model, so that it becomes:

$$A_{ist} = \exp(\beta_1 + \beta_{2s} LP_{ist} + \beta_{3it} DENS_{ist} + \beta_{4it} PH_{st} + \beta_{5it} PL_{st} + \beta_6 SOWI_{is} + v_{ist})$$

$$\beta_{mit} = \gamma_{m1} + \gamma_{m2} HHSIZE_{it} + \gamma_{m3} HHINC_{it}, \quad m = 3,4,5$$

with:

In sum, below the set of store characteristics:

$DENS_{ist}$ = Number of outlets of supermarket chain s as a fraction of the total number of supermarket outlets, in the province of residence of household i in year t ;

PH_{st} = 1 if supermarket chain s is high-priced during year t ; 0 otherwise;

PL_{st} = 1 if supermarket chain s is low-priced during year t ; 0 otherwise.

And variables on household heterogeneity:

$HHSIZE_{it}$ = Number of persons in household i in year t minus average number of persons in a household;

$HHINC_{it}$ = Monthly net income in 1,000 Euros of household i in year t , minus average monthly household income;

$SOWI_{is}$ = Share-of-wallet of household i in store s during the initialization period.

category over time. The relationship between satisfaction and SOW is moderated by both demographic and situational customer's characteristics. In particular, income and length of relationship are significant predictors. These two latter, negatively moderate the same relationship between, satisfaction and SOW changes (Coil, Keiningham, Aksoy & Hsu 2007). Similar findings regard the relationships between satisfaction and repurchase intention, and between satisfaction and retention (Mittal and Kamakura 2001). Recent studies suggest other variables, as the quality of interaction and quality of goods, that exert significant influences on SOW. The strengths of these effects vary according to gender. For male customers, the total effect of good's quality on SOW is stronger than the total effect of interaction quality. In accordance with Iacobucci and Ostrom's (1993), male customers give more importance to core service (or goods) respect to the relational quality. According to Mittal and Kamakura's (2001), female customers give the same importance to interaction and goods quality. Finally, the customer's gender influence the SOW (Babakus and Yavas, 2008). The purchases' characteristics of consumers have been deeply debated in the literature. A significant factor is related to purchases' motivations of customers in retail industry. The purchase assumes a hedonistic and utilitarian value, the consumers choice between hedonic and utilitarian goods (Dhar and Wertenbroch, 2000) and they are influenced by the nature of the decision task. Greater is the utilitarian and hedonic shopping value, higher is satisfaction and, this latter, also affects positively on the attitudinal loyalty (Chaudhuri, and Holbrook, 2001). The attitudinal loyalty demonstrates positive relationships with consumers' behavioral outcomes, such as word of mouth communication and SOP (Carpenter 2008). Kim, Ok and Canter (2010) give an important contribution to the definition of SOV in the restaurant industry, where there is a high level of service. They assume that there are three types of switching costs in the choice of the restaurant, that are: 1) social switching costs, 2) lost benefits costs and 3) procedural costs; and two intrinsic variables on customers: 1) intrinsic inertia and 2) intrinsic variety seeking. These latter factors directly impact on customer SOV (namely CSOV) and influence the consumer involvement and perceived brand heterogeneity, in retail industry. According to Table 1, there are other scholars that examine the key factors influencing SOW in a B2B markets. Customer satisfaction is the most important factor that influencing SOW in B2B market. In the B2B crucial is to know the customer's needs, develop new products and optimize the services to firms. All of these aspects are the foundation to increase SOW. Giving the real and full information to customers, maintain integrity and honesty in all dealings with customers, and striving to increase the rate of customer's retention are also important measures to increase SOW. These conclusions provides suggestions to develop an effectively CRM's system, and have positive impact on upgrading the CLV (Cheng, Han and Cao 2011). Other areas of interest, discussed in the literature in recent years, regard the sales in hard discounters. The turnovers of the top 10 discounters over the world are expected to grow by 50% from 2010 to 2015. The characteristics of the store (service, price and convenience) have a direct impact on store satisfaction (SS) which is in turn influenced by consumer confidence (CC) and also by other aspects such as socio-demographic variables (age, income and family size) and by service's quality in store chain. Therefore, the SOW of store (SOWS) is determined directly by the SS and indirectly by the CC (Hunneman, Verhoef and Sloot, 2015).

