

# Loyalty, Quality and Satisfaction in FMCG Retail Market does Loyalty in Retailing Exist?

Mosad Zineldin<sup>1\*</sup>, Katty samir Nessim<sup>2</sup>, Emmie Thurn<sup>3</sup> and David Gustafsson<sup>3</sup>

<sup>1</sup>Professor of Strategic Relationship Management, Linnaeus University, Sweden

<sup>2</sup>Damanhour University, Faculty of Commerce, Damanhour, Egypt

<sup>3</sup>Linnaeus University- Sweden, School of Business and Economics, Växjö, Sweden

## Abstract

This study aims to identify and analyse how customers are experiencing quality, loyalty and satisfaction in the Fast Moving Consumer Goods (FMCG) retail market. The 5Qs model which includes economical and behavioural attributes is used. A research based on 200 respondents is used to identify differences between various 5Qs attributions. It shows that satisfaction does not automatically lead to loyalty. The price is a ruling attribute that makes the customer chase discounts, no matter who provides it.

Results show that both psychological and economical attributions influence customers' loyalty. The study reveals that organizations have the fantasy that their customers are totally loyal. This is a dichotomous thought because, the customers did not restrict their loyalty to a few organizations, but they are loyal to those organizations which provide them better offers. Independent variable satisfaction correlates substantially with dependent variable loyalty (.570). Holding a membership card which can indicate a commitment attitude was not significant to the loyalty or satisfaction. Thus, the organizations should understand that disloyalty within varying degrees is a reality and a necessary evil.

**Keywords:** Psychology; Loyalty; Satisfaction; Quality 5Qs; Model; Retail market; Fast food

## Introduction and Theory

The concepts of loyalty and satisfaction have been discussed for about five decades in the psychology and consumer-behavior literature. Most studies argue that there is interrelationship between satisfaction and loyalty [1-3]. Previous researches also show that there is a positive relationship between customer satisfaction, Relationship Marketing or Management (RM), Customer Relationship Management (CRM), loyalty and quality.

Quality doesn't improve unless you measure it. It requires an examination of the RM strategies and major quality elements. RM as well as CRM are marketing approaches that revolve around quality, trust, commitment, loyalty and satisfaction [4,5].

Loyalty can be defined as psychological behaviours, including relationship continuance, increased scale or scope of relationship, and recommendation (word of mouth advertising) resulting from customers' beliefs that the quantity of value received from one supplier is greater than that available from other suppliers [6]. Zineldin [3] argues that the customer loyalty and maintenance of customer relationship are in a high degree dependent on the customers' expectations on the product/service quality. Expectations, loyalty and satisfactions are also psychological attributes in explanations of many observed customer behaviors.

RMs strategic value within the FMCG (fast moving consumer goods) retailing sector is questionable [7,8]. Palmatier et al. [9] has found that a lot of managers are disappointed with the outcomes of their RM efforts. Chaston [10] argues that the nature of the FMCG market with high volume sales, large number of customers and low profit margins makes it very expensive to establish long-term relationships. Egan [7] and Vesel and Zabkar [11] further state that customer loyalty programs within the FMCG sector are more costly than common advertising and other traditional marketing activities. The customer loyalty program does not always give any effect in the long run, as the competitors can

copy it [7]. When the only loyalty is the size of the discount that the loyalty-program offers, the customer experiences the most satisfaction from the exchange where the discount is the highest [7,12].

Previous researches have often used very simple conceptualizations and models to measure customer loyalty and satisfaction [13,14]. Thus, the use of multidimensional construct conceptualizations may be [1].

Zineldin's 5 qualities (5Qs) model provides the company with needed improvement tools from the customers' point of view. By using the five multidimensional quality construct which includes psychological/behavioural and economical dimensions, a company is better able to measure and affect quality, satisfaction and customer loyalty. The five quality dimensions are: 1. Quality of object, 2. Quality of infrastructure, 3. Quality of atmosphere, 4. Quality of process and 5. Quality of interaction. Using the 5Qs to investigate the interrelationship between quality satisfaction and loyalty closes this gap [15].

