

## **Gender differences in the customer response to retail loyalty cards: Findings from supermarkets in the UK**

Loyalty cards are one of the most common strategies within loyalty programmes, and are implemented by major retailers in the UK. The cardholders receive the relevant benefits and reward such as receiving points based on their purchases, and which can be redeemed against the future purchases or against selected products or services of the retailer's partners, or receiving discount coupons based on the cardholders purchase history. Loyalty cards were launched to enhance store loyalty and to build a stronger customer relationship (Mauri, 2003). Those loyalty cards seem to be an efficient way to demonstrate to customers that they deserve special attention (Dowling and Uncles, 1997). Moreover, they can be an important factor for customers' decision-making towards their relationship (i.e. build, maintain), with a retailer (Rowley, 2007).

Despite these theoretical contentions, the effect of loyalty cards on customer loyalty behaviour is not transparent (Pandit, & Vilches-Montero, 2016). There are some contradictory findings: on the one hand, a positive influence from loyalty cards on customer loyalty was found in studies by Sharp & Sharp (1997), Noordhoff et al. (2004), Demoulin and Zidda (2008), Omar et al. (2013), and Pandit and Vilches-Montero (2016). On the other hand, Divett et al. (2003) and Bellizzi and Bristol (2004) argue that store loyalty cannot be obtained through loyalty cards. One of the reasons is that loyalty cards are treated as sales promotion; hence, loyalty cards do not achieve loyalty objectives (Bellizzi and Bristol, 2004). Moreover, although, loyalty cards in grocery retailing are being widely investigated from different points of view

(see Cedrola & Memmo, 2007; 2010; Demoulin & Zidda, 2008), there is a dearth of studies focusing on gender differences in the formation of customer loyalty, especially for grocery retailers in Europe (Audrain-Pontevia & Vanhuele, 2016). Past studies in retailing settings have demonstrated differences between male and female shoppers in shopping style, behaviours, attitudes and perceptions (Babin et al., 2013; Borges et al., 2013; Faqih, 2016; Mortimer and Clarke, 2011; Yildirim et al., 2015). Regarding loyalty, Melnyk (2014) found that women tend to be loyal to individuals (i.e. service employees), while men are more loyal to companies. A study by Audrain-Pontevia and Vanhuele (2016) found that male shoppers are more loyal than women to the store chain, while female shoppers are more loyal than men to individual stores. However, no study so far has explored gender differences in customer responses to loyalty cards in retails. If distinctive attitudes towards store loyalty exists by gender (Melnyk, 2014; Audrain-Pontevia and Vanhuele, 2016), then, the effect of a loyalty card on store loyalty may be different between female and male shoppers. If there are such differences in the customer responses to a retail loyalty card, then the implication would be that retailers should distinguish male and female shoppers, and target each gender with somewhat different loyalty programmes. Hence, the purpose of this paper is to investigate gender differences in the effects of loyalty cards on store loyalty in the retail sector.

## **Methodology**

In order to investigate the research questions above, this study utilised a questionnaire survey of supermarket shoppers in the UK. The content of the questionnaire was drawn from survey items used in previous research. Items for

*store loyalty* are adopted from Zeithaml et al. (1996), measured from 1 - unlikely to 5 - likely. Customer perception of *store quality* is assessed by 3 items: from bad to good, from poor to excellent, and from below expectation to above expectation. Customer *satisfaction with the store* is evaluated by 3 items from dissatisfied to satisfied, from unhappy to happy, and from displeased to pleased. These 6 items were adopted from Sharma et al. (2016) using a rating scale of 1 to 5 for each of the items. Extensive pilot testing was undertaken to ensure that the questions were both comprehensible and easy to complete. The pilot sample was analysed using Partial Least Squares (PLS) and demonstrated a good level of reliability and validity of measurement items. Data collection took place in the summer of 2016. Structured face-to-face interviews were conducted with passer-by consumers in various town centres in the UK. After 4 weeks, the number of target responses (at least 300) had been achieved and interviewing therefore ceased. A total of 358 usable responses were collected. Within the total sample, 74% of the supermarkets investigated employed a loyalty card and hence, the analysis will be based on this sub-sample (265 responses). The sample was analysed with SPSS.

## **Findings and Discussion**

Within the 265 responses, 38% (101) are males compared to 62% (164) females. Some 87% (143) of the female shoppers had a store loyalty card compared to 78% (79) of the male shoppers. The mean score on the store loyalty measure, ranging from 1 (unlikely to be loyal) to 5 (likely to be loyal), was 3.9 (SD = .846) for females and 3.6 (SD = .926) for males. An independent samples T-test showed that this difference in mean score was close to statistical significance at conventionally

accepted levels ( $p = 0.06$ ). In other words, there was marginal evidence of a gender difference here.

