ENABLING STRONG RELATIONSHIPS WITH INDIVIDUAL CUSTOMERS
BY ALLOWING TO PERSONALIZE LOYALTY PROGRAMS OF THE IRISH
RETAIL ONLINE BRANDS.

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DECLARATION

I Bharath Prabhakar Goolla declare that this research is my original work and that it has never been presented to any institution or university for the award of Degree or Diploma. In addition, I have referenced correctly all literature and sources used in this work and this work is fully compliant with the Dublin Business School's academic honesty policy.

Signed: Bharath Prabhakar Goolla

Dated: 06/01/2019
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ABSTRACT

PURPOSE
This research aims at studying the dynamics and mechanism of the marketing concept called loyalty and how it is integrated in the marketing objective of a brand to maintain a strong relationship among the customers by allowing customers to customize the loyalty program and, examine if the retailers can be monetarily benefitted by commoditizing it. The research will aim to study the determinants of loyalty and customer relationship framework and how each variant will influence customers choose a loyalty program from a retailer against the currently existing loyalty programs that is used by most of the retailers to retain customers. The research aims at providing a model of how this can implement by the retailers.

RESEARCH METHODOLOGY
A non-probability purposive sampling technique was employed to conduct survey through in-person questionnaire distribution method among 75 respondents who have shopped once at any online retail store. A mono quantitative method was adopted to conduct this research. The study of a phenomenon at a time. This is because the research undertaken is time bound. Cross sectional often employs the survey strategy.

FINDINGS
The findings of the research indicate that the traditional loyalty programs are fading out to achieve target of retaining loyal customers. Customers believe that they need more hold on what they get back from the loyalty program which can be achieved by allowing them to personalize loyalty programs. Most of Loyalty programs do influence the decision-
making process of the customer about the purchase with a retailer, when a value-based loyalty program is offered by a retailer, customers are more likely to make repeat purchases with that retailer. By offering such loyalty programs, brands can induce customers to make purchase more often than regular which also ensures customers sticking to one brand to redeem points that have been acquired for the previous purchase. This can be made effective by acquiring data about behaviors and shopping patterns of the customer which helps build effective loyalty program model. Most of the respondents prefer customizable reward points over traditional loyalty that are preset by the retailers.

ORIGINALITY/VALUE

The research adds to the previous research on the theory of customer loyalty and how it can be implemented effectively to retain existing customer base with respect to Irish online retail business and proposes that by personalizing loyalty programs can monetarily benefit the retailers.

KEYWORDS

loyalty, customer loyalty, loyalty programs, loyalty users, online retailers, loyalty in online retail, types of loyalty programs, benefits of loyalty program, factors influencing loyalty programs
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1. INTRODUCTION OF RESEARCH TOPIC

1.1 INTRODUCTION:

Loyalty reward programs institute a huge market in consumer retail, largely serving as an instrument for customer acquisition and retention (Sharp & Sharp, 1997). Over 48 billion dollars in stated value of rewards is dispensed in the United States alone every year, with every home being part of over 19 loyalty programs issued by different retailers (Berry, 2013). This market comprises global giants like credit cards, tourism, hotel, and airline reward programs, and even nearby dealers like eateries, grocery, and retail shops. There are a wide range of types of loyalty programs and rewards point to choose from for the vivid customers with their corresponding brands. More than four in five Irish consumers are estimated to own at least one loyalty card, while two in five are believed to subscribe to three or more cards. According to research conducted by ICM Research in February 2012 (UK), up to 86% of UK consumers are subscribers to at least one type of loyalty card, while 40% of UK consumers subscribe to more than three cards at once, although many do not avail of all the schemes that they enroll in. Customer loyalty is a critical problem for success of any retail company, since it is known that acquiring new consumers is costlier than continuing with the existing ones (Khan & Singh, 2012). On an average online retailer lose 25% of their clients consistently, and a little increment in customer retention can increase profits by over 25%. Relationship marketing aims to create life time consumers since when consumers have an association with an organization, they are prepared to overlook other competitors offer. Customers are inspired to do that as it gives them a more prominent effectiveness in basic decision making, decreases the information processing, accomplishes a more noteworthy subjective consistency in choices, and decreases the risks related with future choices (Khan & Singh,
Companies use several types of loyalty programs and reward systems to build loyal customer base. 57% of airline companies and 41% of hotel networks reward customers based on their engagement behaviors with the brand across various channels. A common methodology utilizes Platinum, Gold and Silver cards, regularly dependent on purchase volumes (Ray, 2015). Regardless of the way that the normal US family unit has more than 19 loyalty program participations, less than half of these are active. Key reasons for that is loyalty programs incorporate lack of reward relevance, inflexible reward structures, and low-quality customer service. Most of the buyers conceded that they had deserted no less than one loyalty program as indicated by a survey conducted. Yet, loyalty programs should be structured with more focused on providing valued benefits to the customers, vary as per different class of individuals dependent on their customer value to the company, and they must give more remarkable incentive at higher customer value levels, by rewarding best customers to support higher spending levels. With the end goal to do that the companies need to comprehend their customers’ needs and behaviors, by making customer profiles with significant information on customer engagement with the brand to have a total image of a customer’s behaviors (Ray, 2015).

1.2 CONTEXT FOR THE RESEARCH
As indicated by the Census Bureau’s Monthly Retail Trade Survey, Internet retail reach for 2000 were $25.8 billion, or on the other hand 49% higher than 1999 offers of $17.3 billion. This fast development of e-retailing mirrors the convincing points of interest that it offers over traditional physical stores, including more prominent adaptability, upgraded market outreach, bring down cost structures, quicker exchanges, more extensive product offerings, more prominent comfort, and customization. Be that as it may, e-retailing moreover accompanies its very own arrangement of difficulties. Contending businesses in
the world of electronic and internet world are just a couple of mouse clicks away. Therefore, customers can think about and compare between competing products and services with insignificant consumption of individual time or effort. As per Kuttner (1998, p. 20), "The Internet is a nearly perfect market because information is instantaneous, and buyers can compare the offerings of sellers worldwide. The result is fierce price competition and vanishing brand loyalty." Given the decrease in data irregularities among vendors and purchasers, there is a developing enthusiasm for understanding the bases of customer loyalty. Most of the previous researchers focused on optimizing the customer loyalty programs or tailor make customer loyalty programs to suit the business and gain maximum profit and retain maximum customers. Although as seen in the introduction most of the loyalty subscribers are not actively participating in the loyalty programs which is resulting in limited or inaccurate data collected regarding customer behavior and intentions. Although the ecommerce giants in the market are introducing new ways to retain customers in the form of gamification by integrating multiple channels of business; mobile apps, social media pages, websites and inter-active instore monitors with the help of artificial intelligence to procure precise data about customers interests and purchase pattern to offer customers of what they exactly want and to retain customers by personalizing various communication content and pushing it to customers via all available channels. This research paper will address the issue of trust on loyalty programs with a perspective of a customer. The loyalty programs are most commonly fixed by the retailers in the form of loyalty cards, reward points, cash back offers etc., which is perceived by the customers as a beneficial model to the retailer even though it is purely customer oriented. This customer perception on the modern yet traditional loyalty program approach of the current offline and online retailers has seen a declining scale
among the number of loyalty program subscribers. This research will aim at enabling strong relationships with individual customers by allowing to personalize loyalty programs which may change the perception of the customers on the loyalty programs and also, on the flip side see if the retailer can also benefit by commoditizing the loyalty program with a minimum cost for allowing customers to modify the loyalty program based on their needs and wants.

1.3 AIMS FOR THE PROPOSED RESEARCH
This research aims at studying the dynamics and mechanism of the marketing concept called loyalty and how it is integrated in the marketing objective of a brand to maintain a strong relationship among the customers by allowing customers to customize the loyalty program and, examine if the retailers can be monetarily benefitted by commoditizing it. The research will aim to study the determinants of loyalty and customer relationship framework and how each variant will influence customers choose a loyalty program from a retailer against the currently existing loyalty programs that is used by most of the retailers to retain customers.

1.4 RESEARCH QUESTION
Will personalized loyalty programs and reward systems help brands retain customers and generate revenue by commoditizing loyalty program for allowing customers to tailor make loyalty programs?

1.5 OBJECTIVES
- To investigate the perception about traditional loyalty reward programs.
- To analyze if loyalty cards influence customers of where they shop.
- To assess if the customizable reward programs will result in increasing sales to current customers.
• To assess if the customers are interested in monetary loyalty programs.
• To assess the most valued feature for a customer in the reward programs.

1.6 RATIONALE FOR THE PROPOSED RESEARCH
The world of E-commerce and omni-channel business is an ever developing zone with an oversize market. In any case, incredible advantage accompanies extraordinary test. The better transparency of business enhances the likelihood that the customer could discover the right product with great cost. But this transparency enhances customers to choose among various competitive brands. Presently the competitor is only a click away, the rivalry turns out to be more level when all every competitor is proving the same value for money. At the point when the products give nearly a similar incentive to the customers, brands must increase the value given to the customers to emerge from the group. At that point new trends in the retail industry are to import the customer relationship management and procure precise data of the customers to personalize and standout. This allows brands to analyze who is their true customer and the most valued. As indicated by many researches, business found that the most important customer is the one who makes repeat purchases. The high expense to acquire new customer makes the numerous customer relationship to go unfruitful on the grounds that the new customers just remain in the underlying phase of the business. Only in the due time with number transaction the cost of service starts to fall, and the customer tends to buy more and not be price sensitive. (Srini, Rolph and Kishore. 2002) So retaining customers is the focus to maximize profits and most common ways to retain and analyze the existing customers is through loyalty programs. This study will examine by extending the current loyalty models by allowing customers to customize loyalty programs to see if the declining hope on the current loyalty programs could be lifted and change the perception of the customers.
1.7 TIME, COST AND PROJECT MANAGEMENT

The research is limited to time and bound to collect data at one instance, over a period and will be completed within the period of the course. Since time is a limitation and moreover there is less scope for long term observation to study the pre and post behaviors of customers. With the support of the earlier research, the time horizon of the research will be cross sectional. The research was conducted by recording the progress of research with the help of GANTT chart and a log book to scale the progress and the viability of the research
2 LITERATURE REVIEW

Customer loyalty embodies a basic issue both in the marketing literature and in the marketing practice. The significance of the idea gets from the advantages of retaining existing customers (McMullan, 2005). Research has demonstrated that brand loyalty is connected to the performance of a company (Reichheld, 2003), being a vital indicator of long-term profitability and holding long-term relationship between the customer (Salegna & Goodwin, 2005). Previous research on loyalty is focused on making efficient loyalty programs that induce customers to subscribe to a loyalty program which will enable long term relationship between the customers and encourage them to make repetitive purchases.