Egan [7] and Lacey [16] argue that there are little empirical observations, especially in the FMCG (fast moving consumer goods, e.g. food) retail market, done in order to support different RM theories. There is also a lack of information on how relationships are established, maintained, enhanced or, where necessary, terminated [7,11,17]. Accordingly, this study will try to answer the following questions:- How effective is Relationship marketing (RM) in the Fast moving consumer goods (FMCG market), in the sense of creating customer satisfaction and customer loyalty? - What quality attributes are critical

**\*Corresponding author:** Mosad Zineldin, Professor of Strategic Relationship Management, Linnaeus University, Sweden, Tel.: +46 705 50 23 18; E-mail: [Mosad.zineldin@lnu.se](mailto:Mosad.zineldin@lnu.se)

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when generating a loyalty, satisfaction and long-term relationship within the FMCG market?

Does customers' satisfaction regarding retail markets consequently lead to their loyalty?

### RM and loyalty

According to Christopher et al. [18]: the RM concept is emerging as a new focal point, integrating customer service and quality with a market orientation. "Relationship marketing is to identify and establish, maintain, and enhance relationships with customers and other stakeholders, at a profit, so that the objective of all parties involved are met" and "that this is done by a mutual exchange and fulfilment of promises" Relationship Management focuses on customer attractions via relations, interactions and networks (CARIN). One can argue that RM is a good way to gain a competitive advantage [19].

There is no need for customers to be loyal to one or a portfolio of suppliers in undifferentiated markets, the customer can take the best deal regardless of who provides it [7]. Palmatier et al. [9] found that RM strategies are most efficient in markets with high business to customer interaction, and not that important in the retail section. Palmatier [4] argues further that RM is inherently dynamic, so different factors affect short- versus long-term performance. Olsen [20] suggests that involvement may be an antecedent or a motivational mediator as well as a moderator, between satisfaction and loyalty.

Egan [7] concludes that the relationship mostly exists in the mind of the retailer and that customers do not experience a relationship with their local supermarket. Buckinx and Van den Poel [21] argue that even small or temporary defections from loyal customers can have a great impact on the retailer's profitability, and can lead to total defection in the long run.

A wide range of RM researchers mean that RM efforts affect one or more relational outcomes; trust, commitment, customer loyalty, relationship satisfaction and relationship quality [3,8,9,12,19,22]. The organizational psychology literature distinguishes between three types of commitments namely affective, continuance and normative commitment. The differences between them reflect the psychological state that binds the individual to the organization [23,24]. Affective commitment should be more important than continuous commitment.

Lacey [16] found that customer recognition and shared values (when the customer feels that the firm practices similar values that the customer have) increase customer commitment. Lacey [7] did not investigate the result between one specific salesperson and the whole firm though. Finally, loyalty does not need to be a result of commitment or trust. Habits have powerful inertia effects on behaviors [25]. Research in consumer psychology found strong ties between habit to behavioural outcomes such as loyalty [26,27].

### Satisfaction and loyalty

Customer satisfaction is generally viewed as a psychological reaction of the customer and an evaluation of emotions. Barnes et al. [28] explain that the overall positive or negative emotions the customer gets about the net value from the services and products that are delivered, define customer satisfaction. Parasuraman et al. [29] and Chang et al., [30] believe that customer satisfaction is a function of perceived service and product quality, which may create a repeating purchase behaviour. Anderson et al. [31] further describe the benefits with high customer satisfaction and implies that decreased price elasticity, increased customer loyalty, decreased future transactions costs, reduced charges

imposed on attracting new customers and an improved reputation of the company are a result of high customer satisfaction. A cumulative customer satisfaction involves the customer's overall experience and evaluation of the service or product over time [3,32,33].