Method

In order to identify a conceptual model to measure the marketing performance (MP) in retailing industry, our research's design provide the following stage: a) qualitative exploratory

analysis of key managers (Chief Marketing Office, Sales Director and Category Manager, in the leading consumer goods retailing chain operating in Campania Region), to identify the variables of an emergent conceptual model on MPM, under a managerial perspective; b) assessing the emergent conceptual model to measure MP in FMCGs; and in a next step c) administer a quantitative (Lefébure et Venturi 2001, Agresti, Alan 2002, Larose 2005, Tufféry 2011) survey on key sample of high spending clients of Superò (emerged from loyalty program) in order to test the conceptual measurement model here proposed. In the retailing industry, consumers typically attend multiple shops, crucial point is understanding how to gain a greater part of consumer's expenditures in a specific shop. In this sense, one way to increase consumer lifetime duration (and consequently SOV and SOP) is through quality and variety of products offered and ,not least, for the use of loyalty program and fidelity cards. In the initial phase of this study, it's has been conducted an individual interview to the General Manager of "Superò" a master franchisee of SMA Spa (Auchan Group), operating in Campania Region with a chain of 27 supermarkets. The focus of the interview were the determinants of performance metrics, for the marketing activities in a retailing industry. In particular, the factors that convey the customers to visit a specific supermarket.

Empirical analysis

At current state, in the retailing industry, managing levers which reinforce the customer's retention, is difficult for many reasons. First of all for the economic crisis, which increased the competition and then the consumer gives to the convenience more importance, in particular for *value for money*. Consequently this increase the competition between supermarkets in the same geographic area, of different store's chain. The Superò's strategy is to pull out from price's wars, leveraging, on the service quality of its offering system (for example, Superò plans to open H24 stores⁶, all day, offering various purchase's solutions and food's assortments). Superò maintains a high level of service's quality by the sale of fresh products (for example, short life foods), these, are able to create a relationship of trust with the consumers. According to the data analysis emerging from the entire Superò's stores chain, we can summarize the variables that determine the consumer's loyalty, in two areas:

- 1) *fruit and vegetable corner* (refers to the importance of product's exhibition in supermarket and grocery store⁷)
- 2) *deli corner* (the product's quality is critical to build over time a trust relationship with the consumers)
- 3) *the butcher and fishmonger corner* (the trust in sales staff is significant)

⁶ The first case of supermarkets, open H24 in Italy, started with the initiative of the French group, Carrefour S.A.

⁷ A supermarket, a large form of grocery store that primarily sells food. Grocery stores often offer non-perishable food that is packaged in cans, bottles and boxes, with some also having fresh produce, butchers, delis, and bakeries. Large grocery stores that stock significant amounts of non-food products, such as clothing and household items, are called supermarkets. Some large supermarkets also include a pharmacy and an electronics section. In the United States, Canada, and United Kingdom, supermarkets and convenience stores are sometimes described as grocery businesses, or simply grocers. Small grocery stores that mainly sell fruits and vegetables are known as produce markets (U.S.) or greengrocers (Britain), and small grocery stores that predominantly sell prepared food, such as candy and snacks, are known as convenience stores or delicatessens. Some grocery stores (especially large ones) form the centerpiece of a larger complex that includes other facilities, such as gas stations, which will often operate under the store's name. This setup is especially common in the United Kingdom, with major chains such as Tesco and Sainsbury's having many locations operating under this format.

Then, there are products that we can define "essentials" to retain a consumers ,and they are driving force in attracting customers to do other purchases (eg food's products but not fresh foods). According to our analysis, these products, are four:

- 1) *fresh milk* (essential for retailer is the best price because the customer is very sensible to price's changes)
- 2) *bread*⁸ (important is price and an efficient supply chain)
- 3) *mozzarella*⁹ (the product's quality is guaranteed by an excellent supplier)
- 4) *ham*¹⁰, (quality is related to product's selection)

Then the remaining 30% of total revenue derived from goods that don't impact positively on customer retention. Moreover the customers have multiple loyalty card, related to different supermarket's chain operating in the same geographical area. Then the consumers can compare prices and choose that one, with better value for money (discounts and special offers usually are suggested by the commercial flyer). Analyzing the model below (Figure 2), we can identify the determinants of customer loyalty and turnover. The positive change of initial SOW (SOW_i) become created SOW (SOW_c) in a time running from t₀ to t₂ and, at the end of period, we have the final SOW (SOW_f, greatness that includes the residual SOW adding the variance by impacts of SOP and SOV).

