

Customer Store Loyalty Determinants: A Case of the Czech Republic

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Economic transformation in the post-transition countries brought about the enormous expansion of the vending industry that included multi-national supermarket chains. With the saturation of the consumer demand, increase of the economic well-being, and the growth of competition in the field, vendors in Central and Eastern European countries (CEECs) attempt to sustain their loyal customer base using various loyalty programs. Our paper describes the results of the survey among shoppers in the six largest supermarket chains in the Czech Republic. We determine the main qualities that supermarkets may offer for the customers to stay loyal on the basis of 257 face-to-face interviews and the effect of socio-demographic factors on the importance of these factors. Our results show that, as opposed to the literature that stresses the emotional relationship between the customer and the store, loyalty of Czech consumers is linked to such “traditional” factors like low prices, discount sales, accessibility, and quality of goods and gifts. On the other hand, factors such as assortment of goods or the level of services in stores did not come through as significant. Our results are explained in the light of economic behavior of people in post-transition economies.

JEL Classifications: C50, D12, M31, M37

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INTRODUCTION

Customer loyalty was always considered to be one of the main assets of any enterprise. The significance of customer loyalty increases substantially when the relevant market is saturated and no new customers is available (see e.g. Espiritu-de Mesa, 2013 or Ocampo & Estanislao-Clark, 2014). Another factor invigorating the attempts to retain customers is significant segmentation of the market where none of the main players possesses more than 16% of market share. This is the case of supermarket industry in the Czech Republic.

According to the data available from Incoma GFK (2013a), as of 2012, 10 large hypermarket chains operated in the Czech Republic. In 2012 alone, the first three chains (Kaufland, Tesco, and Ahold) yielded the overall sales amounting at over 40 billion CZK each. The five hypermarket chains that follow (Macro Cash and Carry, Penny Market, Globus, Lidl, and Billa) reported sales in the range of 20-30 billion CZK each. Finally, the last two chains (GECO and Spar) amassed the sales from 10 to 18 billion CZK. The segmentation structure according to the percentage of overall sales is presented in Table 1.

Table 1.
Loyalty of Customers to Supermarket Chains

No.	Supermarket chains	Number of households loyal to supermarket chain (thousands)	% of households loyal to supermarket chain	Number of shops in the end of 2012
1	Kaufland	943	22.78	106
2	Tesco	658	15.89	232
3	Ahold, CR (Albert)	588	14.20	282
4	Penny Market	535	12.92	344
5	COOP	329	7.95	2,822
6	Lidl	263	6.35	228
7	Billa	250	6.04	205
8	Globus	250	6.04	15
9	Interspar	206	4.98	33
10	Hruska	118	2.85	412

Note: Loyal to supermarket chain means spend there the biggest part of their overall monthly spending

Source: Incoma GFK, 2013b

The market for supermarket chains is segmented with none of the chains' sales exceeding 16% of market share. The top three leading supermarket chains with approximately 15% share on overall sales are Kaufland, Tesco, and Ahold. The other two with 10% share are Makro and Penny. The next five supermarket chains possess less than 10 % of overall sales.

Should we measure market share according to percentage of customers who spend the biggest part of their income in the supermarket chain, being one of the measures of customer loyalty, the situation differs according to the share of loyal customers measured by percentages of households spending the biggest part of their income in the relevant supermarket chain.

Purchases in supermarkets according to the consumer bundle do not exceed 23%. This fact supports the notion that the market for supermarket chain in the Czech Republic is very differentiated not only with respect to overall sales numbers but also with respect to loyalty of customers. On the other hand, 94% of households spend the biggest part of their monthly budget in one of the Top 10 supermarkets. Thus, comparing to other forms of retail, supermarket chains is definitely most important channel in the Czech Republic.

Another characteristic of the supermarkets in the Czech Republic is close geographical proximity of each other, especially in big cities. This enables consumers to easily, and with little transportation costs, change their purchasing habits and switch to other supermarket chain. Thus, the overall loyalty of customers is important (see e.g. Gillárová, Tejkalová, & Láb, 2014). Given that such fragmented market for grocery supermarket chains is unique for the Czech Republic from the international perspective, the determinants for store choice and the factors influencing store loyalty seems to be of great interests.

