

PERSISTENCE OF CUSTOMERS DURING THEIR SHOPPING JOURNEY

1. Abstract

Customer journeys take place over multiple channels and customers use different channels for different purposes (Tueanrat et al., 2021). Since many channels are available to customers nowadays and they switch between them, several problems can arise during shopping journeys that may lead to cart abandonment, lower customer engagement and switching behaviour. When these shopping problems occur, customers may not persist and switch to alternative retailers. This research investigates how retailers can encourage customer persistence during their shopping journey and identifies the consequences of customer persistence for retailers. Preliminary findings show that customers are more likely to persist when retailers offer good value for money, a unique offer and switching costs, and these relationships are strengthened when customers have a seamless shopping journey. When customers persist, they are more likely to engage and less likely to switch to alternative retailers, which draws strong managerial recommendations for retailers.

2. Key Words

Persistence, Seamless shopping Journey, Switching Costs, Customer Engagement, Switching Intention

3. Introduction and Objectives

With the abundance of customer switching amongst channels during customer journeys and notable complexities in offering omnichannel, shopping problems today are inevitable (Rosenmayer et al., 2018). Customers often use multiple channels during a shopping journey and expect them to be connected (Cocco and Demoulin 2022). However, customers may be prevented from switching channels or find it difficult to continue their shopping from one channel to another, requiring them to persist to reach their shopping goals. In these situations, customer persistence is critical to whether the customer journey leads to purchase or not.

Persistence is the customer willingness to complete the shopping journey to achieve their goals without allowing any difficulties to stop them. The study of persistence has been much studied in the context of psychology where it is considered a purposeful goal directed behaviour leading to performance, success and accomplishment (McGiboney and Carter, 1993; Duckworth et al., 2007; Ryans, 1939). Persistence has been deemed important in learning contexts, where students who were more satisfied and confident were likely to persevere to the end of their studies (Joo et al., 2011; Cech et al., 2011; Pintrich and Schunk, 2002). Persistence has also been found important in gaming contexts where it is linked to incentives and rewards (Neys *et al.*, 2014). However, customer persistence has been little studied in the marketing domain (Woolley and Fishbach, 2016; Lieberman, Morales and Amir, 2022) and remains unexplored in the context of the customer journey and omnichannel retention strategies.

Therefore, the purpose of this research is to investigate how retailers can promote customers to persist during their shopping journey and identify the consequences of persistence for retailers. This study intends to make several contributions; Firstly, whilst psychology literature identifies much value in persistence as a purposeful personal trait (McGiboney and Carter, 1993; Duckworth et al., 2007; Ryans, 1939), our research uncovers its value in the marketing context. Secondly, this research is intended to contribute to three important and connected literature domains of customer journey, omnichannel and customer relationship management (CRM) by expanding knowledge on shopping behaviours linked to channel switching and retailer-customer relationships. Lastly, the results of this study are intended to support retailer CRM strategies in omnichannel settings by showing how promoting persistence is linked to offering good value for money (Franke et al., 2008), offer uniqueness (Tian et al. 2001; Dean, 1999) switching costs (Jones, et al., 2000) and seamless shopping journey perceptions (Cocco and Demoulin 2022). Furthermore, we evidence and explain why and how retailers can promote persistence, which can lead to enhanced engagement and lower likelihood of customers switching to alternative retailers.

4. Research Question

The main research question is; What is the role of customer persistence in customer journeys? This can be divided into three underlying research questions; RQ1: How can retailers influence customers to persist?; RQ2: What are the consequences when customers persist?; RQ3: What effect does seamless shopping journey have on the relationship between uniqueness of offer, good value for money, switching costs and persistence?

5. Conceptual Framework / Literature Review /Research Model

To develop our conceptual framework, we rely on interdependence theory (Rusbult & Van Lange, 2008). Dependence can be viewed in two ways; the desire to continue a relationship versus feeling obligated to continue a relationship (Levinger, 1999). In relationship marketing, two retention strategies have been identified (Bruhn, 2003); solidarity strategies (Bruhn, 2003) that focus on satisfying customers, which includes factors such as offering good value for money (Franke et al., 2008) and offer uniqueness (Tian *et al.* 2001; Dean, 1999) in an effort to retain them. Alternatively, retailers can rely on dependence retention strategies (Bruhn, 2003), where retailers focus on making the customer dependent on their business by placing barriers to switching to alternative retailers. This includes factors such as inducing switching costs (Jones, *et al.*, 2000).