The *supermarkets characteristics* (SC) influence directly SOP and SOV, and these are:

- quality of fresh products (refers to excellent suppliers);
- re-assortment (ensuring a constant availability);
- low price on primary products (e.g. milk and fresh bread (which must have always a low price));
- store's proximity (important for choose nearest supermarket)
- employee skills (concern supermarket' staff that interacts with customers for create a trust relationship)

The *competitive attraction of stores* (CAS) chains (Superò's network has 27 supermarkets) impact directly on customer satisfaction and indirectly on SOW_f, the key factors are:

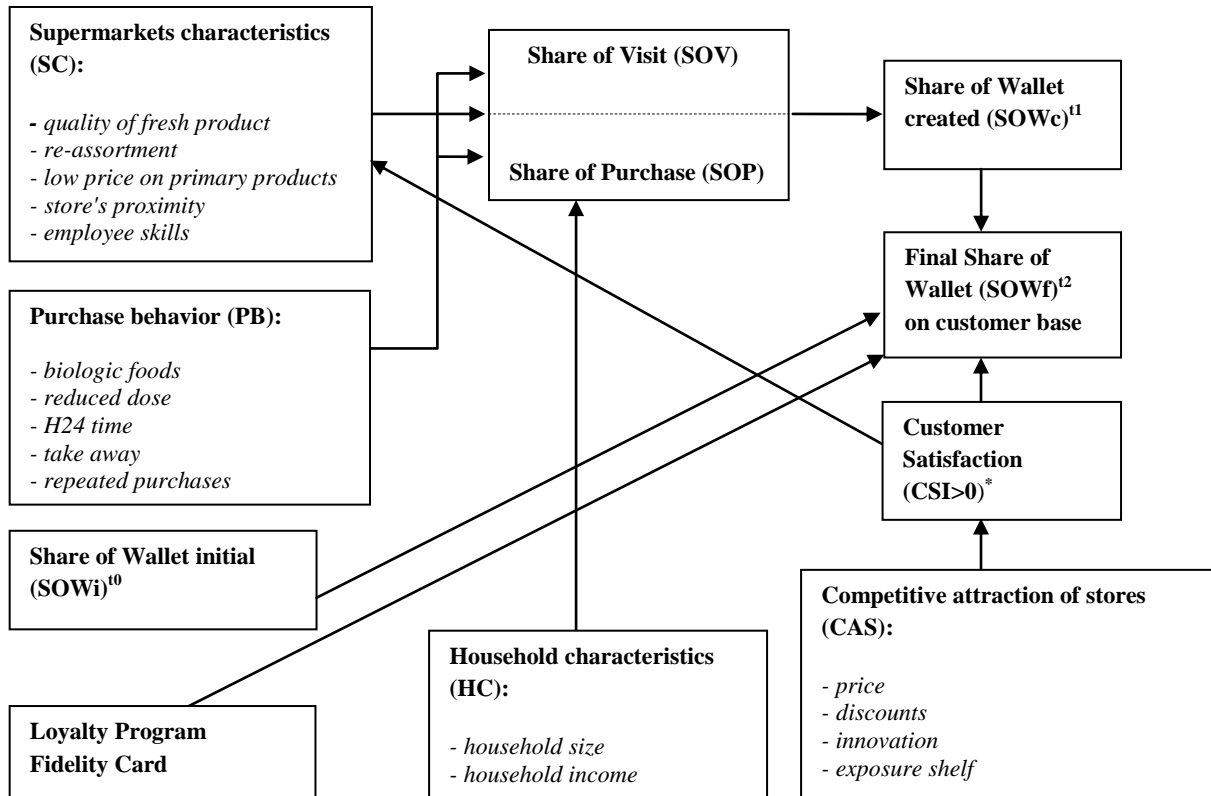
- price (customer's value for money)
- discounts, (the incidence of supermarket's flyer is strong)
- innovation, (usually triggered by the sales' service)
- exposure shelf, (how products are shown in supermarket)

⁸ Frequently bread's deliveries are repeated in the same day. In some stores the bread's production has transferred inside the supermarket to guarantee the freshness of product.