Regression analysis indicated that a loyalty card appeared to affect store loyalty for female shoppers, but this was not the case for male shoppers (Figure 1). There was a statistically significant ( $p < .05$ ) relationship between store loyalty and possession of the store loyalty card for females, but the relationship was not significant for male shoppers. Moreover, for females, the possession of a loyalty card was associated with an increase of 0.49 points in the store loyalty score.

Regression analysis also indicated that a loyalty card influenced customer perception of store quality, and customer satisfaction with the store for female shoppers, but this was not the case for males (Figures 2 and 3). There was a statistically significant ( $p < .05$ ) relationship between store quality and possession of the store loyalty card, and between store satisfaction and possession of the loyalty card for females, but these relationships were not significant for males. The store quality measure runs from 1 to 5 as does the store satisfaction measure. The possession of a loyalty card was associated with an increase of 0.32 points in the store quality score, and with an increase of 0.38 points in the store satisfaction score, for females.

For females, a retail loyalty card influences not only store loyalty, but also store quality and satisfaction. Hence, female shoppers who possess a loyalty card were likely to perceive store quality to be better, are more satisfied with the store, and are more loyal to the store. For males, the possession of a loyalty card does not have

any impact on store loyalty, or on the antecedents of loyalty such as quality and satisfaction. According to Demoulin and Zidda (2008), Pandit and Vilches-Montero (2016), and Omar et al. (2013), satisfaction with a loyalty card, or perceived value of a loyalty card have resulted in store loyalty. Loyalty cards have been seen as sales promotion (Bellizzi and Bristol, 2004), or regarded as a two-way communication between the store and the cardholders via the retail website, leaflets and mails or e-mails (Rowley, 2005; Omar et al., 2013). Hence, from the results above, it is possible that male cardholders may not be satisfied with a loyalty card as sales promotion, or two-way communication, or may not value the rewards associated with the loyalty card in the way that females appear to do. Hence, for male shoppers, it would be difficult to create or increase store loyalty via loyalty cards.

## **Conclusion**

The findings confirm that, on the one hand, a loyalty card influences store loyalty (Sharp & Sharp, 1997; Noordhoff et al., 2004; Demoulin and Zidda, 2008; and Pandit and Vilches-Montero 2016) for female cardholders, and on the other hand, a loyalty card has no impact on store loyalty (Divett et al., 2003; Bellizzi and Bristol, 2004) for male cardholders. The research has indicated that there is a gender differences in the customer responses toward a retail loyalty card. Hence, for male shoppers, retailers should focus on loyalty programmes other than loyalty cards in order to create and increase store loyalty. The next stage of this research aims to investigate suitable loyalty programmes for male shoppers which would increase store loyalty.

**Figure 1: Regression analysis. Dependent variable is store loyalty**

Coefficients <sup>a</sup>							
19. Are you?	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
		B	Std. Error	Beta			
Male	1	(Constant)	3.400	.196		17.306	.000
		16. Do you have a loyalty card with the supermarket you have chosen above?	.304	.222	.136	1.368	.175
Female	1	(Constant)	3.419	.181		18.869	.000
		16. Do you have a loyalty card with the supermarket you have chosen above?	.487	.194	.194	2.506	.013

a. Dependent Variable: StoreLoyalty

**Figure 2: Regression analysis. Dependent variable is store quality**

Coefficients <sup>a</sup>							
19. Are you?	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
		B	Std. Error	Beta			
Male	1	(Constant)	3.909	.164		23.795	.000
		16. Do you have a loyalty card with the supermarket you have chosen above?	.112	.186	.060	.603	.548
Female	1	(Constant)	3.778	.145		26.092	.000
		16. Do you have a loyalty card with the supermarket you have chosen above?	.329	.155	.165	2.125	.035

a. Dependent Variable: StoreQual

**Figure 3: Regression analysis. Dependent variable is store satisfaction**

Coefficients <sup>a</sup>							
19. Are you?	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
		B	Std. Error	Beta			
Male	1	(Constant)	4.106	.169		24.301	.000
		16. Do you have a loyalty card with the supermarket you have chosen above?	.172	.191	.090	.902	.369
Female	1	(Constant)	3.968	.172		23.012	.000
		16. Do you have a loyalty card with the supermarket you have chosen above?	.381	.185	.160	2.065	.040

a. Dependent Variable: StoreSatis

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