Hallowell [6] defines loyalty as "behaviours, including relationship continuance, increased scale or scope of relationship, and recommendation (word of mouth advertising) resulting from customers' beliefs that the quantity of value received from one supplier is greater than that available from other suppliers" Uncles et al. [34] however, define customer loyalty as: "something that customers may exhibit to brands, services, stores, product categories and activities." [34].

Commitment, loyalty and satisfaction could be explored from psychological and economical perspective [35,36]. Many authors believe that satisfaction is a pre condition for loyalty. Customer satisfaction and customer loyalty have a strong relationship (instead we can say are strongly related) and the company's ability to retain and create repurchasing customers is strongly related to the customer satisfaction intensity [30,37]. Hallowell [6] explains that customer satisfaction influences customer loyalty, which may lead to that companies develop profits. The psychological perspective suggests that affective responses such as satisfaction, trust, and attitudinal commitment will induce customers' desires to stay in the relationship. Customers with cumulative satisfied experiences tend to remain affective loyalty to relationship [38]. Chang et al. [30] suggests that unsatisfied customer switches easily to a rival company and the chance for redemption is reduced. Although customer satisfaction is an essential factor in creating customer loyalty, it does not automatically lead to loyalty arise [13,30].

From the economic and investment model, satisfaction is a primary determinant of commitment. Continuous commitment stems from an anticipation of high termination costs associated with quitting a given relationship [22,23]. It results from investment and economic models and calculation of cost and benefit [23].

Finally, other studies have shown that although the customer is satisfied, the creation of customer loyalty differs among products, industries and situations, which also affect customer loyalty [6,13,30,36]. A study conducted by Yi and La [39] found that customer satisfaction have no direct influence on repurchase intention for low-loyalty customers.

### Trust, commitment, membership cards and loyalty in a FMCG Sector

Food and grocery constituted 53% of the total private consumption 2008 [40]. The western format of stores is spreading all over the world with concepts such as convenient stores, supermarkets and specialty stores [40]. Prasad and Aryasri [40,41] state that the food industry has traditionally been characterized by transactional marketing, but due to a multitude of changes in marketing environment, demography, cultural attitudes, customer awareness and technology embraced relationship marketing. Anderson et al. [42] and Prasad and Aryasri [41] notice (instead of mean) that the retailing industry faces a dynamic and competitive market; therefore, the importance of customer relationship increases as a tool to gain competitive advantage. This is done by implementing the RM systems and processes to manage customer data and information [42,43]. Anderson et al. [42] and Prasad and Aryasri [40] and Zineldin, et al. [5] argue that RM tools such as

developing of trust and commitment strategies provide companies with the possibility to react to shifting customer need and wants. When the company gains more knowledge about the customer, studies have shown that the overall customer satisfaction increases [42].

Loyalty can be built by focusing on trust and commitment. Sun and Lin [44] found that a company must first gain the customers trust in order to make them loyal. Commitment was not the most important factor but just trust. They further found that the stores should focus on providing a high service quality through competence, benevolence and problem solving to gain the customers trust.

For a FMCG sector, it is not the physical product that is the main offer. Instead, the store's main "product" is the shopping experience, which includes both the physical products and the staff's service [43,45,46]. The shopping experience can be seen as Zineldin's [47,48] concept of PRODSERV. Just as product and service quality, there are many factors that affect the customer's quality perception of the shopping experience, involving the storehouse's location, the speed of the checkout, cleanliness, the politeness of the personnel access to other support services such as parking and packaging and how wide the range is [46]. Matas (or Matsa) [46] says that it costs the FMCG (fast moving consumer goods) market billions of dollars if they cannot offer the customer the product they desire. By not having a full assortment and products in stock, the stores are also taking a risk of losing the customers. Research has also shown that companies that have goods in stock are also cleaner, have faster checkouts and have more polite staff [46].

Meanwhile the empirical finding showed that customers value courtesy, a form of service quality, as the most important aspect when establishing relationships gave the FMCG stores a rating of 2.93 [41]. Zineldin et al. [5] found that quality is the major factor for Customer Attraction via Relations, Interactions and Networks (CARIN).