⁹ In Campania region "*Mozzarella di Bufala*" has the DOP label (protected denomination of origin) to guarantee product's quality.

¹⁰ The "*Consorzio del Prosciutto di Parma*" was set up in 1963, on the initiative of 23 producers with the objectives of safeguarding the genuine product, its tradition and the image represented by the designation Parma. Since 1970, when the first law on Parma Ham was passed, it is the official body in charge for safeguarding, protecting and promoting the Designation of Origin "*Prosciutto di Parma*".

Figure 2: conceptual model on SOW determination



* as assumptions in the model, Customer Satisfaction Index has positive effect

The *household's characteristics* (HC) impact mainly on SOP and is referred both in their spending power and in number of family's members. The SOV's influence on HC is limited and is more related to purchasing's characteristics and by lifestyle's patterns. The model analyzes the purchases behaviors (PB) that impacting in equal mode on SOV and SOP, and they are:

- *biologic foods* (the consumer is more careful and informed, and buys better products)
- *reduced dose* (the single-dose consumption and in small quantities, takes more importance)
- *H24 times* (new lifestyles and different working shifts, open to new opportunities for consumption)
- *take away* (meals or other food, purchased at supermarket, ready to eat)
- *repeated purchases* (people make more visits in supermarkets for weekly purchases)

Therefore, *supermarkets characteristics, purchases behaviors, competitive attraction of stores and household's characteristics*, play an important role to carry customers in the store, in terms of visit and more purchases. The Superò's managers preside these factors through a high level of innovation in supermarket to ensure the best *service quality*¹¹ to customers. Loyalty programs and fidelity cards contribute to the creation of SOWf and concerns both old customers (existing in portfolio), that new customers.

Findings/Originality

The paper presents the first evidences of an ongoing research project arranged in: phase 1, related to the points sub a) and b); phase 2, in a forthcoming study, related to the point sub c). The originality of this paper is to explore the MPM in terms of conceptual and measurement model, under a managerial perspectives, in a FMCGs provided of key informants and data useful for such an aim. The contribution of this paper is to explain from the point of view of the retailer the most appropriate decisions to increase the turnover of the store. Even in the choice of the characteristics of the store and the type of products sold, in a second phase we will analyze the perspective of the consumer. Finally we link the two interview to create a holistic tool for measurement these phenomena and support the management. The dynamics of customer loyalty has significant value in relation to the customer's choices and product's assortment. In the retail industry, there are product's category that retain the customers and others not, for example industrial goods not trigger this process as fresh products (discussed earlier). Industrial brands fails to enhance customer loyalty, because the level of pressure that have on retailers chain is very high. Indeed, the frequency of promotional programs for industrial products is very high, so the retailers cannot create loyalty on these products. Finally, the retailers suffering a price positioning on these products, by industry. Then on industrial products also the promotional programs of the supplier is very strong, so the retailer cannot create loyalty through its products, suffering a price by industry. This determines that the only lever to compete, for retailers, is the store's proximity (assuming the same price between different retailers). Among the industrial products, there are some product categories characterized by high traffic (pasta, oil, tomato cans, etc), where the retailer always apply special discounts on his promotional flyer. Now, if we consider a heavy user of these products and therefore very attached to a particular brand (for example, pasta Barilla), the consumer will try to store a high amount of product, where he will find a good store's discounts, this increases the turnover's incidence from promotional flyer, rising from 26% to 33% (in Superò). Consequently, this increases the promotional push by retailer and then the assortment of products on the flyer (lately the retailers include biological or gluten free products). Another factors to consider are the types of consumption, in recent years people consume less and in small doses, and also the households size are smaller. Then, the innovation of retailers in product's assortment, becomes successful for success of retailers' strategies. The new purchasing behavior increase traffic's stores in terms of visits and in terms of purchases (lower value purchases but repeated over time). The innovation in service's quality must be induced by retailers and not passively incorporated by the market. In Superò

¹¹ *Service quality(SQ)* is a comparison of expectations (E) with performance (P) ($SQ=P-E$). From the viewpoint of business administration, service quality is an achievement in customer service. It reflects at each service encounter. Customers form service expectations from past experiences, word of mouth and advertisement. In general, Customers compare perceived service with expected service in which if the former falls short of the latter the customers are disappointed.