Customer Persistence

Drawing from dependence theory, persistence has been defined as an effort to stay on task (Gelbrich et al., 2021), perseverance through difficult moments (Belschak et al., 2006) and is characterised as goal directed action (Feather, 1962). Theorised by Rusbult et al., (1998), satisfaction level, quality of alternatives and investment size drives an individuals' commitment level leading to the probability to persist. These variables could be translated in the retail marketing environment as uniqueness of offer, switching costs and value for money, which can drive commitment to purchase (Rusbult et al., 1998). Furthermore, persistence has been linked to positive outcomes such as continued engagement in educational settings (Pintrich and Schunk, 2002), and is a predictor of future product purchases and profitability (Gelbrich et al., 2021).

Value for Money

Value for money is defined as the favourable price difference of a market offering that distinguishes it from the next best alternative (Skalen et al., 2015). Economic value is one of four main customer value propositions that attracts customers to a retailer and leads to long-term relationships (Payne and Frow, 2017). If a customer perceives value-for-money, customer expectations are more likely to be met which will induce them to stay and continue their customer journey. Therefore, we hypothesize that;

H1: Value for money positively affects customer persistence during the customer journey

Uniqueness of Offer

Offer uniqueness is the extent to which the retailer's offering is different from competitors' offer (Dean, 1999). If a customer is satisfied with the retailer offer, they are likely to be more satisfied with it and may have experience, trust and consequently, more motivation to persist with the retailer as opposed to going elsewhere. Therefore, we hypothesize that;

H2: Uniqueness of offer positively affects customer persistence during the customer journey

Switching Costs

Switching costs are defined as the economic, psychological or emotional costs associated with the procedure of switching from one retailer to another (Burnham et al, 2003). When a customer is

faced with switching costs, the extra effort needed to change to an alternative provider may take too much time or patience, thus forcing customers to persist with the current retailer. Therefore, we hypothesize that;

H3: Switching costs positively affects customer persistence during the customer journey

Customer Engagement

Customer engagement behaviours are interactions between customer and firm that go beyond purchase (Brodie, Hollebeek, Jurić, & Ilić, 2011; Jaakkola & Alexander, 2014; Van Doorn et al., 2010). If a customer has succeeded in purchasing despite experiencing difficulties during their customer journey, extra effort expended means that they feel rewarded, positive or incentivised to continue the relationship (Neys et al., 2014). Switching intention, which is the intention to terminate a relationship with a service provider (Zeelenberg & Pieters, 2004), is by contrast, discouraging customers to continue the relationship by switching to an alternative retailer. Therefore, we expect a positive relationship between persistence and customer engagement and a negative relationship between persistence and switching intention;

H4: Persistence positively affects (a) customer engagement towards the retailer and negatively affects (b) switching intention.

