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Customer Relationship Marketing

- Loyalty, Bonding, and Commitment; creating strong relationships with customer and high retention rate?

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Executive Summary

Customer relationship marketing has become an interesting choice of strategy for companies in today's competitive markets. Different positioning strategies like price and product quality are easy to imitate, eluding the importance of sustainable competitive advantage. The customers need to be attracted and bonded towards the store through relationships. The paper discusses several factors affecting relationship marketing and the advantages with this strategy. Through the theory part the reader will gain a strong impression of what relationship marketing is all about, and the different factors affecting this phenomenon. Several fundamental issues in relationship marketing will be discussed; loyalty building, committed consumers, building bonds with the consumers, loyalty programs and the advantages of implementing a customer relationship strategy.

Through discussions with Kjetil Løken, marketing manager of G-sport, and different interesting theoretical findings, a problem definition has been identified. The problem definition focus on which factors that affects the relationships with the consumers, and their importance in building loyalty, satisfaction and commitment. The research is also creating a picture of the different segments in the market, and their attitude towards relationship building and loyalty, as well as discussing the importance of the importance of salespeople, and their impact on the customers shopping experience.

A survey was conducted with 160 random respondents, mostly student and fulltime employees between 20 and 30 years old. They answered a questionnaire posted on the internet, through Visual Partners server.

Though several significant analysis using methods; regression, ANOVA, correlation matrix, factor and cluster analysis, the respondent's attitudes was investigated into depth creating an interesting picture of customer behavior and attitudes.

Findings show that it's very difficult to build loyalty towards the store, but by implementing the strategy effectively, futuristic growth for the company will be a fact. In the sport store industry, most of the relationship building is in the hands of the frontline staff and their conduct towards the consumers.

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1.1.1 Problem Definition

1.2.1 G-Sport - Company Background

G-sport is Norway's largest sport chain with 220 stores all over the country. They have a market share of 31 %, and a turnover of 1, 8 milliard NOK in 2002. Every year more than 10 million people visit the chain stores, and G-sport are ranged as one of Norway's 15 best known brands.

1.2.2 History

In 1901 Aksel Gresvig, a professional cycling athlete, established a sport store in Oslo. In 1908 he started producing cycles called Diamant, which he used to win the famous cycling race Trondheim-Christiania, and in 1926 the store started exporting skies to Europe and Northern America. The famous G were established in 1927, and by 1930, the G became a well known symbol through sponsorship of famous winter athletes. 1969 was the year when G-Sport established over 200 stores around the country. The company changes to a franchise system in 1989, and 5 years later the company gets listed on Oslo Børs. Gresvig is now a Holding company controlling G-sport, as well as Intersport which they bought in 1997. In 2001 Gresvig was 100 years old, and in 2002 they became the best stock on Oslo Børs. In 2003 a new communication profile was established, focusing on the family segment, offering high knowledge and service.

1.2.3 Segments

The G-sports segment is people from 15-50 years old focusing on the common Norwegian family as their main customer; "we are the ones helping the Norwegian family best in choosing the right sports equipment". Through enthusiasm, knowledge and dedication G-sport will become the self-imposed sport chain in Norway.

Age:	Young & unestablished	Establishing a family	Family	Older people
	Young expert	Expert	Active Sporty	
Activity Level	Young Sporty	Sporty	Active Leisure	Golden Oldies
	Active	Balanced	Levelheaded	Safe Age
Total Marked:	689 000	684 000	1 250 000	906 000

Source: G-sport E-learning

The yellow star ⭐ is G-Sports primary segment, families who use sport as leisure in the everyday life. This segment has a total market share of 1 250 000 million people, while their secondary segment is establishing families who have an activity level of being sporty (market share 684 000). The secondary segment is important for G-sport because these customers will become their primary segment in the near future.

1.2.4 Positioning

A research carried out by G-sport has positioned the brand as trustworthy, family oriented, good service and friendly. These factors reflect the G-sports segments. The respondents think of the famous Norwegian cross country skier Bjørn Dæhlie, when they are asked to link a person to the G-sport brand. A person with high family values, well liked, sporty as well as professional and quality aware.

By looking at a positioning Figure 1 (9.2.1 Figures), four positioning strategies has been identified. In the recent years G-sport has been in the middle of all these positions, but as competition increase, the importance of a clear position strategy becomes important. G-sport is therefore focusing on becoming the number one store for the Norwegian people, attracting families using sport as leisure in the everyday life. By doing so, G-sport needs to develop the right product mix and quality, having the right equipment to the right price, served to the customers through excellent service. This will be done through highly motivated and knowledgeable employees offering higher than expected service to the customers.

G-sport has created a unique service policy, where the customers can substitute their product within two weeks if they are not satisfied with the one they bought. This is emphasizing their position strategy offering excellent service and guarantee of satisfaction.

1.2.5 Markets & Competition

Through research it's been found that several factors are of importance to reach the customers. The perfect sport store has several important factors where location, price, product mix, service and opening hours are main factors. G-sport has strong market shares on location, being represented in the whole country. But changes has occurred in the price segment, where XXL has entered the market and become sport store number one focusing on price. G-sport are therefore in need to get a stronger position in the market becoming the ultimate sport store offering strong product mix, in combination with high service, and knowledge creating a special shopping experience for the customer. The tight competition for G-sport is found to be in the big cities like Oslo, Stavanger, Trondheim, and Bergen.

From Figure 2 (9.3.1 Figure 2), the perception of the G-sport brand lies in family orientation, as well as good service helping the customer in choosing the right equipment. XXL has completely taken over the low price position, while G-sport and XXL seems to both have an attractive product mix. XXL has become the no 1 competitor in the big cities of Norway, by positioning on price. G-sport will focus on service and a unique shopping experience, which is similar to the position strategy of Intersport, Sportshuset and Anton Sport. The competition in the sport industry is evolving to new heights.

1.3.1 Problem Statement and Research objectives

New marketing strategies are developing, and in recent years CRM (customer relationship marketing) has gained lots of interest. Companies see that building relationship with customers gain several advantages; lower costs of gaining new customers and less price sensitive consumers. When talking about CRM in this setting, research will focus on investigating the important factors creating long term relationships, like loyalty, bonds, commitment and satisfaction.

G-Sport is focusing on the family segment, offering high service and knowledge to the everyday family. Creating bonds with this segment can be extremely useful for G-sports futuristic growth, making these customers more loyal to the store. Through customer relationship marketing G-Sport will be in top of mind of their customers, and become the self-imposed store for shopping sports equipment. By offering "Care marketing", creating a special shopping atmosphere for the customer, G-sport can try to create higher retention rate and long term relationships with the consumers. This will hopefully create less price sensitive consumers and more service oriented customers.

The research will look at the general consumer's attitudes toward several relationship factors; service, product mix, product quality, communication (Advertising), price, location and employees knowledge, and how they affect the respondents. Analysis will explore the overall attitudes towards relationship and loyalty, as well the respondent's involvement in loyalty programs. All research objectives will create an overall view of the respondents and their attitudes towards relationships and loyalty.

1.3.2 Objective 1 – Segmenting the respondents

Identification of the perfect customer is susceptible to relationship marketing. Through different variables a picture of the respondents will be identified. Segmenting the respondents, looking for different customer groups, and their relationship towards variables like service, product mix, product quality, price, location advertising and employee knowledge, are important in identification of the segments values and attitudes. By looking at the different segments, G-sports can easier identify which customers they

should try to reach when implementing CRM, and what kind of marketing tools that will affect these different groups.

By looking at the G-sport profile, and the consumer's profile, similar values between the store and consumer can be identified. Variables like age, gender, income, preferences for service and so on will be used to create the "best consumer profile".

Create a profile of the perfect customer for implementing relationship marketing strategies. What does the highly loyal and long term relationship customer look like?

1.3.3 Objective 2 – variables affecting loyalty

In general, which factors are most important for the common customer when shopping, and which of these factors make the customer loyal? Strong traits will be found to identify which factors that is most equivalent with loyalty. How strong impact do price have on the customers compared to other factors like salespeople, location and service? Which variables (service, product mix, product quality, communication, price, employee knowledge and location) are most effective creating relationship with the store, and how are the different variables correlated to each other. How can these variables be classified creating a strong overall variable, affecting the respondents to build relationships?

Identify the impact of the different factors creating loyalty, and identify correlations between these factors and the strength of loyalty with the customer. Which variables are directly dependent building loyalty and relationships toward the store?

1.3.4 Objective 3 – Loyalty Program users

Identify the typical user of loyalty programs, and which factors he/she thinks is applicable when it comes to creating a good shopping experience. Are the loyalty programs users more price sensitive than the non users, and vice versa? Loyalty program members, do they visit the store more often than the non users, and do they seem to be more loyal than other customers? Is it possible to divide the respondents into loyalty program users and non users, and do their values different significantly?

Identify the typical loyalty program user, and what loyalty factors that is important for this segment. Is there a connection between highly loyal customers and loyalty program users?

1.3.5 Objective 4 – Word of Mouth

Relationship marketing has been found to have several advantages, and one of them is word of mouth. Are there a clear correlation between loyal and satisfied customers and how often they talk about their shopping experience to others? Is word of mouth a remedy creating competitive advantage, creating higher income for the store, and is it only a myth that dissatisfied customers more often use word of mouth than the satisfied ones? Identification of the word of mouth user and its customer values will be created to find out what the typical word of mouth user appreciate. What variables are strongly affecting the use of negative word of mouth, versa the positive word of mouth? Which variables correlate towards the use of positive and negative word of mouth?

Do the consumers often use negative and positive word of mouth, and which variables are influencing the use of this external marketing tool? What variables are in focus when it comes to word of mouth, and are the respondents using negative word of mouth more often than positive?

1.3.6 Objective 5 – Salespersons impact and relationship

Research has found that the salesperson has great impact on the shopping experience. How much impact do the salespeople have on loyalty and relationship building, and are there any correlations between positive word of mouth and the salesperson. Do the salespeople have a strong impact on the highly loyal consumer?

Identify the impact of salespeople on creating relationships with customer and acquire positive word of mouth. Are salespeople an important variable for the highly loyal customers?

2.1.1 Theoretical Part

2.2.1 Introduction to relationship marketing

The sport industry has become extremely competitive in Norway, and the companies need to explore their possibilities to retain and gain new customers. Relationship marketing has got lot of attention lately, from both the academic and business environment. Through customer relationship marketing (CRM) businesses try to create higher customer loyalty, satisfaction, commitment and retention. Relationship marketing has been defined as marketing activities that attract, develop, maintain and enhance customer relationship (Parasuranam, Zeitmahl & Berry 1985, Gronroos,1984). It has changed the focus from short term, discrete transactional customers to retaining long term, intimate customer relations. The Growth Matrix (9.4.1 Figure 3) show the different ways of gaining growth in the market. The transactional marketing focus on new customers with existing products (market expansion - blue circle), while relationship marketing focus on satisfaction and loyalty, by keeping their old customers with existing products (red circle) through strong customer relations. In the past, retailers described themselves of what they sold, while today the focus is creating identity and a unique personality that embodies customer's aspirational and experiential desires. The main purpose is to improve long run profitability by shifting from transaction-based marketing, with emphasis on winning new customers, not retaining the old ones (Ryals & Knox, 2001). Focus on customer retention rather than capturing new customers is one of the cornerstones of relationship marketing (Javalgi, Whipple & Ghosh, 2005). The strategy focus on keeping the most profitable customers and dropping the unprofitable ones leading to improved profit margins (Subhash, 2005). CRM has also been found to make consumers buying decisions more efficient and more economical, and reduce choices saving time and mental discomfort for consumers (Subhash, 2005). Another important definition of CRM has been identified: "Relationship marketing is defined as establishing, maintaining, enhancing and terminating relations with customers and other partners" (Chiu, Hsieh, Li & Lee, 2003). This definition is dominant in industrial marketing, but also essential for retail marketers. Creating relations with the customers makes them choose your store when they have needs. Advertising and other

promotion tools will much easier be overlooked by customers if they have a relation to the company's store (Naumann, 1995). The CRM strategy should be implemented through effective use of the 4p`s, as in price, place, promotion and product (Subhash, 2005), by positioning and creating strong company image, reflecting their relationships towards the consumers.

Ryals & Knox, (2001) reported of the importance of increasing focus on customer profitability, lifetime value, retention and satisfaction. They found that 90 % of organizations recognize the value of customer retention, while 60 % thought there were links between customer loyalty and duration of relationship. 45 % said that loyalty marketing yielded a better return on investment than expenditure on advertising (Reed, 1997), supporting the importance of CRM.

Relationships can be built on reputation, price levels, company name, service quality and communication with the customers (Nguyen, & LeBlanc, 1998). By creating customer value and bonds with the consumer; customer-loyalty, -satisfaction, -commitment and -retention will be achieved.

2.3.1 Long term Relationship & Customer Retention

The focus is on the customer, and creating long term relationships, not just gaining short term profits from marketing campaigns (Ryals, & Knox, 2001). Long term relationship with customers has been found to give competitive advantages like economic benefits, special treatment from customers and social benefits (Wong & Sohal, 2002).

Relationship marketing will try to establish trust, satisfaction, loyalty and commitment towards the customer, creating high retention rate. The most important factor is customer retention, where the store is able to keep the customers from buying from competitors. Reichheld and Sasser (1990) contributed to the relationship marketing concept reporting that customer retention work. 5 % increase in customer retention increased the average customer lifetime value between 35 and 95 %, increasing company's profit (Ryals & Knox, 2001). By retaining customers for one year or more they will become profitable, reducing the costs of customer acquisition. The customer will buy more over time, and the companies become more efficient serving them

(learning to know the customers preferences). The company's marketing strategy must focus on creating a good fit between company offering and the customer needs and values, building attitudinal and behavior loyalty (Reinartz & Kumar, 2002). Delight the customers to nurture, defend and retain loyalty will gain strong competitive advantage and high switching costs with the consumer. A competitive advantage becomes strong and sustainable if it resists erosion of the behavior of competitors (Javalgi, Whipple & Ghosh, 2005), and create a strong company profile which is difficult for competitors to imitate.

Customer retention has been found to depend critically on the quality of and satisfaction with the service, and indicates some kind of relationship between the customer and the store displaying customer loyalty (Liljander & Strandvik, 1995). Successful stores will develop referencable customers (word of mouth), foster customer forgiveness and create relationship equity (Conway & Fitzpatrick, 1999). The satisfied customer will be less price sensitive, recommend the store to other customers, and gain value from the relationship (Ryals & Knox, 2001). Relationship age has a positive effect on customer retention, which leads to higher profitability. Managers strive to affect customer retention, but should focus on creating committed customers through strong long term relationships, leading to high retention rate (Braum, 2002). Reichheld (1996) found that typical organizations looses 10-30 % of its customer every year, while an increase of 5 % retention rate can increase the value of an average customer lifetime profits by 35 – 100%. On average US Corporation lose one half of their customers over five years, emphasizing the importance of customer loyalty and retention.

It's been found that high retention is an outcome of high customer value. Research found that after one year, 95 – 97 % of customers rating "excellent" value stayed, while 82- 86 % of those rating "very good" value stayed as well. Even 62 – 65 % of the respondents rating "good" value stayed with the company (Nguyen & Leblanc, 2001). Gupta, Lehmann, & Stuart, (2001) found that 10 % improvement in retention increase the firms customer base with about 30 %, while 10 % in acquisition cost improves value by only 1 %. Identifying the customers value, through the customer value

model (Appendix 8.2.1 - Figure 1), is an important issue to implement and create successful relationship marketing strategies.

Economical factors are one drive for relationship marketing, but there are also intangible, non-economic drivers that make contribution to the company. Relationship equity; where loyal customer is an excellent referral source for other potential customers creates stronger brand image (Conway & Fitzpatrick, 1999). Loyal customers are also willing to forgive an event and stay with the store over long time. The long term reputation will influence the company and brand image. The customer gains an image and relation to the company, and knows what to expect. The ability to attract additional customers as a result of personalized level of service is an important gain of Customer Relationship Management (CRM). Reduced costs are also benefits with relations towards the customer by using less money on communication and advertising distribution to attract consumers. Reduction in channel costs are a fact, as the company offers customers new contact methods, such as Internet ordering access, direct sales and loyalty programs (Conway & Fitzpatrick, 1999). The strategy will uncover opportunities to reduce costs and gain higher revenues. An Uppsell- (selling upgraded, higher margin services or products), and Cross-selling potential (incremental revenue opportunities by selling new products or services) are other economical advantages with CRM (Conway & Fitzpatrick, 1999).

2.3.2 Fundamental Steps

Four fundamental steps have been found to enhance customer relationship strategy. (1) Identifying the unique characteristics of the target customer (Customer Value Model – Appendix 8.2.2) and (2) modeling the potential and unique value of each segment. The business then need to (3) create proactive strategies and operational plans to reach the most valuable segment, before (4) implementing these strategies through technology, reward systems and an unique shopping experience (Conway & Fitzpatrick, 1999). Information on the segmented customers is needed to find their values, and identify the customer's profiles. A micro segmentation of markets according to customer's needs and wants are necessary (Ryals & Knox, 2001). To build an effective

CRM strategy, the company needs to identify unique characteristics of each customer within the organizations segment. A value analysis of the customers will help the company reach their customers efficient, and create an image that the consumer identifies with (Conway & Fitzpatrick, 1999). The business strategies must be implemented in the way that supports the desired experiences for the target customer, and redesigning the organization might be necessary.

2.4.1 A Customer Value Model

The Functional component of relationship marketing is related to tangible characteristics which can easily be measured (price, product), while emotional components associated with psychological dimensions (service quality and image) are more difficult to manifest (Appendix 8.2.2). Perceived value is different from quality and a more comprehensive evaluation of service. Value can be a more enduring global evaluation, an overall evaluation of service consumption experience like satisfaction, quality and shopping experience (Nguyen & LeBlanc, 1998). These feelings depend on the service given and, individual experiences with the store, and has a great impact on the stores image.

By understanding the customer drivers and feeling, companies can tailor their offerings to maximize customer value, and gain high profitability (Ryals & Knox, 2001). By looking at Appendix 8.8.2 – Figure 1 (Naumann, 1995), the components of value have been identified. Four factors (price, service quality, product quality & image) have been identified to directly affect customer's perception of value. The store can through identification of these factors create company value in congruence with the customer's values.

Price is an extremely important value, and a well known strategy to position the store. Product quality; focusing on the product mix and quality are also crucial reaching the right segment. The regular family doesn't often visit a store, which focus on specialized snowboards and skies. Other factors affecting customer value are factors like location, accessibility, convenient parking and store design.

Service quality is also becoming more and more conceit and people are demanding good service and short waiting times. Service quality involve factors like

availability of salespeople, knowledge and helpfulness of employees and a strong return policy for the customer, as well as complaint handling and information availability. The service factors are becoming increasingly important in today's market to gain competitive advantage.

Image of the retailer is built by the different positioning strategies through the use of price, service and product quality. Several of these factors will be used for the customer to evaluate the corporate image. Gronroos (1984) says that image is built mainly by technical quality (what the customer receives from the service experience), and functional quality (the manner in which the service is delivered). Other researches like Bitner (1990, 1992) have an opinion that the physical environment is instrumental in communicating the image to the customers. Still, the most well known value proposal originate from Barich and Kotler, (1991); "that a company will have a strong image if the customers believe that they are getting a high value when they buy from it." Factors like good products, high service quality and reasonable prices are therefore important issues in creating a strong company image. The image must be in congruence with the segments values and the company's positioning, creating recognition with the customer (Naumann, 1995).

Figure 2 (Naumann, E., 1995, page 18) goes more into depth explaining how much influence different attributes of value have on the customer. Price is the most important factor with 30 % of customer's value. Price is therefore often used as a positioning strategy. But service, people, communication, place, product and image have a much more collectively influence on the customers perception than price. A "100 % satisfaction" policy would have a great impact of decreasing price sensitivity. This is a strong way creating relationships to the customers. Figure 4 (9.5.1 Figure 4) is quite interesting, identifying that location, size and design of store are of great importance, while people, product and communication has less impact of the overall value of money. Under the product column, it's important to identify how important the product mix is. A mix with both everyday low prices and high quality/price brands gain lots of value and reaches many segments.

Delivering good value enhances the sales and marketing effectiveness (Shoemaker & Lewis, 1999) and leads to higher customer loyalty and retention, as well

as market share. It's been found that good value leads to reduced operating costs, and more positive attitudes among customers and employees (Naumann, 1995). Gaining new customers are often expensive, and create high customer turnover for the company. So by providing high value, the firm will retain a larger proportion of the customers. A clear link between customer value and relationship marketing is identified, and to build customer relations in the retail sector, customer's value must be identified.

Customers are becoming more and more demanding, emphasizing the importance of service and satisfaction. Retailers delivering better customer value than the competitors will grow and prosper. Customers demonstrate a willingness to fire a firm with little remorse if they receive poor value. Understanding and managing customer value has therefore become an important strategic issue, under the relationship marketing process (Nguyen, & Leblanc, 2001). When the segmented customer's value has been identified, the strategy will be to create relationships with the customers. It's important for the business to attract the right customer, not necessarily the easiest ones. The most profitable customers are the ones who are likely to do business with the store over time (Reichheld, 1993). Through strong brand positioning, well identified segments and identification of customer values, a solid background is established creating relationship management strategies. Often, the best customers are often the ones to go first, it's therefore extremely important to create strong relationship to these customers, gaining customer retention (Reichheld, 1993).

2.5.1 A Relationship Quality Model

Liljander & Strandvik (1995) presented a relationship model clarifying the correlation between several fields of relationship marketing. The model (9.6.1 Figure 5) will be used as guidance in the literature review, explaining several issues around the relationship marketing phenomena.

In the first level of the model, the consumer evaluates the relationship performance across all episodes of the relationship, and compares the store with competitors and personal values. Customer values like excellent service, product quality, product mix, knowledge of salesperson and price will be compared with expected values. By analyzing the customer, through the customer value model (Appendix 8.2.2),

predictors of disconfirmation will be identified. If strong customer values have been identified in level 1, a relationship is initiated. Level 2 (zone of tolerance), explains some of the strength in the relationship. How tolerant are the customer to variation of the performance within the relationship? Level 1 and 2 goes into level 3 (relationship value), which compares the quality of the relationship with the relationship sacrifice. Is the customer willing to sacrifice time or money to expand the relationship quality? The relationship value is crucial in creating relationships, where customer's value should be in congruence with the relationship performance, making the customer satisfied and willing to sacrifice time and money for the relationship. The perceived relationship value creates an image of the store, which can be both positive and negative, depending on the customer's values.

Oliver (1997) found that the company's profit was contingent on a sequence of three factors; quality, satisfaction and loyalty. These factors lead to repurchase intentions, and higher profits. Quality (relationship values), the initial construct in the sequence is the performance of the service and product, and the disconfirmation/confirmation of expectation of the product, which has a direct effect on customer's satisfaction (Trail, Anderson, & Fink, 2005). Customer commitment and loyalty are other outcomes of strong customer value (level 1), relationship values (level 3) and satisfaction (level4), leading to higher market share and reduces operating costs. Positive attitudes among customers and employees are other advantages of customer value creation (Nguyen, & Leblanc, 2001).