as in retail industry, the contractual power of suppliers on packaged food products is strong. Some products are pushed in the distribution channels¹² but do not generate a high traffic both in terms of SOP and SOV. Overcame ensures product quality and the high level of loyalty can generate high margins. Different matter regards the fresh food products (such as those of the butcher corner) because the consumer's behavior are constantly monitored by the retailer. In Superò the product's quality and the high level of loyalty bear a high margins. Marketing strategies for Superò is focused on service's innovation and product's quality. The brand image of Superò store's chain protects consumers, while for industrial products is important the supplier's brand (Unilever and Procter & Gamble have a key role in the retailers' choices). The product's assortment for Superò is essential to ensure product's quality in fresh foods. For butcher corner, the supplier becomes a business partner because there are trust relations and in long-term perspective. Another aspect that emerged from the interviews concerns the fidelity card and how their use impacts on retailers' revenues. Loyalty card increased the incidence of turnover from heavy customers, this shows that loyalty customers, remain loyal (they are not affected by discounts). The evidence that emerged, from data, collected on whole store's chain, shows that there are stores, where the incidence of the fidelity card is greater than 50%, compared to an average incidence company of 42%, with peaks of 60% and relates to those supermarkets typically service in certain areas than others less virtuous in this aspect because they are covered by a high foot traffic (customer of passage), here we will have also a decrease of the share receipt for the customer (SOW) but we have a high number of transactions (SOP). This relates to the behavior's change of consumers that impact both in terms of SOV and in SOP. This is consistent with the decrease of sales in hypermarkets than the supermarkets of proximity (the purchases of households are repeated several times in the same week). The strategy of Superò for the loyalty card is to collect points (gift's catalog) and not products' discounts, according to managers to strengthen the retailer's loyalty. The consumers, usually, use more loyalty cards and in Superò there are particular types of customers defined "heavy users" (for example, 5% of card holders on 50 000 fidelity, active representing 30% of total revenue), with interesting insights. The collection points in Superò is aligned to direct competitors (Carrefour and Auchan), but the real differentiation consists in the data collect from fidelity card (refers to IT infrastructure) for acquiring information derived from the purchases. The Superò's managers want to enhance the IT infrastructure and make better use of information resulting from loyalty cards.

Research Limitations

The main research limitations are related to a case study approach (Eisenhardt 1989, Feagin et al 2001 and Yin 2013) and qualitative methods during the first explorative step. The studies on loyalty programs remain rare and incomplete, one restriction of our investigation is the difficulty of getting the mixed data on which our analysis is based (store intern scanner data and single-source panel data). Thus, applying our approach to other industry (e.g., airlines, restaurants) is difficult, because single-source panel data usually exist only for FMCGs, as in this work. More replications in other sectors are needed to enhance the generalizability of our findings, from retailing to other industry. Our study not integrates financial data, though the

¹² The case of *Grand Soleil* (brand of Ferrero Spa), sweet lemon sorbet, produced to be stored out of the chiller cabinet, it is no longer commercialized for about a year. The disappearance from supermarkets, was not perceived by consumers (the product not created a consumption's needs). According to official statements of Ferrero, the product was withdrawn "after staying for more than six years, in the commercial phase of " extended test". The product has been suspended because the results were considered "unreliable". The product has not met the favor of consumers, despite the strong advertising investment. In 2013 it was proposed a line of specialty drink *Grand Soleil*, but not entered in the stores.

success of a loyalty program should be measured by its financial contribution (Kopalle and Neslin 2003). The impact of customer lifetime on retailers' SOW should be expanded in terms of potential value, resulting from customers. *The customers engage in long-term relationships with retailers because their expenses are high, or spend their money in stores because they have high lifetime durations?* The relationships between loyalty programs and behavioral outcomes are probably more complex than has been assumed. How consumer characteristics (e.g., consumer behavior and shopping orientations) moderate the relationship between schemas and repurchase behavior, likely is contingent on the product category. Finally, experimental approaches analyzing how loyalty programs¹³ influence purchase behavior and are highly recommended (Kivetz and Simonson 2003; Roehm et al. 2002; Yi and Jeon 2003; Keh and Lee 2006; Meyer-Waarden 2006; Meyer-Waarden and Benavent, 2007). These questions are only partially solved, and additional research therefore should contribute to better theoretical and empirical knowledge about the way rewards influence value perceptions of loyalty schemes, because rewards determine program adoption and use.