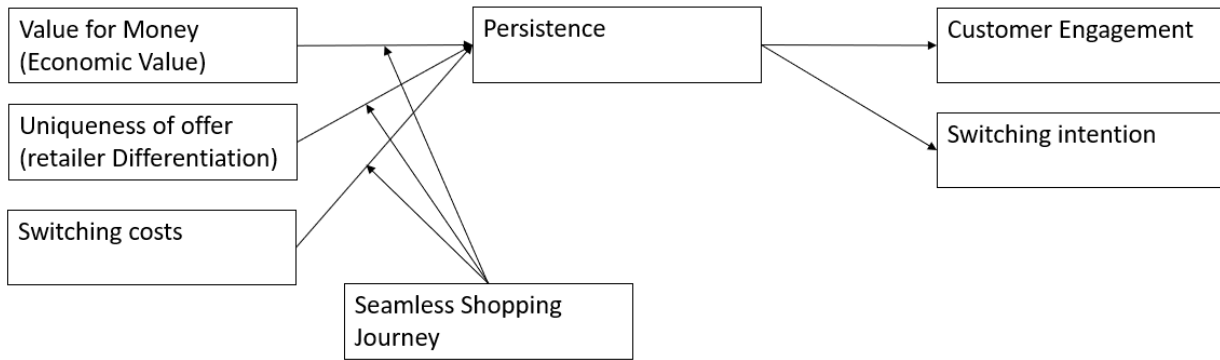
Seamless Shopping Journey

Seamless customer journey is defined as the customer perception of a continuous shopping journey across multiple channels with a single retailer (Cocco & Demoulin, 2020). Characteristics of seamless shopping journey is that connections between channels and touchpoints become blurred so that boundaries become irrelevant (Hansen & Sia, 2015), and that customer journeys are smooth and continuous as physical and digital channels are used interchangeably. If a customer perceives that their shopping journey is seamless and there are less shopping difficulties, when faced with favourable product conditions (Value for money and uniqueness of offer), we would expect that it will be easy for customers to persist thus rating it more highly. Therefore, we hypothesize that;

H5: Seamlessness moderates the effect of (a) value for money, (b) uniqueness of offer, (c) switching cost on persistence such that the later effect is stronger.

Figure 1 outlines the conceptual framework.

Figure 1



6. Method

We conducted a survey amongst 377 respondents regarding a past shopping experience where they used several channels of the same retailer. We developed a questionnaire including questions measured using 7-point scales. Participants were asked a series of questions measuring consumer engagement (Hollebeek, Glynn & Brodie, 2014) including its three dimensions: cognitive (3 items), affective (4 items), behavior (3 items); switching intention (Jones & Taylor, 2007) (3 items); persistence (Shin, 2003) (6 items); value for money (Franke & Schreier, 2008) (3 items); uniqueness of offer (Dean, 1999) (3 items) and switching costs (Yang & Peterson, 2004) (3 items). Finally, we measured the seamless shopping journey (Chang & Li, 2022; Cocco & Demoulin, 2022) (4 items).

7. Findings

We tested the measurement model with SmartPLS4 (Ringle et al., 2022). All Cronbach *alpha* of the final scales ranged from .750 to .967, which were largely above .7. In addition, the composite reliabilities (ρ_h) ranged from .767 to .968, so we can conclude that the convergent validity of our different constructs is adequate ($\rho_h > .50$, Fornell & Larcker, 1981). Discriminant validity among constructs was assessed using the stringent criterion of Fornell and Larcker (1981) and Heterotrait–Monotrait Ratio (HTMT). All HTMT ratios are below .9 and the square root of AVE for each latent variable is higher than the correlation with other variables, which support good discriminant validity. To test our hypotheses, we developed the structural model linking value for money, uniqueness of offer, switching costs to persistence and the later to the three dimensions of customer engagement and switching intention. The standardized root mean square residual (SRMR) is equal to .059, which indicates a good fit of the model. In addition, the R-squared for persistence is .243, and those for cognitive, affective and behavioral engagement are respectively .119; .213; .146 and .143 for switching intention.

Our results demonstrate that value for money ($\beta = .205, p < .001$), uniqueness of offer ($\beta = .213, p < .001$) and switching cost ($\beta = .161, p = .001$) positively affect customers persistence. Thus, H1 to H3 are supported. Persistence positively influences cognitive ($\beta = .349, p < .001$), affective

($\beta = .464, p < .001$) and behavioural engagement ($\beta = .386, p < .001$) and avoids customer switching ($\beta = .386, p < .001$). Seamless customer journey moderates the effect of uniqueness of the offer on persistence such that it strengthens the relationship ($\beta = .108, p < .02$) supporting H4. The moderation of seamless customer journey with value for money ($\beta = .014, p = .411$) and switching cost ($\beta = .054, p = .135$) are not significant. Therefore, H5b is supported, and H5a and H5c are not supported.

8. Discussion

This paper demonstrates that customers persist more when the retailer offers good value for money, a unique offer, switching costs and a seamless customer experience. The effect of offer uniqueness is strengthened by the seamlessness of the customer experience. Persistence is key for retailers as it creates strong cognitive, affective and behavioural engagement and avoids customer switching.