Through the relationship value and satisfaction, some of the most important and most discussed issues in relationship marketing are identified. Level 5; Futuristic Behavior, Bonds and Image, are outcomes of a relationship, creating loyalty and commitment. These issues are discussed in the next paragraph. Level 6-9 are similar to level 1-4 but investigate each single episode the consumers experience within the relationship (e.g. every time the consumer visit the store). "Satisfaction, service quality and value may all be experienced on both an episode and a relationship level" (Liljander & Strandvik 1995). Liljander & Strandvik (1995) has described the different concepts in a table which is attached as Appendix 8.3.1. The most important levels of the model are discussed in depth to understand the importance of each factor in relationship marketing.

2.6.1 Relationship Satisfaction

Satisfaction became a popular marketing topic in the 1980s and is a debated issue of both business expansions and recessions. Satisfaction plays an important role in relationship marketing involving customer expectations of the service delivery, actual delivery and customer experience which are either exceeded or unmet (Javalgi, et.al., 2005). Oliver (1993) argues that service quality is an antecedent to satisfaction. That satisfaction is always connected to transactions involving service quality, and that quality precedes satisfaction when a customer evaluates a relationship (Liljander & Strandvik 1995). This is supported by the relationship quality model (Figure 3 - Liljander & Strandvik 1995), where relationship satisfaction is an outcome of the relationship quality (including service quality). Satisfied customers are more tolerant, and less likely to demand product repairs or replacements. Consequences of customer satisfaction are positive influences on purchase intentions and post purchase attitude (Javalgi, et.al., 2005). Indirect effects like revenue growth, repeat purchase, cross-selling and price premiums, as well as positive referrals are advantages with strong satisfaction among customers (Edvardsson, Johnson, Gustafsson & Strandvik, 2000).

Satisfaction is affected by both the perceived sacrifices and service quality, and is antecedent to futuristic behavior like loyalty and commitment (Liljander & Strandvik 1995). But customer satisfaction can not be seen as customer loyalty. There are mixed results analyzing the relationship between satisfaction and loyalty. Many studies have found that satisfaction often is the leading factor to creating loyalty (Anderson & Fornell 1994; Oliver & Linda 1981; Pritchard 1991), but other studies suggest that satisfied customers are not enough to create loyal customers (Cronin & Taylor 1992; Fornell 1992; Oliva, Oliver, & MacMillan 1992). Satisfaction measures how well the customers expectations are met by a given transaction, while loyalty focuses on repurchase intentions and engage in partnership activities (Shoemaker & Lewis, 1999). Customer satisfaction with the relationship creates higher loyalty, influencing the customer retention. It's hard to have loyalty without satisfaction (Shoemaker & Lewis, 1999). Satisfaction is a necessary condition for loyalty building, but not sufficient on its own. Customer satisfaction is therefore not a surrogate for customer loyalty, and increased

satisfaction doesn't necessary lead to increased customer loyalty, but is an antecedent of building strong consumer loyalty (Gramler & Brown, 1996). Many customers may be satisfied, but not loyal toward the store (Shoemaker & Lewis, 1999).

Intuitively, increase in customer satisfaction increase retention and profits, but facts show differently. Research conducted show that between 65-85 % of customers say they were satisfied or very satisfied, while repurchase intentions rates where only 40 % (Reichheld, 1993). Satisfaction are therefore on its own, not a strong enough indication to create strong relationships with customers. Gramler & Brown (1996) concluded that service loyalty begins after a certain level of customer satisfaction has been achieved.

Determining the level of satisfaction with a motivation to remain in a relationship can be explained in the concept of comparison levels (Thibaut, & Kelley, 1959). The comparison level is "the standard against which member evaluates the attractiveness of the relationship or how satisfactory it is" (Thibaut, & Kelley, 1959, p. 21). A customer who experience declining outcomes from a shopping experience and are directly dissatisfied will enter a new relationship with reduced comparison level (Ganesh, Arnold, Reynolds & Kristy, 2000). Dissatisfied switchers will be more satisfied with their new service provider than other customer groups.

2.6.2 Correlation between product- and relationship satisfaction

Conway & Fitzpatrick (1999) developed a matrix, showing the relationship between product- and relationship satisfaction and loyalty (9.7.1 Figure 6).

The matrix shows that the customers dissatisfied with the relationship have the highest turnover. These customers show little loyalty toward the company. By offering a strong product mix/quality and a satisfied relationship, customer loyalty will be achieved. Customer A was satisfied with the product bought, but not with the relationship towards the store the store. This customer is very vulnerable by switching to competitors. If a company deliverers a high quality product there should be intentions of repeat purchase, but because of poor satisfaction with the relationship (e.g. service, location, convenience etc.) the buyer might not be loyal. This category can become a significant source of future cash flows moving into the loyalty box (customer B). Customer B is the company's best friend, very satisfied with product and with the relationship towards the

company. The customers have repurchase intentions and often refer the store positively through word of mouth behavior. This is the outcome of a successful relationship marketing strategy.

Customer C, are on the other hand a saboteur to the organization. A dissatisfied experience with the product and the relationship he/she will never buy from the company again. The outcomes are negative word of mouth, where the consumer discourages other potential customers from interacting with the store. Customer D is also dissatisfied with the product offered, and the key will be to focus on creating strong relations with the consumer. Customer D is willing to continue a relationship because of the strength of the buyer-seller relationship.

Fornell (1976) concludes that satisfaction positively affects loyalty, and service quality have the potential to impact on service loyalty. High quality leads to high level of customer retention which in turn is strongly related to profitability (Nguyen, N. & LeBlanc, G., 1998). As indicated from the relationship quality model, satisfaction is an antecedent to building futuristic behavior (loyalty, commitment), brand image and bonds with the customers.

2.7.1 Loyalty and commitment

Organizations carefully execute their overall business strategy to achieve sustainable competitive advantage. Companies often focus on price, products, switching barriers, service or processes. But these strategies run the risk of being copied, through price wars, replication of; products, processes and service models (Crosby & Johnson, 2005). By focusing on relationship marketing and loyalty sustainable competitive advantages difficult to imitate will be created.

Product quality, reliability and durability are getting more and more comparable across competitors, and companies need to distinguish from the competitors in other ways. Competing on price can be dangerous and ultimately lower profitability. In contrast, focusing on a complete service platform earning loyalty and commitment will increase earnings (Edvardsson, et.al, 2000). With customer loyalty at the center of your strategy, imitating the overall business strategy will be extremely difficult for competitors (Crosby & Johnson, 2005).

Customer loyalty in connection to customer relationship, are about taking the customer beyond satisfaction and delight by offering services that go beyond the perceived expectations (Lovewell, 2005). Loyalty occurs when the customer relevant needs are met, and that the competition is virtually excluded from the considerations because the customer buys almost exclusively from you (Shoemaker & Lewis, 1999). Loyalty consistently provides consumers with innovative solutions to create high-quality service that deliver and build upon the positive reputation of the brand (Crosby & Johnson, 2005). Loyalty represents customer's rejection of competitor's offerings, and changes the buying habits that constitute one of the most reliable overall indicators of the stores success. Understanding relationship management, in conjunction with loyalty and commitment, help the management effectively to develop communication strategies, enhancing the firms' image and positioning (Nguyen & Leblanc, 2001). The best customers are the loyal ones, they cost less to serve, are usually willing to pay more than other customers, and often act as word of mouth marketers for the retail store. Customer loyalty is therefore extremely important for the store, but also tremendously difficult to achieve (Reinartz, & Kumar, 2002). Profits will follow loyalty like night follow day.

Because of the potential future value of loyal customers, they should logically be in the heart of a company's most valuable customer group. But it's also important to state that not all customers should be targeted with retention and loyalty, because some of the most satisfied and loyal customers might still switch for reasons beyond the control of the company (Ganesh, et.al., 2000). The so called satisfied switchers will be discussed in paragraph 2.13.1. Zeithaml (1981) found that satisfaction, perceived risk with purchase, availability of substitutes, and the costs of switching are all determinants of loyalty.

2.7.2 "Earned" and "Bought" loyalty

Loyalty is often identified by customer retention between the store and the customer (Liljander, & Strandvik 1995). Edvardsson, Johnson, Gustafsson & Strandvik (2000) identified two types of loyalty; "earned" and "bought". Loyalty is "earned" when customers receive high quality and are so satisfied with their purchasing experience that they are inherently predisposed toward a particular company. Loyalty is earned through high satisfaction and service quality, rather than price promotions and other switching

incentives. When loyalty is "bought" the customer buy repeatedly because of effective price discounts, like price deal, coupons and trade promotions (often connected to loyalty programs).

9.8.1 Figure 7 identify the "earned" and "bought" loyalty. Strategies like discounts, bundled promotions and frequency programs are "bought" loyalty. The company tries to keep the customer through price discounts, while the brand relationship focuses on customer value and emotions. The consumer shows loyalty toward the company, because of high satisfaction and service quality within the relationship. The customers' value has been fulfilled and the shopping experience was more than satisfying (for the consumer). By looking at Figure 7, the brand relationship strategy gives higher profits, not by focusing on price promotion like discounts and low price frequency programs, but on emotions and customer values.

2.7.3 Traditional Loyalty vs. "Real" Loyalty

9.9.1 Table 1 has been inserted to show the difference between traditional frequency loyalty and real loyalty. The two concepts have the same objectives; to build traffic, sales and profits, but uses different strategies. Traditional frequency try to reach customers by offering incentives for repeat transactions, while the real loyalty try to establish personal brand relationship with the customer, by focusing the individuals emotional and rational needs and values. The traditional frequency are focusing on segments behavior and profitability (transactional), using strategies like collateral product discounts, free product and points of reward. The real loyalty (long term relationship focus) tries to create customer recognition by offering individual value, "inside information" and tailored offers. The two strategies have different measurements, where traditionally frequency focus on transactions, sales growth and cost structure, while real loyalty measure on individual lifetime value, attitudinal change and emotional responses.

Shoemaker & Lewis (1999) identified four types of loyalty based on degrees of repurchase and attachment. A high level of repurchase and attachment characterize *premium loyalty*, which is resistant to competitor offerings. *Inertia loyalty* is in contrast most susceptible to offerings from competitors. The customer has high repeat purchase

but no emotional attachment to the service provider. Frequency program create inertia loyalty, but a properly designed loyalty program can however move customers from inertia to premium loyalty (possible to create a high value customer).

When customers purchase services infrequently, even though they have emotional attachment to the store, *latent loyalty* occurs. The marketer needs to identify this customer segments value to understand why they have low purchase frequency, and develop strategies to make them premium loyal. The last category is *no loyalty*, where loyalty program and other marketing relationship tools don't have any impact on the customer at all. For some reasons, some customers never stay loyal to one company, no matter what value they receive. The companies should therefore try to avoid these people in favor of the loyal ones (Reichheld, 1993). Different strategies should also be considered when loyalty and profitability is considered at the same time. The non loyal customers should try to be reached in the short term through good fit of customer's needs and company's offerings, to achieve transactional satisfaction not attitudinal loyalty (Reinartz & Kumar, 2002).

2.7.4 Stages of Loyalty

Trail, Anderson & Fink (2005) divided loyalty into four stages; stage one is a *cognitive stage* where information about the product or service is evaluated on price and costs (low-loyalty stage). This stage can be compared to *Inertia loyalty*, while stage two; the *affective stage* is a combination of linking service and experiencing satisfaction. This stage is moving towards the *premium loyalty*. As loyalty increase, the individual might move over to stage three; *conative loyalty* (behavior intention stage). An indication for future purchase is developed. The final stage (*action stage*) is when the customer has a routine of going to the store which he is committed towards (*Premium loyalty*). This sequence of quality to satisfaction to loyalty elicits consumption behavior by the individual (Trail, Anderson & Fink, 2005).

To increase loyalty in today's market, companies need to do more than track typical metrics like defection and satisfaction. Coyles, & Gokey, (2002) identified two customer attitudes; emotive and deliberative, underlying loyalty profiles. The most loyal consumers are the **Emotive**; they feel strongly that the store and product is best for them,

and rarely reassess purchasing intentions (**premium loyalty and action stage**). This attitude is often built on intangible factors like relations with the front line staff, and long record of good satisfied shopping experiences (Coyles & Gokey, 2002). Other factors creating strong loyalty can be found in the customer value model (8.2.1 Appendix 1-Figure 1). The most important factors will be the intangible ones; customer service, staffing people and their knowledge as well as store image. These factors create strong exit barriers, and are difficult for the competitors to imitate.

Deliberators (**cognitive and inertia stage**) represents 40 % of the customers, and they reassess their purchase intentions on price and performance. Emotional appeals won't affect the customer. Deliberators who value convenience and quality would likely show some loyalty, while a more value-conscious customer might travel longer for better price and offering. Deliberators often reevaluate their purchase decisions and might be difficult to make emotive attitude consumers (Coyles & Gokey, 2002). These customers' values are more focused on price and product, rather than service. The retail store needs to figure out how to effectively integrate the internet, branch stores, mobile communication and loyalty programs to build customer loyalty and retention, making the deliberators move towards premium loyal (Conway & Fitzpatrick, 1999).

Consumers buying because of personal referral tend to be more loyal than those who buy because of advertisements. Customers buying at the standard price are more loyal than the ones buying on price promotions. It's also been found that home owners, middle aged people, and rural populations tend to be more loyal than the highly mobile population (Reichheld, 1993). Mobile people often move, and the relationship with the store often breaks down, which is an important issue for the company to identify. But its important to emphasize that customers who have switched providers for other reasons than dissatisfaction are less likely to have negative feelings and attitudes toward their previous service provider (Ganesh, et.al., 2000). These customers may often have a positive and satisfied image of the company, creating revenues for the company in the future. Customer loyalty, as a behavioral intention, is a strong indicator of how people act in the future and it may very well be the case that customers return to the same company again. But it's important to mention that the loyal customer doesn't necessary spend more

money in the store, but rather uses the relationship to get a good deal with the company. By doing so the loyal customers may be less profitable (Edvardsson, et.al., 2000).

2.8.1 Effects of satisfaction and loyalty

There is a clear link between satisfaction and loyalty, affecting the companies' revenues and image. Edvardsson, et.al., (2000); Keaveney, (1995); O'Brien & Jones, (1995); Reichheld, (1993); Crosby & Johnson (2005), identify advantages of loyalty and satisfaction which most well known researcher's concord on:

- ✓ **Acquisition costs**. There are extremely high costs related to gaining new customers. Costs like advertising and gaining awareness of the customers are saved by strong loyalty and satisfaction. The customer has his loyal store at the top of mind and automatically visits the store when new products are needed.
- ✓ **Base revenue**. The firm receives base revenues from the loyal and satisfied customers. The consumer will always visit the store when he needs accessories to the larger products consumed. The loyal customers ensure a steady stream of future customers. E.g. when buying a shot gun in the sport store, the loyal consumer will always get back to buy cartridge. High retention rate.
- ✓ **Revenue growth**. Revenue growth can be generated by cross selling and up selling of different products. It's easier to get a loyal customer to buy a better and higher priced product. These customers often spend more money in the store.
- ✓ **Operating costs**. Costs related to the purchase-consumption-repurchase cycle will decrease. The more knowledge the store has about the customer, like habits, problems and preferences, the easier and less costly it will be to serve them.
- ✓ **Word of mouth**. High satisfied and loyal customer creates more positive word of mouth, which will be discussed later on in the thesis.
- ✓ **Price premiums**. Loyal and satisfied customers are often less price sensitive than the non loyal. The consumers are less likely to go to the competitors because of price discounts or advertisements.

Customers also receive several benefits for being a loyal customer. These benefits include "a feeling of optimal satisfaction, a knowledge of what to expect, confidence in

the provider, friendship with employees, time savings from not having to search for a provider and other special treatments" (Gramler & Brown, 1996).

2.9.1 Loyalty programs

Berry (1995) identified two levels of developing relationship marketing. The first level is the use of economic incentives, such as price discounts and reward systems (E. g 2.1.1 loyalty programs), while the second level are much more focused on social attributes (E. g 2.4.2 salespeople role), giving the customer relationship a personal touch. New technology has become an important issue making the relationship more efficient by keeping in touch with customers through the internet. Through the development of databases about the customers, their needs are identified. Technology will gain further importance in the future, leading to higher efficiency, lower costs and improved service and productivity of sales. Loyalty programs are the most used technological instruments gaining stronger relationships with the customer.

Loyalty programs have become extremely popular to gain relationships with customers. This method is one approach to attach the customer to the store (Lovewell, 2005), and is implemented by many companies. The programs motivate the customers to buy the products repeatedly and create higher revenue growth and base revenues (Verhoef, 2003). Loyalty programs foster customer loyalty toward their brand and store (Schiffman, & Kanuk, 2004), creating higher retention rate and repurchase intentions. Results show that affective commitment and loyalty programs that provide economical incentives positively affect both the customer retention and share development (Verhoef, 2003).

Dick Dunn (1997) specializing in loyalty programs have identified several possible advantages. The program protects the market share from competitors, through committed customers, and might be able to steal high value customers from competitors. The program retains and grows high value customers, and creates switching costs of using a competitor. When the loyalty program structure depends on the length of the relationship the customers are less likely to change store (Verhoef, 2003). The non-high

value customers have similar characteristics as the high value customer, and might become better customers.

But on the other side, Beaujean, Davidson & Madge (2006) found that only 10 % of business and IT executives strongly agreed that business results anticipated on implementing loyalty program where met. The most important factor was the relationship between the customer and the frontline staff. In this service procedure, the customer transforms from skeptical to committed and brand followers. Pure technological solution couldn't create the emotional connection between the employee and consumer, which create strong social bonds (Beaujean, Davidson & Madge, 2006).

Reinartz & Kumar (2002) found that the relationship between loyalty programs and profitability where weak. They discovered that little evidence suggest that customers who purchase steadily are cheaper to serve, and less price sensitive. Instead of focusing on loyalty programs alone, they should focus on identifying the customers who are more loyal towards the products, service and image of the store. The loyalty program needs lots of human resources and technological data to be successful. Production of loyalty card, keeping and updating loyalty program list is costly, and the loyalty program users often get price discounts, diminishing profit potential (Reichheld, 1993).

The traditional frequency program (loyalty program), giving discounts and reward points are therefore not a strong enough tool to create strong relations with the customer, and can counteract increase in profits. But it's important to emphasize that the loyalty programs providing economical awards are useful to lengthen the relationship with the customer and to enhance customer share. The companies need to do both affective and commitment economically oriented programs, to increase customer retention (Verhoef, 2003). Companies can do several things to make the loyal customer feel rewarded for their loyalty. Other programs and courses should be offered to create stronger emotional connection between the store and the customer. Loyalty programs like affinity- and socially oriented- programs may have a strong impact on building strong customer relationship (Verhoef, 2003).

The company should offer programs like; "How to wax your cross country skies" and "What to wear when climbing Galdhøpiggen". Courses like the "green card of golf" and "How to become a hunter" could also be alternatives to make the consumer attached

to the store. The company can also grant special access to company sponsored seasonal event for the loyalty program users, and get exclusively access to new innovative products or happenings (Reichheld, 1993). In today's high competitive markets the traditional frequency program strategy is often not enough to create loyal customers.

Many of the *deliberators* are members of frequency programs, but have no loyalty towards the store. Emotional and affective loyalty must be achieved to create the premium loyal customer. Loyalty programs with economic incentives leads to greater customer retention but reduce profits. Creating strong ties with the customer in a strong strategy for enhancing customer loyalty, creating better economical results than economical loyalty programs (Braum, 2002).

An effective measurement system must be used in combination with loyalty programs. Competitors, customer preferences, technologies, and employee capabilities are constantly changing, and measurement will give important feedback on changes in demand and behavior (Reichheld, 1993). The customer's values are always changing, and the store needs to identify these changes making the loyalty programs creating value for the consumers.

2.10.1 Trust and commitment

In today's society businesses need to create more than good product quality and service, a comfortable and trusting atmosphere is important for the relationship (Cann, 1998). Relationship characterized by trust is so highly valued that parties will desire to commit themselves to such relationship (Hrebiniak, 1974), and engage in larger and riskier transactions, leading to higher competitive advantage (Hunt, & Lambe, 2000; Morgan & Hunt, 1994).

Trust and commitment have become crucial factors developing long term relationship, and changes in these directly affect the relationship strengths (Chiu, et.al., 2003). In the relationship quality model (9.6.1 Figure 5), loyalty and commitment go together under the behavior box (level 5). Loyalty is linked to commitment, which can be divided into 3 factors; Positive commitment, negative commitment and no commitment. A positive committed customer are gold worth for a store, while a negative committed customer shows negative attitude but can still buy from the store because of different

bonds like location (discussed in 2.2.10) (Chiu, et.al., 2003). A customer that's not committed at all, and doesn't show any signs of loyalty and will be difficult to create relations with. Moorman, C., Zaltman, G., & Deshpandé, R., 1992; Morgan & Hunt, (1994), all agree that (affective) commitment is a prominent perception of the relationship strength. Commitment has been defined as the extent to which an exchange partner desires to continue a valued relationship (Moorman, C., Zaltman, G., & Deshpandé, R., 1992). The affective components of commitment are psychologically attached, based on loyalty and affiliation, and therefore positively affect customer loyalty and repurchase intentions. Relationship quality can affect commitment directly through perceived relationship value. Positive commitment creates word of mouth, and vice versa. Purchase behavior and commitment are related to bonds that the customer has with the store, and bonds are important as they influence consumers buying behavior (Liljander & Strandvik, 1995).

Commitment and loyalty are depending on each other, and loyal customers are committed to the store and vice versa. Trust is another factor affecting commitment and loyalty. Through slogans like "100 % satisfaction guarantee" and "money back guarantee" marketers create trust. The salesperson also affects trust in the relationship, through their behavior and knowledge.

2.11.1 Service quality and salespeople

One of the most important issues in relationship marketing towards retail stores are the employees. Ensuring that customers experience a high level of service is an important factor to build store loyalty and commitment (Lovewell, 2005). The product differences in today's market are becoming weaker and weaker, technological innovations are quickly copied and customer's ties to products are weaker because of many substitutes available. Service differentiation is one area where the companies can deliver unique satisfaction and "lock" in the customer (Conway & Fitzpatrick, 1999). The salesperson needs characteristics like trust, familiarity, empathy, similarity, likeability and power within the organization to create strong relationships (Bendapudi & Leone, 2002). Through good communication between the salespeople and the customer, trust, loyalty and commitment will be created. The salespeople have an extremely important

role in a retail store, because they are the stores face towards the customer. The frontline employee can succeed with the right competencies and skills, creating a deep seated emotional and psychological shopping experience (Beaujean, et.al., 2006). The mind sets of the employees (thoughts, feelings, values and beliefs) are crucial factors when creating customer relations in the retail business, and dependent on how the customers shopping experience develops. A sales person that are uninterested and don't listen, creates a cold shopping experience, and uncommitted consumers will be a fact. Ganesh, et.al. (2000) implies that satisfaction with the service dimensions related to interactions with the firm employees is more important than the satisfaction with other service dimensions, and is likely to create strong competitive advantage which is difficult for the competitors to imitate. Stores delivering prompt and reliable service to its customer also increase the word of mouth phenomena and repurchase intentions (Nguyen, & LeBlanc, 1998).