A loyalty program is defined as an explicit relationship marketing instrument of a firm that is intended to upscale the relational attitudes and behaviors towards the brand among the target customers (Lacey, et al., 2007) The objective is to build loyal customer base in both buyer attitude and buyer behavior (Kumar & Shah, 2004). The introduction of loyalty program, S&H Green Stamps and Betty Crocker focuses, were presented toward the end of the nineteenth century and all continues till the modern era. Loyalty program advertising has been Generally utilized by advertisers in pretty much every business part including travel (aircrafts, inns Furthermore, resorts, rental vehicle organizations), retail (basic need, retail chains, convenience stores), Eateries, budgetary administrations (protection, banks), amusement (historical center, gaming), the Web, etc.

In today’s omni and multi-channel business environments where customers prefer to be aware of every action they make, customer loyalty programs are being widely adopted by every small and large retailer to retain existing customers and increase the life time value of the customers. As of 2012 Mintel estimated that more than four in five Irish consumers
are estimated to own at least one loyalty card, while two in five are believed to subscribe to three or more cards. The Tesco Clubcard is the most popular type of loyalty card among Irish consumers, with four in five using one in 2012. (Mintel) Loyalty programs are additionally prominent with clients. In the U.S., about 80% of all family units have no less than one loyalty card, and around 33% of the shoppers are estimated to have at least two loyalty reward cards, Quadstone detailed that the loyalty program subscribers (66%) trust retailers serve high value to customers through loyalty programs in return for sharing customer data (as referred to in About.com, 2001). About 15% of customer base are loyal to a sole retailer, this reliable customer section generated somewhere in the range of 55% and 70% of aggregate retailer deals (CRM trends.com., 2018).

2.1 LOYALTY
Customer loyalty is the result of a successful marketing strategy in markets where there is a significant competitiveness, thus still managing to create value for the customer (Li & Green, 2011). According to Gee, Coats, and Nicholson (2008), loyalty is both a long-term attitude and a behavioral pattern reinforced by multiple experiences overtime. When a customer is regarded loyal, this loyalty might be identified with an organization, a brand, a loyalty program, or even to the organization’s employees. Loyal buyers hope to get special treatment from the organization, more prominent acknowledgment, and products/services with higher-quality than those set by the company, which can prompt a lower probability of the customers picking the competitor’s offers. (Morrison & Huppertz, 2010)

There is a series of different viewpoints on how loyalty is defined and measured and as such loyalty features to be an elusive concept for retailers (O’Callaghan & O’Riordan, 2012). Acquiring loyal customers financial benefits, the organization by reducing the
operating cost which in turn will help the company in reducing the costs of acquiring new customers. Loyal customers are also said to add additional benefits to the organization by acting as the brand ambassadors in broadcasting positive messages to their peers and groups.

The core purpose of loyalty programs is to acquire accurate data about the customer database like their shopping behavior, transactional data, customer needs and wants which will help organizations structure and design products and processes based on the expectations of the customer base. The structured data of loyal consumers like average life span of the customer and their transactional information will help organization assessed the customer value for the company. (Hillesland, 2013)

Retailers are strong in introducing loyalty programs for a variety of both tactical and strategical objectives. At the tactical level, the intent is to increase the sales and ease marketing communication. But these programs have a strategic part to play within the organization that unlocks the doors to the realms of customer relationship marketing by providing retailers with pictures of their consumer behaviors and lifestyles. The consequence of the loyalty programs on a great extent are subjected to the reward scheme that the brand offers, the timing of the rewards, the type of reward points, consumer perceived value of the scheme and ease of redemption (O'Callaghan & O'Riordan, 2012).

One important input to brand loyalty literature was contributed by (Jacoby & Chestnut, 1978), who divided the brand loyalty approaches into three categories which are behavioral, psychological commitment, and composite. The brand loyalty definition that was given by them was “the biased behavioral response expressed over time by some decision-making unit with respect to one or more alternative brands out of a set of brands
and is a function of psychological processes” (Moisescu, 2014). Jacoby's definition plots the way that there must be an orderly inclination to purchase a specific brand or collection of brands, and brings up the way that, during a timeframe, both the occasions a brand is considered and purchased and the purchase behavior over progressive purchasing events are vital. In actuality, considering a purchase behavior for two brands (A and B), Brown (1952) recognizes four groups of purchasers: hard-core loyal, who purchase a similar brand over a given timeframe (AAAA), split loyal, who are faithful to additional reliability, reservation data and facilities, and emotional attachment, for example, satisfaction, loyalty and recommendation), price loyalty vulnerabilities (counting cost related items, for example, deal chasing and value for money) and service loyalty vulnerabilities (e.g. the encounter presented by another contending service or service brand) (Moisescu, 2014) (Bandyopadhyay & Martell, 2007) expand the work done by Dick and Basu (1994) by presenting another section of non-users, and by offering a one of a kind method to quantify attitudinal loyalty, utilizing a special overview information with an extensive example of 1800 respondents that incorporates both behavioral (buy) pattern of mind of the respondents for every single real brand of tooth paste, to exhibit that behavioral loyalty is impacted by attitudinal loyalty crosswise over numerous brands of the toothpaste category line. The researchers propose that loyalty to be viewed as including a repeat purchase (behavioral) pattern, and an ideal nature (attitude) towards the brand. To operationalize behavioral pattern, respondents are gathered into three behavioral classes: single users (maximum level of behavioral loyalty, purchases a single brand at every purchase occasion), multiple users (a transitional behavioral loyalty), and non-users (minimal measure of behavioral loyalty is seen by those respondents who don't utilize the brand even once over the study). The review incorporates eight social inquiries to quantify
the respondents' patterns and their fulfillment towards different brands over a time of a half year. Attitudinal loyalty is operationalized by estimating purchaser perception of the general rating of the brand (30 characteristic related inquiries on respondents' beliefs about these brands), being reflected by the quantity of positive qualities (or attribute score) related with the brand. (Moisescu, 2014).

According to (Jacoby & Kyner, 1973) for loyalty to exist among the customers it must please six essential conditions: (1) biased (that is, non-random); (2) a behavioral response (that is, purchase); (3) expressed over time; (4) by some decision making unit; (5) with respect to one or more brands, out of a set of such brands; and (6) a function of psychological (decision making evaluative) processes. Based on this concept of loyalty, several competing behavioral intention loyalty building models have been proposed:

The quality models are consequent from the service quality literature examining the connections between service quality, satisfaction and behavioral expectations. A portion of these models contend that service quality just effects loyalty by means of satisfaction and value (Patterson and Spreng, 1997; Woodruff, 1997). Others keep up that quality directly affects loyalty (Zeithaml et al., 1996; Parasuraman et al., 1991; 1988).

Studies from the service and value literature, where value is proposed to lead straightforwardly to behavioral aims, for example, loyalty, the value model keeps up that value drives specifically to the good result of customer loyalty, and that both service quality and fulfillment are forerunners of value (Sweeney et al., 1999; Cronin et al., 1997; Gale, 1994).

The Satisfaction models which comes from the satisfaction literature portray consumer satisfaction as the essential and direct connect to behavioral goals, for example, loyalty,
with service quality and value being backgrounds to satisfaction (Spreng et al 1996; Anderson and Fornell, 1994). The satisfaction model demonstrates that customer loyalty is straightforwardly affected by the variable satisfaction (Hallowell, 1996; Fornell et al., 1996; Anderson and Fornell, 1993).

Oh (1999) proposed an integrative model of service quality, consumer value and consumer satisfaction. The model joins key factors, for example, perceptions of service quality, consumer satisfaction, customer value and goals to repurchase and shows that value is a prompt indication to consumer loyalty and repurchases aims.

2.2 LOYALTY PROGRAMS
According to (Oliver, 1999) “loyalty programs are designed to reward repurchases with extra product (e.g., flights) or supplementary goods and services”. “A loyalty program, which is often called a reward program, is usually introduced to build customer loyalty through the planned reward scheme based on a customer’s purchase history” (Yi & Jeon, 2003). This means that loyalty programs are a way to differentiate one’s products (Yi & Jeon, 2003) “The goal of a loyalty program is to establish a higher level of customer retention in profitable segments by providing more satisfaction and value to certain customers” (Bolton, et al., 2000). Loyalty programs are being justified by the positive influence of increased consumer loyalty on long-term financial performance.

Loyalty programs are structured marketing endeavors that reward, and hence allow, loyal buying, which is possibly profitable to the firm. The reward programs are offered by an organization to customers who make repeat purchases. A loyalty program may give a customer special access to new items, exceptional deals coupons or free products. Customers commonly enroll their own data with the organization.
Loyalty programs fill in as a motivating force by giving advantages based on previous purchase scale or the amount spent with the brand over a period. Loyalty programs urge shoppers to move from nearsighted or single-period decision making to dynamic or multiple-period decision making. These programs encourage repeat buying and improve retention rates by providing incentives for customers to purchase more frequently and in larger volumes. (Lewis Michael, 2004) The first usage of loyalty programs in business was many years ago originally in Germany, where price completion was disallowed by government. In 1981 was the first launched of loyalty programs by American Airlines and quickly used by other airlines and hotels, car rental companies, credit card organizations and retailers. As reported in the New York Times, Forrester Research found that across 12 industries, retailers are the most loyalty while others, like TV service providers and internet service providers proved more unsteady. Retail loyalty programs are offering points, rebates, discounts or combinations of them. Loyalty programs are considered part of a comprehensive customer relationship strategy. Even though, there is a fundamental mistake of many marketers who confuse “loyalty” with “rewards”. Loyalty offers support and commitment not points.