9. Limitations and Further Research

In this research, we only consider strategies of the retailers to understand the customer persistence. However, customer persistence might also depend on intrinsic and extrinsic motivations (Vallerand & Blssonnette, 1992). Future studies could also consider customers' characteristics such as their multichannel ability, their involvement in the product category or situational characteristics such as impulse versus planned purchases.

10. Managerial Implications

When customers perceive more seamless shopping journeys, customers are more likely to persist with the retailer, than if the customer journey is not seamless. Our results are very encouraging for retailers offering omnichannel, focussing on solidarity and dependence retention strategies. This provides evidence that retailers who invest in good relationships (provide value for money, offer uniqueness and switching costs) and focus on providing seamless shopping journeys, are more likely to promote customer persistence with their brand when problems occur. These results emphasise that if retailers provide favourable relationship conditions and invest in providing seamless shopping journeys, it is likely to make customers more persistent. As a result, retailers can gain advantages from persistent customers, as persistence leads to customer engagement and a lesser likelihood of customer switching to alternative retailers.

Bibliography

- Belschak, F., Verbeke, W., & Bagozzi, R. P. (2006). Coping with sales call anxiety: The role of sale perseverance and task concentration strategies. *Journal of the Academy of Marketing Science*, 34, 403-418.
- Brodie, R. J., Hollebeek, L. D., Jurić, B., & Ilić, A. (2011). Customer engagement: Conceptual domain, fundamental propositions, and implications for research. *Journal of service research*, 14(3), 252-271.
- Bruhn M. (2003), *Relationship marketing: Management of Customer Relationship*, Prentice Hall.
- Burnham, T. A., Frels, J. K., & Mahajan, V. (2003). Consumer switching costs: A typology, antecedents, and consequences. *Journal of the Academy of marketing Science*, 31(2), 109-126.
- Cech, E., Rubineau, B., Silbey, S., & Seron, C. (2011). Professional role confidence and gendered persistence in engineering. *American sociological review*, 76(5), 641-666.
- Chang, Y. P., & Li, J. (2022). Seamless experience in the context of omnichannel shopping: scale development and empirical validation. *Journal of Retailing and Consumer Services*, 64, 102800.
- Cocco, H., & Demoulin, N. T. (2022). Designing a seamless shopping journey through omnichannel retailer integration. *Journal of Business Research*, 150, 461-475.
- Dean, D. H. (1999). Brand endorsement, popularity, and event sponsorship as advertising cues affecting consumer pre-purchase attitudes. *Journal of advertising*, 28(3), 1-12.
- Duckworth, A. L., Peterson, C., Matthews, M. D., & Kelly, D. R. (2007). Grit: perseverance and passion for long-term goals. *Journal of personality and social psychology*, 92(6), 1087.
- Feather, N. T. (1962). The study of persistence. *Psychological bulletin*, 59(2), 94.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of marketing research*, 18(1), 39-50.
- Franke, Nikolaus, and Martin Schreier. "Product uniqueness as a driver of customer utility in mass customization." *Marketing Letters* 19 (2008): 93-107.
- Gelbrich, K., Hagel, J., & Orsingher, C. (2021). Emotional support from a digital assistant in technology-mediated services: Effects on customer satisfaction and behavioral persistence. *International Journal of Research in Marketing*, 38(1), 176-193.
- Grewal, D., & Roggeveen, A. L. (2020). Understanding retail experiences and customer journey management. *Journal of Retailing*, 96(1), 3-8.
- Hansen, R., & Sia, S. K. (2015). Hummel's digital transformation toward omnichannel retailing: key lessons learned. *MIS Quarterly Executive*, 14(2).