One basic psychological factor behind loyalty programs and loyalty cards is that people see the value on the card or program as "free lunch" "free money" or "found money". The psychological effect is similar to that of a credit card, only much, much stronger [49]. People spend more. Someone with a \$10 coupon in his membership loyalty card is more likely to visit that specific store or retailer instead of another retailer. This customer is more likely to spend more than he/she would otherwise be willing to spend. Other psychological factors or benefits are that cards create a bond between the customer and the store, cards can makes payments easy and cards enhance a business's image [49].

On the other hand, customers with low purchasing power are more willing to spend for status-related goods [50]. The use of coupons may, according to signaling theory, signal the low purchasing power consumers and thus can hurt their status. Thus, such consumers are more likely to use coupons if they are privately home delivered. On the other hand, signals that require resources such as money, time and energy can communicate a person's status [51]. Therefore, labels assigned in loyalty cards or programs can serve as observable indicators of status [52].

### A 5Qs Model, satisfaction and loyalty

In an era when intense competition is being greatly facilitated by technology, the need of providing adequate product/service quality will necessitate that companies have to focus attention on issues of improving, measuring and controlling their product/service quality [43,53]. Customer loyalty and customer attraction, relationships, interaction and networks (CARIN) as well as the maintenance of the

customer relationships are in fact dependent on customer expectation, experience and satisfaction. Also, B2B Relationships. Alliances, Interaction and Networks (BRAIN) are impacted by same factors, i.e. expectations, experience and satisfaction.

Zineldin [54] invented a new model and framework of five generic quality dimensions (5Qs) including psychological, behavioural and economical factors which impact the satisfaction and loyalty of a customer (5Qs). Zineldin (2006) stated that SERVQUAL quality is a classification system concept. Moreover, the five quality dimensions (5Qs) model is an instrument that insures a reasonable level of reliability, validity and significance.

The 5Qs model is more comprehensive and incorporates essential and multidimensional attributes for customer relationship management (CRM), which are missing in the other models attributes [3,55,56]. Piskar and Faganel [56] argue that the 5Qs model is tasted and verified in different sectors and can be used in order to measure customer satisfaction and customer loyalty. The 5 generic qualities are:

Quality of object – the technical quality (what customer receives). It measures the core prodserv itself.

Quality of processes – the functional quality (how the prodserv (product and services) provider provides the core prodserv (the technical). It can be used to pinpoint problems in service delivery and to suggest specific solutions.

Quality of infrastructure. Measures the basic resources which are needed to perform the prodserv services: the quality of the internal competence and skills, experience, know-how, technology, internal relationships, motivation, attitudes, internal resources and activities, and how these activities are managed, co-operated and co-ordinated.

Quality of interaction. It measures the quality of information exchange, financial exchange and social exchange, etc.

Quality of atmosphere – the relationship and interaction processes between the customer-company are influenced by the quality of the atmosphere in a specific environment where they operate. The atmosphere indicators should be considered very critical and important because of the belief that lack of frankly and friendly atmosphere explains poor quality and less loyalty.

Figure 1 illustrates the 5Qs model and its constructs. Each single quality dimension of the CRM strategy is impacting the level of satisfaction which is in turn impacting the loyalty. The total quality (TQ) influences the perception of satisfaction and loyalty.