In this paper, we work with the data on customer preferences collected through face-to-

face interviews in front of major supermarket chains in 2013. The aim of the research is to identify the most important qualities the supermarket might offer in order to increase customer loyalty and to test the relations of money spent in the supermarket, age, and family status of the respondents on the perceived influence of these qualities on customer loyalty.

LITERATURE REVIEW

The Determinants of Store Choice

There are several theoretical approaches to modelling consumer behavior. One of the most straightforward was proposed by Solgaard and Hansen (2003). Solgaard and Hansen (2003) proposed the model of consumer choice based on consumer perceived utility—the consumer's perception of what she or he gives and receives. The receiving part can be described by store's service output (Bucklin, Ramaswamy, & Majumdar, 1996). The giving part is represented by cost size of shopping which, in turn, can be further described by time and money spent in the process of shopping (Blackwell, Miniard, & Engel, 2001). The rational behavior makes consumers to shop in the stores with greatest output for the money spent (Hansen, 2001; Sweeney & Soutar, 2001; Ocampo & Estanislao-Clark, 2014).

The concept of store output described in literature identifies a number of values being significant for consumers. Among those we can pinpoint are: (1) quality of goods and assortment of merchandise either explicitly specified as meat and vegetables; (2) services, which may include cleanliness of shops, friendly and experienced personnel, convenient opening hours, and so forth; and (3) gifts and promotional programs (Blackwell et al., 2001; Levy & Weitz, 2001; Bucklin et al., 1996; Finn & Louviere, 1996; Espiritu-de Mesa, 2013). As for the costs of

shopping, we can generally distinguish two most important parts: the money spent for the quality received, and transportation costs. The amount of the money spent can be affected by loyalty programs, various discounts, and promotional programs. Transportation costs are affected by location, accessibility by car, or public transportation. The third factor influencing consumer behavior is time spent shopping. This factor might be included to both store output, in the case of consumers enjoying the process of shopping (weekend family shopping) or to costs of shopping, in the case that consumers do not like it or do not have sufficient time for it. Most of the factors described above we take into account in our empirical model in the next part.

Another direction in literature is mapping consumer shop choice and consumer loyalty that take into account not only immediate cost-benefit analysis, but also introduces the long term concept of customer-based brand equity leading to customer loyalty (East, Harris, Willson, & Lomax, 1995; Seva, Go, Garcia, & Grindulo, 2011; Allaway, Huddleston, Whipple, & Ellinger, 2011; Allender & Richards, 2012; Orel & Kara, 2014). Researchers show that successful branding over time can translate into emotional commitment, shopping loyalty, and even person-to-person promotion of the brand to others. One of the most promising ways to research this issue is to identify the strategy drivers associated with supermarket loyalty. Allaway et al. (2011) showed that a large proportion of consumers view very emotionally the supermarkets they mostly shop in. Moreover, they expect a certain efforts in keeping customers. These efforts together with service levels, product quality, and assortment of products available appear to be basic requirements for achieving high levels of consumer loyalty.

The link between customer equity drivers (value equity, brand equity, and relationship equity) and loyalty appears to be different in different countries and cultural regions (van

Doorn & Leeflang, 2014). The authors show that customer equity drivers exert a greater impact in Western than in Eastern cultures. Moreover, Eastern European consumers have higher loyalty intentions than Western consumers in general.

The Determinants of Customer Loyalty

There are at least three directions in the literature that one can identify when studying customer loyalty. First group of authors distinguished emotional relation between the store and the customer. These authors work with the terms such as consumer relationship proneness and the image of the supermarket (Bloemer & Odekerken-Schroder, 2002), the transfer of person-to-person relationship to person-to-store relationships (Wong & Sohal, 2003; Macintosh & Lockshin, 1997; Reynolds & Arnold, 2000). The examples of these studies are presented below.

Bloemer and Odekerken-Schroder (2002) distinguished store-related and consumer-related factors that influence consumer satisfaction and consumer loyalty. In addition, they stressed trust and commitment as important mediating factors between customers' satisfaction and customers' loyalty. On the basis of 357 interviews collected among the customers of big European supermarket chain, they found out that consumer relationship proneness as well as the image of the supermarket have positive effect on store satisfaction, the latter leading to trust and commitment, and, finally, to price insensitivity.