2.11.2 SERVQUAL

The SERVQUAL model is made up by four intangible elements, and one tangible. Sales people are responsible of creating the right kind of atmosphere for the customer through the intangible factors. SERVQUAL is a popular instrument measuring service quality. Based on the "gaps model" from Perasuranam (1985), the model describes service quality as a function of several gaps that link customer expectations with perception of the service provided.
SERVQUAL is organized around five dimensions: reliability, responsiveness, assurance, empathy and tangibles. Reliability has been found to be the most important dimension, followed by assurance. Responsiveness is the third most critical dimension followed by tangibles, before empathy is found last.
9.10.1 Table 2 provides a brief description of each dimension (Parasuraman 1985). Reliability, assurance, empathy and responsiveness make up the intangible components of the SERVQUAL measures.

The salespeople are responsible for offering reliability, responsiveness, assurance and empathy (intangible factors) to create trust and commitment in the relationship. Rust, Zeithaml, & Lemon (2000), found that service factors like convenience and warmth are

dimensions of satisfaction and loyalty. The intangible factors make the evaluation of the service quality more difficult, and often depend on credence and trust to evaluate services (Javalgi, et.al., 2005). These intangible factors are dependent on the sales representative, which has a great impact on the customer's satisfaction and loyalty, and has been found to be more important components than tangible factors.

2.11.3 Employee Satisfaction

Employee satisfaction is another factor affecting the service quality. Trust, employee satisfaction and interorganizational communication are strongly related to innovation and improvements, while employee dissatisfaction is an impediment creating high service quality (Naumann, 1995). Companies delivering high value to their customers have higher employee satisfaction and retention rate. Employees overall satisfaction, combined with their experience and knowledge, leads to better service for the customer, which directly positively affect the customers loyalty (Reichheld, 1993). Linkage between employee satisfaction and the customer's perception of service are strongly positive. Employees being positive and enthusiastic build strong relations with customers (Naumann, 1995).

Employees can also be committed to the consumers as consumers are committed to the employee. Better service, extra benefits and individual information, as well as positive attitude are some advantages a customer gets when the service provider are committed to the him/her (Chiu, et.al., 2003).

2.11.4 Service Quality

In congruence with the relationship quality model, there are a link between the service quality (relationship quality), and customer satisfaction. The relationship model sees it as a one way relation, where relationship quality leads to satisfaction, while Bolton & Drew (1991) found that satisfaction is an antecedent to service quality. But it's also been linked to perceived value, repeat purchase and customer loyalty towards brands and companies (Kasper, 1988). High customer satisfaction and service quality will affect loyalty positively, creating committed consumers. 9.11.1 Figure 8 shows Bolton & Drew (1991) proposed conceptual framework, where customer satisfaction and service quality

are important antecedents to create corporate image and customer loyalty. The salespeople have a great impact on the intangible service quality, and will influence both the service quality and satisfaction of the customer. Educating the salespeople through product knowledge courses, and engaging them in the stores products are extremely important. High product knowledge and skills are important factors in the customer value model (Appendix 8.2.1), and will directly affect the service quality.

9.11.1 Figure 8 can be implemented with the relationship quality model, where service quality is an antecedent to satisfaction. From this model these two factors are dependent on each other, and are directly influencing the outcomes of customer loyalty, corporate image and perceived value of service. As a conclusion, service quality and customer satisfaction are necessary to create strong loyalty, and will be affected by the salespeople in the retail store.

2.12.1 Bonds and exit barriers

Relationship strength is connected with the customer's degree of commitment and loyalty for the service provider, as well as the bonds that exist between him/her and the store. A satisfied and committed customer behaves positively towards the store and has a created social bonds with the store (Chiu, et.al., 2003). Relationship marketing has best been described as the formation of "bonds" between the store and the customers (Roberts, Varki, & Brodie, 2003).

Through different bonds the customer will be dependent on the store, creating long term relationships. Berry & Parasuraman (1991) identified financial-, social- and structural-bonds, which is in congruence with the findings of Lovewell (2005). He identified bonds found in the industrial markets, but which also have an impact on the retail market; Legal-, Economical (financial)-, technological-, geographical-, time-, knowledge-, social (social)-, cultural-, ideological (structural)-, and psychological (structural) - bonds. The social, structural and economic bonds have greatest impact on the retail market, but the other bonds should also be considered, because of their impact on loyalty and commitment towards the store.

The legal bond identified by Chiu, et.al., (2003) doesn't have any impact on the retail market. But other legal bonds can be established; the Swedish stores by the Norwegian border create bonds towards the customer because of the legal factors of lower VAT rates.

The economical and financial bonds are creating exit barriers through price incentives. Customer's price perceptions are closely related to customer's perceived fairness of the price paid for the products and service. The stores pricing policy has great impact on the customers retention rate. Higher payment equity leads to greater perceived utility, and therefore customers should be more likely to remain with the firm. Payment equity should have a positive effect on customer retention, and price must be included in the service/product package (Verhoef, 2003). These **Financial bonds** are factors like price, and pricing incentives, which are quite a powerful tool establishing bonds with the price sensitive customer. Frequency cards are often a marketing tool used to strengthen the economical bond with the customer. These bonds are extremely important to for the sport stores too, creating a good value for the customer through price/service/quality relationships. But price can also be an effective reason to exit the relationship. Price has been found to strongly influence customer value, and an excellent reason for the customer to not create strong relations.

The technological bond is defined as the purchase of a specific brand which requires specific dealer for repairs and maintenance. In the sport industry special technology like repairing skies and waxing them can be a technological bond. Geographical bonds have strong impact on customer's value (Appendix 8.2.1). Many customers choose their store and become loyal to the store because of the location of the store. The time bond on the other hand can be issues like assemble the skies.

Legal, Economical, technological, geographical and time bond can constitutive effective exit barriers for the customers. Legal bonds will only be applied to the stores close to the Norwegian border. Strong exit barriers for the technological bonds can also be difficult to create, as more and more stores have the same contacts and machines. The customer often visits the store that's most convenient, and might therefore not be

committed to visiting a special store each time, creating low level of geographical bonds. Time bond is another important factor, where the customer wants the product at the right time, if not he/she will easily visit the competitor.

The social-, knowledge- and psychological-bonds are strong in creating relations, and exit barriers. The customer becomes a friend with the sales representative, and creates trust and commitment toward the store. These bonds are extremely important in creating a successful relationship marketing strategy.

Service quality is highly affected by the salespersons knowledge and skills about the products (knowledge bond). The social bond correspond to knowledge bond; the Salesperson knowledge of the customer and vice versa. The **social bond** focus on the service dimensions to develop a buyer-seller relationship, which is extremely important in retail stores. Creating friendship with the customers, learning about their needs, and maintaining a positive relationship lead to; customer's self-disclosure, listening and caring, creating strong bonds between seller and buyer. It positively influences the customers' emotions toward the service experience and creates a positive attitude toward the store (Chiu, 2002).

Cultural bonds can be enormously important for product brands, but less important in the retail sector. It is extremely difficult to create a strong culture for a chain like G-sport, because of the different factors affecting culture. Different stores have different employees, different prices and different ways of handling service. Strong cultural bonds can therefore be difficult to create. 100 % satisfaction policy is one way to create culture bonds, telling the customer that the brand has strong service quality. Ideological bonds, supporting country products, and provide certain personal values are another important bond where the consumer can identify themselves with the store. This is in accordance with psychological bonds, where the customer has a perceived brand image of the store which is identical to the consumer's values. Psychological and ideological bonds, as well as cultural bonds are included in the structural bonds identified by Berry & Parasuraman (1991).

Through **structural bonds** the target customers value added benefits are difficult or expensive for competitors to provide. The customers get a special treatment difficult to find elsewhere (Berry, 1995). The store needs to identify sources that provide value for

customers, creating high switching costs. The customer will then be dependent of the store. Structural bonds have been ranked as most important in the bond hierarchy, and provide big opportunities for the firm generating sustainable competitive advantage (Berry & Parasuraman, 1991; Peltier & Westfall, 2000). Social bonds can also be a part of the structural bonds where the customers create relations with the store and their employees.

The knowledge and social bonds depends on the service provider, while the psychological bond directly connect to the customers value and preferences (Chiu et.al., 2003). In consumer markets where there are lots of customers in the store, it's relevant to create relations on customer's attitudes and behavior. Through a 100% satisfaction policy, social, knowledge and psychological bonds will be created, making the customer loyal to the store.

Type of bond	Examples	Relevance for G-sport
Legal bond	Different advantages between the stores because of different legislations between Norway and Sweden.	Not relevant
Economical bond	Price, loyalty programs giving discounts, discount vouchers	Extremely important
Technological	Special machinery in store, offering special technical service like waxing skies.	Some relevance
Geographical bond	Location and convenience of the store	Some relevance
Time bond	Quick handling of service issues like assembling the skies and bindings	Some relevance
Knowledge bond	Knowledge of product and customer	Extremely Important
Social bond	Social connection between employees and customers. Can be created through loyalty programs focusing on affinity- and socially oriented- programs	Extremely Important
Cultural bond	Customer relates to the brands culture, creating commitment and satisfaction with the brand name.	Extremely Important
Ideological bond	Some of the customers personal values are covered; not using child labor producing the products	Some relevance
Psychological bond	A strong brand image is in congruence with the customer's image, creating loyalty and commitment toward the store.	Extremely Important
Structural bonds	The customers get a special treatment difficult to find elsewhere, often through special treatment of customer.	Extremely Important

Relational bonds, created through emotional and economical marketing activities, may import the customer's utilitarian or hedonic value. When these bonds are highly valued, the consumers are motivated to be loyal (Chiu, et.al., 2003). Utilitarian value results from the conscious pursuit of an intended consequence, being instrumental, functional and cognitive representing the customer value. Examples can be convenience of store and product quality, as well as price (Ailawadi, Neslin & Gedenk, 2001; Chandon, Wansink, & Laurent, 2000; & Chaudhuri & Holbrook, 2001). This is the traditional thinking of marketing, where market choices and consumer preferences were drivers. Hedonic value is related to the subjective and personal values, such as entertainment, exploration and self-expression and is non instrumental (Chaudhuri & Holbrook, 2001; Hirschman & Holbrook, 1982). The Hedonic value has become more important in recent years, because of high competition in the market, and few differences in product quality (Chiu, et.al., 2003). The utilitarian value may affect the customer behavioral intentions, and customers are less likely to switch if they better understand the actual time, economic and energy saving value of being in the relationship. The Hedonic value, involves developing friendships between the provider and customer, and increase the willingness to stay in the relationship.

9.12.1 Figure 9 made by Chiu, et.al., (2003) connect the different bonds together with customer value. The hedonic and utilitarian values, can be compared with the customer value model (Appendix 8.2.1), where utilitarian values are price, place and product, while hedonic values would be service, people, and communication. Through strong customer value and relationship bonds, customer loyalty will be achieved.

Customer- and brand- equity has become extremely important in today's market place. Brands like Nike and Coca Cola gain lots of customers because of their brand name and image. Retailers with the highest brand equity are those that have cultivated a brand image and established bonds with their customers, especially emotional bonds. These bonds are established through effective customer relationship strategy, among other channels. The store must recognize that customers receive benefits from a well-designed marketing mix, which can enhance perceptions of value. Customer's

experiences with relational bonds may therefore influence their value perception (Chiu, et.al., 2003). The bonds are seen as a strong measure of relationship strength, but it's extremely difficult to determine how these factors constitute a long term relationship.

However, much remains to be learned about the relationship between such firm-initiated relational bonds and customer perceptions and behaviors (Gwinner, Gremler & Bitner, 1998). It's also important to mention that consumers often have several relations to different stores, creating a strong purchase power for the consumer. (Chiu, et.al., 2003).

2.12.4 A broken relationship

A customer knows when the relationship is broken, but not the company. If the company repeatedly approaches a customer, without this customer having bond to the store, there is no loyalty and positive attitude shown towards the store. The customer is only committed when there exists different bonds between him/her and the store (Chiu et al., 2003).

2.13.1 Switching costs

All the different bonds create switching costs. Switching costs are expenses that the customer must pay if leaving the relationship (Gramler, & Brown, 1996). Switching store might create switching costs like extra time driving to the new store, while switching costs connected to social bonding; the customer needs to create all new relations with the sales person. Switching costs can effectively strengthen service loyalty by making it difficult for the customer to go to another provider (Gramler, & Brown, 1996). By creating switching costs through bonding with the customer, stronger loyalty will be created, making the satisfied switcher portion smaller. Dick & Basu (1994) found that switching costs are a strong antecedent to create strong customer loyalty.

Chiu, et.al., (2003) divided customers into two segments: dissatisfied switchers and satisfied switchers (Ganesh et al., 2000). Satisfied switchers don't show any loyalty at all, while dissatisfied switcher didn't get their expectations toward the service experience covered. Ganesh et al., (2000) found that consumers who switch because of extrinsic values like price and coupons are more likely to exhibit lower satisfaction and

repeat purchase intentions then the intrinsically motivated customers (dissatisfied, desire to try a new store).

The exit barriers also create relations with the unsatisfied customers, at least in the short run (Chiu, et al., 2003). Unsatisfied customers might stay with the company because of strong price reductions, or futuristic incentives by staying with the company.

2.14.1 Word of mouth

Recommendations and referrals through word of mouth are a good source to reach new customers. Research has found that the higher the customer's perception of value, there will be a greater chance that the customers recommend the firm to a friend (Nguyen & Leblanc, 2001). Word of mouth is a good "bonus" for the company using relationship marketing effectively. Through significant emotional experience and satisfaction, the customers are likely to engage in word of mouth behavior. Word of mouth from someone the customer trust increases the likelihood that the customer is service oriented. (Edvardsson et al., 2000)

Dissatisfied customer on the other hand will have resistance toward the store, and it will be extremely difficult to get the customer back (Ganesh et al., 2000) However, dissonance effects do not necessary prelude the stayers or other customer group in engaging in similar loyalty behaviors.

3.1.1 Methods

SPSS has been used to analyze the sample of respondents. Several analyzing tools have been performed to find answers to the different objectives. During the analysis, methods like correlation, regression, ANOVA, discriminant, cluster and factor analysis have been used. Through these methods, significant analysis has been conducted, creating exciting and well formulated answers. Only the relevant and significant analysis has been attached as appendix, while several insignificant analyses have been rejected. All the variables used are relevant for the objective, while the other variables not included have been found to be insignificant for the tests performed.

3.2.1 Sample and Process

The questionnaire (8.4.1 Appendix 3) is posted on the web (http://www.visual-partner.net/survey/), where everyone who is interested can complete the survey. Email was used as the communication tool with the respondents. Institutions like Høgskolen i Agder, as well as business contacts and friends were asked to answer the survey. It's a completely random sample, questioning lots of students and people working. The sample consists of people in all ages, with mainly respondent between 20 – 30 years old. The questionnaire was mailed to approximately 400 people, and 160 of these answered the survey (respondent rate of 32, 5 %).

3.3.1 Sample characteristics

The sample consists of 50, 6 % males and 49, 4 % females. 85, 8 % are between 20 and 31 years old, while 50, 6 % of the respondents are between 24 and 27 years old The respondents are mainly living in Oslo (50, 6 %) and Kristiansand (40, 6 %), (Appendix 8.5.2) where 61, 3 % are students and 36, 9 % are working full time. 45, 6 % of the respondents earn less than 100 000 NOK in a year, while 28, 7 % have an income between 201 000 and 400 000 NOK yearly. 88, 1 % are not married, and 83, 8 % doesn't have any children at all (Appendix 8.5.3). 66, 3 % of the respondents visit the store more than once every 3rd month and 38, 1 % visits a sport store more than once a month. 42, 5 % say that they have a relationship to their regular sport store (Appendix 8.5.4), but only

11, 9 % say that they are strongly loyal to the store (1 and 2 on question 23). 42 % of the respondent are giving some respond on loyalty, answering between 3 and 4 on how strongly loyal they are (Appendix 8.5.5). The respondents say that the most important factor visiting the store is service (26, 3 %), product quality (22, 5 %) and price (21, 3 %).The same factors stand out when it comes to the second most important factor, where price gets 23,1 %, service (22, 5%), and product quality (18, 8 %) (Appendix 8.5.5). These interesting results will be further explored in the different objectives.

4.1.1 Analysis & Research Results

4.2.1 Results Objective 1 - Segments

To get better insight of the respondents, the respondents have been clustered into 4 different segments using cluster analysis. These Cluster analyses have been investigated in depth through the discriminant method. Several ANOVA and cross tab matrixes have also been created, examining the relationship between several variables.

Looking at the cluster analysis, 4 clusters have been identified. The results are valid, based on the equal respondents in each cluster (Appendix 8.6.2). The final clusters are presented in 8.6.1 Appendix 5.

Further a discriminant analysis where performed, finding the characteristics of the different clusters. Variables like importance of advertising, service, product quality, product mix, price, employee knowledge and location has been examined. The discriminant analysis is not significant, looking at the tests with a significant value higher than 0,05. But its interesting to look at the Test of equality of group mean, explaining that there are significant differences amongst the clusters mean when interpreting the importance of service (0,005), price (0,034), employee knowledge (0,018) and location (0,043)(Appendix 8.6.3).

ANOVA analysis has also been run to investigate the clusters. The significant variables service, price, knowledgeable employees, and location have been investigated. The test of Homogeneity of Variance, explains that there are differences amongst the clusters and their perception of the variables. Service, Employee Importance and Location have a strong F-test, while price are not too significant. All the variables are

also significant for the test, looking at F-test of ANOVA (Appendix 8.6.4). 4 different clusters with different preferences are identified.

4.2.2 Cluster 1 - working people with no loyalty

The respondents going into cluster 1 (Identified as: Working people with no loyalty), goes shopping approximately every 3rd month. They don't have any relations to the store, and doesn't show any loyalty at all. The cross tab analysis support this where 88, 5% doesn't have any relation to the store and none of the respondents show higher loyalty towards the store than 5 (Appendix 8.6.5). They are around 28- 31 years old, and earn 301 000 and 500 00 Nok a year. 19, 4 % of the valid respondents belong to this category.

These consumers are very demanding, having low means of all variables, compared to the total mean. They demand high level of service, with high knowledgeable employees and product quality, as well as low prices (Appendix 8.6.3 – group statistics). By looking at the graph created in the ANOVA test, results confirm that this cluster is highly demanding for all the four variables (Appendix 8.6.4)

4.2.3 Cluster 2 - students with high loyalty

This cluster contains students, which shows loyalty towards the store, and has a relationship to their favorite sport store. By looking at the cross tab, research say that all respondents answered *4 stronger when it comes to loyalty and that 67, 6% have relations to the store (Appendix 8.6.5). They are the most frequent shoppers (once a month) of the clusters, but have low incomes (most of them less then 100 000 Nok). Age range between 24 – 27 years old. 37, 6 % of the respondents fall under this category.

These consumers aren't too concerned by location, but thinks service is important, as well as product mix (Appendix 8.6.3 - group statistics). The results are displayed in histograms through the ANOVA test, Appendix 8.6.4.

4.2.4 Cluster 3 - students with no loyalty, focusing on price

This cluster also contains students, which have low incomes. Their age is lower than cluster 2, with ages ranging from 20 – 27 years old. They don't shop more than once every 6th month, and doesn't have a relationship with the store. They also show little loyalty toward their preferred sport store. By looking at the cross tab analysis we see that loyalty doesn't exist in this segment, and that 79, 5% say they have no relation to the store (Appendix 8.6.5). 32, 8 % are included in this cluster. Cluster 3 is most concerned with price and product quality (Appendix 8.6.3 - group statistics). The ANOVA analysis confirms the group statistics, giving results that these customers are concerned with price. The customer group goes to the store offering best price, regardless of the other variables (Appendix 8.6.4).

4.2.5 Cluster 4 - working people with loyalty

This Cluster has an average age category of 28 to 31 years old, working full time. They shop once every 3rd month, and see themselves as quite loyal toward the store, and have a relationship with the store. These results are weak though, where only 51, 9% of the respondents have a relationship to the store and that most of the respondents are between 3 and 4 (88, 8%) on the loyalty scale (1-7)(Appendix 8.6.5) Their income has an average range of 301 000 & 500 000. This cluster contains 20, 2% of the respondent. Cluster 4 doesn't think of price when shopping, they value high employee knowledge and service (Appendix 8.6.3 - group statistics). Once again the ANOVA analysis confirms the group statistics, where this segment isn't concerned with price and location, and will sacrifice both time and money to get high level of service and employee knowledge.

4.3.1 Results Objective 2 - Loyalty Variables

Variables like; service, product mix, product quality, location, price, communication and employee's knowledge are all important factors explaining loyalty and satisfaction. Through correlation matrix, factor, disciminant and regression analysis these variables will be examined identifying the importance of each factor and how they depend on each other.

33, 6 % of the respondents show loyalty towards their regular sport store (answering 1-3 on loyalty, Appendix 8.5.5), but it's important to mention that 19 4% of these gave the loyalty index an answer of 3. These respondents gave an indication of which variables they emphasize when it comes to loyalty.9.13.1 Table 3, has been created giving a strong overview over these variables. It's important to mention that the respondent where able to make multiple answers to for this question.

The table shows how important the different variables are creating strong loyalty. Almost 1/3 of the respondents mentioned service, and more then 1/5 of the respondents also mentioned employee's knowledge. Product quality, product mix and price are also getting high percentages. To examine this table into more depth, we look at the most and second most important driver towards the respondents regularly sport store. Appendix 8.5.5, tells us that service, price and product quality are strong drivers amongst the respondents. The non loyal customers are more engaged in price and product quality than the loyal ones (results objective 1). Service is the most important factor making customer's visit the store, but price and product quality are close behind. Later on in the research we will therefore take more interest in the service variable and the price variable.

By looking at the discriminant analysis on loyalty to the sport store (Appendix 8.7.2), confirmation of employees knowledge is important for the loyal consumers. The Employee Knowledge variable has a mean of 1,6 for the most loyal customers (loyalty =1), and as the loyalty diminish, employee knowledge gets less important. One factor to mention is that the mean of all variables are low within the extremely loyal customer matrix, emphasizing once again that loyal customers are extremely demanding making

them difficult and time demanding to serve. In this category all the variables are extremely important.

The product quality variable is strong all over, and consumers today demand high quality product, but by looking at price and loyalty, a trait can be detected. The less loyal the customer is, the more important is price. A non loyal customer (7) has a mean of 2,33 when it comes to the importance of price, while a loyal customer in category 2, value price to 4 out of 7. By looking at the Test of equality means (Appendix 8.7.2), price is significant for the analysis, along with product mix, which will be discussed in the next section. Non loyal customers are extremely price sensitive, making them costly to attract and obtain. The other variables are not significant for the analysis, and which don't explain the relationship between loyalty and the different variables of importance. The results from the discriminant method should therefore focus on price and product mix, where price is not a factor creating loyalty, but where product mix is important.

4.3.2 Correlation between variables and factor analysis

By looking at the correlation matrix between these variables the strength of the relationship between the different variables are identified. Appendix 8.7.3 shows us that service is strongly correlated with employee knowledge (0,665), product quality (0,569) and location (0,286), and has a weaker correlation to product mix (0,171). It's important to notice that employee knowledge is correlated to service, product quality and location as well. Price on the other hand isn't correlated to any one of the other variables, and the variables that are correlated to strong loyalty are product mix. This is quite interesting, explaining that product mix has a strong impact on creating loyalty.