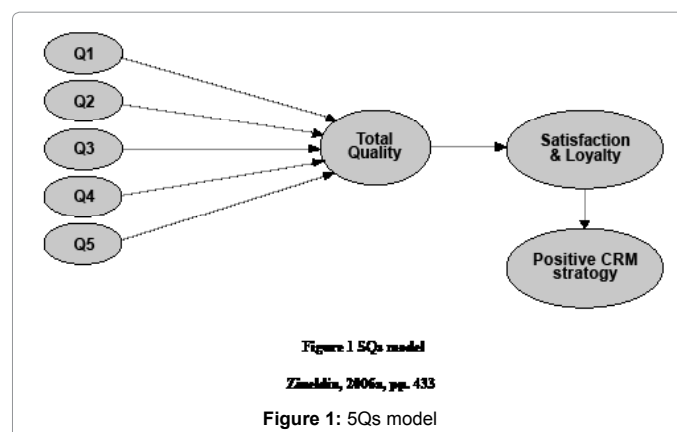


Figure 1 5Qs model

Zineldin, 2006a, pp. 433

Figure 1: 5Qs model

When the 5 Qs model is empirically tested with suitable quality factors, depending on the expectation of the customer and nature of the study, the result will provide a vision of what the customer experienced as the most important qualities. Also, providing the management with an understanding of how quality problems occur and how they can be improved [3,57].

However, the connection between marketing strategy, quality and loyalty might lead to increased competitive advantage, also supported by De Jager et al. [58] TuKuo-Hsien [59]. Piskar and Faganel [56] conclude that satisfied customers do not necessary need to be loyal customers, as they can both repeat orders and buy from competitors. Argue that the 5Qs model emphasize that quality is used as the key aspect to survive and gain a competitive advantage by establishing long-term relationships.

## Material and Methods

A deductive approach means that studies is based on accepted, general principles, which are applied and used with the aim to explain a specific phenomenon [60,61,62]. A questionnaire based on the 5Qs model's basic items and scales was utilized to survey the customers in the FMCG retail sector. 65, 5% of the consumers are holding membership cards. 24, 5% more than one store 41% one store.

To identify and analyze how customers are experiencing quality, loyalty and satisfaction for assessing loyalty, satisfaction and quality, authors utilize items of the 5Qs model. Three questionnaires were performed under a period of one week outside entrance of the FMCG stores City Gross, Willys, ICA Maxi and Coop Extra in Växjö. One questionnaire was also performed in Växjö city to get an objective picture from the customers. When a research study is going to be carried out, it is important to take into account the survey objects, the population and the sample, which can represent and generalize the whole population [61,63]. In science, generally two different forms of sample strategies can be applied, probability sampling and non-probability sampling [62]. A frequently used sampling strategy in non-probability sampling is convenience sampling or snowball sampling [62].

In this study, two different samplings were used. For the questionnaire, which examined FMCG stores customers and their values; a probability sampling of 250 individuals including both men and women, who were all over 18 years and lived in Växjö, were used? 250 individuals were asked to participate in the survey, but only 200 accepted which gives a responding rate at 80 per cent. Probability sampling was applied since the respondents were selected on a random basis. The four major retails in Växjö are holding 70 percent of the market share. To calculate an appropriate sample size, the authors chose to have 5% margin of error and 95% confidence interval. The population was 46.450 units and the authors wanted to have a response rate of 80%. The result showed that the right sample size was at least 250 units; the study therefore selected a sample of 250 individuals. This means that with 95% accuracy can the authors comment on a topic. For the questionnaire, which examined FMCG companies and their perspective on loyalty and satisfaction, a non-probability sample of 4 FMCG out of 42 stores was used. The big four: Willys, City Gross, Ica Maxi and Coop Extra were the stores with the highest turnover and customers market share.

## Data analysis

SPSS and the website Survey Gizmo were used to analyze the data. Univariate and bivariate analysis were performed to identify

the relationship between variables and how their relationship looks like. When dichotomous variables and nominal variables were tested, a contingency table and chi square test was executed. A phi test was also performed to examine the relationship between two dichotomous variables. Independent variable is satisfaction and membership cared while the dependent variable is loyalty.

## Results

### Perception/experience of the market

Table 1 presents an average ranking of respondents' experience of the different the 5 Q dimensions at the different FMCG stores. The highest value a quality factor could get was 5 and the lowest value was 0. Count and standard deviation are also presented. Table 1 shows that the respondents perceive Q1 (quality of object) as the best quality group, with a total average ranking of 3.37.