Wong and Sohal (2003) studied the relation between service quality and customer loyalty in retail sector on person-to-person level and person-to-store level in Australia. The results suggested that the association between service quality and customer loyalty is stronger in person-to-store level comparing to person-to-person level. Among the indicators of quality tangibles proved to be the most potent predictor of customer loyalty on the firm level, while

on the personal level empathy played a bigger role.

Macintosh and Lockshin (1997) studied retail relationships and store loyalty using a model which employs both person-to-person relationships and person-to-store relationships. They suggested that, similarly to interpersonal relationships, there existed a person-to-store relationship based on trust to the store which may lead to store loyalty. They concluded by stressing the importance of interpersonal and person-to-store relationships even in the case of big stores and supermarkets.

Reynolds and Arnold (2000) studied customer loyalty to the salesperson and the store in an upscale retail context. The results of their research suggested that the relationships and loyalty to salesperson is directly related to the loyalty to the store which would be also reflected on share of purchases, the word of mouth, and competitive resistance.

The other direction of literature concerns the direct and indirect benefits the customer can get from being loyal. The authors study the effects of loyalty programs from the point of view of self-selection bias (Leenheer, Van Heerde, Bijmolt, & Smidts, 2007), the effects of these programs on shopping behavior (Gomez, Arranz, & Cillan, 2006), the effects of loyalty programs to the loyalty to the store besides the possible affective attitudes of customers (Turner & Wilson, 2006).

Leenheer et al. (2007) studied the effects of loyalty programs to behavioral loyalty taking into account self-selection problems. They suggested that loyal customers select themselves to loyalty programs in order to benefit from them. Therefore, the effects of loyalty programs are smaller than expected by naïve researcher. According to their estimates, the effect of loyalty programs is seven times less than it would be expected otherwise. However small, it is still positive, therefore, as they claim, loyalty programs should be included in marketing strategies.

Gomez et al. (2006) studied the role of loyalty programs in behavioral and affective loyalty among the customers of Spanish supermarket chains. Their results suggest that even though participants of loyalty programs show more behavioral and affective loyalty comparing to the non-members, they do not change their purchase behavior after joining the loyalty program. These findings suggest the importance of self-selection studied by Leenheer et al. (2007).

Turner and Wilson (2006) studied the effects of Tesco Clubcard on loyalty in Britain. On the basis of 60 questionnaires conducted in Tesco Metro Dundee in 2005, they found moderately positive relationship between Tesco Clubcard holding and loyalty to the store. No relationship, however, was found between customer loyalty and customers feeling to be more valued by the company. Also, the relationship between Tesco staff and customer loyalty proved to be statistically insignificant.

The less studied is the effect of customer factors such as socio-demographic factors on customer loyalty (see e.g. Baltas, Argouslidis, & Skarmas, 2010), even though these are the factors which may be of a greater help for the firms in designing their marketing strategy. Baltas et al. (2010) studied the role of customer factors in multiple store patronage. They found that store patronage is affected by such factors as personal income, satisfaction, and expenditures. The authors claimed that the intrinsic personal factors should be taken into account when studying loyalty of supermarket customers to one store.

Given that Czech Republic belongs to the group of East European countries where the supermarket chains do not have long tradition and, therefore, we base on the concept of store output versus the cost of shopping described above. Similarly to Allaway et al. (2011), Blackwell et al. (2001), Levy and Weitz (2001), and Espiritu-de Mesa (2013), we consider favorable prices and discounts, location and accessibility of

supermarkets, quality and assortment of goods, and various gifts for purchase.

HYPOTHESES

For the following study, we formulate the following hypotheses:

H0 – The more money the respondents spend in the supermarkets, the more important it is for them these factors in increasing their loyalty: low prices, sale promotions, and wide assortment of merchandise to choose from.

Given that the main competitors for the supermarkets are the small shops, and the two main comparative advantage of the supermarkets include low prices and wider assortment of products, we assume, that the more money the respondents spend in all the supermarkets the more important for them are low prices and wider assortment as factors in increasing loyalty.