Through the factor analysis, the variables creating relationship and loyalty are classified. The factor analysis reduces variables, making results easier to understand. Total Variance Explained (Appendix 8.7.5), created 3 components with Eigenvalues over 1, creating 3 new different variables. By looking at the component matrix, all the 7 variables are reduced to 3 factors. Factor one consist of Service (0,852), product quality (0,789) and employees knowledge (0,8). These results confirm the correlation matrix where strong relationship between service, product quality and employees where identified. Location are not that strong correlated with service, and will through the factor

analysis be included in factor two, consisting of location (0,501) and product mix (-0,666). Factor three consists of advertising (0,555) and price (-0,788).

These results are interesting, strengthening the correlation matrix, where service, product quality and employee's knowledge are dependent of each other. So are location and product mix, as well as advertising and price. These results can actually be used to reach the stores segment and create a strong positioning strategy.

4.3.3 Product Mix & Loyalty

Through regression analysis, loyalty to sport store has been examined further into depth. The significant level of ANOVA (less than 0,05)(Appendix 8.7.4), confirm a significant analyze, but the Model Summary explains that the strength of the test are quite low (R square should be around 0,5). By looking at the coefficient table results show that product mix is the only significant variable explaining strong loyalty (Appendix 8.7.4). This means that product mix is a fundament of creating strong loyalty with consumers.

To confirm the strong relationship between service and product quality, employees knowledge, a regression analyze has been conducted. By looking at the R Square (0,535; higher than 0,5), there are a significant strength analyze, and this is confirmed be ANOVA, which has a significant level lower than 0,05 (Appendix 8.7.6).

The coefficient table emphasizes the results, giving a significant value for product quality and employees knowledge. Price and product mix are as mentioned not strongly correlated to service.

4.4.1 Results Objective 3 - Loyalty Program User

By using frequencies, cross tab, correlation and ANOVA analysis, different variables have been investigated in the relation with loyalty programs. Metric variables like service, product mix, product quality, advertising, price, location and employees knowledge has been examined in relation towards the loyalty program users, together with non metric variable like shopping habits and relation, and loyalty toward the store.

By looking at Appendix 8.8.2 the frequencies results show that 78, 1% of the respondents are interested in the use of loyalty programs. And by looking at the loyalty

cards visit table 34, 4% of the respondents visit the store often or every time because of these loyalty cards. Through the Cross tabulation table, Appendix 8.8.3, results show that the more often the consumer is shopping, the more interest they have for the loyalty program. 91,3 % of the respondents shopping once a week, are interested in loyalty cards, and the percentage decrease in congruence with how often they shop. By looking at the other cross tab in Appendix 8.8.3, results show that 82, 4% of the respondents having a relationship with the store are interested in loyalty programs, while 75 % of the respondent having no relation to the store are also interested in these programs. The results verify the interests of loyalty programs among all type of consumers. By running several others cross tabulation analysis, there are few significant differences among the respondents and their attitude towards loyalty programs.

The Cross tabulation between loyalty cards and most important factor for relationship is quite interesting to investigate (Appendix 8.8.3). The most important factors for the loyalty program user are service (31, 2%), and price (22, 4%). These results are not significantly different from the typical customer. Another interesting finding is that the non loyalty card user think product quality and product mix are the most important factors creating relationships with the store. By looking at communication, results show that all the respondents answering communication as most important factor, are loyalty program users, and that 82, 4% of the respondent answering price as most important are also loyalty program users. These results are interesting and further investigated through correlation matrix and ANOVA analysis.

4.4.2 Looking for correlations

By looking at the first correlation matrix in appendix 8.8.4, there are no correlation between the use of loyalty programs and the different variables; loyalty toward sport store, research buying, often shopping, and relation to store. These findings are quite interesting, explaining that there is no connection between loyalty program users and how often they show or how loyal the consumers are. The loyalty program doesn't seem to influence the loyalty toward the store or the shopping habits of the respondents.

Another correlation matrix is displayed in appendix 8.8.4, investigating the correlation between loyalty program users and the importance of the different variables building relationship with the store. No correlation between these variables is found. Price, service, product mix, aren't having any impact on creating loyalty program users. From these results there are no special traits found to discover the influence of the loyalty program users, or which variables that has the greatest impact on these users. Several ANOVA tests have been run to look for significant differences among important factors and loyalty program users, without any results.

Even if the ANOVA analysis run has a low Test of Homogeneity of Variances ($< 0,05$), and/or a too high ANOVA F-test (sig. $> 0,05$), some of the analysis is included in the paper. By looking at the means plot of these results (Appendix 8.8.5), differences can be found amongst the loyalty program users and nonusers. It's important to mention that the results are not significantly strong enough to be used as conclusions.

The means plot show that loyalty program users visit the store more than the non users, as well as they are more loyal towards the store. Price is more valued for the program users, while service, product mix and employee knowledge are of less of interest. By looking at the differences between the loyalty program users and the different clusters (Appendix 8.8.6), cluster 2 and 3 are more interested in loyalty cards than cluster 1 and 4. But once again it's important to mention that the results are significant, and can only be used as possible traits in the survey sample.

4.5.1 Results Objective 4 - Word of Mouth

Frequencies, correlation, regression and some ANOVA analysis have been used examining word of mouth. The research analysis is all strongly significant creating an interesting view of the word of mouth phenomena.

By looking at the frequencies in Appendix 8.9.2, results show that that 84, 3% have a negative word of mouth rate of 3 or higher, and that actually 62, 9% have a rate of 2 or higher. This means that negative word of mouth has a great impact on the stores image and reputation. By looking at the graph the results are convincing (Appendix 8.9.2 - Graph), with a mean of 2, 5.

The Positive word of mouth is also interesting, where most of the respondents answered 3, on the scale, saying that they sometimes spread positive word of mouth, but only 7, 1% does it all the time, compared to the negative word of mouth of 27, 9 %. Once again the graph of positive word of mouth (Appendix 8.9.2 - Graph) draws a strong conclusion. By comparing the two graphs, it's clearly to see that Negative word of mouth is much stronger than Positive word of mouth. Negative word of mouth has a mean of 2, 5 while positive word of mouth has a mean of 3,5. People getting an unsatisfied shopping experience are more often talking about the experience than the positive ones.

4.5.2 Negative Word of Mouth

By looking at the correlation matrix (Appendix 8.9.3), service (0,191), employee knowledge (0,220), and product quality (0,262), is the variables affecting negative word of mouth significantly. This understates the importance of training employees, offering strong service policies, and sell product where price/quality relationship creates high value for consumers. A customer paying high price for a low quality product will often talk about the product and the shopping experience.

Through a regression analysis these variables have been investigated, and the product quality's importance has been emphasized, showing a significant value of 0,041 (< 0,05) (Appendix 8.9.4). High product quality offered to the consumers, as well as employee's knowledge and service can positively affect the negative word of mouth rate. By offering strong service policies, the consumer may forget about the poor product quality, avoiding the use of word of mouth. But poor service and employee knowledge will also affect the use of negative word of mouth. The regression analysis run, *aren't that strong with an R square of only 0,081, but the ANOVA analysis show that its significant (sig. <0,05) (Appendix 8.9.4).

4.5.3 Positive Word of Mouth

By looking at the same variable affecting negative word of mouth, results are interesting. They are not correlated with the use of positive word of mouth (Appendix 8.9.5). In the second correlation matrix, variables strongly correlated with positive word of mouth are identified. The factor variable called price and advertising (0,188), loyalty

to sport store (0,215), relation to store (0,191), salesperson impact (0,291) and relationship with salesperson (0,179), are all variables affecting the use of positive word of mouth. Salesperson impact are strongest related with a significant value < 0,01 (Appendix 8.9.5). This concludes that strong relationships with the store are an important variable to create strong word of mouth. When the consumers have a direct relationship to the salesperson and the store, and shows loyalty, they often talk positive about the store to others. The regression analysis (Appendix 8.9.6) will explain the results further. The R square value (0,146) is lower than it should (0,4) for the analysis to dredge strong validity, but ANOVA shows that its significant (sign < 0,05) to run the analysis. By looking at the Coefficients table (Appendix 8.9.6), results show that Salespersons impact with the customer is strongly related to the use of positive word of mouth. The salesperson is therefore the crucial point of creating positive word of mouth, but consumers that are related and loyal to the store are also often using positive word of mouth. Advertising and Price are a marketing tools used to gain attention, and will to some extend create positive word of mouth. People are often talking about good prices and deals from advertisements.

4.5.4 Negative Word of Mouth – Relationship to store

The test of homogeneity has a significant level (< 0,05), but the ANOVA test have sig.level > 0,05 (Appendix 8.9.7). The results are dispersing and the analysis must be read with some uncertainty. For the analysis to be strong the test of homogeneity should be higher than 0,05, and ANOVA being significant < 0,05. The variance between consumers with a relationship to the store, and those who don't have a relationship are too small to explain variances. But it's still interesting to look at the graph (Figure 1, to the right), that the people having a relationship with the store have a higher tolerance for unsatisfied shopping experience before they tell it to others. By
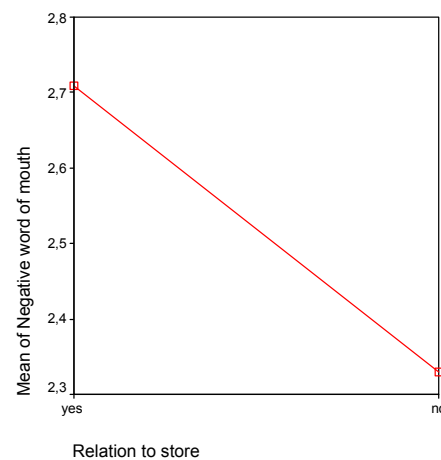
looking at the mean from the figure results show that people with relation to store use negative word of mouth less than the consumers not related.

4.5.5 Positive word of mouth – Relationship to store

The same ANOVA analysis is run for positive word of mouth compared to relationship to store. The ANOVA table (Appendix 8.9.8) shows significant results, and the test of homogeneity (sig. > 0,05) creates a strong analysis. These results show higher variance than negative word of mouth, and the graph (to the right), explains that consumers related to the store are more often talking about their positive shopping experience than the non related consumers. This emphasizes the results found in the regression and correlation analysis; that relationship and loyalty creates higher use of word of mouth.
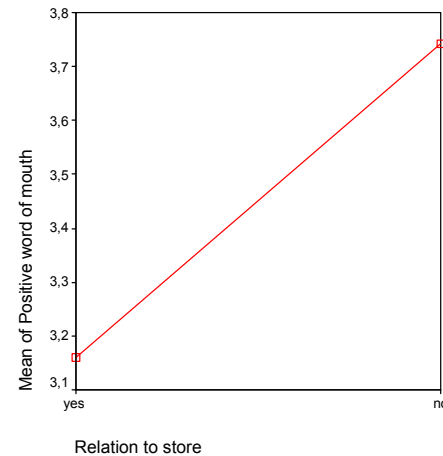
4.5.6 Loyalty vs. positive word of mouth

An ANOVA analysis has been conducted looking at the variance of mean between the loyalty and positive word of mouth. The results show test of homogeneity of variance value of 0,094, and the ANOVA test of 0,027. *A valid research with the results strengthening earlier conclusions that the more loyal the customer is the higher rate of positive word of mouth is initiated (Graph – Appendix 8.9.9).

Positive/Negative word of mouth in relation to the salesperson
will be discussed further in objective 5.

4.6.1 Results Objective 5 - Salesperson

Several Correlation matrixes, regression analysis, and ANOVA analysis has been conducted answering objective 5. These findings create a strong view over the salespersons impact on relationship building.

4.6.2 Salesperson Impact

Looking at the correlation between variable; salesperson impact and different variables important for consumers (service, product mix, product quality, price, employee knowledge and location), strong relations have been found. Appendix 8.10.2 shows that service and employee knowledge are the fundament to create trust with the salesperson, leading to higher persuade rate. Service (0,375) and employee knowledge (0,332) are strongly correlated with the salespersons impact. Product quality (0,213) and how often the customer is shopping (0,184) are also correlated, having a significant influence on salesperson trust and persuading skills. Its also interesting to see that positive word of mouth (0,291) are strongly correlated with salesperson impact, giving evidence that a salesperson that has great impact on the customer, also has an indirect value creating strong positive word of mouth.

Through the regression analysis (Appendix 8.10.3) the correlation results will be examined further, giving the research that service (0,026) and positive word of mouth (0,003), are both dependency variables for salesperson impact. ANOVA confirms that the analysis is significant (sig. < 0,05), and the R square value of 0,210 explains that the method is quite a strong predictor of salesperson impact (Appendix 8.10.3). Product quality (0,740) and relation to salesperson (0,854) isn't such a strong predictor for the salesperson impact (much higher than sig. value of 0, 05). This concludes that the sales person impact is firstly dependent on high service offering and secondly employee knowledge, and strongly affecting positive word of mouth. Product quality is a fundament for the employee to convince the consumers that the product is right for them, while a relationship with the salesperson will have an impact on the consumer buying process, but not significantly as strong as service.

4.6.3 Relationship with salesperson

Looking at the correlation matrix (Appendix 8.10.4), results show that a relationship with the salesperson is strongly correlated with Relationship to store (0,554), and loyalty to sport store (0,610). Relationship with the salesperson is having a strong impact on positive word of mouth (0,179), but what is interesting is that price is also related to relationship with the salesperson (0,228). This concludes that consumers with relations to the salesperson are more price sensitive than the non relation consumers. Its also explains that the relationship with the store as well as loyalty toward the store are very dependent on the salespersons relation towards the consumers, and a strong relationship will lead to higher rate of positive word of mouth.

Again, these relationships will be further examined in the regression analysis, finding predictors of the relationship to salesperson variable. The regression analysis (Appendix 8.10.5) run are significant (ANOVA sig. < 0,05), and the analysis has a *very good strength and validity with a R square of 0,457 (close to 0,5 which is very good). By looking at the coefficient matrix, results show that there are extremely strong relations between relationship toward the store and the level of loyalty. By creating relations between the salespeople and the consumers, strong loyalty will be outcome as well as strong relations with the store. Price are not a significant variable (sig. > 0,05) for relationship with the salespeople, but a fundament to create relationships to start with. It's important that the prices are low enough to make the relationship worth while for the consumer, creating an overall strong value and bond towards the customer. Positive word of mouth is an outcome of the relationship, but not significant strong enough (sig. > 0,05) (Appendix 8.10.5).

4.6.4 Salesperson impact and relation to salesperson in the clusters

It's interesting to look at the different clusters created in Objective 1, compared to the impact of a salesperson. The one-way ANOVA method (Appendix 8.10.6) shows that the analysis run are not significant with Test of Homogeneity of Variances > 0,05 and an ANOVA sig. value > 0,05. But still its interesting to se from the graph that Cluster 1 (Working people with no loyalty), are the consumers that is highest influenced by the

salespeople. And that Cluster 2 (students with high loyalty) and cluster 4 (working people with loyalty), are not that influenced by the sales representative (Figure to the right, salesperson impact). But as mentioned, there are not significant large enough differences to draw a conclusion on these findings.
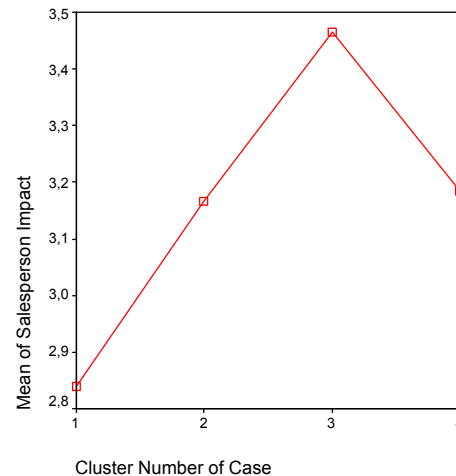
On the other hand, a One-way ANOVA analysis, looking at the different clusters and the relationship with the salesperson show significant results (Appendix 8.10.7) The test of Homogeneity of Variances has a significe of 0,004, and the significance value of ANOVA is 0,00. Test of Homogeinity should be higher than 0,05 to explain the variance between groups, but the ANOVA explains some significance. Cluster 1 (Working people with no loyalty), and cluster 3 (students with no loyalty), have a much weaker relationship to the salesperson than cluster 2 (students with high loyalty) and cluster 4 (working people with loyalty)(Figure to the left, Relationship with salesperson).
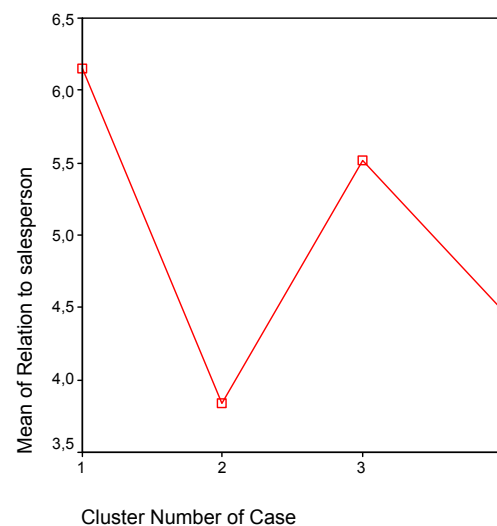
5.1.1 Discussion

5.2.1 The respondents values and characteristics

The four different clusters identified, can significantly be identified with the findings of Shoemaker & Lewis, 1999. There is a clear congruence between findings and theory, where four types of loyalty were identified. Cluster 1 (working people with no loyalty), goes into the category of **Inertia (deliberators)** loyalty, with no emotional attachment to the store, but have a relatively high repurchase rate. Cluster 2 (students with high loyalty), are strongly related to the store, and can be seen as **premium loyal (action stage)**. These customers shop frequently, and have a loyalty toward the store as well as a relation. These consumers are extremely important for the store, and can be seen as cash cows, where a constant stream of revenue is created by retaining the consumers. Service is very important for these customers.

Cluster 3 (students with no loyalty) is at the **cognitive stage (no loyalty)**, where price and costs are evaluated with the product. These consumers are extremely difficult to create relationships with, and the relationship will be costly to maintain. Price have a higher value than service and employee knowledge and can therefore be seen as non profitable consumers in the long run. This group has low income, which is supporting the focus on price for this customer group.

Cluster 4 (working people with loyalty) have a quite high repurchase rate (every 3rd month), and doesn't focus on price when shopping, which is in congruence with high income. There is a weak strength of relations to the store, as well as loyalty. If these customers can be implemented into the customer relationship strategy, the company has a strong potential for futuristic growth. This group can be identified into the **affective stage** (Trail, et.al, 2005), where the consumer link service and experience satisfaction, which makes it possible to move them into premium loyal customers.

These four clusters identify different segments in the market, giving an indication of what kind of values the respondents have, and what kind of customers G-sport should focus on. It's important that G-sport Brand image is congruence with the consumer's values, creating identification and recognition with the consumers. This is an important fundament in creating customer relationships. G-sport focusing on high level of customer

satisfaction and service has values and an image that is most congruence with cluster 2 and 4, the only problem is that cluster 4 shows little loyalty and might be extremely difficult to serve.

5.3.1 Loyalty variables affecting the relationship

The research has found some interesting results, where product mix is the key variable creating highly loyal consumers. With the right product mix, the consumer will more often visit the store and return more often. The customers know that when going to the store they find all the products needed covering their needs. Price is also an antecedent to loyalty, not significantly strong enough, but may be fundamental creating long term relationships. The consumers will avoid a long term relationship if they know that prices are much higher than other stores. These 2 variables are fundamental in creating relationships. But on the other side, loyalty is built on the shopping experience as a whole. It's been found that service, employee knowledge and product quality is strongly correlated to each other, and important variables leading to relations with the consumers (objective 4).

The research identifies that service and price are the most important drivers toward relationship building, emphasizing the customer value model (Appendix 8.2.1), where these variables are identified as bringing most value for customers. The research does not support Naumann, (1995) findings that location has a strong effect on customer value. In today's completive markets, the customer doesn't have to travel far to find a store offering the same product, and locations importance has therefore diminished. The value model identifies that product quality is that important, but once again our finding concludes different. Product quality is a strong fundamental variable for consumers building relationships. Today's customers are extremely demanding and have a low tolerance of poor quality. The consumers demand high level of service as well as quality, and employee knowledge.

Price isn't related towards any of the other variables being drivers toward relationship marketing. Price is a widely discussed issue, and there are differences in consumer's perception of the importance of price. Price influences the shopping experience, but as long as prices are not significantly different from the competitors,

service, employee knowledge and product quality will be stronger factors in building relationships.

Advertising has lost much of its value, few of the respondent use advertising and other communication tools as drivers to visit the store. Through marketing communication, awareness of the store and brand image will be created, but not affecting any relationships with the customer.

The results from the factor analysis is interesting, where price and advertising makes one factor, location and product mix another and product quality, employee knowledge and service to a third. It's easy to find traits of these findings. By looking at these interesting results segments built on drivers can be created. You have the customers that are affected by price and advertising, those who value location and product mix highly and last and maybe the most important identification, consumers that focus on employee knowledge, service and product quality.

The last factor (service, product quality & employee knowledge) have been found to have highest impact on customer relationship marketing. These 3 variables have through this research and many others been found to have a hedonic value (Chiu, et.al., 2003) creating sustainable competitive advantage and difficulties for competitors to imitate.

By looking more into this last variable, the research has found that service importance and product quality are 2 variables strongly building on each other. High product quality often avoids customer's dissatisfaction with the service and avoids complaints and claims.

Through all these analytical tools a conclusion is identified. There is a clear link between service, product quality and employee's knowledge, and all these variables are important creating strong customer loyalty. On the other hand, price and advertising is a strong positioning tool, and attracts the non loyal customers. But price is also an important for the highly loyal customers, which is extremely demanding requiring low prices, high product quality and high level of employee's knowledge and service.

For the consumers to be strongly loyal in today's market they demand high level of all the different variables being drivers to building relationships. By looking at the respondents being strongly loyal to a store (Appendix 8.6.3), results show that they have

a low mean of service, product mix, product quality, price, employee knowledge and location. The loyal consumers are therefore extremely demanding, and time/cost consuming.

5.4.1 Loyalty Programs affecting the consumers

Most of the respondents are interested in the use of loyalty programs, and quite many of the respondents (34,4 %) visit the store often because of these programs. This is in congruence with the findings of Lovewell, (2005) that the consumer creates a bond towards the store and visits it more often. The research didn't manage to create strong view of a typical loyalty program user, because most of the respondents seem to have a positive attitude toward this marketing tool. Findings show that the loyalty program doesn't create any strong relations towards the store building loyalty. The research found that loyalty users are almost equally divided among the respondents identifying a relationship towards the store. Creating a picture of the loyalty user is insignificant, because most of the consumers are interested in loyalty programs, and cannot be classified into a single segment.

These loyalty programs users are also more price sensitive than the non users. The research support the findings of Reinartz, & Kumar (2002), where loyalty programs doesn't create strong enough relations toward the store, and that service, product quality and image is fundamental variables creating long term relationships. Loyalty programs are effective in the way to create some bonds toward the store, but the cost of this bond is the price reduction the loyalty program offers (Economical bonds). The research has identified interesting result, where the use of loyalty card can diminish the importance of service, employee knowledge and product mix. The program can therefore to some extent protect the customer from switching if they experience poor service or low employee knowledge. Switching costs are also established through the use of loyalty programs, making the consumer more attached to the store. The loyalty program can therefore be categorized as bought loyalty (Nguyen & LeBlanc, 1998), but is not correlated to how often they visit the store, or how loyal they are. The use of loyalty cards doesn't create highly committed and loyal consumers.