The physical products are perceived as the best quality factor with an average ranking of 3.66. The quality factor the respondents perceive as the second most important is price, with an average ranking of 3.54. The three following factors that the respondents consider to be the stores' best qualities is range of products which have an average ranking of 3.36, products are up to date which have an average ranking of 3.25 and products are in stock which has an average ranking of 3.21.

The analyze shows that what customers think are the best qualities of a FMCG store and what they want in a relationship, do not always have to be the same.

### Overall satisfaction, membership card (Commitment) and loyalty (SCL)

The Table 2 shows that 105 of the respondents are both loyal and satisfied. 62 respondents are satisfied but not loyal and 27 is neither. Independent variable satisfaction correlates substantially with dependent variable loyalty (.570). On the other hand the correlation between the other independent variable holding membership card and loyalty is very weak (-.190). Above .3 preferably. That is could be a logical conclusion because most of customers have different membership cards for different stores which means that they are not quite loyal to anyone. The customers use the membership card to get best or discount provided by any store.

Table 3 shows the resulting regression model with the predictors: (Constant), Satisfaction, Membership card and loyalty as the dependent variable. The model explains 34,9% of the variance in the loyalty. Psychological variable satisfaction makes the strongest contribution to explaining the loyalty. Both Satisfaction and membership are significant at 1% (0.008 and 0.000). The correlation between membership card and loyalty is weak ( $\beta$  -.154).

Table 4 is a regression model where the satisfaction is dependent variable an membership card and loyalty are independents variables. The model explains 32,7% of the variance in the satisfaction. Psychological loyalty makes the strongest contribution to explaining the loyalty (.579). Membership card have no significant at all to the satisfaction.

It means that membership card is not a measure for the loyalty. Loyalty in terms of frequently purchasing regardless membership care holding or not can cause satisfaction.

## Discussion

The Swedish FMCG companies have found that their customers

	Most Important	Average rank	Count	StdDev
<b>Q1, Quality of object</b>				
1. Physical products	1	<b>3,66</b>	119	1,39
2. In stock	5	<b>3,21</b>	43	1,42
3. Products are up to date	4	<b>3,25</b>	32	1,27
4. Range of products	3	<b>3,36</b>	108	1,35
<b>Summary</b>		<b>3,370</b>	302	5,43
<b>Q2, Quality of process</b>				
5. Price	2	<b>3,54</b>	122	1,46
6. Waiting time (behavioural)		2,09	34	0,95
7. Convenience (behavioural)		2,97	62	1,37
8. Product arrangement		2,44	27	1,29
<b>Summary</b>		2,760	245	5,07
<b>Q3, Quality of infrastructure</b>				
9. Experience (Behavioural)		3,00	11	0,85
10. Competence, right knowledge and skills (Behavioural)		2,74	73	1,25
11. Credibility (Behavioural)		2,86	21	1,12
12. Inspire me, test new products (Behavioural)		2,56	16	1,22
<b>Summary</b>		2,790	121	4,44
<b>Q4, Quality of interaction</b>				
13. Responsiveness, willingness to offer good service (Behavioural)		2,85	26	1,26
14. Access, the ability to contact personnel (Behavioural)		2,52	21	1,26
15. Courtesy, treatment of customers (Behavioural)		2,93	90	1,40
16. Flexibility (Behavioural)		2,09	22	0,90
<b>Summary</b>		2,598	159	4,82
<b>Q5, Quality of atmosphere</b>				
17. Understanding of the customers need and wants (Behavioural)		2,49	39	1,36
18. Lightning, in the store		2,00	13	1,18
19. Parking		2,60	69	1,45
20. Accessibility, space in store (Behavioural)		2,64	53	1,34
<b>Summary</b>		2,433	174	5,33