H1 – The older the respondents, the more important are low prices and sales promotions, higher quality, and better accessibility as a factors in increasing their loyalty.

The survey was limited to the respondents between 25 and 50 years of age. Old respondents in this category are likely to be more sensitive to price, quality, and accessibility since they are more likely to have a family to support, which puts more stress not only to the resources they have, but also puts a limit to the amount of time they may spend while shopping and on the way to and from the stores. Therefore we expect, that the older the respondents are, the more important are low prices, sale promotions, and accessibility as factors in increasing their loyalty.

H2 – The respondents with children will consider gifts to be more important as a factor increasing their loyalty comparing to the respondents without children.

Most of the gifts the supermarkets offer in the Czech Republic are the small toys for children, which require collection of certain stamps for a certain amount of money spent. This strategy makes a good motivation for people with children to visit the supermarkets more with this type of loyalty programs.

ASSUMPTIONS

One of the main assumptions which also serve as limitation of this paper in the fact that we assume that people will behave in the way they answer in the questionnaire. Though this assumption is not always justified, it allows the types of research, which otherwise would be very difficult to conduct. In our case it would very difficult to conduct the experiments where the supermarkets change their strategies in the way we suggest and observe the actual change in behavior of the respondents.

CONCEPTUAL FRAMEWORK AND DEFINITIONS

We define a customer to be loyal to the supermarket chain if out of all supermarket chains she or he shops only in *this* supermarket chain. She or he might though spend some money in small shops. This definition enables us to study the competition for customers between supermarket chains but does not tell us much about the competition between supermarkets and small individual shops. In order to study the qualities the supermarket chains may offer in order to increase customer loyalty, we employ

the concept of store output versus the cost of shopping described above. Similarly to Allaway et al. (2011), Blackwell et al. (2001), Levy and Weitz (2001), and Espiritu-de Mesa (2013), we consider favorable prices and discounts, location and accessibility of supermarkets, quality and assortment of goods, and various gifts for purchase as factors affecting customer loyalty.

The model that is being used as the basis of this study can be presented in the following conceptual framework:



The model attempts to determine which characteristics (either “traditional” or “non-traditional” is linked to customer loyalty in the Czech Republic. In addition, it attempts to capture the existence of personal relationships between the customers and the stores as well as to test for the existence of pragmatic reasons for loyalty behavior and to trace its origins and motivation factors in certain socio-demographic variables of the respondents.

In general, one can conclude that the type of the customer benefits the supermarkets decide to concentrate on depend on the target groups. One way to define the target group might be socio-demographic factors.

METHODOLOGY

In order to study the issues presented above, we designed the questionnaire, selected relevant respondents, categorized the answers to open-ended questions, and performed statistical analysis of the resulting data in order to test the hypotheses listed above.

The Questionnaire

In order to identify the qualities of the supermarkets that might increase customer loyalty from the point of view of customers, we conducted a survey of customer opinions on the relevant topics according to the preset questionnaire. The questionnaire included questions about age, gender, family status of the respondents, and number of children. Besides that we asked the respondents to name the most important factors that would make them to shop only in one supermarket chain.

Data Collection, Units and Sampling

The responses to the questionnaire were collected in October and November 2013. The sample size was 267 respondents selected by systematic sampling. The unit of analysis was one respondent. The face-to-face interviews took place in Prague in front of the six biggest retail chains represented by Albert (Ahold), Billa, Penny, Tesco, Globus, and Interspar.

The sample was limited to respondents of age between 25 and 50 years who, in addition, used to spend more than 500 CZK per month within the relevant supermarket chain, and to whom the chain belonged to the three most preferred ones. The last condition the respondent had to fulfil in order to be included in the sample was a membership of the loyalty program of the retail chain. This way we were able to choose only the respondents who are the most attractive for the supermarkets and who form the most important target group. The incidence rate (the number of those who met the screening criteria to the number of those who were addressed) was 69%, reflecting high popularity of loyalty programs within the retail sector.