5.5.1 Word of Mouth Phenomena

Research found that Negative word of mouth are more often used than Positive word of mouth, but that positive word of mouth is a direct outcome of loyalty and relationship building.

Negative word of mouth is often the outcome of poor service, product quality, and low employee knowledge. Companies focusing on loyalty building must avoid cheap and low quality products, destroying their image and creating negative word of mouth. High service and employee knowledge are important antecedents avoiding negative word of mouth. Clear guidelines offering high service and high level of employee's knowledge are therefore important.

Customers that are related and loyal towards a store, often use positive word of mouth to their friends. A relationship between the frontline staff and the consumers are important to create loyalty leading to positive word of mouth. A salesperson building trust and relations with the consumers have a strong impact on their shopping experience.

Another variable affecting positive word of mouth are price and advertising. Advertisements with extremely low prices are often conversed about between consumers.

These findings support Nguyen & Leblanc, (2001), saying that the higher customer value, greater chance of positive word of mouth. Price, and service have the highest value for customers (8.2.1 Appendix 1 - customer value model), and are important variables creating positive word of mouth.

The frontline staff is extremely important for the store to avoid negative word of mouth and create positive word of mouth.

5.6.1 Importance of Salespeople

Research found that the consumers having a relationship towards the salesperson are strongly correlated to high level of loyalty. A salespersons relation with customers is a strong antecedent for building long term relationships. The salesperson has a strong impact on the perceived value of service, which is in congruence with Bolton and Drews (1991) findings. The research results clearly show that high level of service through the employees, build loyalty and commitment (Lovewell, D., 2005), and that service quality

is a preceding variable of satisfaction (Bolton & Drew 1991). The SERVQUAL model (Section 2.11.2) identifies the non tangible service variables (reliability, assurance, empathy and responsiveness) employees need *exert leading to satisfied and loyal consumers.

The salesperson has an important role in the store, and through high level of relation and satisfaction with the salespeople social bonds are created. This is one of the most important and strongest bonds (Berry & Parasuraman, 1991), which is extremely difficult for companies to imitate. Employees able to create relations and have an impact on the customers shopping experience result in sustainable competitive advantage for the company. The salesperson are affecting the customer hedonic value, focusing on the shopping experiences and customers value (Chaudhuri & Holbrook, 2001; Hirschman & Holbrook, 1982)

The consumers experiencing high level of employee knowledge and service are often entering a relationship with the employee and the store. Up sell and cross sell are sustainable advantages prospering from loyal and committed customers (Conway & Fitzpatrick, 1999).

Salespersons impact is also strongly correlated towards positive word of mouth.

6.1.1 Conclusion & Managerial Implications

Segments in the market, who to pursue?
Segmentation and positioning ahs become extremely important for business to succeed. The company image must be in congruence with their segmented customers. This is tremendously difficult because the consumer behavior and values are constantly changing. The companies need to constantly monitor consumer's behavior and their changes in value and attitude. The clusters identified, can be guideline for G-sport when focusing on their primary target. Results show that there are significantly differences among customers perception of value. Which group that are the best customers are different for each company, which ahs a positioning strategy focusing on the different cluster (segment) in the market. The results have identified that many customers have relations with the store, but that their loyalty towards the store are low.

Loyalty in today's markets…..?

There are several implications for managers building loyalty. In today's markets, the customers are extremely demanding, demanding high value of service and product quality for a low price. The consumers often have relations to several stores, and show low level of loyalty. Identifying the strategy making customers committed and loyal towards the store is tremendously difficult. None of the variables (service, employee knowledge, price, product quality, location and advertising) seem to create strong loyalty and relationships. To some extent the variable are important and effective, but to make the customer premium loyal (Trail, Anderson & Fink 2005), lots of resources are needed. The companies should focus on educating frontline staff, which will make the shopping experience extraordinary for the consumers. This is needed to build relations with customers. Price, advertisements and loyalty programs can be used as an inducement, leading to brand awareness and attract the customers to the store. But the real loyalty (Edvardsson, Johnson, Gustafsson & Strandvik 2000), is most easily built through motivated and outgoing employees, offering high level of service to consumers. This in combination with a highly valued product mix and quality, the company invite the consumer to a relationship. *How strong the consumer value are in congruence with the companies values, are dependent variables leading to relationships. Several marketing tools can be used implementing customer relationship strategy, but in the end, the frontline staff behavior has the strongest impact on the consumer. Satisfied and highly motivated people, which are service minded, are the cornerstone for relationship building in the sport industry.

Implementing Loyalty programs

Loyalty programs are effective in a way to create bonds between store and consumers, but most of these loyalty programs focus on reduction in price. The costs of implementing loyalty programs are high and the economical return of these programs are low. The manager must consider the implementation of these programs, compared to the use of resources on employee knowledge, service policy and product mix, which has been found to strongly correlate with loyalty (Objective 2 findings).

Word of mouth

Companies need to offer high product quality, with a strong price/quality ratio, as well as education employees how to handle dissatisfied customers. High level of employee knowledge creates high level of consumer satisfaction, and diminishes the use of negative word of mouth. Product quality and high level of service is conceit leading to satisfied customers, being an antecedent to long term relationship marketing.

Salesperson Impact

The frontline staff is having a strong impact on the shopping experience, and the managers need to focus on creating highly motivated employees, which is service minded and well educated. Education of service claims and dealing with customers are crucial creating long term relationships with the consumers. Employees overall satisfaction, combined with their experience and knowledge, leads to better service for the customer, which directly positively affect the customers loyalty (Reichheld, 1993).

7.1.1 Limitations and Future Research

The questionnaire has been conducted by people mostly in the age range of 20 – 30 years old. This sample may be a segment in it self, and will diminish the findings of the whole population. The older segment may have other preferences and life values towards service and price, and may be interesting to look at in another setting. A limitation of the research has been created because the age variable. By using a larger sample covering all ages, the research could find interesting results among other age groups.

Mostly students have also been investigated, creating a clear view of their attitudes toward relationship building variables, and the results are interesting. The research will create a good indicator of life values that are important for the next generations of families, but future research could focus more directly on the established segment of families to see if the life values changes along with age. A larger sample would also generate a better view of the whole population.

The research has been conducted in Norway, a country with good economic growth and high living standards. These results might not be as applicable in other

cultures and countries where living standards are lower, and other consumer s values might be different.

7.2.1 Validity

For the analysis to be valid, the data must be accurate, reliable, and free from casual wrongs. A survey can never be completely correct, but needs to be diminished as much as possible (Gripsrud & Olsson, 1999). Questions being misinterpreted in the survey and inadequate test of the population can make the research less valid.

7.3.1 Reliability

The reliability of the research can be confirmed to some extent by looking at different outcomes (Discriminant: Classification model, Regression: Model summary, Factor: Bartlett's test) of the data analysis. Retesting of analysis is performed, to see if the results are similar in each case, and that the analysis is reliable. Most of the analysis conducted is having a significant value, explaining the strength and reliability of the test. Some of the analysis (,) does not have the demanded R square, test of homogeneity, any significant values required, but during the test this has been informed, and not used to draw conclusions.

8.1.1 Appendix

8.2.1 Appendix 1- Figure 1 - Components of value

Figure 1
COMPONENTS OF VALUE
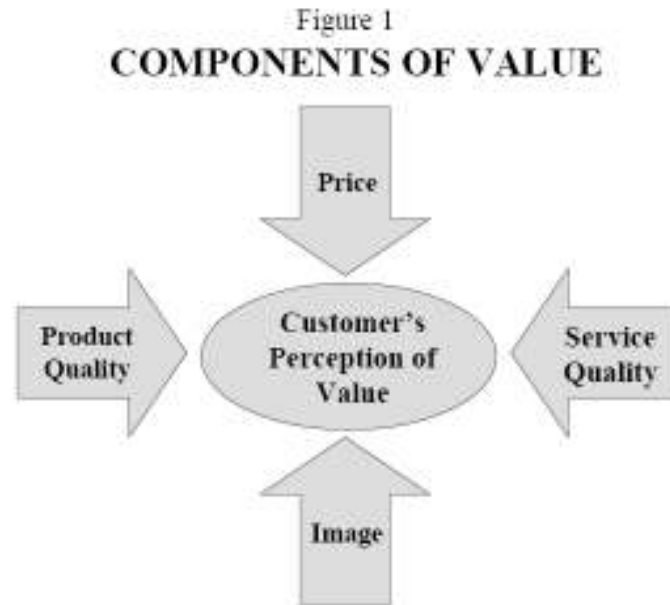
8.3.1 Appendix 2 - Relationship quality model

Table 1: Description of concepts in the relationship quality model

Concept	Episode level	Relationship level
Comparison standard	All comparison standards suggested in the literature (e.g. predictive expectations, brand norm, adequate, product norm, best brand norm, excellent service, ideal, competitor).	All comparison standards suggested in the literature except predictive expectations.
Disconfirmation	Direct or inferred disconfirmation of any comparison standard.	Direct or inferred disconfirmation of any comparison standard except predictive expectations.
Performance	Perceived performance of one particular episode.	Perceived performance across all episodes in the relationship.
Zone of tolerance	The accepted variation in performance levels. A plateau in the quality function.	The accepted accumulated variation in the performance within the relationship.
Quality	Customers' cognitive evaluation of the service of one episode compared to some explicit or implicit comparison standard.	Customers' cognitive evaluation of the service across episodes compared to some explicit or implicit comparison standard.
Sacrifice	Perceived sacrifices (price, other sacrifices) connected to the service episode compared to some explicit or implicit comparison standard reference price.	Perceived sacrifices (price, other sacrifices) across all service episodes in the relationship compared to some explicit or implicit comparison standard.
Value	Episode quality compared to episode sacrifice.	Relationship quality compared to relationship sacrifice.
Satisfaction	Customers' cognitive and affective evaluation based on the personal experience of one service episode.	Customers' cognitive and affective evaluation based on the personal experience across all service episodes within the relationship.
Image	The holistic perception of a service provider that filters performance evaluations and can in itself constitute a comparison standard. It is also the attitudinal component of commitment in a relationship. All types of bonds can affect the image positively or negatively. Image itself is more likely to affect and strengthen the psychological bonds.	
Commitment	Commitment is defined as the parties' intentions to act and their attitude towards interacting with each other. High relationship value will affect commitment positively.	
Behavior	Purchase behavior and communication behavior (word of mouth, complaints). Loyalty which is based also on positive commitment by the customer indicates a stronger relationship than if it based on mere repetitive purchase behavior. The behavior is also affected by the bonds between the customer and the service provider. By using the same service provider the bonds might be strengthened.	
Bonds	Exit barriers that tie the customer to the service provider and maintain the relationship. These are legal, economic, technological, geographical, time, knowledge, social, cultural, ideological and psychological bonds.	

8.4.1 Appendix 3 - Questionnaire

Thank you for taking the time to answer these 29 questions. I will be extremely grateful for your assistant towards my master thesis. The questionnaire will take around 7 minutes. Sincerely Yours Jan Øyvind

Demographic Variables

1. Gender: Male ☐   Female ☐

2. Age: _____ .

3. Place of living: Oslo ☐   Stavanger ☐   Trondheim ☐ Tromsø ☐
(closest city)   Kristiansand ☐ Bergen ☐

4. Yearly Income _____ NOK.

5. Life Situation

         Student ☐ Working ☐ Unemployed ☐ Retired ☐

6. Married

         Yes ☐   No ☐ Separated ☐ Widowed ☐

7. **How many children?**
              0 ☐   1 ☐   2 ☐   3 ☐   4 ☐   5 or more ☐

8. Education
Less than high school ☐ High School (Videregående) ☐
Some College/University ☐ College ☐ Postgraduate ☐

Shopping habits

9. How often do you shop in a sport store ?

Once a week ☐ Once a month ☐ Once every 3rd month ☐
Once every 6th month ☐ Once a year ☐ Unfrequented ☐

10. Which factors are important when shopping in a sport store? (several cross possible)

Service ☐   Product Mix ☐ Product Quality ☐ Communication (advertising) ☐
Price ☐   Knowledgeable employees ☐   Location ☐

11. Do you have any relations to your favorite sport store?
         Yes ☐   No ☐

12. Which of these factors (service, product mix, product quality, communication, price, knowledgeable employees and location), drives you to your regularly sport store? (only **one** answer)

Service ☐   Product Mix ☐ Product Quality ☐ Communication (advertising) ☐
Price ☐   Knowledgeable employees ☐   Location ☐

13. Do you do any research about the product you need, before visiting the store?
Yes ☐   No ☐   Sometimes ☐

14. How often do you visit your sport store because of direct mail (advertising in the mail, newspapers)?
Very often   Never
            1☐   2☐   3☐   4☐   5☐   6☐   7☐

Customer Behavior

15. Which factors are important for you to create loyalty?

Service ☐   Product Mix ☐   Product Quality ☐
Price ☐   Knowledgeable employees ☐   Location ☐

16. How important is service (short waiting time, pleasant atmosphere, return policy) for you to create relationship with the store?
Extremely important   Not significant
            1☐   2☐   3☐   4☐   5☐   6☐   7☐

17. How important is the product mix (different brands, products offered) for you to create relationship with the store?
Extremely important   Not significant
            1☐   2☐   3☐   4☐   5☐   6☐   7☐

18. How important is product quality for you to create relationship with the store?
Extremely important   Not significant
            1☐   2☐   3☐   4☐   5☐   6☐   7☐

19. How important is price for you to create relationship with the store?
Extremely important   Not significant
            1☐   2☐   3☐   4☐   5☐   6☐   7☐

20. How important is knowledgeable employees (employees with high knowledge about products as well as experience) for you to create relationship with the store?
Extremely important   Not significant
            1☐   2☐   3☐   4☐   5☐   6☐   7☐

21. How important is location (convenience, parking space, location) for you to create relationship with the store?

Extremely important   Not significant
          1☐   2☐   3☐   4☐   5☐   6☐   7☐

Loyalty Program

22. How loyal are you towards your preferred sport store??

Extremely Loyal   Not loyal
          1☐   2☐   3☐   4☐   5☐   6☐   7☐

23. If you are between 1-3 on the Q21 , what factors makes you loyal?

Service ☐   Product Mix ☐   Product Quality ☐

Price ☐   Knowledgeable employees ☐   Location ☐

24. Loyalty Cards, giving you discounts and other special offers, is this attractive?

Yes ☐   No ☐

25. How often do you visit a specific store because of your loyalty card?

Every time   Never
          1☐   2☐   3☐   4☐   5☐   6☐   7☐

Salesperson impact

26. How much impact does the salesperson have on your shopping experience?

Very strong impact   No impact
          1☐   2☐   3☐   4☐   5☐   6☐   7☐

27. How strongly related do you feel towards the salespeople in your favorite sport store?

Well known   Don't know them
          1☐   2☐   3☐   4☐   5☐   6☐   7☐

28. How often do you talk to others about an extraordinary shopping experience?

Every time   Never
          1☐   2☐   3☐   4☐   5☐   6☐   7☐

29. How often do you talk to others about a terrible shopping experience?

Every time   Never

1☐   2☐   3☐   4☐   5☐   6☐   7☐

8.5.1 Appendix 4 - Frequencies of sample

8.5.2 Age Category, Gender & Place of living

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	81	50,6	50,6	50,6
	Female	79	49,4	49,4	100,0
	Total	160	100,0	100,0	

Age Category

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Between 20 & 23 years old	32	20,0	20,6	20,6
	Between 24 & 27 years old	81	50,6	52,3	72,9
	Between 28 & 31 years old	20	12,5	12,9	85,8
	Between 32 & 35 years old	7	4,4	4,5	90,3
	More than 36 years old	15	9,4	9,7	100,0
	Total	155	96,9	100,0	
Missing	System	5	3,1		
Total		160	100,0		

Sex/Gender

Std. Dev = ,50
Mean = 1,49
N = 160,00

Sex/Gender

1 = Male, 2 = Female

Age Category

1 = less than 19 years
2 = 20 – 23 years old
3 = 24 – 27 years old
4 = 28 – 31 years old
5 = 32 – 35 years old
6 = more than 36 years old

Std. Dev = 1,14
Mean = 3,3
N = 155,00

Age Category

Jan Øyvind Sæter   **71 of 111**
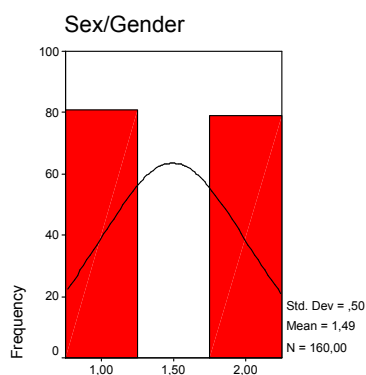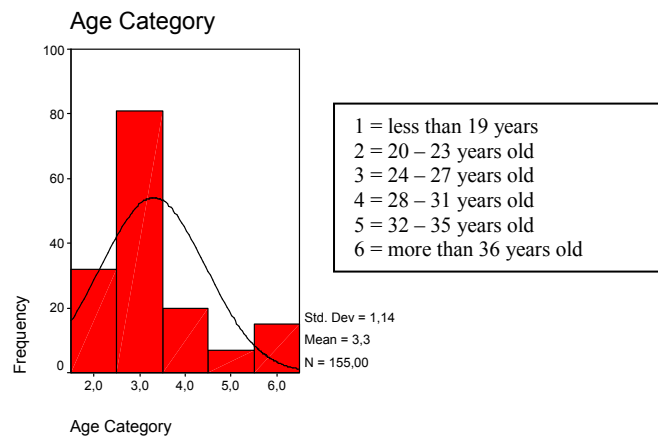
Place of LIving

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bergen	2	1,3	1,3	1,3
	Kristiansand	65	40,6	40,6	41,9
	Oslo	81	50,6	50,6	92,5
	Stavanger	6	3,8	3,8	96,3
	Trondheim	3	1,9	1,9	98,1
	Tromso	3	1,9	1,9	100,0
	Total	160	100,0	100,0	

8.5.3 Income & Life Situation

Income category

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 100 000 Nok a year	73	45,6	49,3	49,3
	Between 101 000 Nok & 200 000 Nok a year	14	8,8	9,5	58,8
	Between 201 000 Nok & 300 000 Nok a year	25	15,6	16,9	75,7
	Between 301 000 Nok & 400 000 Nok a year	21	13,1	14,2	89,9
	Between 401 000 Nok & 500 000 Nok a year	5	3,1	3,4	93,2
	More than 501 000 Nok a year	10	6,3	6,8	100,0
	Total	148	92,5	100,0	
Missing	System	12	7,5		
Total		160	100,0		

lifesituation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	98	61,3	61,3	61,3
	working	59	36,9	36,9	98,1
	unemployed	2	1,3	1,3	99,4
	retired	1	,6	,6	100,0
	Total	160	100,0	100,0	

lifesituation

Std. Dev = ,55
Mean = 1,4
N = 160,00
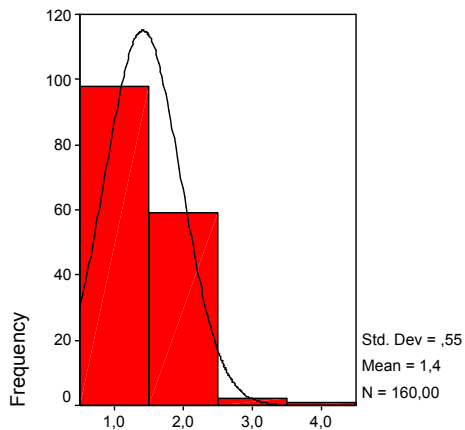
1 = Student, 2 = Working,
3 = Unemployed, 4 = Retired

Income category
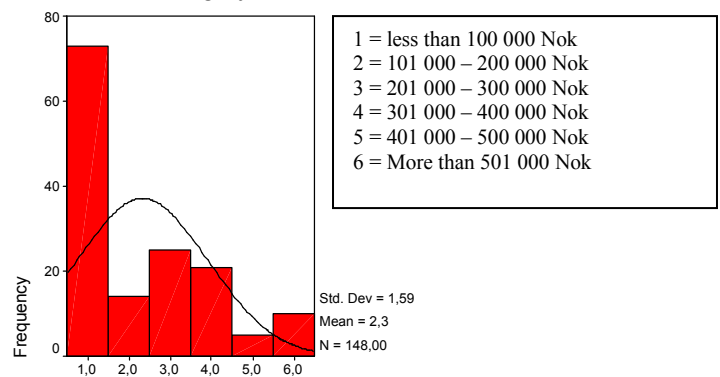
1 = less than 100 000 Nok
2 = 101 000 – 200 000 Nok
3 = 201 000 – 300 000 Nok
4 = 301 000 – 400 000 Nok
5 = 401 000 – 500 000 Nok
6 = More than 501 000 Nok

Std. Dev = 1,59
Mean = 2,3
N = 148,00

Income category

maritalstatus

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	married	14	8,8	8,8	8,8
	unmarried	141	88,1	88,1	96,9
	separated	1	,6	,6	97,5
	widowed	4	2,5	2,5	100,0
	Total	160	100,0	100,0	

numchildren

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	134	83,8	85,4	85,4
	1	5	3,1	3,2	88,5
	2	12	7,5	7,6	96,2
	3	3	1,9	1,9	98,1
	4	1	,6	,6	98,7
	5	1	,6	,6	99,4
	9	1	,6	,6	100,0
	Total	157	98,1	100,0	
Missing	System	3	1,9		
Total		160	100,0		

8.5.4 Shopping Habits & Relationship to store

Often Shopping

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	once a week	23	14,4	14,4	14,4
	once a month	38	23,8	23,8	38,1
	once every 3 month	45	28,1	28,1	66,3
	once every 6 month	35	21,9	21,9	88,1
	once a year	10	6,3	6,3	94,4
	Unfrequented	9	5,6	5,6	100,0
	Total	160	100,0	100,0	

Relation to store

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	68	42,5	42,5	42,5
	no	92	57,5	57,5	100,0
	Total	160	100,0	100,0	

ResearchBuying

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	76	47,5	47,5	47,5
	No	14	8,8	8,8	56,3
	Sometimes	70	43,8	43,8	100,0
	Total	160	100,0	100,0	

Often Shopping

Std. Dev = 1,34
Mean = 3,0
N = 160,00

1 = once a week
2 = once a month
3 = once every 3rd month
4 = once every 6th month
5 = once a year
6 = unfrequented

Relation to store

Std. Dev = ,50
Mean = 1,58
N = 160,00

1 = yes 2 = No

ResearchBuying


```
1 = yes
2 = No
3 = sometimes

Std. Dev = ,96
Mean = 1,96
N = 160,00
```