- Hollebeek, L. D., Glynn, M. S., & Brodie, R. J. (2014). Consumer brand engagement in social media: Conceptualization, scale development and validation. *Journal of interactive marketing*, 28(2), 149-165.
- Jaakkola, E., & Alexander, M. (2014). The role of customer engagement behavior in value co-creation: A service system perspective. *Journal of service research*, 17(3), 247-261.
- Jones, M. A., Mothersbaugh, D. L., & Beatty, S. E. (2000). Switching barriers and repurchase intentions in services. *Journal of retailing*, 76(2), 259-274.
- Jones, T., & Taylor, S. F. (2007). The conceptual domain of service loyalty: how many dimensions?. *Journal of services marketing*, 21(1), 36-51.
- Joo, Y. J., Lim, K. Y., & Kim, E. K. (2011). Online university students' satisfaction and persistence: Examining perceived level of presence, usefulness and ease of use as predictors in a structural model. *Computers & education*, 57(2), 1654-1664.
- Lemon, K. N., & Verhoef, P. C. (2016). Understanding customer experience throughout the customer journey. *Journal of marketing*, 80(6), 69-96.
- Levinger, G. (1999). Duty toward whom? Reconsidering attractions and barriers as determinants of commitment in a relationship. In *Handbook of interpersonal commitment and relationship stability* (pp. 37-52). Boston, MA: Springer US.
- Lieberman, A., Morales, A. C., & Amir, O. (2022). Tangential immersion: Increasing persistence in boring consumer behaviors. *Journal of Consumer Research*, 49(3), 450-472.
- McGiboney, G. W., & Carter, C. (1993). Measuring persistence and personality characteristics of adolescents. *Psychological reports*, 72(1), 128-130.
- Neys, J. L., Jansz, J., & Tan, E. S. (2014). Exploring persistence in gaming: The role of self-determination and social identity. *Computers in Human Behavior*, 37, 196-209.
- Payne, A., & Frow, P. (2017). Relationship marketing: looking backwards towards the future. *Journal of services marketing*, 31(1), 11-15.
- Pintrich, P. R., & Schunk, D. H. (2002). *Motivation in education: Theory, research, and applications* (2nd ed.). Merrill/Prentice-Hall.
- Ringle, C. M., Wende, S., and Becker, J.-M. 2022. "SmartPLS 4." Oststeinbek: SmartPLS GmbH, <http://www.smartpls.com>.
- Rosenmayer, A., McQuilken, L., Robertson, N., & Ogden, S. (2018). Omni-channel service failures and recoveries: refined typologies using Facebook complaints. *Journal of Services Marketing*, 32(3), 269-285.
- Rusbult, C. E., & Van Lange, P. A. (2008). Why we need interdependence theory. *Social and personality psychology compass*, 2(5), 2049-2070.

Rusbult, C. E., Martz, J. M., & Agnew, C. R. (1998). The investment model scale: Measuring commitment level, satisfaction level, quality of alternatives, and investment size. *Personal relationships*, 5(4), 357-387.

Ryans, D. G. (1939). The measurement of persistence: an historical review. *Psychological Bulletin*, 36(9), 715.

Shin, N. (2003). Transactional presence as critical predictor of success in distance learning. *Distance Education*, 24(1), 48–58.

Tian, K. T., Bearden, W. O., & Hunter, G. L. (2001). Consumers' need for uniqueness: Scale development and validation. *Journal of consumer research*, 28(1), 50-66.

Tueanrat, Y., Papagiannidis, S., & Alamanos, E. (2021). Going on a journey: A review of the customer journey literature. *Journal of Business Research*, 125, 336-353.

Vallerand, R. J., & Blissonette, R. (1992). Intrinsic, extrinsic, and amotivational styles as predictors of behavior: A prospective study. *Journal of personality*, 60(3), 599-620.

Van Doorn, J., Lemon, K. N., Mittal, V., Nass, S., Pick, D., Pirner, P., & Verhoef, P. C. (2010). Customer engagement behavior: Theoretical foundations and research directions. *Journal of service research*, 13(3), 253-266.

Woolley, K., & Fishbach, A. (2016). For the fun of it: Harnessing immediate rewards to increase persistence in long-term goals. *Journal of Consumer Research*, 42(6), 952-966.

Yang, Z., & Peterson, R. T. (2004). Customer perceived value, satisfaction, and loyalty: The role of switching costs. *Psychology & marketing*, 21(10), 799-822.

Zeelenberg, M., & Pieters, R. (2004). Beyond valence in customer dissatisfaction: A review and new findings on behavioral responses to regret and disappointment in failed services. *Journal of business Research*, 57(4), 445-455.