Organizations used rewards programs to retain their best customers. Frequent customers are awarded redeemable points that can be converted into free services, upgrades in class, and exchange of other products and services. Loyalty programs not only a tool to increase the organization’s loyal customers, but they are an opportunity to gather information about customer shopping habits and preferences. This information helps in customizing the organization’s services. Retailers recognized that without “customer database,” they were unable to identify the best customers and reward them for their preferable behavior. (The Loyalty Marketer's Association) Due to the fact, that not all customers are
potentially loyal customers, the ideal loyalty program would benefit only loyal and 
potential loyal customers. This means that the customers have first sorted into groups, 
and then to be approached in different ways. Customer loyalty programs should increase 
customer happiness and retention. A successful loyalty program must be designed in the 
consideration of the following rules: (Clark, 2010)

1. Acquire customers that are likely to repurchase. 2. Recognize which customers are 
unlikely to repurchase and limit the marketing spend for this segment accordingly. 3. 
Focus the marketing budget on those who exhibit the same profile as existing repurchases 
but have yet to buy a second time.

2.3 TYPES OF LOYALTY PROGRAMS
Brands have rewarded the loyalty of customers by upgraded services or cash discounts. 
As of late, loyalty and rewards programs have turned out to be material in a several 
sectors of businesses around the world. Loyalty programs or memberships are organized 
marketing endeavors that reward and encourage loyal purchasing behavior which is 
conceivably beneficial to the brands. In retail marketing it incorporates: loyalty card, 
rewards card, point’s card, preference card, or club card which distinguishes the card 
holder as a part in a loyalty program. (Singh & Khan, 2012)

- **Points system:** This is the most widely recognized loyalty program. Frequent 
customers earn points, which convert into reward: discount, gifts, or exceptional 
customer treatment, customer purchases repeatedly to earn some points which can 
be redeemed during the later course. Reward programs dependent on service use 
levels (frequent purchaser programs) have turned out to be basic in the
transportation and hospitality ventures. This sort of loyalty program is most suitable for businesses that encourage frequent, short-term purchases. (Peiguss, 2012)

- **Tier system:** Offer little rewards as a base offering for being a part of the program, and support repeat customers by expanding the value of the rewards as the customer climbs the loyalty stool. The distinction among points and tiered frameworks is that customers extricate present moment versus long haul an incentive from the loyalty program. Tiered programs may work better for high commitment, expensive rate point sectors like airlines, hospitality businesses, or insurance agencies. (Peiguss, 2012)

- **Charge an Upfront Fee for VIP Benefits:** Charge one-time (or yearly) customers to initiate collecting rewards for their purchases. This framework is most material to organizations that flourish with continuous, repeat purchases. For an upfront fee, the customers are eased of difficulties that could obstruct future purchases. (Peiguss, 2012)

- **Non-Monetary Programs around Your Customer’s Values:** discounted rewards

  Partner with another Company to Provide All-Inclusive Offers: Understanding customers’ lifestyle and their purchase process will help determine which company is a good fit as a partner to reward the loyal customers. Providing customers with valued services beyond what the company can offer will grow the companies’ network to reach their partners’ and customers. (Peiguss, 2012)

- **Partner with another Company to Provide All-Inclusive Offers:** Understanding customers’ way of life and their purchase behavior will help figure out which company is a solid match as an accomplice to reward the loyal customers.
Providing customers with valued services beyond what the company can offer will grow the companies’ network to reach their partners’ and customers. (Peiguss, 2012)

- **Loyalty card program:** is a motivation plan that enables a retail business to collect and analyze data about its customers. Customers are offered product discounts, coupons, points in return for their intended contribution in the program. Another objective of a loyalty card program is to construct repeat business by offering participating customers something that isn't accessible to non-participating customers. (Rouse, n.d.)

- **Frequent Buyer Program:** retailers offer the low free service to the customers if the quantity of purchases or the aggregate purchase sum achieves a specific limit. These induces customer to complete that number of purchases or the total value needed in order get that offer. It results to a hike in the sale of product ensuring customer loyalty over a specific period (Magatef & Tomalieh, 2015)

- **Gift Card or Certificates:** Retailers are introducing gift vouchers with a specific amount for a precise period which can be redeemed at their own company. With this gift voucher it induces the purchaser to go to the retailer who has issued the gift voucher and spend the amount. With the accessible measure of the gift voucher customers will purchase for more the value than the gift voucher which in turn will increase the sales of the goods. Once the customers like the products in the store, they tend make repeat purchases and become loyal to the store. (Magatef & Tomalieh, 2015)

- **Return Policy for Loyal Customer:** Return, which is constantly a major worry of many. The retailer offers the extended return policy to the Loyal Customers. This
delivers confidence to the customers and in return gives the brand an edge over the competitors and initiates loyal purchase patterns.

- Payback money to loyal customers.
- Discount over time or volume of goods.
- Bundle goods: The seller sells various goods or services with the main item at no extra cost. (Singh & Khan, 2012)

### 2.4 TYPES OF LOYALTY PROGRAMS USERS

There are four types of customers regarding their attitudes to use loyalty programs. 1- Never Consumers are those who are not affected by loyalty programs and their reward incentives in any way. 2- Light consumers are having reward program memberships and being influenced by their incentives, but only moderately. 3- Heavy consumers are highly influenced members of reward programs. 4- Extreme consumers who are addicted to or obsessed with loyalty programs. (Rouse, n.d.)
2.5 FACTORS INFLUENCING LOYALTY

- **Core offering**: The companies that boast the most amounts of loyal customers have built that loyalty not on card programs or gimmicks, but rather on a strong, trustworthy, core offering that interests to their customers. These organizations have concentrated eagerly on what they know bids to the sort of customers they need to draw in and have particularly focused on what the customers expect every time they encounter with the company. North American retailer, Nordstrom [www.nordstrom.com], is outstanding example for the loyalty of its customers. It built this loyalty by understanding what its customers required and then empowering its employees to deliver those needs constantly. (The Wise Marketer, 2017)
Components of the core offering that play a noteworthy job in building customer loyalty include:

- **Location and premises** (The Wise Marketer, 2017)

- **Service:** In the case of selling services or products, the level of service perceived by the customer is usually important to generating loyalty. (The Wise Marketer, 2017)

- **The product or service:** The products or services offered must be researched based on the wants of the people that the company caters to. (The Wise Marketer, 2017)

- **Satisfaction**
  Evidently, satisfaction is imperative; undeniably vital. Yet, taken in detachment, the level of satisfaction is anything but a decent proportion of loyalty. Numerous car producers guarantee satisfaction levels higher than 90%, yet few have repurchasing intention of even a large portion of that. The circumstance is stacked against the business: if consumer satisfaction levels are low, there will be next to no or less loyalty. Be that as it may, consumer satisfaction levels can be very high without a comparing measurement of loyalty. The fact of the matter is that, while high levels of customer satisfaction are required to build consumer loyalty, the proportion of consumer loyalty is not a decent proportion of the level of loyalty. The two are not determining a similar thing.

- **Elasticity level**
  Elasticity expresses the importance and weight of a purchasing decision - effectively the level of involvement or indifference. This applies to both the customer and the business. (The Wise Marketer, 2017)
• **Involvement:** the more essential your product or service is to the customer, the more inconvenience they have presumably taken in their choice to do business with you, and the more probable they are to stay with what they have chosen.

• **Ambivalence:** Hardly any choices are obvious. There are typically focal points and weaknesses to be adjusted, and instability is unstable. Once more, we see that the more commoditized a product or service is, the more troublesome it is to develop loyalty.

• **The marketplace**
The marketplace is a key factor in the progress of loyalty. The components most firmly included are:

• **Opportunity to switch:** On the off chance that the number of competing suppliers is high and little effort is required to switch, switching is more probable. Then again, the additional time and effort put into the relationship, the more improbable switching progresses toward becoming.

• **Inertia loyalty:** This is the inverse of ease of switching. Most banks appreciate a high level of inertia loyalty, since it’s frequently so troublesome and tedious to change to another bank and transfer direct debits and standing orders. (The Wise Marketer, 2017)

• **Demographics**
As per Jan Hofmeyr and Butch Rice, developers of The Conversion Model (which permits users to segment customers not just by their commitment to remaining with a brand but also to segment non-users by their openness to changing the brand), more affluent and better educated customers are less likely to be committed to a specific brand. Progressively better educated customers are more uncertain to sticking to one brand. They state that
the commitment of less affluent consumers to the brands they use is regularly solid - perhaps because they cannot afford to take the risk of trying a brand that might not suit them as well. They likewise propose that more younger customers are less dedicated to brands than older consumers (The Wise Marketer, 2017)

- **Share of wallet**
  As business sectors become saturated and customers have quite a lot more to choose from, share of wallet turns out to be progressively critical. It is less expensive and increasingly gainful to expand a lot of what the customer spends in your sector, than to procure new customers. After all, that's what loyalty is about. Absolutely loyal customers would give you a 100% share of the spend in your sector.

2.6 **INDICATORS OF CUSTOMER LOYALTY**
As relationship marketing shifts the focal point of the marketing exchange from transactions to relationships, it is vital for advertisers to note factors that drive customer loyalty. Two noteworthy indicators and/or determinants of customer loyalty have been recognized and these are; trust and commitment. (Mandina, 2014)

- **Trust:** It is trusted that building trust in a long-term customer relationship is a basic factor for picking up customer loyalty (Pirakatheeswari P., 2007), subsequently as an advantage, the Internet is viewed as a ground-breaking way of to building a long-term association with customers through the work of marketing and promotion activities. A few analysts have discovered solid connections among trust and customer loyalty (Pirakatheeswari P., 2007). Trust is viewed as the most essential factor for gaining customer loyalty in online business (Pirakatheeswari P., 2007). This announcement in this manner implies that associations with CRM practices ought to have the capacity to impart trust in their customers particularly because of the way
that it is a major enabler of successful CRM. Since protection and security concerns are real hindrances to the Internet channel, without trust customers won't have the capacity to give individual data (Mandina, 2014).

- **Commitment:** Despite the way that commitment is a focal construct in the zone of relationship marketing, there is little concession to the nature of the construct. Every now and again, commitment is characterized as a desire to keep up a relationship. Now and again it is conceptualized as a "pledge of continuity" starting with one gathering then onto the next. Others have advanced that the foundation of commitment lies in in sacrifice or the potential for sacrifice that a party if the relationship ends (Anderson and Weitz 1992) or the spurning of elective alternatives. (Mandina, 2014)

### 2.7 BENEFITS OF LOYALTY PROGRAMS

Based on the statics released by Center for Retail Management at Northwestern University 12%-15% or customers show their loyalty towards a single brand or retailer. Though the number looks small, this small number of loyal customers generate about 55%-70% of the sales. In the food industry retailers claim that 65%-95% of their deals go to individuals from loyalty programs. 53% of food retailers offer loyalty programs, 75% of the loyalty programs individuals utilizing their loyalty cards at any rate week by week and 885 in any event utilized them once every month. Dates required It is assessed by (Colloquy, 2015) that there are more than three billion loyalty program enrollments in the US with 26% increase in correlation with 2013. In the united states an average of households enrolls or take part in 29 programs, out of which the total active participation is only in 12 programs. (The Loyalty Marketer's Association). The retail marketing
literature exhibits several benefits of loyalty programs for both the business and the consumer. For business loyalty programs are profitable because:

The operation cost in attending to the loyal consumer is cheaper than acquiring the new consumer.