Table 1: Perception of the 5Qs at the different stores

		Loyalty	Membership card	Satisfaction
Pearson Correlation	Loyalty	1,000	-,190	,570
	Membership card	-,190	1,000	-,063
	Satisfaction	,570	-,063	1,000
Sig. (1-tailed)	Loyalty	.	,004	,000
	Membership card	,004	.	,189
	Satisfaction	,000	,189	.
N	Loyalty	200	200	200
	Membership card	200	200	200
	Satisfaction	200	200	200

Table 2: Correlation between Satisfaction, membership care and Loyalty

	$\beta$	P	R	R2
(Constant)		.008		
1-Membership card	-.154	.008	.591	.349
2-Satisfaction	.561	.000		

Table 3: Regression model: loyalty is the dependent variable

	$\beta$	P	R	R2
(Constant)		.432		
1-Membership card	.047	.430	.572	.327
2-Loyalty	.579	.000		

Table 4: Regression model : Satisfaction is dependent variable

are price conscious but also appreciate various time saving aspects. Moreover, Morgan and Hunt [22] also found that customers engage in relationship to save money and time but also due to convenience and companionship. The FMCG store thought that their customers perceive convenience as an important aspect when establishing a relationship but it was not shared with the customers. No or very weak correlations were also found between most of the demographic variables such as age, gender, education and satisfaction and loyalty.

The investigation found that 43.5% of the customers' only reasons to establish a relationship was to save money. Although, 21% of the respondents mean that the goal for establishing a relationship is to receive better treatment, for example nicer personnel. However, Jain and Gupta [64] mean that a higher degree of service quality can improve this notion and increase the customer satisfaction rate. One conclusion is that it can be more effective to increase the customer switching cost since the customers are not loyal.

By investigating the FMCG stores perception of their customers' satisfaction rate, the study reveals that the stores believe that the customers are more satisfied than they really are with an average ranking of 8.5. It is a similar pattern with loyalty, where the customers rank themselves, as 5.7 while the stores rank their customer as 7.5. Since the FMCG stores perceive their customers as more satisfied and loyal than they really are, they may not be able to get the wanted results from their RM strategy. If the FMCG stores value their customers' satisfaction and loyalty level more than it really is, the theories mean that they do not obtain the full advantage of their RM strategy, hence lowering the effectiveness of the RM strategy.

Sun and Lin [44] explain that if the companies do not know their customers and the customers' perception of the company, then they do not have the acquirements to develop effective RM strategies. The RM strategy will therefore not lead to the desired result and goals. The empirical findings show that customers' perception of companies understanding for their needs and wants, is an average of 2.49 on a scale of 1-5. Since the companies only have a moderate understanding for the customers' needs and wants, the theory indicates that this can be a reason for the customers low loyalty ranking.

The empirical investigation found that respondents are quite satisfied, therefore, Anderson et al. implies that companies can benefit from decreased price elasticity, increased customer loyalty, decreased transaction costs and improved reputation of the company. There is a trend that low prices cause low quality expectations and can therefore generate a high satisfaction rate, even though the TQ rank is low. This research shows only a moderate correlation between satisfaction and loyalty. A customer can get benefits of different loyalty programs

offered by different competitors without being loyal to all or any of them. Furthermore, both Chang et al. [30] and Bloemer and Kasper [13] have found that customer satisfaction does not automatically lead to customer loyalty.

A very commonly held notion in the RM school is that it is more cost efficient to retain current customers than to attract new ones. Although, this is questionable in this research since the customers have shown tendencies to be quite self-centred as they mostly chase the discount – no matter who provides it.

By offering membership cards or specific membership offers, the FMCG stores want to create loyal customers. Membership card was found as an explaining variable to where the respondents were ranked on the loyalty scale. Although, there was no correlation found between the respondents with just one membership card and loyalty, which the customer loyalty program theory means should exist???? Incomprehensible. This study shows that there is no correlation between membership cards and the satisfaction rate. On the other hand, there is a correlation between membership card and loyalty but only a moderate correlation between loyalty and satisfaction.