Implications

The paper contributes to the debate on MPM and its possible evolution. Furthermore, it contributes to the FMCGs marketing literature. The work, finally, provides a tool for professional use, to support the management of the companies in the FMCGs business. Professionals involved in MPM implementation use of a dashboard¹⁴ to report marketing performance. Essentially, a dashboard is a multi-layered performance management tool that enables organizations to measure, monitor and manage business activity by using both financial and non-financial measures. The dashboard provides analysis into the progress of the organization toward achieving each defined objective. The results of this study could help managers to improve their decisions concerning characteristics of the shops and loyalty programs. A firms reconsidering the use of such a program should realize that loyalty programs are generally effective in enhancing SOW, but not for each store chain; then the other variables that must come into play are the ability to attract consumers and impact on SOV and increase the number of purchases, that is SOP. Loyalty programs aim to enhance consumers' purchasing, but the firm's best customers are the most likely to subscribe as member. This leads to causality problems, which invalidate a simple comparison of purchasing behavior of loyalty program members versus non-members. Valid assessments can be obtained only through studies using market wide data and extensive customer background information. Because individual firms possess mainly company specific data, cooperation with market research companies that hold consumer panels is an option. Further, a firms should pay careful attention to loyalty program design, as this is proven to influence effectiveness. When focusing on the trade-off between direct and delayed rewards, managers are advised to invest rewarding money predominantly in delayed rewards, such as a saving feature. The loyalty program designs studied here are fairly basic and similar, and companies could gain through differentiation of their design. Finally, our analyses show that privacy fears still prevent some customers from loyalty program participation. This implies that part of the customer base is not exposed to loyalty programs that could enhance customer loyalty.

¹³ In marketing generally and in retailing more specifically, a loyalty card, rewards card, points card, advantage card, or club card.

¹⁴ The dashboard is a tool where all data and metrics are collected and shown as useful information for the organization. Marketing professionals create these dashboards from metrics and KPIs. The firms can use this information to proceed with their marketing activities.

Current privacy legislation protects customer privacy to a great extent, and some of their fears might be irrational. In order to reduce customers' privacy fears, a retail company should invest in proper communication to customers about privacy protection guarantees and the constraints on data usage (Phelps, Nowak, and Ferrell 2000). The key implication is that managers should not simply strive to improve reported satisfaction levels without an understanding of the relationship to customers' SOW allocations. Given that both the initial satisfaction level and the conditional percentile of change in satisfaction are significantly associated with changes in SOW, it is critical that managers design their efforts to improve satisfaction so that customers reach the satisfaction levels that correspond to higher SOW levels. This may require a reevaluation of the means with which managers currently measure the potential return on investment from improvement efforts, aimed to changing customer behavior through improved customer satisfaction, particularly if cross-sectional analyses are currently used. Cross-sectional (as opposed to longitudinal) examinations of the relationship between customer satisfaction and customer behavior may be unable to identify adequately the roles of both baseline satisfaction levels and change in satisfaction on customers' SOW allocations.

Directions for future research

The current study extends the developing stream of literature on the relationships between shopping value, satisfaction and loyalty in retailing, but several limitations should be acknowledged. The study focuses only on the retail industry. Additional research is needed to examine these relationships within and across additional sectors. For example, research in other sectors that produce different results given from higher levels of customer service provided and the differences in the store environments. Future research could investigate additional types of shopping value across retail sectors and should include additional outcome variables that may be linked to shopping value. For example, the inclusion of variables such as competitive resistance (e.g., Reynolds and Arnold, 2000) could be useful for understanding the strength of attitudinal and behavioral loyalty in terms of insulating a retailer's SOP. Further examination of interactions between shopping value and satisfaction are also needed. Future research could explore changes in the interactions within and across retail sectors. Finally, our analysis identified the presence of a significant relationship between changes in SOW and concomitant changes in satisfaction, along with the other effects of moderating variables (characteristics of the store, household and the influence of loyalty programs). Therefore, to examine better the robustness of these findings, additional research should be conducted regarding both the longitudinal relationship between satisfaction and SOW but also for the moderating influence across several customer's characteristics in various industries and countries.

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