Loyal customers are low price sensitive.

Loyal customers act as brand ambassadors by spreading positive recommendation to their family and friends. (Dowling & Uncles, 1997)

Loyal consumer spends more with the brand and the chances of the loyal consumers trying the new competitive products are less.

(Wener, et al., 2005) summarizes the objectives for using customer loyalty programs as the following:

- Building true attitudinal and behavioral loyalty.
- Efficiency profits.
- Effectiveness profits.

(Clark, 2010), addresses fifteen business benefits of a loyalty initiative: Retain existing customers, acquire new customers, move customers up-segment, win-back defected & churned customers, increase Customer Lifetime Value, build relationships, create brand advocates, adjust pricing levels, responding to competitive challenges, select stock lines effectively, plan merchandising more intelligently, reduce promotional and advertising costs and selecting new trading sites.
2.7.1 EFFECTIVENESS

Effectiveness regarding loyalty programs is about increasing consumer loyalty due to a program that is designed for this purpose (Sharp & Sharp, 1999). Consumer loyalty in its turn can increase the number of sales and the sales volume (Oliver, 1999). It may also generate new consumers (Van Doorn et al., 2010).

2.8 HOW TO APPLY LOYALTY PROGRAMS MOST EFFECTIVELY

In the article “Do customer loyalty programs really work?” Dowling & Uncles (1997) present a guideline on how to design a loyalty program most effectively. Four steps are central in this guideline, these steps are explained below:

1. Design the loyalty program to enhance the value proposition of a product or service. It is more worthwhile to let consumers use a program where their benefit increases parallel to what they buy. Free gifts will only give a short-term boost of loyalty and will possibly devalue the brand over time (Dowling & Uncles, 1997). If a loyalty program is being applied as an element of the value proposition of a company, the program becomes part of an integrated strategy that develops sustainable loyalty (O'Malley, 1998).

2. Fully cost the loyalty program. Certain cost concerning a loyalty program are visible for the management (start-up costs, maintenance costs, etc.), other, also called less visible costs by Dowling & Uncles (1997), are costs that are unable to predict. These costs could be time spend by marketing managers on loyalty program activities. Therefore, the allocation of budget to a loyalty program must be conducted cautiously (Dowling & Uncles, 1997; O'Malley, 1998).

3. Design a reward scheme that maximizes the buyer’s motivation to make the next purchase. Rewards schemes should be targeted at different types of consumers. In this
way consumers can determine their profitability when they are participating in a loyalty program, the kind that suits their buying behavior best (Dowling & Uncles, 1997). Reinartz & Kumar (2000) generalize the findings of their empirical study about long-life customers and highlight that business managers should focus on short- and long-term type of customers at the same time, as they both can be highly profitable. This study is conducted in the general merchandise industry and consists of a sample of 9,167 American households (Reinartz & Kumar, 2000)

4. Consider specific market situations in planning When planning to apply a loyalty program one must consider the product or service its market situation. There are situations where loyalty programs are not helpful at increasing consumer loyalty. An example of such a situation is when a brand is highly fashionable. This is because fashion is the key motivator for consumers in this case (Dowling & Uncles, 1997).
Henderson et al. (2011) also mention that if all three aspects are achieved there also must be a total fit between the aspects. An example of Starbucks is given were their premium rewards program was fulfilling all three aspects but was still discontinued after a while because of poor results (Henderson et al., 2011). Oliver (1999) states in his work “Whence Consumer Loyalty” that in order to ensure a successful loyalty program an organization must think of three issues: what is loyalty (because of its changing meaning), is loyalty attainable for the organization (because of the differences in states of loyalty) and is loyalty profitable (because of the returns to loyalty). The latter of the three issues is empowered by an empirical study of Reinartz & Kumar (2000) in the general merchandise industry. Their findings, derived from a sample of 9,167 American households, show that ‘customer profitability’ is strongly related to ‘customer lifetime duration’ (Reinartz &

<table>
<thead>
<tr>
<th>Table 1: explanation of the aspects status, habits and relationships in the FMCG/retail/food industry</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Status:</strong></td>
</tr>
<tr>
<td><strong>Kivetz &amp; Simonson, 2003</strong></td>
</tr>
<tr>
<td>Consumers prefer loyalty programs in which they have a relative advantage in obtaining benefits compared with the average consumer. Relative advantage is more important than overall value or personal ease.</td>
</tr>
<tr>
<td><strong>Habits:</strong></td>
</tr>
<tr>
<td><strong>Wood, 2010</strong></td>
</tr>
<tr>
<td>Despite actors’ predictions about others’ behaviors, people in states of high life change tended to choose unfamiliar, novel items rather than familiar, traditional items, suggesting that life changes inhibit habit performance.</td>
</tr>
<tr>
<td><strong>Relationships:</strong></td>
</tr>
<tr>
<td><strong>De Wulf, Odekerken-Schröder &amp; Iacobucci, 2001</strong></td>
</tr>
<tr>
<td>Consumers’ perceptions of relationship investments enhance relationship quality, a composite of trust, commitment, and satisfaction, which is positively associated with behavioral loyalty. Interpersonal communication has the strongest association with perceived relationship investment.</td>
</tr>
</tbody>
</table>
Kumar, 2000). This means that the longer the customer lifetime duration, which can be realized by increasing customer loyalty, the higher the customer profitability. For all three issues Oliver (1999) listed questions that can be used as a checklist for organizations. The checklist is summarized below:

<table>
<thead>
<tr>
<th>Issues</th>
<th>Checklist</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is loyalty?</td>
<td>• What portion of consumers in general are inherently loyal, disloyal, or ambivalent? What are the determining characteristics of these states? Do consumers express loyalty differently across product and service categories? • If satisfaction and loyalty are divergent concepts, what constitutes there overlap? Alternatively, what best describes their correspondence? • How is the action-loyal state attained? Is its simple inertia, or does it have clear behavioral antecedents? • What is fortitude? Is it a combination of adoration and commitment, or does it consist of other content? • What is the transitioning mechanism between action loyalty and fortitude? How does a consumer move from one state to the other, and how can firms facilitate this? • What are the options for constructing a consumption community or village? How strong are the bonds in a &quot;family&quot; in which consumers might not have face-to-face contact? • What is the role of repetition and mere exposure in loyalty in a consumption community? • What additional synergistic effects are garnered when fortitude and community combine? Are these effects additive or synergistic?</td>
</tr>
</tbody>
</table>
| Is loyalty attainable?          | • What product and service categories are most adaptable to the fortitude and village concepts? • Does industry structure play a role in loyalty development among its members? • Is the rate of innovation a factor in loyalty for individual firms in industries with varying levels of innovativeness? • Do
management experience, strategy, and resourcefulness play roles in loyalty programs? • Can management identify its loyal segments through means other than repeat purchase patterns? • Can management cultivate loyalty through the mechanisms of fortitude and

<table>
<thead>
<tr>
<th>Is loyalty profitable</th>
</tr>
</thead>
<tbody>
<tr>
<td>• What are the costs, respectively, of various loyalty strategies, including satisfaction, product superiority, fortitude, community, and their synergy? • Do these strategies engender different returns in relation to their costs? • Are there quantifiable benefits to passive loyalty, such as word of mouth and recommendations? • Are loyalty programs best managed in-house or contracted out? • Do loyalty programs have reciprocal internal effects, such as feedback on employee morale? • Can loyalty be affected as a secondary result of improving employee morale generally? • What are the determining characteristics, more generally, of returns to loyalty?</td>
</tr>
</tbody>
</table>

According to (Wirtz, et al., 2007) switching costs are linked to consumer participation in a rewards program. They also define switching costs as an “investment of effort, time, and money, which constitutes a significant barrier to moving to other service providers when the customer is dissatisfied with the services of a provider”. Switching costs increase when loyalty programs are involved (Wirtz et al., 2007). The findings of (Wirtz, et al., 2007) derive from an empirical study with 283 respondents in Singapore. The data of this research is collected due to door-to-door interviews. Psychological costs can also be a part of switching costs, for example the loss of the feeling of belonging to a program. By making loyalty programs attractive for their customers, due to offering accumulating benefits for example, companies can increase switching barriers and lock in their customers.
Switching can consist of applying or signing up for a new program, getting accustomed to the programs’ rules and conditions, and so on.

2.9 SOCIAL MEDIA
It is hard to go around ‘social media’ when it comes to loyalty and loyalty programs. Social media “describes a variety of new sources of online information that are created, initiated, circulated and used by consumers intent on educating each other about products, brands, services, personalities, and issues”. In this research ‘social media’ is considered but is not further investigated as an aspect that helps to apply loyalty programs effectively. This decision is made because “social media encompasses a wide range of online, word-of-mouth forums including blogs, company sponsored discussion boards and chat rooms, consumer-to-consumer e-mail, consumer product or service ratings websites and forums, Internet discussion boards and forums, moblogs (sites containing digital audio, images, movies, or photographs), and social networking websites, to name a few” (Mangold & Faulds, 2009), which makes it too complex to demarcate in this research.