ResearchBuying
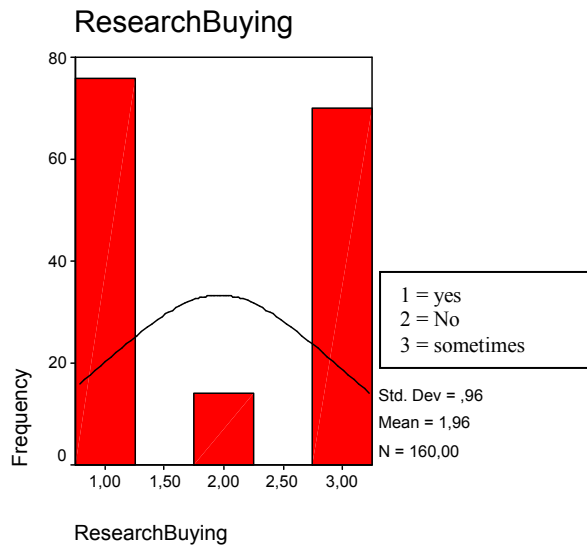
8.5.5 Loyal to sport store & Important factors building relationship

Loyalty to sport store

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	3,1	3,5	3,5
	2	12	7,5	8,4	11,9
	3	31	19,4	21,7	33,6
	4	29	18,1	20,3	53,8
	5	30	18,8	21,0	74,8
	6	24	15,0	16,8	91,6
	7	12	7,5	8,4	100,0
	Total	143	89,4	100,0	
Missing	System	17	10,6		
Total		160	100,0		

Most IMportant Factor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	service	42	26,3	26,3	26,3
	product mix	24	15,0	15,0	41,3
	product quality	36	22,5	22,5	63,8
	communication	4	2,5	2,5	66,3
	price	34	21,3	21,3	87,5
	knowledgable employees	14	8,8	8,8	96,3
	location	6	3,8	3,8	100,0
	Total	160	100,0	100,0	

Second most important

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	service	36	22,5	22,5	22,5
	product mix	14	8,8	8,8	31,3
	product quality	30	18,8	18,8	50,0
	communication	6	3,8	3,8	53,8
	price	37	23,1	23,1	76,9
	knowledgable employees	21	13,1	13,1	90,0
	location	16	10,0	10,0	100,0
	Total	160	100,0	100,0	

Loyalty to sport store

1 = extremely loyal
7 = No loyalty at all

Std. Dev = 1,56
Mean = 4,3
N = 143,00
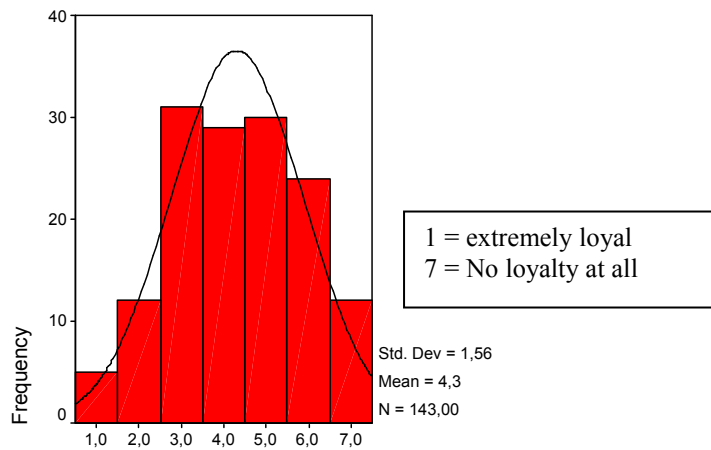
Loyalty to sport store

Most IMportant Factor

Std. Dev = 1,86
Mean = 3,2
N = 160,00
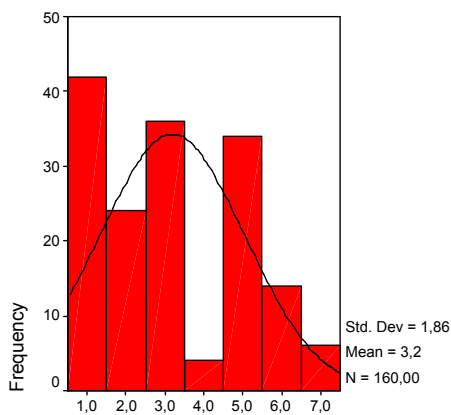
Most Important Factor

Second most important

1 = Service
2 = Product Mix
3 = Product Quality
4 = Communication (advertising)
5 = Price
6 = Knowledgeable Employees
7 = Location

Std. Dev = 2,05
Mean = 3,8
N = 160,00
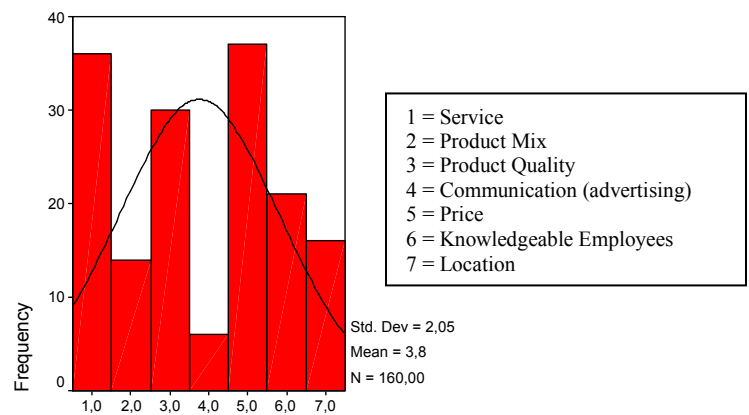
Second most important

8.6.1 Appendix 5 - Objective 1 - Segmentation

Final Cluster Centers

	Cluster			
	1	2	3	4
Sex/Gender	1	1	2	1
Often Shopping	3	2	4	3
Relation to store	2	1	2	1
Loyalty to sport store	6	3	5	3
lifesituation	2	1	1	2
Age Category	4,15	2,97	2,64	4,04
Income category	3,54	1,27	1,20	4,59

Sex/Gender: 1 = Male, 2 = Female,
Often Shopping: 1 = once a month, 2 = Once a month, 3 = once every 3rd
month, 4 = once every 6th month, 5 = once a year, 6 = Unfrequented
Relation to store: 1 = yes 2 = no
Loyalty to sport store: 1 =extremely loyal, 7 = No loyalty
Life situation: 1 = Stundet, 2 = Working,
Age Category:
    1 = less than 19 years,2 = 20 – 23 years old, 3 = 24 – 27 years old,
    4 = 28 – 31 years old, 5 = 32 – 35 years old, 6 = more than 36 years old
Income Category:
    1 = less than 100 000 Nok, 2 = 101 000 – 200 000 Nok
    3 = 201 000 – 300 000 Nok, 4 = 301 000 – 400 000 Nok
    5 = 401 000 – 500 000 Nok, 6 = More than 501 000 Nok

8.6.2 Cluster analysis

Number of Cases in each Cluster

Cluster	1	26,000
	2	37,000
	3	44,000
	4	27,000
Valid		134,000
Missing		26,000

ANOVA

	Cluster		Error			
	Mean Square	df	Mean Square	df	F	Sig.
Sex/Gender	,048	3	,257	130	,189	,904
Often Shopping	15,476	3	1,276	130	12,127	,000
Relation to store	2,309	3	,190	130	12,173	,000
Loyalty to sport store	69,483	3	,903	130	76,915	,000
lifesituation	10,117	3	,096	130	104,860	,000
Age Category	18,984	3	,904	130	21,003	,000
Income category	91,123	3	,534	130	170,602	,000

The F tests should be used only for descriptive purposes because the clusters have been chosen to maximize the differences among cases in different clusters. The observed significance levels are not corrected for this and thus cannot be interpreted as tests of the hypothesis that the cluster means are equal.

8.6.3 Discriminant analysis

Test Results

Box's M		115,243
F	Approx.	1,230
	df1	84
	df2	28383,424
	Sig.	,075

Tests null hypothesis of equal population covariance matrices.

Tests of Equality of Group Means

	Wilks' Lambda	F	df1	df2	Sig.
Importance of Advertising	,966	1,530	3	129	,210
Service Importance	,905	4,490	3	129	,005
Product Mix Importance	,958	1,889	3	129	,135
Product Quality Importance	,985	,641	3	129	,590
Price Importance	,935	2,974	3	129	,034
Employee Importance	,925	3,462	3	129	,018
Location importance	,939	2,793	3	129	,043

Group Statistics

Cluster Number of Case		Mean	Std. Deviation	Valid N (listwise) Unweighted	Weighted
1	Importance of Advertising	4,85	1,804	26	26,000
	Service Importance	2,00	1,296	26	26,000
	Product Mix Importance	3,62	1,359	26	26,000
	Product Quality Importance	2,19	1,327	26	26,000
	Price Importance	2,85	1,156	26	26,000
	Employee Importance	2,15	1,255	26	26,000
	Location importance	2,77	1,505	26	26,000
2	Importance of Advertising	5,32	1,564	37	37,000
	Service Importance	2,19	,938	37	37,000
	Product Mix Importance	2,81	1,198	37	37,000
	Product Quality Importance	2,51	1,387	37	37,000
	Price Importance	3,08	1,341	37	37,000
	Employee Importance	2,41	1,212	37	37,000
	Location importance	3,65	1,751	37	37,000
3	Importance of Advertising	5,67	1,476	43	43,000
	Service Importance	2,95	1,479	43	43,000
	Product Mix Importance	3,35	1,660	43	43,000
	Product Quality Importance	2,70	1,726	43	43,000
	Price Importance	2,81	1,402	43	43,000
	Employee Importance	3,09	1,616	43	43,000
	Location importance	3,84	1,617	43	43,000
4	Importance of Advertising	5,41	1,448	27	27,000
	Service Importance	2,19	1,039	27	27,000
	Product Mix Importance	3,11	1,281	27	27,000
	Product Quality Importance	2,63	1,523	27	27,000
	Price Importance	3,81	1,902	27	27,000
	Employee Importance	2,19	1,520	27	27,000
	Location importance	3,85	1,562	27	27,000
Total	Importance of Advertising	5,36	1,573	133	133,000
	Service Importance	2,40	1,273	133	133,000
	Product Mix Importance	3,20	1,424	133	133,000
	Product Quality Importance	2,53	1,515	133	133,000
	Price Importance	3,10	1,492	133	133,000
	Employee Importance	2,53	1,464	133	133,000
	Location importance	3,58	1,657	133	133,000

8.6.4 ANOVA – different means between the clusters

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
Service Importance	1,050	3	130	,373
Employee Importance	,512	3	130	,675
Location importance	,678	3	130	,567
Price Importance	4,595	3	130	,004

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Service Importance	Between Groups	18,435	3	6,145	4,047	,009
	Within Groups	197,386	130	1,518		
	Total	215,821	133			
Employee Importance	Between Groups	21,299	3	7,100	3,523	,017
	Within Groups	262,014	130	2,015		
	Total	283,313	133			
Location importance	Between Groups	23,352	3	7,784	2,934	,036
	Within Groups	344,887	130	2,653		
	Total	368,239	133			
Price Importance	Between Groups	20,154	3	6,718	3,142	,028
	Within Groups	277,943	130	2,138		
	Total	298,097	133			
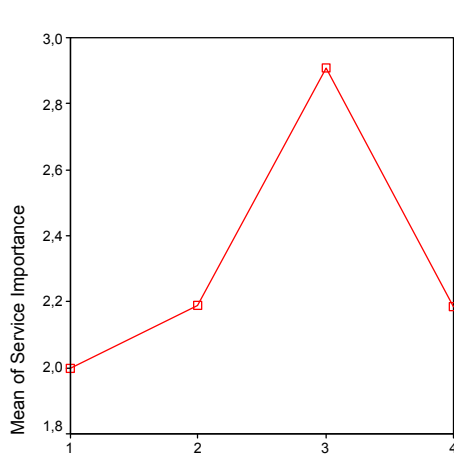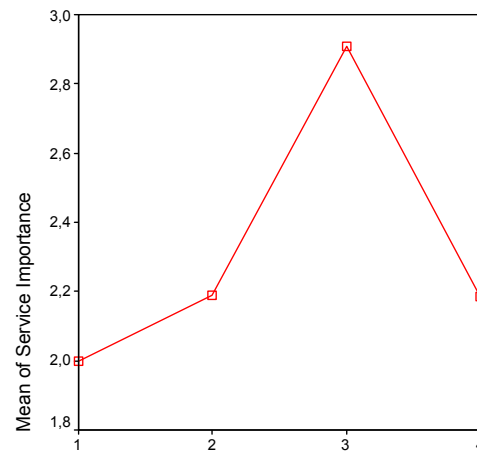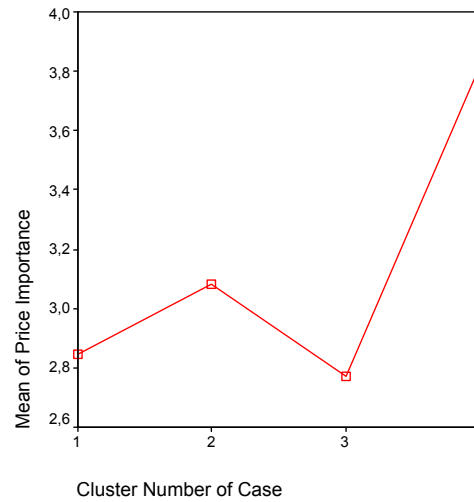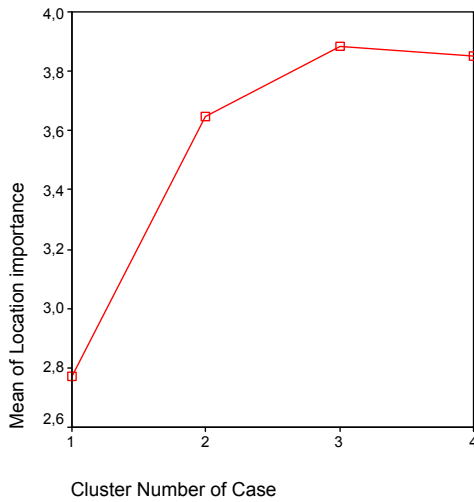
8.6.5 Cross tab Matrix & Descriptive data

Crosstab

| | | | \multicolumn{7}{c}{Loyalty to sport store} | Total |
			1	2	3	4	5	6	7	Total
Cluster Number of Case	1	Count					11	10	5	26
		% within Cluste Number of Cas					42,3%	38,5%	19,2%	100,0%
	2	Count	4	10	13	10				37
		% within Cluste Number of Cas	10,8%	27,0%	35,1%	27,0%				100,0%
	3	Count			4	4	16	13	7	44
		% within Cluste Number of Cas			9,1%	9,1%	36,4%	29,5%	15,9%	100,0%
	4	Count		2	12	12	1			27
		% within Cluste Number of Cas		7,4%	44,4%	44,4%	3,7%			100,0%
Total		Count	4	12	29	26	28	23	12	134
		% within Cluste Number of Cas	3,0%	9,0%	21,6%	19,4%	20,9%	17,2%	9,0%	100,0%

Crosstab

			Relation to store		Total
			yes	no	
Cluster Number of Case	1	Count	3	23	26
		% within Cluster Number of Case	11,5%	88,5%	100,0%
	2	Count	25	12	37
		% within Cluster Number of Case	67,6%	32,4%	100,0%
	3	Count	9	35	44
		% within Cluster Number of Case	20,5%	79,5%	100,0%
	4	Count	14	13	27
		% within Cluster Number of Case	51,9%	48,1%	100,0%
Total		Count	51	83	134
		% within Cluster Number of Case	38,1%	61,9%	100,0%

8.7.1 Appendix 6 - Objective 2 - Loyalty

8.7.2 Group Statistics - Loyalty factors

Group Statistics

Loyalty to sport store		Mean	Std. Deviation	Valid N (listwise) Unweighted	Weighted
1	Service Importance	2,20	1,304	5	5,000
	Product Mix Importance	2,20	1,095	5	5,000
	Price Importance	2,00	1,225	5	5,000
	Employee Importance	1,60	,894	5	5,000
	Location importance	2,20	,837	5	5,000
	Product Quality Importance	1,60	,548	5	5,000
2	Service Importance	2,17	1,193	12	12,000
	Product Mix Importance	2,75	1,055	12	12,000
	Price Importance	4,00	1,595	12	12,000
	Employee Importance	2,33	1,670	12	12,000
	Location importance	4,42	2,065	12	12,000
	Product Quality Importance	2,25	1,658	12	12,000
3	Service Importance	2,39	1,283	31	31,000
	Product Mix Importance	2,81	1,424	31	31,000
	Price Importance	3,58	1,747	31	31,000
	Employee Importance	2,45	1,410	31	31,000
	Location importance	3,74	1,570	31	31,000
	Product Quality Importance	2,74	1,612	31	31,000
4	Service Importance	2,14	,891	28	28,000
	Product Mix Importance	3,11	1,031	28	28,000
	Price Importance	2,96	1,478	28	28,000
	Employee Importance	2,43	1,200	28	28,000
	Location importance	3,75	1,602	28	28,000
	Product Quality Importance	2,68	1,124	28	28,000
5	Service Importance	2,67	1,749	30	30,000
	Product Mix Importance	3,80	1,375	30	30,000
	Price Importance	3,07	1,413	30	30,000
	Employee Importance	2,93	1,780	30	30,000
	Location importance	3,47	1,795	30	30,000
	Product Quality Importance	2,63	1,752	30	30,000
6	Service Importance	2,54	1,141	24	24,000
	Product Mix Importance	3,25	1,595	24	24,000
	Price Importance	3,00	1,445	24	24,000
	Employee Importance	2,67	1,373	24	24,000
	Location importance	3,21	1,444	24	24,000
	Product Quality Importance	2,42	1,349	24	24,000
7	Service Importance	2,67	1,670	12	12,000
	Product Mix Importance	3,58	1,929	12	12,000
	Price Importance	2,33	,985	12	12,000
	Employee Importance	2,67	1,670	12	12,000
	Location importance	3,58	1,730	12	12,000
	Product Quality Importance	2,67	2,188	12	12,000
Total	Service Importance	2,42	1,328	142	142,000
	Product Mix Importance	3,19	1,424	142	142,000
	Price Importance	3,13	1,534	142	142,000
	Employee Importance	2,56	1,480	142	142,000
	Location importance	3,58	1,664	142	142,000
	Product Quality Importance	2,56	1,541	142	142,000

Tests of Equality of Group Means

	Wilks' Lambda	F	df1	df2	Sig.
Service Importance	,975	,566	6	135	,756
Product Mix Importance	,912	2,164	6	135	,050
Price Importance	,908	2,292	6	135	,039
Employee Importance	,965	,804	6	135	,568
Location importance	,940	1,424	6	135	,210
Product Quality Importance	,976	,548	6	135	,770

8.7.3 Correlation – Relationship variables

Correlations

		Service Importance	Product Mix Importance	Product Quality Importance	Price Importance	Employee Importance	Location importance	Loyalty to sport store
Service Importance	Pearson Correlation	1	,171*	,569**	,090	,665**	,286**	,112
	Sig. (2-tailed)	,	,041	,000	,281	,000	,001	,184
	N	144	143	144	144	144	144	143
Product Mix Importance	Pearson Correlation	,171*	1	,316**	-,004	,130	,008	,231**
	Sig. (2-tailed)	,041	,	,000	,965	,121	,929	,006
	N	143	143	143	143	143	143	142
Product Quality Importance	Pearson Correlation	,569**	,316**	1	,115	,465**	,233**	,043
	Sig. (2-tailed)	,000	,000	,	,170	,000	,005	,607
	N	144	143	144	144	144	144	143
Price Importance	Pearson Correlation	,090	-,004	,115	1	,111	,153	-,158
	Sig. (2-tailed)	,281	,965	,170	,	,185	,067	,059
	N	144	143	144	144	144	144	143
Employee Importance	Pearson Correlation	,665**	,130	,465**	,111	1	,258**	,132
	Sig. (2-tailed)	,000	,121	,000	,185	,	,002	,116
	N	144	143	144	144	144	144	143
Location importance	Pearson Correlation	,286**	,008	,233**	,153	,258**	1	-,072
	Sig. (2-tailed)	,001	,929	,005	,067	,002	,	,395
	N	144	143	144	144	144	144	143
Loyalty to sport store	Pearson Correlation	,112	,231**	,043	-,158	,132	-,072	1
	Sig. (2-tailed)	,184	,006	,607	,059	,116	,395	,
	N	143	142	143	143	143	143	143

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

8.7.4 Regression analysis - Loyalty to sport store

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,326[a]	,106	,066	1,510

a. Predictors: (Constant), Employee Importance, Price Importance, Product Mix Importance, Location importance, Product Quality Importance, Service Importance

b. Dependent Variable: Loyalty to sport store

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36,524	6	6,087	2,670	,018[a]
	Residual	307,842	135	2,280		
	Total	344,366	141			

a. Predictors: (Constant), Employee Importance, Price Importance, Product Mix Importance, Location importance, Product Quality Importance, Service Importance

b. Dependent Variable: Loyalty to sport store

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,929	,478		8,213	,000
	Product Mix Importance	,254	,094	,232	2,694	,008
	Product Quality Importance	-9,73E-02	,107	-,096	-,913	,363
	Location importance	-7,26E-02	,082	-,077	-,890	,375
	Service Importance	8,845E-02	,143	,075	,617	,538
	Price Importance	-,159	,085	-,156	-1,874	,063
	Employee Importance	,141	,118	,134	1,199	,233

a. Dependent Variable: Loyalty to sport store

8.7.5 Factor analysis - Linking relationship variables together

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2,444	34,911	34,911	2,444	34,911	34,911
2	1,152	16,459	51,370	1,152	16,459	51,370
3	1,027	14,668	66,038	1,027	14,668	66,038
4	,833	11,905	77,943			
5	,754	10,767	88,711			
6	,489	6,988	95,698			
7	,301	4,302	100,000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component		
	1	2	3
Importance of Advertising	-,195	,571	,555
Service Importance	,852	8,796E-02	,215
Product Mix Importance	,369	-,666	1,822E-02
Product Quality Importance	,789	-,134	9,841E-02
Price Importance	,244	,312	-,788
Employee Importance	,800	9,435E-02	,133
Location importance	,472	,501	-,155

Extraction Method: Principal Component Analysis.

a. 3 components extracted.