Data Processing and Statistical Models

Given the large number of different responses on the factors that would make the respondents loyal to only one supermarket chain, we structured the answers according to the concept of store output versus cost of shopping (Allaway et al., 2011). Similarly to Allaway et al. (2011), Blackwell et al. (2001), Levy and Weitz (2001), and Espiritu-de Mesa (2013), we used the categories of favorable prices and discounts, location and accessibility of supermarkets, quality and assortment of goods, and various gifts for purchase. We employ binomial logit regression according to the following formula:

$$\text{Loyalty factor} = f(\text{money, gender, family, children, supermarket dummies}) \quad (1)$$

where *Loyalty factor* is one of the categories presented in Table 2. *Money* is the average amount of money spent by the respondent in all the supermarket chains per month. *Gender* is the gender of the respondent. Family status indicates whether the respondent is single or married. The variable denoted as *Children* shows whether the respondent has at least one child. *Supermarket dummies* mean the dummies for all the studied supermarket chains.

This method of binomial logit regression enables us to assess the significance of the variable in question while controlling for the effects of other relevant variables. In addition to this, we use a one-way ANOVA to assess the difference in average levels of relevant factors.

Limitations of the Study

There are two major limitations of this study. The first one, already mentioned in assumptions section, suggests that the consumers in real situations will behave similarly as they answer in questionnaires, which may not be always the

case. However this is the common limitation for all the studies employing questionnaires and, while academics agree on the limits of these studies, they still use them, since this might be one of the very few possible methods on how to study the relevant issue rather quickly, with relatively small financial budget and with no necessity to conduct the experiments and observe the real behavior. In many cases, this might be an example of such the relevant experiments would be difficult if not impossible to conduct since supermarket chains would not change their strategy according to the desire of researchers.

The second limitation of the study is given by the sample design to which were included only people between 25 and 50 years of age, shopping in the supermarket frequently enough to participate in its loyalty program, who spend in the supermarket at least 500 Kc per month (approximately 20 EUR) and to whom the chain belonged to three most preferred ones. With this limitation, we select the most attractive target group currently shopping in the supermarkets, but leave out the potential customers. The results of this study is then applicable only for current customers on supermarket chains and reflect rather the competition of supermarkets for already existing customers as opposed to potential customers which for some reasons shop in smaller stores.

RESULTS

The relative importance of studied factors for customer loyalty is presented in Figure 1. Overall, it appears that low prices, discounts, and sales promotions proved to be one of the most important factors. Forty-four percent of the respondents mentioned prices as one of the factors, which may compel them to do all their purchases in only one supermarket chain.

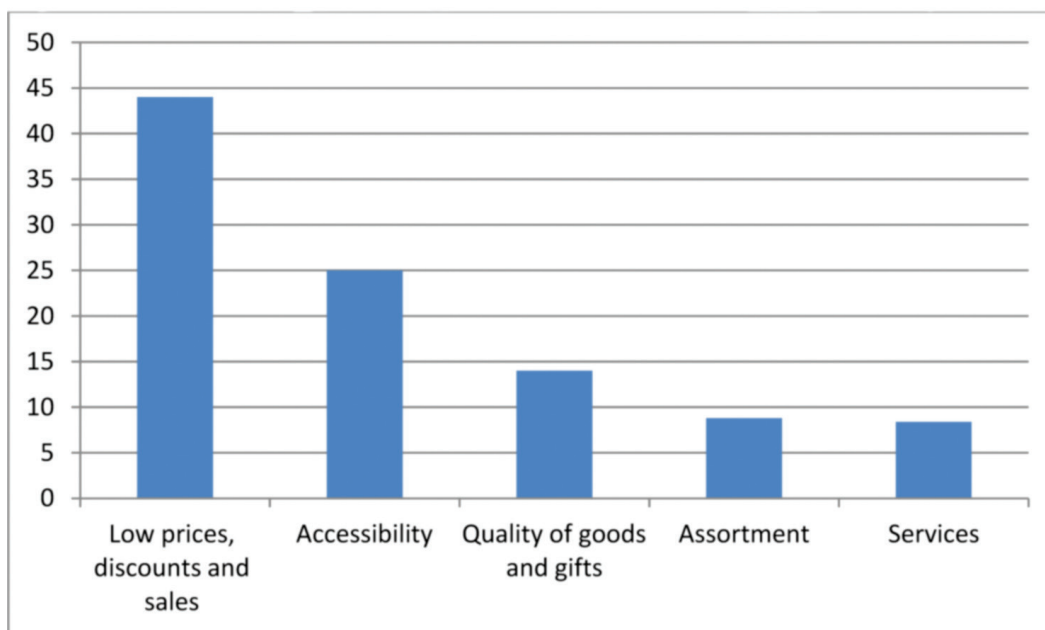


Figure 1.