2.10 CUSTOMER RELATIONSHIP MANAGEMENT
There are number of reasons that have affected company’s capacity to build more sustained relationships, particularly for those organizations with the vast client base. The domination of technology in the recent years with its decreasing prices. The availability of sophisticated tools to analyze, visual and interpret data which helps companies plan and execute strategies effectively and efficiently. The rise of e-commerce and the ability to target the right customer with the right message at the lower cost compared to the offline mode. Also, companies have started to realize the importance of retaining customers, the cost of which is lower than the cost of acquiring new customers.
There are different perspectives and definitions of CRM: CRM is a holistic strategic approach to managing customer relationships to create shareholder value through the development of suitable relationships with specific customers and key segments. CRM is the implementation of an integrated series of customer-oriented technology solutions. (PAYNE, 2006)

2.11 CRM – A CROSS FUNCTIONAL ACTIVITY.
CRM requires first to analyze the key business processes that need to be integrated and secondly study and identify the issues that need to be addressed along the process. The 5-key cross-functional CRM process are as follows:

- The strategy development process.
- The value creation process.
- The multi-channel integration process.
- The information management process.
- The performance assessment process.
2.12 THE NEED OF STRATEGIC FRAMEWORK:
The large organizations look to possibly oversee to manage millions of customer relationships all the while. It can be huge to instrument and tiring to get appropriate results without decisive and a systematic plan. The key structure appeared in the figure depends on the connection of the five cross practical business process that deal with strategy formulation, information management, multi-channel integration and performance assessment. The arrows in the figure represent to the interaction and feedback loops between the different processes, highlighting the iterative idea of CRM. The framework is a consequence of broad research and the combination of experience. It was created utilizing sources including: a broad review of the CRM and relationship marketing literature; in-depth interviews with the senior executives working on CRM.

<table>
<thead>
<tr>
<th>Strategy development process</th>
<th>Value creation process</th>
<th>Multichannel integration process</th>
<th>Performance assessment process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business strategy</td>
<td>Customer receives</td>
<td>Sales force</td>
<td>Shareholder results</td>
</tr>
<tr>
<td>Business vision</td>
<td>Value proposition</td>
<td>Outlet</td>
<td>Customer value</td>
</tr>
<tr>
<td>Industry and</td>
<td>Value assessment</td>
<td>Telephony</td>
<td>Shareholder value</td>
</tr>
<tr>
<td>competitive characteristics</td>
<td></td>
<td>Direct marketing</td>
<td>Cost reduction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electronic commerce</td>
<td></td>
</tr>
<tr>
<td>Customer strategy</td>
<td></td>
<td>Mobile commerce</td>
<td></td>
</tr>
<tr>
<td>Customer choice and customer characteristics</td>
<td>Customer segment lifetime value analysis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment granularity</td>
<td></td>
<td>Performance monitoring</td>
<td>Standards</td>
</tr>
</tbody>
</table>

**FIGURE 2-3**
The planning of strategic framework starts with strategy development process where the company examines the current scenario and estimates a target where it wants to stand.
in a specific period, studying the current customer base and what the company is expecting from the customers and on what basis the customer would be segmented to accomplish the same. This is followed by the Value creation process where the companies plan to deliver best value to the customers and simultaneously increase the lifetime value of the customers. The process if followed by the multi-channel integration where the company’s assess the best channels to communicate messages to the customers by ensuring the best customer experience, deliverable at a reasonable cost. Once the communication process begins, there will be continuous exchange of information concerning customers and the question is how the companies organize and structure the data. The data collected is interpreted to improve the CRM activities in return. Finally, the organizations plan the performance assessment process to increase the profits of the shareholder and set standards and develop metrics to measure results and improve performance. (The handbook of CRM)
3 METHODOLOGY
This section explains the methodology adapted for the research to examine; if personalizing loyalty programs and reward systems help brands retain customers and generate revenue by allowing customers to tailor make loyalty programs? The course of the research design is established and theoretically motivated, followed by the literature review which was carried out by assessing the value of the literature and in what way it will support the research to understand if retailers can enable strong relationships with individual customers by allowing to personalize loyalty programs of the Irish retail online brands The research is intended to understand the determinants which enable retailers to create customizable loyalty program to cater to individual customers perception and buying pattern. The result is going to be the extension for designing the loyalty framework which is suited for the Irish retail market. This is achieved by thoroughly describing the primary and secondary research strategies along with the data collection method. This research is concluded with a reflective learning and short discussion about the quality and limitations of the research.

3.1 QUANTITATIVE VERSUS QUALITATIVE RESEARCH
Qualitative and quantitative research are two data collections techniques (Saunders, et al., 2009). What separate them is as indicated by (Hair, et al., 2003) and (Saunders, et al., 2009) that quantitative research is progressively related with numbers and qualitative is with words and pictures. The qualitative examination is as per (Bryman & Bell, 2005) more variables and few units to get profound answers. In this manner, the examination gives an increasingly point by point picture yet won't have an incredible data collection (Nardi, 2014). The inverse is the quantitative data collection that depends on couple of factors and numerous units to get a more extensive point of view and the center
is to get a comprehension to the specific circumstance. There is also possible to generalize a quantitative study according to (Bryman & Bell, 2005), which means that the result can be transferred to other groups. Thereby, a quantitative study is based on a major sample from the population compared with a qualitative study (Bryman & Bell, 2005).

The exploration approach for this study is a quantitative information gathering. This since it is critical for the specialists to examine numerous units and very few factors. In this manner, the examination gives a more extensive point of view and not a profound view into the subject. Additionally, the information gathering will be gathered and dissected by numeric measurement and be outlined in various tables. In this manner it compares to quantitative methodology.

### 3.2 RESEARCH DESIGN

The research design concerns the exploration reason shape and how the inquiry will be replied (Saunders, et al., 2009). The exploration configuration has high effect on what the experimental material produces, and which sort of end can be drawing (Bryman & Bell, 2005). The research question can for instance principally be to comprehend an issue, depict a phenomenon or clarify why a phenomenon is as is it (Saunders, et al., 2009). Those three distinct angles are called explorative, descriptive and explanatory research design (Balnaves & Caputi, 2001)

Exploratory research design is the point at which the researcher has an issue and needs to simplify it. To illustrate the issue, the researcher gathers information to motivate new bits of knowledge to comprehend the issue (Saunders, et al., 2009). (Neuman, 2003) proceed with that an explorative study is the point at which the researchers are not familiar within subject and need a general picture and create strategies to measure this
new area. Further, "Exploratory researchers must be inventive, receptive, and adaptable; embrace an analytical position; and all sources of information " (Neuman, 2003). Descriptive research contrariwise, is when the aim is to describe a phenomenon (Saunders, et al., 2009). Subsequently, the reason for this examination configuration is to " provide a detailed, highly accurate picture " Further, (Neuman, 2003) imply that descriptive research is more associated with information gathering than exploratory methodology. At last, (Neuman, 2003) additionally shows explanatory research design. This structure plans to clarify "why" something is as is it (Saunders, et al., 2009) Further, the center is to discover a motivation behind why something occurs (Neuman, 2003).

3.3 DATA SOURCES
The data gathered can be of two different methods; primary and secondary data.

3.4 PRIMARY AND SECONDARY DATA
(Bryman & Bell, 2005) differentiates two unique types data collections. They are secondary- and primary data. Secondary data has been gathered for other reason by different researchers, however, can be utilized to discover new findings. The advantages utilizing secondary data are that it requires less investment to gather primary data and is less expensive, than secondary data.

The strategy that been utilized in this study is primary information and it is information that been gathered for the first time and tailored for the explicit study (Saunders, et al., 2009). (Hair, et al., 2003) imply that primary data is gathered to get learning in an explicit area. This primary data can be gathered through interviews, questionnaires and observations (Saunders, et al., 2009). The inspiration why this investigation gathered new information was since it was basic to get new learning regarding e-loyalty in the Irish
This industry has not been explored before with respect to this territory by past researchers and thereby primary data was the most reasonable decision choice.

3.5 RESEARCH STRATEGY

Inductive research is related to a qualitative research and deductive to quantitative research (Bryman & Bell, 2005). Deductive research begins with theory and ends up with a result or observation. It means that the researchers test the theory. Inductive research contrariwise, starts with an observation and ends up with theory (Bryman & Bell, 2005).

This study is based on deductive research, due to that the researchers have already established theory and the aim is to investigate this that will end up in a result section that is incorporated to understand if personalizing loyalty programs and reward systems help brands retain customers and generate revenue by allowing customers to tailor make loyalty programs.

There exist diverse research strategies and it is essential to choose a strategy that will answer the purpose (Saunders, et al., 2009). As indicated by (Yin, 2009) there are five distinct procedures choosing between; experiment, survey, case study, history and archival research. In table below, the states of the distinctive conditions of the different research strategies are shown.

The research strategies that are associated with a quantitative methodology are experiment and survey (Neuman, 2003). Along these lines, the researchers won’t treat alternate strategies. When utilizing an experiment strategy, the researchers analyze a special phenomenon to find solutions. Those sorts of studies should be done in laboratories or in real life (Neuman, 2003). For instance, through various groups (small number of
people) and experiment strategy is frequently associated with an explanatory research (Neuman, 2003).

**Table 3-1**

<table>
<thead>
<tr>
<th>Method</th>
<th>Form of research question</th>
<th>Requires control of behavior events</th>
<th>Focus on contemporary events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiment</td>
<td>How, why?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Survey</td>
<td>Who, what, where, how, many, how much?</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Archival analysis</td>
<td>Who, what, where, how, many, how much?</td>
<td>No</td>
<td>Yes/No</td>
</tr>
<tr>
<td>History</td>
<td>How, why?</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Case study</td>
<td>How, why?</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Survey is the second research system and is regularly connected with clear or exploratory research (Neuman, 2003). These methodologies were utilized in this investigation since it is related with graphic and exploratory research, which were the designs for this study. Besides, study is reasonable when the purpose of a study treats to investigate in questions answer: Who, what, where, how, many, and how much. It is additionally fitting when the focus is to explore contemporary events (Yin, 2009). Henceforth, the decision for survey turned out to be likewise appropriate because of the reason for this examination intends to answer antecedents influencing e-loyalty and this were possible to examine under current events.
3.6 DATA COLLECTION METHOD:
In the paragraph above, it is evident that a survey is the most suitable strategy for this study. Below analyses will elucidate the choice of different types of survey and eventually questionnaire.

3.7 SURVEY
There are two kinds of survey; questionnaire and structured interview. Amid an organized meeting the interviewee has questions that the respondent needs to answer, and those inquiries have been detailed before the meeting. A survey is a report with questions that frequently been conveyed through email (Bryman and Bell, 2005). The best distinction between those two survey techniques is that not exist any interviewee when utilizing questionnaire (Bryman and Bell, 2005). The most reasonable study technique for this research was a questionnaire survey. Because of that, it is fundamental to reach numerous respondents and thought that it was better through sending out questionnaires and let the respondents finish it by themselves.