8.7.6 Regression Analysis - Importance of Service Variable

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,742[a]	,551	,535	,906

a. Predictors: (Constant), Location importance, Product Mix Importance, Price Importance, Employee Importance, Product Quality Importance

b. Dependent Variable: Service Importance

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	138,122	5	27,624	33,630	,000[a]
	Residual	112,535	137	,821		
	Total	250,657	142			

a. Predictors: (Constant), Location importance, Product Mix Importance, Price Importance, Employee Importance, Product Quality Importance

b. Dependent Variable: Service Importance

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	,330	,286		1,157	,249
	Product Mix Importance	1,624E-03	,057	,002	,029	,977
	Product Quality Importance	,285	,059	,330	4,824	,000
	Price Importance	-2,93E-02	,050	-,034	-,589	,557
	Employee Importance	,445	,059	,494	7,510	,000
	Location importance	8,330E-02	,048	,104	1,727	,086

a. Dependent Variable: Service Importance

8.8.1. Appendix 7 - Objective 3 - Loyalty Program

8.8.2 Frequencies - Loyalty Program Users

Loyalty cards

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	125	78,1	78,1	78,1
	no	35	21,9	21,9	100,0
	Total	160	100,0	100,0	

Loyalty cards visit

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Every Time	23	14,4	14,4	14,4
	Often	32	20,0	20,0	34,4
	Not to often	48	30,0	30,0	64,4
	Infrequent	57	35,6	35,6	100,0
	Total	160	100,0	100,0	

8.8.3 Cross tab – Loyalty card variable

Loyalty cards * Often Shopping Crosstabulation

			Often Shopping						Total
			once a week	once a month	once every 3 month	once every 6 month	once a year	Unfrequented	
Loyalty cards	Yes	Count	21	31	33	26	8	6	125
		% within Often Shop	91,3%	81,6%	73,3%	74,3%	80,0%	66,7%	78,1%
	no	Count	2	7	12	9	2	3	35
		% within Often Shop	8,7%	18,4%	26,7%	25,7%	20,0%	33,3%	21,9%
Total		Count	23	38	45	35	10	9	160
		% within Often Shop	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

Loyalty cards * Relation to store Crosstabulation

			Relation to store		Total
			yes	no	
Loyalty cards	Yes	Count	56	69	125
		% within Loyalty cards	44,8%	55,2%	100,0%
		% within Relation to store	82,4%	75,0%	78,1%
	no	Count	12	23	35
		% within Loyalty cards	34,3%	65,7%	100,0%
		% within Relation to store	17,6%	25,0%	21,9%
Total		Count	68	92	160
		% within Loyalty cards	42,5%	57,5%	100,0%
		% within Relation to store	100,0%	100,0%	100,0%

Loyalty cards * Most IMportant Factor Crosstabulation

			Most IMportant Factor							Total
			service	product mix	product quality	communication	price	knowledgable employees	location	
Loyalty cards	Yes	Count	39	15	24	4	28	10	5	125
		% within Loyalty c	31,2%	12,0%	19,2%	3,2%	22,4%	8,0%	4,0%	100,0%
		% within Most IMportant Factor	92,9%	62,5%	66,7%	100,0%	82,4%	71,4%	83,3%	78,1%
	no	Count	3	9	12		6	4	1	35
		% within Loyalty c	8,6%	25,7%	34,3%		17,1%	11,4%	2,9%	100,0%
		% within Most IMportant Factor	7,1%	37,5%	33,3%		17,6%	28,6%	16,7%	21,9%
Total		Count	42	24	36	4	34	14	6	160
		% within Loyalty c	26,3%	15,0%	22,5%	2,5%	21,3%	8,8%	3,8%	100,0%
		% within Most IMportant Factor	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

8.8.4 Correlation Matrixes – Loyalty Card variable

Correlations

		Loyalty cards	Loyalty to sport store	Research Buying	Often Shopping	Relation to store
Loyalty cards	Pearson Correlation	1	,107	,021	,129	,088
	Sig. (2-tailed)	,	,202	,794	,103	,269
	N	160	143	160	160	160
Loyalty to sport store	Pearson Correlation	,107	1	,075	,183*	,510**
	Sig. (2-tailed)	,202	,	,376	,028	,000
	N	143	143	143	143	143
ResearchBuying	Pearson Correlation	,021	,075	1	,078	,138
	Sig. (2-tailed)	,794	,376	,	,327	,081
	N	160	143	160	160	160
Often Shopping	Pearson Correlation	,129	,183*	,078	1	,351**
	Sig. (2-tailed)	,103	,028	,327	,	,000
	N	160	143	160	160	160
Relation to store	Pearson Correlation	,088	,510**	,138	,351**	1
	Sig. (2-tailed)	,269	,000	,081	,000	,
	N	160	143	160	160	160

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Correlations

		Loyalty cards	Importance of Advertising	Service Importance	Product Mix Importance	Product Quality Importance	Price Importance	Employee Importance	Location importance
Loyalty cards	Pearson Correlation	1	,056	-,062	-,098	,032	,012	-,066	-,094
	Sig. (2-tailed)	,	,494	,458	,245	,699	,888	,435	,263
	N	160	149	144	143	144	144	144	144
Importance of Advertisir	Pearson Correlation	,056	1	-,043	-,156	-,112	-,050	-,108	-,007
	Sig. (2-tailed)	,494	,	,611	,063	,182	,548	,198	,937
	N	149	149	144	143	144	144	144	144
Service Importance	Pearson Correlation	-,062	-,043	1	,171*	,569**	,090	,665**	,286*
	Sig. (2-tailed)	,458	,611	,	,041	,000	,281	,000	,001
	N	144	144	144	143	144	144	144	144
Product Mix Importance	Pearson Correlation	-,098	-,156	,171*	1	,316**	-,004	,130	,008
	Sig. (2-tailed)	,245	,063	,041	,	,000	,965	,121	,929
	N	143	143	143	143	143	143	143	143
Product Quality Importance	Pearson Correlation	,032	-,112	,569**	,316**	1	,115	,465**	,233*
	Sig. (2-tailed)	,699	,182	,000	,000	,	,170	,000	,005
	N	144	144	144	143	144	144	144	144
Price Importance	Pearson Correlation	,012	-,050	,090	-,004	,115	1	,111	,153
	Sig. (2-tailed)	,888	,548	,281	,965	,170	,	,185	,067
	N	144	144	144	143	144	144	144	144
Employee Importance	Pearson Correlation	-,066	-,108	,665**	,130	,465**	,111	1	,258*
	Sig. (2-tailed)	,435	,198	,000	,121	,000	,185	,	,002
	N	144	144	144	143	144	144	144	144
Location importance	Pearson Correlation	-,094	-,007	,286**	,008	,233**	,153	,258**	1
	Sig. (2-tailed)	,263	,937	,001	,929	,005	,067	,002	,
	N	144	144	144	143	144	144	144	144

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

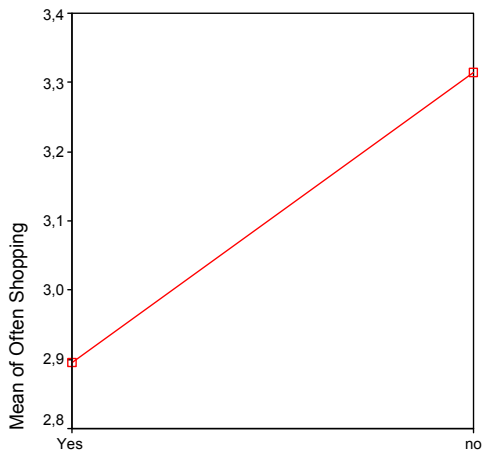## 8.8.5 ANOVA – Means Plot - Loyalty program
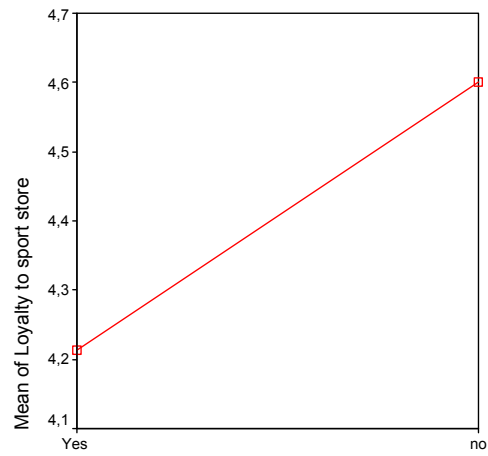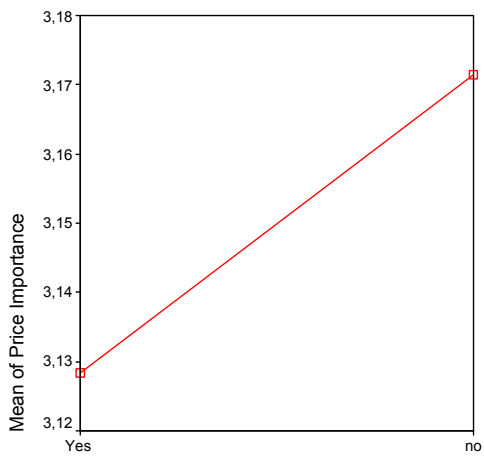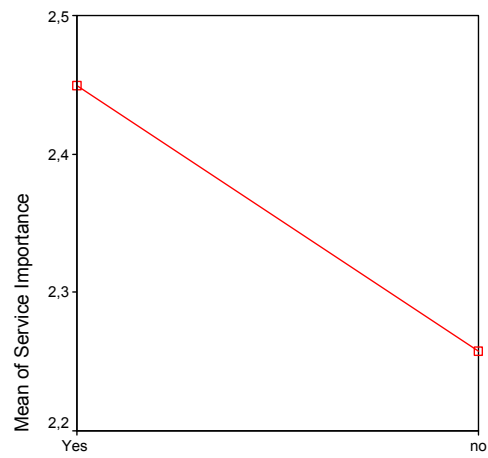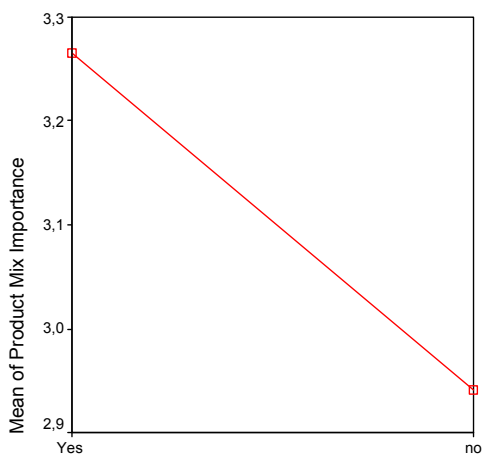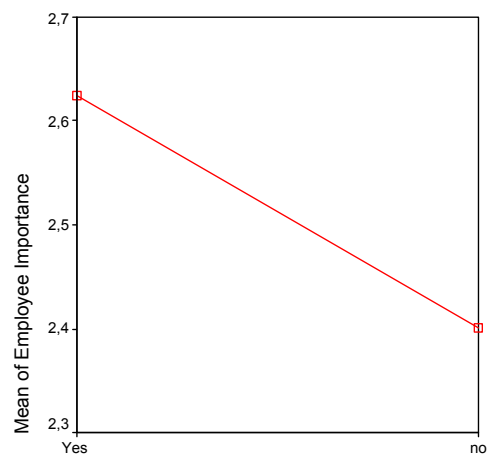
8.8.6 Clusters compared to loyalty programs users

Cluster Number of Case
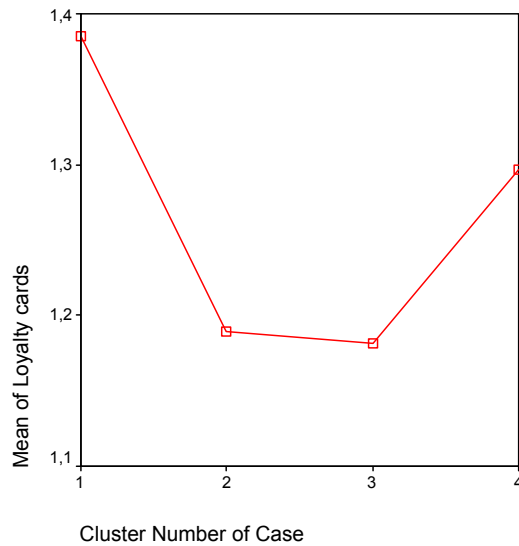
8.9.1 Appendix 8 - Objective 4 - Word of Mouth

8.9.2 Frequencies - Word of Mouth

Negative word of mouth

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	39	24,4	27,9	27,9
	2	49	30,6	35,0	62,9
	3	30	18,8	21,4	84,3
	4	4	2,5	2,9	87,1
	5	6	3,8	4,3	91,4
	6	10	6,3	7,1	98,6
	7	2	1,3	1,4	100,0
	Total	140	87,5	100,0	
Missing	System	20	12,5		
Total		160	100,0		

Positive word of mouth

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	10	6,3	7,1	7,1
	2	26	16,3	18,4	25,5
	3	45	28,1	31,9	57,4
	4	22	13,8	15,6	73,0
	5	22	13,8	15,6	88,7
	6	12	7,5	8,5	97,2
	7	4	2,5	2,8	100,0
	Total	141	88,1	100,0	
Missing	System	19	11,9		
Total		160	100,0		

Positive word of mouth

Std. Dev = 1,49
Mean = 3,5
N = 141,00

Positive word of mouth
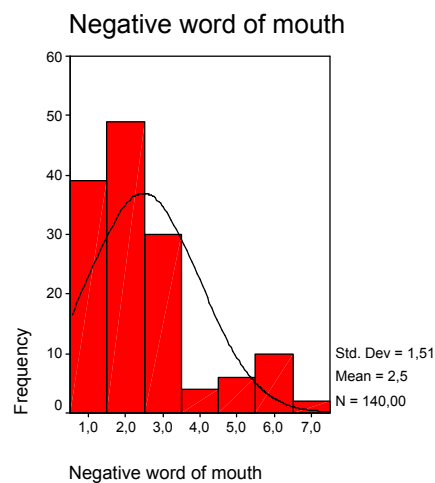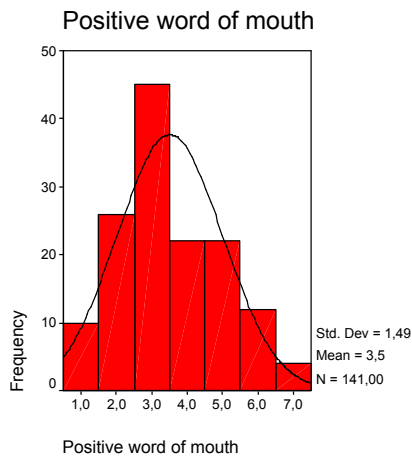
1 = high rate of word of mouth
7 = low rate of word of mouth

Negative word of mouth

Std. Dev = 1,51
Mean = 2,5
N = 140,00

Negative word of mouth

8.9.3 Correlation - Negative Word of Mouth

Correlations

|		Negative word of mouth	Service Importance	Product Mix Importance	Product Quality Importance	Price Importance	Employee Importance	Location importance
Negative word of mouth	Pearson Correlation	1	,191*	,093	,262**	,055	,220**	-,071
	Sig. (2-tailed)	,	,024	,279	,002	,516	,009	,407
	N	140	140	139	140	140	140	140
Service Importance	Pearson Correlation	,191*	1	,171*	,569**	,090	,665**	,286**
	Sig. (2-tailed)	,024	,	,041	,000	,281	,000	,001
	N	140	144	143	144	144	144	144
Product Mix Importance	Pearson Correlation	,093	,171*	1	,316**	-,004	,130	,008
	Sig. (2-tailed)	,279	,041	,	,000	,965	,121	,929
	N	139	143	143	143	143	143	143
Product Quality Importance	Pearson Correlation	,262**	,569**	,316**	1	,115	,465**	,233**
	Sig. (2-tailed)	,002	,000	,000	,	,170	,000	,005
	N	140	144	143	144	144	144	144
Price Importance	Pearson Correlation	,055	,090	-,004	,115	1	,111	,153
	Sig. (2-tailed)	,516	,281	,965	,170	,	,185	,067
	N	140	144	143	144	144	144	144
Employee Importance	Pearson Correlation	,220**	,665**	,130	,465**	,111	1	,258**
	Sig. (2-tailed)	,009	,000	,121	,000	,185	,	,002
	N	140	144	143	144	144	144	144
Location importance	Pearson Correlation	-,071	,286**	,008	,233**	,153	,258**	1
	Sig. (2-tailed)	,407	,001	,929	,005	,067	,002	,
	N	140	144	143	144	144	144	144

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

8.9.4 Regression - Negative Word of Mouth

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,284[a]	,081	,060	1,464

a. Predictors: (Constant), Employee Importance, Product Quality Importance, Service Importance

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25,515	3	8,505	3,969	,009[a]
	Residual	291,421	136	2,143		
	Total	316,936	139			

a. Predictors: (Constant), Employee Importance, Product Quality Importance, Service Importance

b. Dependent Variable: Negative word of mouth

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1,658	,282		5,880	,000
	Service Importance	-1,95E-02	,136	-,017	-,144	,886
	Product Quality Importance	,203	,099	,209	2,063	,041
	Employee Importance	,135	,114	,133	1,182	,239

a. Dependent Variable: Negative word of mouth

8.9.5 Correlation - Positive Word of Mouth

Correlations – Same variables as negative word of mouth

		Service Importance	Product Quality Importance	Employee Importance	Positive word of mouth
Service Importance	Pearson Correlation	1	,569**	,665**	,139
	Sig. (2-tailed)	,	,000	,000	,099
	N	144	144	144	141
Product Quality Importance	Pearson Correlation	,569**	1	,465**	,146
	Sig. (2-tailed)	,000	,	,000	,084
	N	144	144	144	141
Employee Importance	Pearson Correlation	,665**	,465**	1	,091
	Sig. (2-tailed)	,000	,000	,	,284
	N	144	144	144	141
Positive word of mouth	Pearson Correlation	,139	,146	,091	1
	Sig. (2-tailed)	,099	,084	,284	,
	N	141	141	141	141

**. Correlation is significant at the 0.01 level (2-tailed).

Correlations

		Positive word of mouth	price and advertising	Loyalty to sport store	Relation to store	Salesperson Impact	Relation to salesperson
Positive word of mouth	Pearson Correlation	1	,188*	,215*	,191*	,291**	,179*
	Sig. (2-tailed)	,	,026	,010	,023	,000	,034
	N	141	140	141	141	140	141
price and advertising	Pearson Correlation	,188*	1	,226**	,121	,167*	,216*
	Sig. (2-tailed)	,026	,	,007	,151	,050	,010
	N	140	143	142	143	139	140
Loyalty to sport store	Pearson Correlation	,215*	,226**	1	,510**	,064	,610**
	Sig. (2-tailed)	,010	,007	,	,000	,454	,000
	N	141	142	143	143	140	141
Relation to store	Pearson Correlation	,191*	,121	,510**	1	-,031	,554**
	Sig. (2-tailed)	,023	,151	,000	,	,719	,000
	N	141	143	143	160	140	141
Salesperson Impact	Pearson Correlation	,291**	,167*	,064	-,031	1	,052
	Sig. (2-tailed)	,000	,050	,454	,719	,	,545
	N	140	139	140	140	140	140
Relation to salesperson	Pearson Correlation	,179*	,216*	,610**	,554**	,052	1
	Sig. (2-tailed)	,034	,010	,000	,000	,545	,
	N	141	140	141	141	140	141

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

8.9.6 Regression - Positive Word of Mouth

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,382[a]	,146	,114	1,408

a. Predictors: (Constant), Relation to store, Salesperson Impact, price and advertising, Loyalty to sport store, Relation to salesperson

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44,993	5	8,999	4,539	,001[a]
	Residual	263,669	133	1,982		
	Total	308,662	138			

a. Predictors: (Constant), Relation to store, Salesperson Impact, price and advertising, Loyalty to sport store, Relation to salesperson

b. Dependent Variable: Positive word of mouth

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1,531	,527		2,904	,004
	price and advertising	,160	,130	,104	1,232	,220
	Relation to salesperson	5,002E-03	,084	,006	,060	,953
	Salesperson Impact	,278	,085	,266	3,267	,001
	Loyalty to sport store	8,977E-02	,104	,093	,864	,389
	Relation to store	,430	,308	,142	1,398	,165

a. Dependent Variable: Positive word of mouth

8.9.7 ANOVA – Negative Word of Mouth/Relationship to store

Test of Homogeneity of Variances

Negative word of mouth

Levene Statistic	df1	df2	Sig.
4,167	1	138	,043

ANOVA

Negative word of mouth

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4,814	1	4,814	2,128	,147
Within Groups	312,122	138	2,262		
Total	316,936	139			

8.9.8 ANOVA – Positive Word of Mouth/Relationship to store

Test of Homogeneity of Variances

Positive word of mouth

Levene Statistic	df1	df2	Sig.
1,321	1	139	,252

ANOVA

Positive word of mouth

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	11,375	1	11,375	5,273	,023
Within Groups	299,859	139	2,157		
Total	311,234	140			

8.9.9 ANOVA Positive word of mouth - Loyalty

Test of Homogeneity of Variances

Loyalty to sport store

Levene Statistic	df1	df2	Sig.
1,850	6	134	,094

ANOVA

Loyalty to sport store

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	32,930	6	5,488	2,470	,027
Within Groups	297,708	134	2,222		
Total	330,638	140			

Positive word of mouth
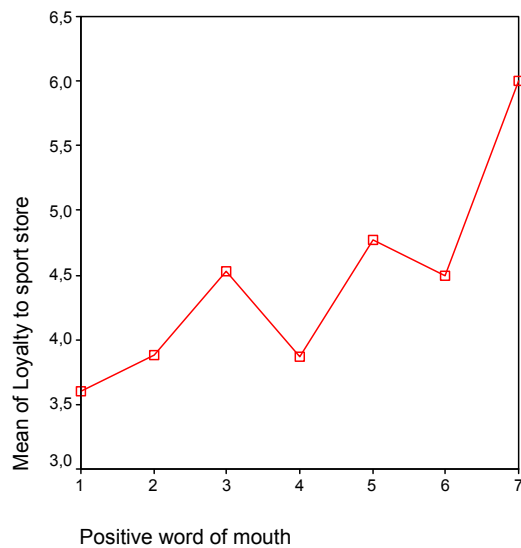
8.10.1 Appendix 9 - Objective 5 - Salesperson

8.10.2 Correlation Matrix - Salespeople Impact

Correlations

		Service Importance	Product Quality Importance	Employee Importance	Relation to store	Often Shopping	Salesperson Impact	Positive word of mouth
Service Importance	Pearson Correlation	1	,569**	,665**	,017	,101	,375**	,139
	Sig. (2-tailed)	,	,000	,000	,842	,229	,000	,099
	N	144	144	144	144	144	140	141
Product Quality Importance	Pearson Correlation	,569**	1	,465**	,064	,166*	,213*	,146
	Sig. (2-tailed)	,000	,	,000	,445	,046	,011	,084
	N	144	144	144	144	144	140	141
Employee Importance	Pearson Correlation	,665**	,465**	1	,086	,065	,332**	,091
	Sig. (2-tailed)	,000	,000	,	,303	,439	,000	,284
	N	144	144	144	144	144	140	141
Relation to store	Pearson Correlation	,017	,064	,086	1	,351**	-,031	,191*
	Sig. (2-tailed)	,842	,445	,303	,	,000	,719	,023
	N	144	144	144	160	160	140	141
Often Shopping	Pearson Correlation	,101	,166*	,065	,351**	1	,184*	,130
	Sig. (2-tailed)	,229	,046	,439	,000	,	,030	,123
	N	144	144	144	160	160	140	141
Salesperson Impact	Pearson Correlation	,375**	,213*	,332**	-,031	,184*	1	,291**
	Sig. (2-tailed)	,000	,011	,000	,719	,030	,	,000
	N	140	140	140	140	140	140	140
Positive word of mouth	Pearson Correlation	,139	,146	,091	,191*	,130	,291**	1
	Sig. (2-tailed)	,099	,084	,284	,023	,123	,000	,
	N	141	141	141	141	141	140	141