Relative subjective importance of customer loyalty factors (in % of respondents).

Accessibility was the second important factor (25% of the respondents mentioned it). Quality of goods and gifts are the third to fourth most important factor (14% of respondents mentioned it). Assortment as itself did not show much of importance. It was mentioned just by the 8.8% of the respondents. Services proved not to be an important factor to the respondents as a whole (mentioned only by the 8.4% of respondents).

Model estimations

This sub-chapter presents the results of logistic regressions (see formula 1) described above. The results of logit estimations for *better services* as a factor which may influence customer loyalty are presented in Table 2.

The logit regression is not statistically significant according to conventional significance levels.

The lack of significance can be explained by overall satisfaction of most of the customers with the level of services in supermarket chains and low variability in data (only 8.4% of the respondents mentioned this factor to be important in their purchasing strategies)

There are no statistically significant differences in mean ages and spending according to one way ANOVA and we are not reporting them in this paper. The results of logit estimations for *low prices and sales* as a factor that may influence customer loyalty are presented in Table 3. The model is significant at 5% significance level. The older (45 and over) the respondent is, the larger is the probability that prices and sale promotions are important. The more money is spent monthly on all the supermarket chains, the more probable it is that prices and sale promotions are important.

Table 2.
Results of Logit Estimations for Better Services

Dependent variable	Better services		
	Coefficient	Std. Error	Sig.
Age	.022	.046	.631
Money spent monthly in all the supermarket chains	1.992E-005	9.036E-005	.826
Women	-.473	.595	.426
Single	.169	.774	.827
No children	.478	.958	.618
Albert	-.971	.993	.328
Billa	-1.764	1.218	.148
Penny	-20.890	.000	.495
Tesco	.079	.821	.923
Globus	-.478	.899	.595
Model fitting information (significance levels)	.341		
Number of observations	167		

Note: *, **, *** denote an estimate significantly different from 0 at the 10%, 5% or 1% level, respectively.

Table 3.
Results of Logit Estimations for Low Prices and Sales

Dependent variable	Low Prices and Sales			
	Coefficient	Std. Error	Sig.	
Age	.063	**	.028	.023
Money spent monthly in all the supermarket chains	.000	*	8.494E-005	.078
Women	-.195		.353	.581
Single	-.583		.468	.213
No children	.577		.582	.321
Albert	.575		.643	.372
Billa	1.145	*	.646	.076
Penny	.880		.626	.159
Tesco	.014		.637	.983
Globus	.037		.640	.954
Model fitting information (significance levels)	.031	*		
Number of observations	165			

Note: *, **, *** denote an estimate significantly different from 0 at the 10%, 5% or 1% level, respectively.

For the respondents filling the questionnaire nearby Billa supermarket chain, higher probability prices and sale promotions are important. According to our results, consumers would prefer lower prices. The results of logit estimations for *accessibility* as a factor which may influence customer loyalty are presented in Table 4.

The model is significant on 10% significance level. The only two statistically significant variables are *No children* and *Tesco*. For the respondents without children, geographical accessibility of supermarket chains is more important.

The results of logit estimations for *quality of merchandise* as a factor that may influence customer loyalty are presented in Table 5. The overall logit regression is not statistically significant on conventional levels. However, age proved to be statistically significant.

The results for one-way ANOVA to compare average ages and average spending in all the supermarket chains of people who consider Quality of merchandise to be important are presented in Tables 6 and 7.