As per Saunders et al. (2009) when researchers design a questionnaire here are three distinct decisions to pick between; adopt questions from other questionnaires, adapt questions from other questionnaires or develop own questions. Whenever adopt or receive questions from different surveys spare time. This study has used already demonstrated questions from different questionnaires, found in journal articles, and used in similar studies questionnaires that fit the study objective and need. The adjusted questions were assessed cautiously to be utilized in this instigation, both what sort of investigation they have been utilized in previously and furthermore their reliability value has been made been judged before including them in the questionnaire. In this way, the revised questions have been qualified to be utilized and to meet the necessities for this investigation. As
indicated by Saunders et al. (2009), it is imperative to know about dangers when utilizing
different surveys, since some of them are poor (Saunders et al., 2009). The inquiries that
have been utilized in this investigation were from very much referred to diary articles and
with great qualities.

3.8 TYPES OF QUESTIONNAIRE
(Saunders, et al., 2009) and (Neuman, 2003) present two unique types of questionnaires;
self-administrated and, interviewer-administrated. Interviewer-administrated
questionnaire is filled by the interviewer thereafter and is recorded amid the interview.
Self-administrated questionnaire is generally electronic and is answered or filled by the
respondent (Saunders et al., 2009). This study incorporates a self-administrated
questionnaire. Along these lines, the interviewer administrated questionnaire is
unimportant and won't be examined.

The advantage with self-administrated questionnaires is as indicated by (Neuman, 2003)
that researchers can convey the poll to a wide scope of individuals. The questionnaire that
is conveyed through messages is additionally anonymous. For this situation, this kind of
survey is picked because Neuman (2003) point out that it can prompt higher reaction rate.
It is effective and efficient to send e-mail than meeting individuals since the objective was
to get numerous respondents, for the researchers to have the likelihood to sum up.
Though, the detriment with self-administrated questionnaire is it requires time (more
days) for individuals to submit the email questionnaires and consequently the study needs
time to pick up a high reaction rate (Neuman, 2003). There is additionally a hazard that
someone else that not fit sample frame submits the questionnaire (Bryman and Bell,
2005).
3.9 TYPES OF SELF-ADMINISTRATED QUESTIONNAIRE
The self-administrated questionnaire has three different sub categories and they are; Internet and intranet-mediated questionnaires, postal questionnaires, delivery and collection questionnaires (Saunders, et al., 2009). In this study, an Internet and intranet-mediated questionnaire have been used because it was Internet based and the researchers have sent out the questionnaire to the respondents through e-mails.

3.10 SAMPLE
When collecting data, it tends to be collected from the entire population or a population from it (Saunders et al., 2009). When gathering it from the entire population it requires time and comes at a cost. Along these lines, it is conceivable to collect data from a sample in the population that will represent to the population (Bryman and Bell, 2005)

3.11 CROSS SECTIONAL STUDY
The study of a phenomenon at a time. This is because the research undertaken is time bound. Cross sectional often employs the survey strategy.

3.12 QUANTITATIVE RESEARCH
Quantitative research is concerned with measurement, it is used to measure the size of the market or a segment to validate a finding arising from the obtained data collected from large number of respondents. Invalid source specified. There are many ways in conducting a quantitative research. A set of questionnaires via internet was sent to the respondents to understand their shopping behavior and their perception towards the traditional and existing loyalty programs.

Internet survey’s number of advantages over other from quantitative surveys, responses to the internet surveys are usually quick and the questionnaire can be sent at the time of the respondents free and convenient time. With the evolution of technology, the
questionnaire designs can be made to look interesting and motivating for the respondents to complete the survey without largely losing the focus. Survey is mostly frequently used to answer who, what, where, how much and how many questions and therefore used for exploratory and descriptive research.

This paves way to the option of eliminating the face to face survey and telephonic survey as, the respondent needs to be available to complete the survey at a chosen time and place and people take backstage when implementing the door-door approach. The face to face interviews is affected by the bias. (This occurs when respondents feel they need to provide an answer to a question to be seen in the good light of the interviewer).

3.13 POPULATION AND SAMPLING
The research population for the research is selected based on the objectives and the research question which online shoppers of Ireland is. Sampling techniques enable the researched to condense the amount of data to be collected by considering the data from a subgroup rather than all possible cases or elements. (Saunders, et al., 2007). The population for the research is the residents of Sea Park Apartment in Dublin.

3.14 RESEARCH SAMPLE FRAME WORK
The sample frame work for the research is the list of online retail shoppers in Ireland. The sample frame is defined based on the objectives and research question formulated for the research. The sampling technique used for the research is the systematic probability sampling. The probability sampling is a technique which is mostly associated with the survey-based research through which the inferences are derived from the selected sample. (Saunders, et al., 2007).
The sample is selected based on the systematic probability sampling. According to Saunders this research uses the ordinary ordering or the order of the sampling frame, selects the random initial point, and then selects items in a preselected interval. This technique is simple to draw the sample and to check. Other sample techniques don’t not use knowledge of the researcher may have; large errors if the stratified list is not ready on the proportion of the stratum. Cluster method asks the researcher to able to assign the population members to unique cluster which is time consuming and expensive.

3.15 SAMPLE ELEMENT
The sampling element is the object about which or from whom the information is desired which is the respondents. The sample element for the research is the online retail shoppers of Ireland residing at Sea Park Apartment in Dublin.

3.16 SAMPLE UNIT
The sampling unit is an element, or a unit containing the element (Saunders, et al., 2007). The sample unit for the research is the 103 residents of Sea Park Apartment in Dublin.

3.17 SAMPLE EXTENT
The sample extent is the geographical extension of research. (Saunders, et al., 2007). The research survey respondents are limited to Sea Park Apartment in Dublin.

3.18 SAMPLE TIME
The period of sample collection will be for a period of 2 weeks at Sea Park Apartment in Dublin.

3.19 SAMPLE SIZE
The research sample size is derived from research population which is 90 residents of Sea Park Apartments and the sample size is calculated from the formula \( n = \frac{p\% \times \sigma\% \times \sqrt{z/e\%}^2} {\sigma\%} \).
72 out of 75 respondents are online shoppers and showed the respondents belong to the specified category which is p% (0.96). The respondents who do not belong to the specified category is q% (0.04). The margin of error while carrying out the survey is 2.5% and the confidence level on the estimate is 95 and hence the derived sample size for the research is 74.

3.20 DATA COLLECTION AND DATA ANALYSIS
According to (Saunders, et al., 2007) a questionnaire is a general word used to include all the techniques of data collection in which each person is asked to respond to the same set of questions in a determined order. A self-administered questionnaire is completed by the respondents using the internet.

The questionnaire is designed with the sematic differential rating scales. Rating questions are used to collect opinion data. The sematic differential rating scale is used in consumer research underlying attitudes. (Saunders, et al., 2007). The respondents are asked to rate on a series of bipolar rating scales. On the Linkert-style rating system the respondents do not have to take an absolute stand which will result in a respondent being noncommittal to throughout. This rejects what could be a valid answer and can also twist the results.

3.21 PILOT TEST
A pilot test of the survey will be carried out to refine the questions. The pilot test was conducted to ensure that questions, scales and instructions are strong and comprehensible. (Pallant, 2013). Fink (2009) recommends that the minimum of respondents is ten in a student-created pilot questionnaire. The pilot questionnaire will be tested in a similar sample environment as which to the actual sample. In any case, the pretest was handed over to 10 people. Most of the respondents participated in the pretest.
was given authors feedback and ideas of enhancements, both sentence structure and remark on the questions, which the researcher thought about. After pre-testing the survey, the researcher tried the appropriate answers in SPSS to check whether there was any variable, which did not get a decent unwavering reliability. The point with this was to check whether there was any variable, which might indicate issues. For instance, not being valuable subsequently must be changed before the last form conveys. The variables were tried in SPSS and each factor had a Cronbach’s alpha value.

3.22 ANALYSING THE QUANTITATIVE DATA

Quantitative data is a raw format, which refers to all numerical data and other quantifiable data which will help answer the research questions, in this part the choices that were done when analyzing the data in SPSS. First the descriptive data was done and after that reliability and validity test was conducted. The last step in the analysis was to see if the hypotheses was supported or not supported.

3.22.1 CHI SQUARE TEST

Testing for relationship between two variables is routinely performed in statistical applications. At the point when the variables of interest are interest, they might be denoted to by a R × C contingency table, and Pearson's χ² statistic is generally connected to test the independence of the row and column variables that are mutually multinomial. (Shih & Fay, 2017). In order to find out the strength of the association between the independent variable and dependent variable, phi (ϕ) and Cramer’s V value were considered. phi (ϕ) and Cramer’s V value above 0.35 is strong, values between 0.25 to 0.35 is moderately strong and 0.25 is weak.
3.22.2 CONTENT VALIDITY

(Donovan, et al., 1996) describe that content aims expects to check whether the questions in the questionnaire measure and is reliable with what it means to measure. The content validity or face validity is the initial step to guarantee the precision and that the information collection questions are suitable for the concepts, which planned to quantify (Bryman and Bell, 2007). (Donovan, et al., 1996) additionally, examine about the significance of the questions being justifiable for the respondents. The content validity should be possible by asking individuals, who have knowledge in the area, for them to evaluate the questions in connection to the concerned idea and the point of the study (Bryman and Bell, 2007). (Hair, et al., 2003) explain content or face validity as: "Establishing the content or face validity of a scale involves a systematic but subjective assessment of a scale’s ability to measure what it is supposed to measure".

3.22.3 RELIABILITY

A study makes progress toward the measures not exclusively to be validate yet in addition to be reliable (Neuman, 2003). Reliability is about consistency and constancy. Implying that, the outcome for a study ought not vary fundamentally if the study is repeated with similar conditions at some other time (Neuman, 2003). Hair et al. (2003:170) state following about dependability in a study "A survey instrument is considered reliable if its repeated application results in consistent scores". Reliability as indicated by Hair et al. (2003) be estimated through Cronbach's alpha. This tool has a value in the range of 0 and 1 and is a value how unique a question is compared with another question. A higher number means the question is nearly the equivalent and more like 0, the more unique the questions are. This tool has been utilized in this study to guarantee that the inquiries are great, and the examination has high unwavering quality. To be in accordance with Hair
et al. (2003) it was chosen the value ought to be at least over 0.6, which implies the value is moderate, if not, the question was erased., in the below table the tool to determine values of Cronbach’s alpha is shown. The alpha coefficient extend was delegated very good or excellent and thereby the reliability is strong. In this manner, if this study will be done once more, the outcome ought not vary essentially.