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

8.10.3 Regression analysis - Salesperson Impact

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,461	,412		3,543	,001
	Service Importance	,278	,123	,248	2,258	,026
	Product Quality Importance	-2,93E-02	,088	-,031	-,332	,740
	Employee Importance	,158	,103	,161	1,540	,126
	Relation to salesperson	-1,09E-02	,059	-,015	-,185	,854
	Positive word of mouth	,234	,076	,244	3,065	,003

a. Dependent Variable: Salesperson Impact

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	60,017	5	12,003	7,131	,000^a
	Residual	225,555	134	1,683		
	Total	285,571	139			

a. Predictors: (Constant), Positive word of mouth, Employee Importance, Relation to salesperson, Product Quality Importance, Service Importance

b. Dependent Variable: Salesperson Impact

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,458^a	,210	,181	1,297

a. Predictors: (Constant), Positive word of mouth, Employee Importance, Relation to salesperson, Product Quality Importance, Service Importance

8.10.4 Correlation matrix - Relationship with salespeople

Correlations

		Relation to store	Often Shopping	Positive word of mouth	Price Importance	Loyalty to sport store	Relation to salesperson
Relation to store	Pearson Correlation	1	,351**	,191*	-,157	,510**	,554*
	Sig. (2-tailed)	,	,000	,023	,060	,000	,000
	N	160	160	141	144	143	141
Often Shopping	Pearson Correlation	,351**	1	,130	-,047	,183*	,126
	Sig. (2-tailed)	,000	,	,123	,577	,028	,135
	N	160	160	141	144	143	141
Positive word of mouth	Pearson Correlation	,191*	,130	1	-,002	,215*	,179*
	Sig. (2-tailed)	,023	,123	,	,979	,010	,034
	N	141	141	141	141	141	141
Price Importance	Pearson Correlation	-,157	-,047	-,002	1	-,158	-,228**
	Sig. (2-tailed)	,060	,577	,979	,	,059	,007
	N	144	144	141	144	143	141
Loyalty to sport store	Pearson Correlation	,510**	,183*	,215*	-,158	1	,610**
	Sig. (2-tailed)	,000	,028	,010	,059	,	,000
	N	143	143	141	143	143	141
Relation to salesperson	Pearson Correlation	,554**	,126	,179*	-,228**	,610**	1
	Sig. (2-tailed)	,000	,135	,034	,007	,000	,
	N	141	141	141	141	141	141

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

8.10.5 Regression analysis - Relationship with the salespeople

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	,912	,588		1,550	,124
	Loyalty to sport store	,533	,095	,424	5,598	,000
	Price Importance	-,128	,081	-,101	-1,571	,119
	Relation to store	1,211	,296	,307	4,095	,000
	Positive word of mouth	3,706E-02	,084	,029	,439	,661

a. Dependent Variable: Relation to salesperson

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	239,506	4	59,877	28,605	,000[a]
	Residual	284,678	136	2,093		
	Total	524,184	140			

a. Predictors: (Constant), Positive word of mouth, Price Importance, Relation to store, Loyalty to sport store

b. Dependent Variable: Relation to salesperson

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,676[a]	,457	,441	1,447

a. Predictors: (Constant), Positive word of mouth, Price Importance, Relation to store, Loyalty to sport store

8.10.6 ANOVA - Salesperson Impact - Clusters

Test of Homogeneity of Variances

Salesperson Impact

Levene Statistic	df1	df2	Sig.
1,133	3	127	,338

ANOVA

Salesperson Impact

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6,303	3	2,101	1,014	,389
Within Groups	263,132	127	2,072		
Total	269,435	130			

Test of Homogeneity of Variances

Relation to salesperson

Levene Statistic	df1	df2	Sig.
4,754	3	128	,004

ANOVA

Relation to salesperson

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	102,009	3	34,003	11,338	,000
Within Groups	383,870	128	2,999		
Total	485,879	131			

9.1.1 Figures and Tables

9.2.1 Figure 1 – Positioning of G-sport

Source: Løken, (2005)
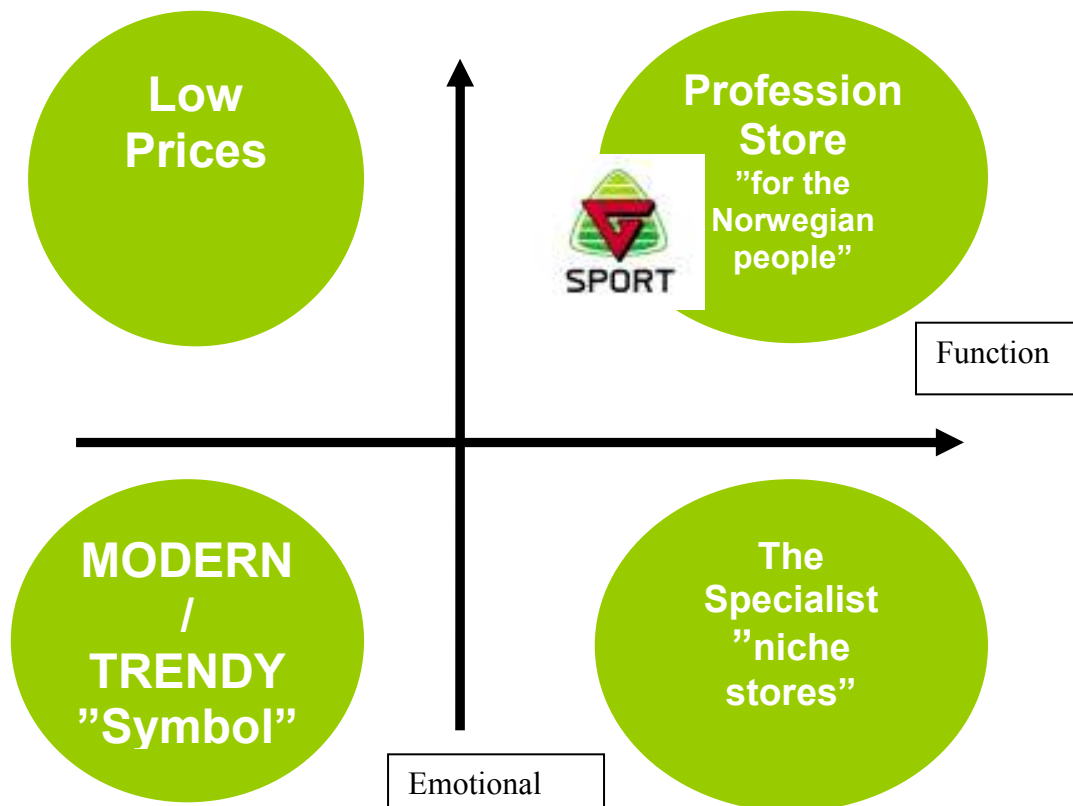
9.3.1 Figure 2 -Brand Values August 2005 Oslo

Legend: G-Sport, Intersport, XXL, Sportshuset

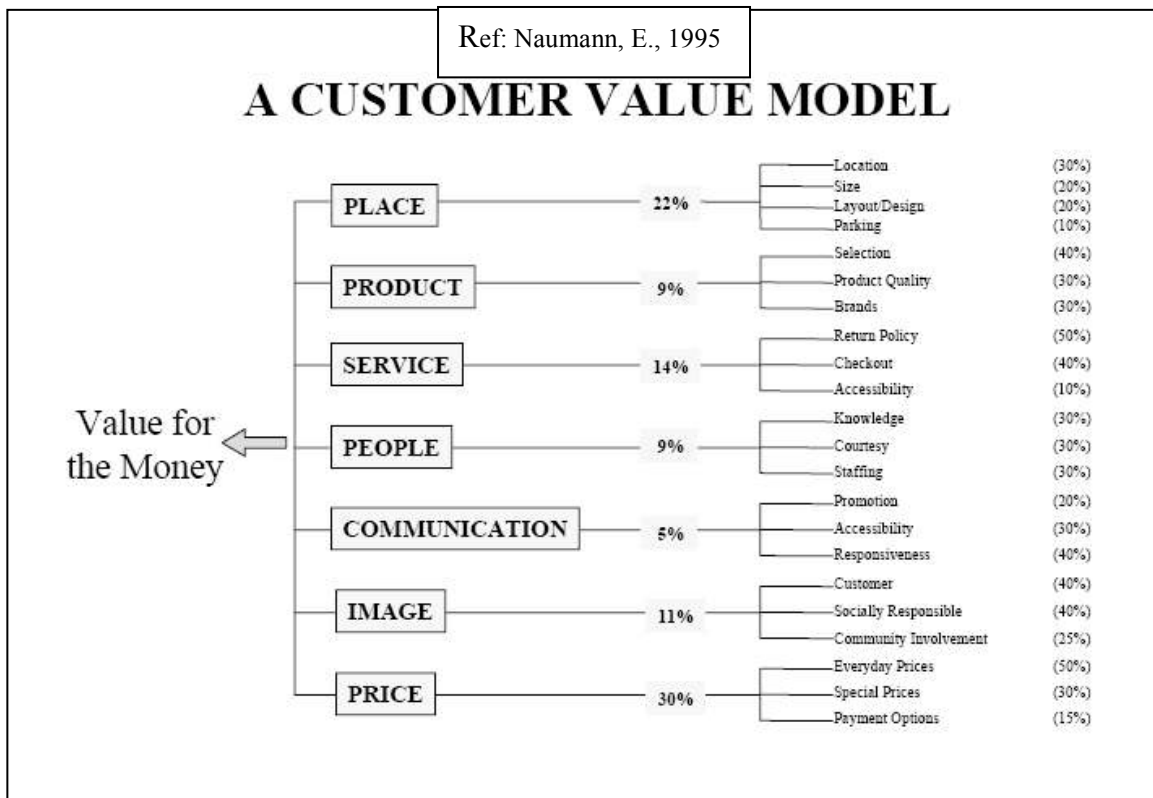| For the family | Giving good advice | Help choosing right equipment | Positive shopping experience | Low Prices | Attractive product mix | Best impression |
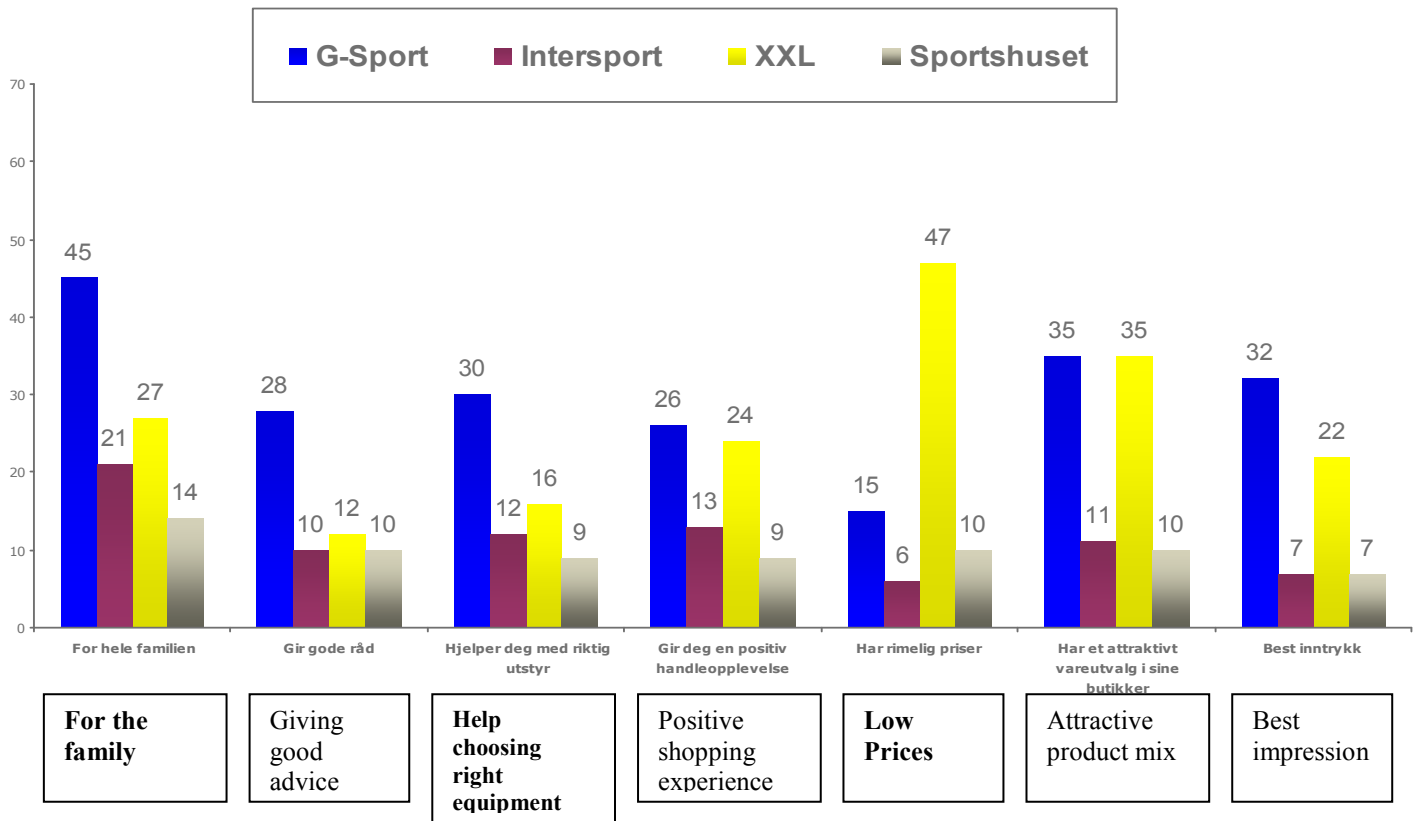
9.4.1 Figure 3 - Growth Matrix

Reference: Nguyen, N. & LeBlanc, G., 1998

GROWTH MATRIX

9.5.1 Figure 4 – Customer Value Model

Ref: Naumann, E., 1995

A CUSTOMER VALUE MODEL

	PLACE	22%	Location (30%) Size (20%) Layout/Design (20%) Parking (10%)
	PRODUCT	9%	Selection (40%) Product Quality (30%) Brands (30%)
	SERVICE	14%	Return Policy (50%) Checkout (40%) Accessibility (10%)
Value for the Money	PEOPLE	9%	Knowledge (30%) Courtesy (30%) Staffing (30%)
	COMMUNICATION	5%	Promotion (20%) Accessibility (30%) Responsiveness (40%)
	IMAGE	11%	Customer (40%) Socially Responsible (40%) Community Involvement (25%)
	PRICE	30%	Everyday Prices (50%) Special Prices (30%) Payment Options (15%)

9.6.1 Figure 5 – Relationship Quality Model

Figure 5: Relationship Quality Model

Level 1

Level 2

Level 3

Level 4

Level 5

Level 6

Level 7

Level 8

Level 9
Referance
Liljander, &
Strandvik (1995)

9.7.1 Figure 6 - Satisfaction with relationship and product

Ref: Conway & Fitzpatrick (1999)

Satisfied with Product

Customer A
Vulnerable

Customer B
Loyal

Dissatisfied with relationship

Satisfied with relationship

Customer C
Saboteur

Customer D
Hopeful

Dissatisfied with Product
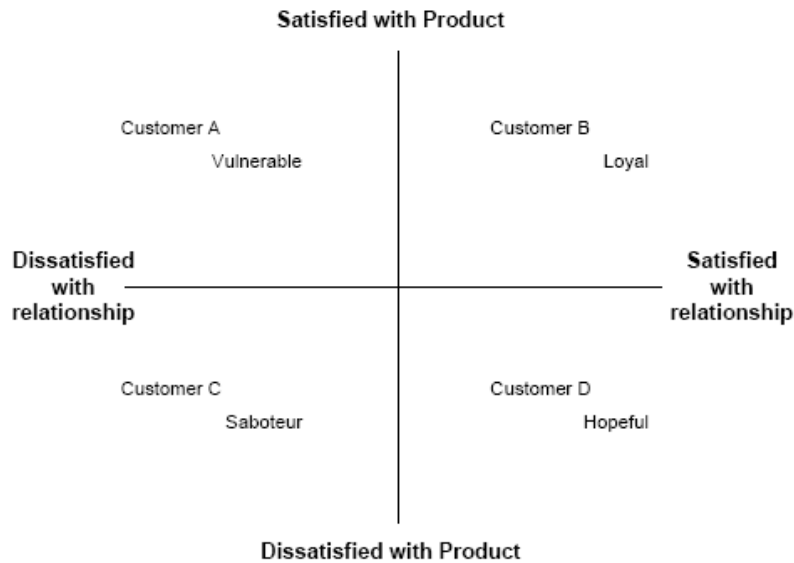
9.8.1 Figure 7 – "Earned" & "Bought" Loyalty

Earned Loyalty

Profitability

Brand Relationships

Frequency Programs

Bundled Promotions

Discounts

Strategic

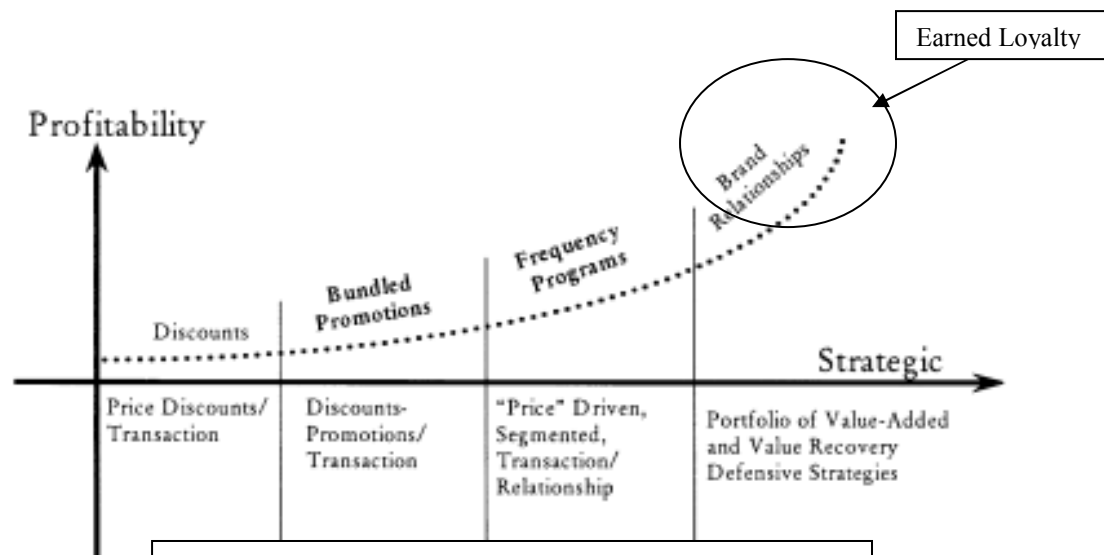| Price Discounts/ Transaction | Discounts- Promotions/ Transaction | "Price" Driven, Segmented, Transaction/ Relationship | Portfolio of Value-Added and Value Recovery Defensive Strategies |

Figure 7: Different levels of loyalty and switching resistance
**REF:** Shoemaker & Lewis (1999)

9.9.1 Table 1 – Frequency vs. Loyalty

Table 1, Ref: Shoemaker & Lewis

Frequency versus loyalty

How it plays out	Traditional frequency	Real loyalty
Objectives	Build traffic, sales, and profits	Build sales, profits, and the brand
Strategy	Offer incentives for repeat transactions	Build personal brand relationships
Focus	A segment's behavior and profitability	An individual's emotional and rational needs and their value
Tactics	Segmented rewards: 　Transaction status 　Free/discounted product 　Collateral product discounts 　Rewards such as miles or points 　Value-added upgrades and add-ons 　Rewards "menu"	Customer recognition 　Individual value, tenure 　Preferred access, service 　"insider information" 　Value-added upgrades and add-ons 　Emotional "trophy" rewards 　Tailored offers/messages
Measurement	Transactions Sales growth Cost structure	Individual lifetime value Attitudinal change Emotional responses

9.10.1 Table 2 – SERVQUAL

Table 2: SERVQUAL variables

Reliability	Ability to perform the promised service dependably and accurately
Responsiveness	Willingness to help customers and provide prompt service
Assurance	Knowledge and courtesy of employees and their ability to inspire trust and confidence
Empathy	Caring, individual attention the firm provides its customers
Tangibles	Physical facilities, equipment and appearance of personnel

9.11.1 Figure 8 – Proposed Conceptual Framework

Figure 6 Ref: Bolton & Drew (1991)

Proposed conceptual framework
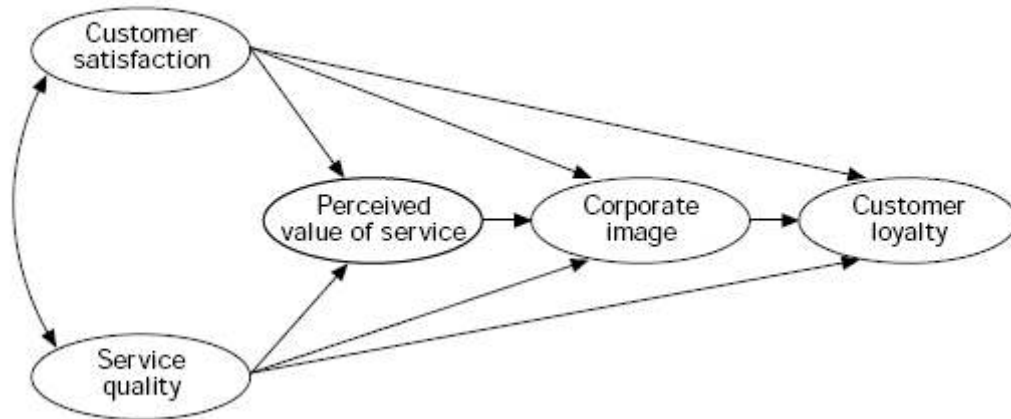
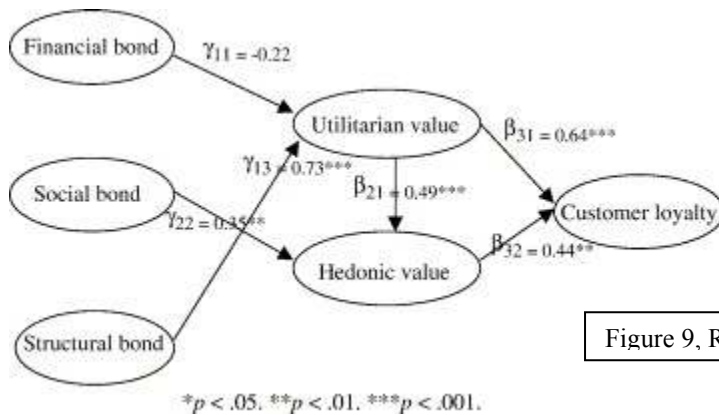## 9.12.1 Figure 9 – Bonds and Hedonic/Utilitarian Value

Figure 9, Ref: Chiu, et.al., (2003)

$*p < .05. **p < .01. ***p < .001.$

9.13.1 Table 3 – Relationship Variables

Relationship Variables for strongly loyal consumers	Number of each variable	Percentage:
Service	42	27, 8 %
Product Mix	20	13, 3 %
Price	23	15, 2 %
Location	6	4 %
Product Quality	28	18, 5 %
Communication	0	0 %
Employees Knowledge	32	21, 2 %
Total:	151	

10.1.1 References

Anderson, E. W. & Fornell, C., 1994, "A Customer Satisfaction Research Prospectus", **Service Quality: New Directions in Theory and Practice, Sage Publications Inc.**, p. 241-268.

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