Table 4.
Results of Logit Estimation for Accessibility

Dependent variable	Accessibility		
	Coefficient	Std. Error	Sig.
Age	.040	.032	.213
Money spent monthly in all the supermarket chains	9.183E-005	8.918E-005	.303
Women	.246	.407	.547
Single	-.165	.502	.742
No children	1.118	*	.648
Albert	.679	.782	.385
Billa	.280	.821	.733
Penny	-.026	.846	.975
Tesco	1.660	**	.746
Globus	1.122	.762	.141
Model fitting information (significance levels)	.069	*	
Number of observations	165		

Note:*, **, *** denote an estimate significantly different from 0 at the 10%, 5% or 1% level, respectively.

Table 5.
Results of Logit Estimation for Quality of Merchandise

Dependent variable	Quality		
	Coefficient	Std. Error	Sig.
Age	.093	** .039	.017
Money spent monthly in all the supermarket chains	6.134E-005	.000	.547
Women	.396	.512	.440
Single	-.614	.613	.317
No children	1.098	.812	.176
Albert	1.075	.911	.238
Billa	.385	.950	.686
Penny	.067	.991	.946
Tesco	.572	.918	.533
Globus	.287	.953	.763
Model fitting information (significance levels)	.338		
Number of observations	165		

Note:*, **, *** denote an estimate significantly different from 0 at the 10%, 5% or 1% level, respectively.

Table 6.
The Results for One Way ANOVA to Compare Average Ages of People Who Consider Quality of Merchandise to be Important

	Mean Age	Std. Deviation	Std. Error	Sig.
Quality not important	35.354	8.1651	.6734	.013
Quality important	39.833	7.4639	1.5236	
Total	35.982	8.1993	.6270	

Respondents for whom quality is important are, on average, older. Respondents for whom quality is important spend, on average, more money in all the supermarket chains.

The results of logit estimations for *assortment* as a factor which may influence customer loyalty are presented in Table 8.

The model is significant on 5% significance level. The probability to mention assortment as one of the factors is greater for women than for men; for married than for single; and for visitors of Albert, Billa, Penny, and Tesco compared to Interspar.

Table 7.
The Results for One Way ANOVA to Compare Average Spending in all the Supermarket Chains of People Who Consider Quality of Merchandise to be Important

	Mean Age	Std. Deviation	Std. Error	Sig.
Quality not important	6053.846	3095.1750	258.8315	.017
Quality important	7958.333	5691.1767	1161.7066	
Total	6327.545	3623.7780	280.4164	

Table 8.
Results of Logit Estimation for Assortment as a Factor Influencing Customer Loyalty

Dependent variable	Assortment			
	Coefficient		Std. Error	Sig.
Age	-.032		.047	.489
Money spent monthly in all the supermarket chains	3.425E-005		.000	.803
Women	1.479	*	.836	.077
Single	-2.153	*	1.112	.053
No children	.244		1.086	.823
Albert	20.727	***	1.246	.000
Billa	20.127	***	1.279	.000
Penny	21.422	***	1.152	.000
Tesco	19.988	***	1.286	.000
Globus	19.261		.000	.
Model fitting information (significance levels)	.021	**		
Number of observations	165			

Note:*, **, *** denote an estimate significantly different from 0 at the 10%, 5% or 1% level.

Table 9.***Results of Logit Estimation for Gifts as a Factor Which May Influence Customer Loyalty***

Dependent variable	Gifts		
	Coefficient		Std. Error Sig.
Age	-.036		.037 .342
Money spent monthly in all the supermarket chains	6.349E-005		.000 .620
Women	-.429		.520 .409
Single	1.691	**	.827 .041
No children	-2.350	**	.956 .014
Albert	-20.122		.000
Billa	-1.905		1.399 .173
Penny	1.292		.881 .143
Tesco	.457		.936 .626
Globus	.321		.934 .731
Model fitting information (significance levels)	.004	***	
Number of observations	165		

Note:*, **, *** denote an estimate significantly different from 0 at the 10%, 5% or 1% level, respectively.

The results of logit estimations for *gifts* as a factor which may influence customer loyalty are presented in Table 9. Our model is significant on 1% significance level. Single people more often mention gifts comparing to married. Respondents who have at least one child more often mention gifts comparing to respondents without children.