<table>
<thead>
<tr>
<th>Alpha Coefficient Range</th>
<th>Strength of Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; .6</td>
<td>Poor</td>
</tr>
<tr>
<td>.6 to &lt; .7</td>
<td>Moderate</td>
</tr>
<tr>
<td>.7 to &lt; .8</td>
<td>Good</td>
</tr>
<tr>
<td>.8 to &lt; .9</td>
<td>Very Good</td>
</tr>
<tr>
<td>.9</td>
<td>Excellent</td>
</tr>
<tr>
<td>0.95 &gt;</td>
<td>To close</td>
</tr>
</tbody>
</table>

3.23 ETHICAL ISSUES
“The standard of behavior that guide your conduct in relation to the rights of those who become the subjects of your work or are affected by it” (Saunders, et al., 2007). The concern area is holding the confidentiality of the participants in the survey. To guarantee that the secrecy of respondents was kept up, all information was kept anonymous and was not inferable from any person. The author additionally attempts to stay unbiased and to not enable his work to predisposition the aftereffects of the exploration. The creator likewise wore distinguishing proof that recognized that the creator is utilized by the business. The creator made all strides important to guarantee that the dissertation adheres to the ethical standards required.
3.24 LIMITATIONS TO THE RESEARCH
While assessing the quality of a research it is essential to consider validity and reliability strategies and results. Reliability indicates to the repeatability of the outcomes whereas validity explains about the capacity of the utilized techniques and metrics to measure what should be estimated. (Hirsjärvi et al. 2000: 213.) Firstly, reliability and validity of the outcomes and strategies are examined. After that a few thoughts regarding the further speculation of the outcomes will be presented.

The prospect to sum up results to different parts of Ireland and the world is restricted. The greater part of the Irish interviewees will be conducted in Dublin, which makes it difficult to sum up the outcomes to entire Ireland.

Time and resources set a few constraints for the research. A constrained measure of time for each progression of the procedure set limits to how much time could be utilized at any given time. Lack of resources will keep the author from directing an eye to eye meet with one of the interviewees and rather a skype interviews will be utilized.

3.25 RESULTS AND ANALYSIS
This chapter will present and analyze the outcome from the empirical investigation. The initial part will discuss the descriptive statistical analysis, followed by reliability test. Eventually testing the hypothesis to determine the formulated hypothesis is supported or not, which bases from the objectives of the research.

3.26 DESCRIPTIVE FINDINGS AND DATA EXAMINATION
The collected data was coded and uploaded into SPSS. SPSS simplifies the data that can be analyzed and interpreted. This section will present general findings about the population, actualities about the respondents and present the response rate. This part is concluded with various frequency tables.
4 DATA ANALYSIS AND FINDINGS

4.1 GENERAL FINDINGS FROM THE EMPIRICAL INVESTIGATION
The number of respondents participating in the research was 75 people. In total it was 72 people from 16 years old and 6 people were between 16 and 20 years old. 17 respondents were between the age group of 21-25 which results at 23.6% of the total study population. 40 respondents were aged between 26-35 which results in 55.6% and the rest 9 respondents, that is 12.5% of the entire population were older than 35. Out of the 72 respondents 38 were male and 34 were female respondents. (Table 4.1)

<table>
<thead>
<tr>
<th>Age</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-20</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>21-25</td>
<td>10</td>
<td>7</td>
<td>17</td>
</tr>
<tr>
<td>26-35</td>
<td></td>
<td></td>
<td>40</td>
</tr>
<tr>
<td>&gt;35</td>
<td>19</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
<td>34</td>
<td>72</td>
</tr>
</tbody>
</table>

Table 4-1

Age * Gender Crosstabulation

Count
4.1.1 SUBSCRIPTION TO LOYALTY PROGRAMS.

For the question asked if the respondents have subscribed to loyalty programs, respondents aged between 26-35 (table 4.2) subscribed more to loyalty programs at various retailers compared to any other age group. Respondents aged between 16-20 have least response to loyalty subscription. Out of 38 male respondents 24 of them had subscribed to loyalty which is lower when compared with female respondents (24 out of 34) who have subscribed to loyalty programs, this suggests that female respondents are more like to subscribe to loyalty programs compared to male respondents. (Table 4.3)

**TABLE 4-2**

Age * Have you subscribed to any loyalty programs or collected reward points for the purchase you made? Crosstabulation

<table>
<thead>
<tr>
<th>Have you subscribed to any loyalty programs or collected</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**FIGURE 4-1 AGE * GENDER CROSSTABULATION**
Gender * Have you subscribed to any loyalty programs or collected reward points for the purchase you made? Crosstabulation

<table>
<thead>
<tr>
<th>Gender</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>24</td>
<td>14</td>
</tr>
<tr>
<td>Female</td>
<td>24</td>
<td>10</td>
</tr>
</tbody>
</table>

**Figure 4-3**
The influence of loyalty cards in choosing where to shop.

For the question asked if loyalty cards influence respondents about where they shop, respondents aged between 26-35 have largely chosen yes and 22 male respondents believe that loyalty cards do influence them when they are deciding about where to shop.
**Table 4-4**

Age * Do loyalty cards influence where you shop? Crosstabulation

<table>
<thead>
<tr>
<th>Age</th>
<th>Yes</th>
<th>NO</th>
<th>Maybe</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-20</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>21-25</td>
<td>7</td>
<td>4</td>
<td>6</td>
<td>17</td>
</tr>
<tr>
<td>26-35</td>
<td>24</td>
<td>5</td>
<td>11</td>
<td>40</td>
</tr>
<tr>
<td>&gt;35</td>
<td>6</td>
<td>2</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>13</td>
<td>20</td>
<td>72</td>
</tr>
</tbody>
</table>

**Table 4-5**

Gender * Do loyalty cards influence where you shop? Crosstabulation

<table>
<thead>
<tr>
<th>Gender</th>
<th>Yes</th>
<th>NO</th>
<th>Maybe</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>22</td>
<td>7</td>
<td>9</td>
<td>38</td>
</tr>
<tr>
<td>Female</td>
<td>17</td>
<td>6</td>
<td>11</td>
<td>34</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>13</td>
<td>20</td>
<td>72</td>
</tr>
</tbody>
</table>
4.1.2 LOYALTY PROGRAMS MOST FREQUENTLY SUBSCRIBED AT

Gender * Where do you most frequently subscribe to a loyalty/reward program? Crosstabulation

<table>
<thead>
<tr>
<th>Where do you most frequently subscribe to a loyalty/reward program?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grocery Retailer</td>
<td>Fashion Retailer</td>
</tr>
<tr>
<td>Male</td>
<td>7</td>
</tr>
<tr>
<td>Female</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>13</td>
</tr>
</tbody>
</table>

For the question, where do you most frequently subscribe to a loyalty/reward program? 23 respondents out of 72 responded that they most often subscribe to loyalty programs from an electronic retail store, out of which 18 were male and only 5 were female respondents. The least subscribed to loyalty programs resulted in furniture retail store with total of 4 respondents. Mostly female responses are high for beauty products or beauty salon retailer, while men are interested to subscribe to loyalty program in an electronic retail store.

**Figure 4-4**
Respondents aged between 26-35 are more likely to subscribe to a loyalty or reward program at fashion and electronic retailers.

**TABLE 4-6**

Age * Where do you most frequently subscribe to a loyalty/reward program? Crosstabulation

<table>
<thead>
<tr>
<th>Age</th>
<th>Grocery Retailer</th>
<th>Fashion Retailer</th>
<th>Furniture Retailer</th>
<th>Beauty Products and Beauty Salons</th>
<th>Electronic Retailers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-20</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>21-25</td>
<td>2</td>
<td>6</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>17</td>
</tr>
<tr>
<td>26-35</td>
<td>9</td>
<td>12</td>
<td>1</td>
<td>6</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td>&gt;35</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>13</td>
<td>21</td>
<td>4</td>
<td>11</td>
<td>23</td>
<td>72</td>
</tr>
</tbody>
</table>
4.1.3 IT TAKES TOO LONG TO EARN ENOUGH LOYALTY POINTS FOR ANYTHING WORTHWHILE

For the question asked if it takes too long to earn enough loyalty points from a retailer to be able to redeem it, 53 respondents out of 72 accepted the fact that, earning and redeeming loyalty points take long time and out of which 23 respondents were male and 30 were female, which suggests that female respondents have less interest in subscribing to loyalty programs when they feel it takes long time to able to redeem. (Table 4.8). Respondents aged between 26-35 think that it takes long enough to earn loyalty points. When referring to the (Table 4.3), the number of female respondents subscribing to loyalty program were more and based on the (Table 4.8), female respondents think it takes too long to earn enough loyalty points to be able to redeem.

<table>
<thead>
<tr>
<th>Age</th>
<th>It takes too long to earn enough points for anything worthwhile?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16-20</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>21-25</td>
<td>14</td>
<td>3</td>
</tr>
<tr>
<td>26-35</td>
<td>29</td>
<td>11</td>
</tr>
<tr>
<td>&gt;35</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>53</td>
<td>19</td>
</tr>
</tbody>
</table>

**Table 4-7**

Age * It takes too long to earn enough points for anything worthwhile? Crosstabulation

Count
TABLE 4-8

Gender * It takes too long to earn enough points for anything worthwhile? Crosstabulation

<table>
<thead>
<tr>
<th>Gender</th>
<th>It takes too long to earn enough points for anything worthwhile?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>23</td>
<td>15</td>
</tr>
<tr>
<td>Female</td>
<td>30</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>53</td>
<td>19</td>
</tr>
</tbody>
</table>

FIGURE 4-6

4.1.4 PERSONALIZING LOYALTY PROGRAM BASED ON THE SHOPPERS NEEDS.

For the question asked if loyalty programs need to be personalized based on the individual needs, 27 male respondents and 22 female respondents (Table 4.9) agree that, they should have the ownership to
personalize loyalty programs and respondents aged between 26-35 responded positively while only 8 respondents disagree that they do not prefer personalizing loyalty points.