When investigating the customers' perception of the FMCG stores five best qualities out of twenty, the empirical investigation showed that the respondents' value typical product quality factors based on the 5Qs model. It illustrates the respondents perception of the FMCG stores qualities, based on the 5Q model. The empirical investigation presented that the four of the highest ranked qualities are within Q1, which is the quality of object. The 5Qs model defines Q1 as the technical quality, what the customer receives. Physical products were ranked as the FMCG stores best quality factor. Range of products was seen as the third best quality, which the companies assessed as third best quality. This might imply that product range can be seen as a critical quality factor within the FMCG industry. Desai [65] argues that the assessment of the product quality is influenced by the price of the product. This might explain why the research found that price was rated as the FMCG stores second best quality. The FMCG stores also valued Q1 as their best quality group.

The empirical investigation shows tendencies that when the customers estimate the various quality factors, they are prone to evaluate more physical and personal perceived aspects such as physical products, products in-stock, products up to date, range of products, price, as well as psychological and behavioural factors such as convenience and courtesy. This might be the reason for the total high average rank in Q1 and Q2. Although, responsiveness (do you mean to say that although responsiveness exist???), another psychological and behavioural factor gets a relatively high rank which contradicts with these findings.

Q3, Q4 and Q5 include more psychological and behavioural attributes than Q1, and Q2. Q3 records the highest customer scores. Courtesy (Q3) received the highest rank followed by the responsiveness (Q4) and accessibility (Q5). It is not the economical or the physical product that is the main offer instead it is the shopping experience. This is something that the empirical research has shown aligns very well within the FMCG market. This is due to that the customers' both value ?????? incomprehensible the physical aspects when they value the stores best qualities, but also demand service qualities when they evaluate what they want from a long-term relationship with a FMCG store.

In order to create long-term relationship, the empirical investigation shows tendencies that the respondents perceive themselves as quite

satisfied but not particularly loyal. This might be due to that loyalty is more affected by the total quality than individual quality factors. The empirical investigation has also showed that there is a moderate correlation between satisfaction and loyalty, which supports the fact that this might be true. But, is there really a connection between satisfaction and loyalty?

## Conclusion

In this study the authors have found that RM, as the current theory presents it, does not provide any effective strategies to create customer satisfaction and loyalty within the FMCG market. The relatively high satisfaction rate is not achieved through RM activities, but instead a result of how low prices decrease the customers' expectations on the stores totals quality.

This argument is based on the findings of a relatively high satisfaction rate even though the total quality was low. The research also found evidence that satisfaction does not automatically lead to loyalty, as there was a moderate correlation between customer satisfaction and loyalty but not a high a loyalty rate. Other authors have earlier also found this result.

RM does not create loyalty, which also indicates that RM is not effective within the FMCG market. The research has found that price is a ruling factor that makes the customer chase discounts, no matter who provides it.

This study has found that the companies within the FMCG market need to implement more effective RM strategies in order to assure the possibility to reap the benefits from satisfied and loyal customers. Therefore, we raise the question if price is the new customer loyalty program within the FMCG market?

The study shows that while FMCG stores value Q1 as their best quality group, customers evaluate psychological and behavioural variables in Q4, "quality of interaction", as the most important quality group when establishing a long-term relationship

Given all complex psychological factors, customer satisfaction is hardly as straightforward as plugging numbers into the numerator and denominator and calculating the result. In fact, this formula isn't about numbers at all; it's about the relationship between performance and expectations and how these two factors intertwine so as to influence customer satisfaction. In particular, this formula serves as a reminder that no matter how satisfied customers may be, their satisfaction level can be affected by changes in either their expectations or companies' performance. That means companies have to pay attention to both. Finally, this study showed that having a membership which can indicate a level of commitment is not significant in relation to the satisfaction. Furthermore, loyalty does not need to be a result of commitment. This result is in conformance with the other research in consumer psychology which found strong ties between habit to behavioral outcomes such as loyalty.

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