Overall, it appears that low prices, discount, and sales proved to be some of the most important factors. Forty-four percent of the respondents mentioned prices as one of the factors which may make them to perform all their purchases in only one supermarket chain. Older respondents consider prices and sales as important factors in choosing a supermarket chain. The more money is spent monthly on all the supermarket chains, the more probable it is that prices and

sales are important. For the respondents filling the questionnaire near Billa supermarket chain, there is higher probability for prices and sales to be important. In the Czech Republic, Billa is considered as one of the most expensive supermarket chains compared to the others. Naturally, consumers would prefer lower prices.

Accessibility proved to be the second important factor (25% of the respondents mentioned it). The only two statistically significant variables are “No children” and “Tesco”. For the respondents without children and respondents interviewed near Tesco stores, geographical accessibility of supermarket chains seemed to be quite important. This fact may reflect the overall style of life of childless people who wish to make their purchases on their way home and use their time for more entertaining endeavors.

Quality of goods and gifts are the third and fourth most important factors (14% of respondents mentioned it in both cases). In the case of quality, logistic regression did not come through as statistically significant, so one had to rely on one-way ANOVA to compare mean ages and spending for those who mentioned quality and those who did not. Respondents for whom quality is important are, on average, older. Respondents for whom quality is important spend on average more money in all the supermarket chains.

In the case of gifts, logistic regression was statistically significant. Single people mention gifts more often than married people. Respondents with at least one child mentioned gifts more frequently than the respondents without children.

Assortment as itself did not show much of importance. It was mentioned just by 8.8% of the respondents. The model proved to be significant at the 5% level. The probability to mention assortment as one of the factors is greater for women than for men, for married than for single, and for visitors of Albert, Billa, Penny, and Tesco in comparison to Interspar.

Services proved not to be an important factor to the respondents as a whole (mentioned only by the 8.4% of respondents) or to a particular group of the respondents (none of dependent variables was statistically significant). This fact can be explained by the overall increase in the level of services in the supermarket during last 10 years, which may make respondents to take it for granted.

Contrary to existing literature studying the personal relationships between the customers and the stores (Bloemer & Odekerken-Schroder, 2002; Wong & Sohal, 2003; Macintosh & Lockshin, 1997; Reynolds & Arnold, 2000), no personal type of qualities were verbalized by the respondents to make them more loyal to the supermarkets. The majority of the factors were very pragmatic and related to certain socio-demographic variables of the respondents.

CONCLUSIONS

Our results show that customer loyalty in the Czech Republic is linked to such characteristics as “traditional” factors represented by the low prices, discount sales, accessibility, quality of goods, and gifts. On the other hand, factors such as assortment of goods or the level of services in stores did not come through as significant. Among variables influencing these factors we can name the age of the respondent, which proved to be important for low prices, sale promotions, and higher quality of merchandise. Amounts of money spent in supermarkets were statistically significant when related to low prices, discounts, and sales. The existence of children in the families was statistically related to accessibility of the supermarket and gifts for purchase. Women valued assortment as a factor increasing their loyalty more than men. Single people value more gifts and less assortments as a factor increasing their loyalty to the supermarket chain comparing to married respondents.

Contrary to existing literature studying the personal relationships between the customers and the stores, no personal type of qualities were verbalized by the respondents to make them more loyal to the supermarkets. Most of the factors were very pragmatic and related to certain socio-demographic variables of the respondents. In general, one can conclude that the type of customer benefits the supermarkets decide to concentrate on depends on the target groups definable by the socio-demographic factors.

Regarding the recommendations for further research, we have to stress that in our paper we concentrated our attention on the respondents who are already the customers of the supermarkets and who shop in the supermarket chains so often as to participate in their loyalty programs. Hence, we studied the competition of the supermarket chains for existing customers and did not cover potential customers. For future research, we suggest to study the factors which would influence shopping

decisions of potential customers who currently shop in smaller stores and do not go to the supermarkets often. Another recommendation would be to compare the factors influencing customer loyalty of retired customers versus customers of productive age, since we did not include this group into our study. Given the ageing of population and despite the increase in the retirement age, we think that the retired population will form an important part of the customer base in the future.

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