**Table 4-9**
Gender * I prefer rewards points and loyalty discounts to be personalized to my needs Crosstabulation

<table>
<thead>
<tr>
<th></th>
<th>I prefer rewards points and loyalty discounts to be personalized to my needs</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>3</td>
<td>0</td>
<td>8</td>
<td>23</td>
<td>4</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>2</td>
<td>3</td>
<td>7</td>
<td>8</td>
<td>14</td>
<td>34</td>
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</tr>
<tr>
<td>Total</td>
<td></td>
<td>5</td>
<td>3</td>
<td>15</td>
<td>31</td>
<td>18</td>
<td>72</td>
<td></td>
</tr>
</tbody>
</table>

**Table 4-10**
Age * I prefer rewards points and loyalty discounts to be personalized to my needs Crosstabulation

<table>
<thead>
<tr>
<th>Age</th>
<th>I prefer rewards points and loyalty discounts to be personalized to my needs</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>Disagree</td>
<td>Neutral</td>
<td>Agree</td>
<td>Strongly agree</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>16-20</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>0</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>21-25</td>
<td>1</td>
<td>1</td>
<td>7</td>
<td>5</td>
<td>3</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>26-35</td>
<td>2</td>
<td>1</td>
<td>5</td>
<td>18</td>
<td>14</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>&gt;35</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>3</td>
<td>15</td>
<td>31</td>
<td>18</td>
<td>72</td>
<td></td>
</tr>
</tbody>
</table>
**I PREFER REWARDS POINTS AND LOYALTY DISCOUNTS TO BE PERSONALIZED TO MY NEEDS**

- **Gender Male**
- **Gender Female**

**Figure 4-7**
4.1.5 THE KIND OF LOYALTY PROGRAMS THE RESPONDENTS VALUE THE MOST.

For this question, 36 respondents responded by choosing value-based loyalty program in which the respondents can redeem their points in their very next purchase. Out of the 36 respondents 19 were female. 10 respondents chose the value-based loyalty programs that where the collected reward points can be gifted or donated. out of the 10 respondents 6 were female who also feel that it takes too long to earn enough points to be able to redeem points. Based on the cross tabulated results, it suggests that female respondents are more likely to subscribe to loyalty programs that are faster to redeem, and 22 female respondents also said that they prefer to personalize loyalty programs based on their shopping needs.

Gender * What kind of the loyalty program do you value the most? Crosstabulation

<table>
<thead>
<tr>
<th></th>
<th>Tiered Program (climb the levels to redeem)</th>
<th>Point system (collect points to redeem later)</th>
<th>Loyalty gift cards (Gift cards to be redeem with any partnered retailer)</th>
<th>Combinations of the above based on the retailer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value – based</td>
<td>Value – based</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program (used by you in your next purchase)</td>
<td>(which can be donated/gifted)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>17</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Female</td>
<td>19</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>10</td>
<td>4</td>
<td>6</td>
<td>10</td>
</tr>
</tbody>
</table>

69
4.1.6 PURCHASING A CUSTOMIZABLE LOYALTY CARD.
For this question, the respondents had to select if they did mind spending less than 5 Euro’s for year to personalize the loyalty card based on their needs, 30 respondents replied yes, and 26 respondents were neutral, and 16 respondents were positive about the monetary based loyalty program. The gender differentiation in choosing yes, that they mind spending 5 Euro’s was equal (15 male and female) and same with the positive respondents (8 male and female respondents).

**Table 4-12**
Gender * Would you mind purchasing a custom loyalty card for less than 5 Euro a year which allows you to personalize loyalty programs?  Crosstabulation

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Maybe</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>15</td>
<td>8</td>
<td>15</td>
<td>38</td>
</tr>
<tr>
<td>Female</td>
<td>15</td>
<td>8</td>
<td>11</td>
<td>34</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>16</td>
<td>26</td>
<td>72</td>
</tr>
</tbody>
</table>
4.1.7 PERSONALIZED LOYALTY PROGRAMS GIVE AN HOLD ON WHAT YOU GET BACK.

For the question if the respondents think that they will have a hold on what they get back from the retailer if they were given an option to personalize loyalty programs, 52 respondents responded positively, and 17 respondents were neutral about it.

**Table 4-13**

Gender * Do you believe personalizing reward programs give you a hold on what you get back from the brand? Crosstabulation

<table>
<thead>
<tr>
<th></th>
<th>Do you believe personalizing reward programs give you a hold on what you get back from the brand?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Gender Male</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>24</td>
</tr>
<tr>
<td>Female</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>52</td>
</tr>
</tbody>
</table>
4.2 RELIABILITY TEST

To decide the reliability quality and reliability of the measures, a reliability analysis was performed. The symbol for the Cronbach’s esteem is α (alpha) and Hair et al. (2003) imply that the value of Cronbach's alpha must to be over 0.6 to be reliable. In this manner, every one of the measures, which are underneath α 0.6, are deleted. For the data collected for this research a reliability score of 0.672 was recorded. The values between 0.6 to 0.7 are moderate.

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.672</td>
<td>12</td>
</tr>
</tbody>
</table>

Table 4-14
### TABLE 4-15

<table>
<thead>
<tr>
<th>Alpha Coefficient Range</th>
<th>Strength of Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; .6</td>
<td>Poor</td>
</tr>
<tr>
<td>.6 to &lt; .7</td>
<td>Moderate</td>
</tr>
<tr>
<td>.7 to &lt; .8</td>
<td>Good</td>
</tr>
<tr>
<td>.8 to &lt; .9</td>
<td>Very good</td>
</tr>
<tr>
<td>.9</td>
<td>Excellent</td>
</tr>
<tr>
<td>0.95 &gt;</td>
<td>To Close</td>
</tr>
</tbody>
</table>

#### 4.3 HYPOTHESES TESTING

To determine if the hypotheses formulated was supported or not, a Chi-Square test and Phi and Cramer’s V test were performed. This analysis was done to see the effect the different independent variables have on the different dependent variable. The effect is measured by considering Pearson Chi-Square and Likelihood Ratio. To see if the result is reliable the significant value at below 0.05 will be the indicator. To analyze the strength of the effect, Phi value and Cramer’s V value are considered.

#### 4.3.1 OBJECTIVE 1

To investigate if loyalty programs influence customers of where they shop.

H₀: There is no relationship between loyalty programs and customers decision to shop at a retailer.

H₁: There is direct relationship between the loyalty programs and customers decision to shop at a retailer.
### Table 4-16

Have you subscribed to any loyalty programs or collected reward points for the purchase you made? * Do loyalty cards influence where you shop? Crosstabulation

<table>
<thead>
<tr>
<th>Have you subscribed to any loyalty programs or collected reward points for the purchase you made?</th>
<th>Do loyalty cards influence where you shop?</th>
<th>Yes</th>
<th>No</th>
<th>Maybe</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Count</td>
<td>30</td>
<td>4</td>
<td>14</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
<td>26.0</td>
<td>8.7</td>
<td>13.3</td>
<td>48.0</td>
</tr>
<tr>
<td></td>
<td>% within Have you subscribed to any loyalty programs or collected reward points for the purchase you made?</td>
<td>62.5%</td>
<td>8.3%</td>
<td>29.2%</td>
<td>100.0%</td>
</tr>
<tr>
<td>No</td>
<td>Count</td>
<td>9</td>
<td>9</td>
<td>6</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
<td>13.0</td>
<td>4.3</td>
<td>6.7</td>
<td>24.0</td>
</tr>
<tr>
<td></td>
<td>% within Have you subscribed to any loyalty programs or collected reward points for the purchase you made?</td>
<td>37.5%</td>
<td>37.5%</td>
<td>25.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
<td>39</td>
<td>13</td>
<td>20</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>Expected Count</td>
<td>39.0</td>
<td>13.0</td>
<td>20.0</td>
<td>72.0</td>
</tr>
<tr>
<td></td>
<td>% within Have you subscribed to any loyalty programs or collected reward points for the purchase you made?</td>
<td>54.2%</td>
<td>18.1%</td>
<td>27.8%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
### Table 4-17

**Chi-Square Tests**

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymptotic Significance (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>9.485</td>
<td>2</td>
<td>.009</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>9.039</td>
<td>2</td>
<td>.011</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>9.13</td>
<td>1</td>
<td>.339</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>72</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 4.33.

### Table 4-18

**Symmetric Measures**

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Approximate Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal by Nominal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phi</td>
<td>.363</td>
<td>.009</td>
</tr>
<tr>
<td>Cramer’s V</td>
<td>.363</td>
<td>.009</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>72</td>
<td></td>
</tr>
</tbody>
</table>

The above Chi-Square test suggested that there is significance between two variables with a value of 0.009 which is <0.05 and hence, the loyalty programs do influence customers of where they shop and hence H₁ is accepted and H₀ is rejected. The strength of the effect is
gauged by Cramer's V value for table's exceeding 2x2. The strength of association is strong.

4.3.2 OBJECTIVE 2
To assess if customers still believe in traditional loyalty programs.

H₀: Customers who are influenced by loyalty cards believe it doesn’t take long to earn points for anything worthwhile.

H₁: Customers who are influenced by loyalty cards believe it takes long to earn points for anything worthwhile.

In this case based on the table below, the number of people who are influenced by loyalty card also believe that it takes long enough to earn points, the Chi-Square value 0.037 shows there is significance and the strength of the significance is shown by Phi value that is 0.303 which suggests that the association is moderately strong. Hence H₀ is rejected and H₁ is accepted.

<table>
<thead>
<tr>
<th>Do loyalty cards influence where you shop?</th>
<th>It takes too long to earn enough points for anything worthwhile?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Do loyalty cards influence where you shop?</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>NO</td>
</tr>
<tr>
<td></td>
<td>Maybe</td>
</tr>
<tr>
<td>Total</td>
<td>53</td>
</tr>
</tbody>
</table>
### Table 4-20

Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymptotic Significance (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>6.601a</td>
<td>2</td>
<td>.037</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>6.111</td>
<td>2</td>
<td>.047</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.091</td>
<td>1</td>
<td>.762</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>72</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 1 cells (16.7%) have expected count less than 5. The minimum expected count is 3.43.

### Table 4-21

Symmetric Measures

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Approximate Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal by Nominal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phi</td>
<td>.303</td>
<td>.037</td>
</tr>
<tr>
<td>Cramer’s V</td>
<td>.303</td>
<td>.037</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>72</td>
<td></td>
</tr>
</tbody>
</table>

4.3.3 OBJECTIVE 3

To assess if the customizable reward programs will result in increasing sales to current customers.

H0: Personalizing reward programs do not monetarily benefit the retailer.

H1: Personalizing the reward points monetarily benefits the retailer.
The below Chi-Square test suggest that there is significance between personalizing loyalty and charging customers a small money for an annual subscription, the \( p \) value of significance is 0.37 which is < 0.05 and the strength of association is 0.284 which suggests that there is moderately strong association.

Would you mind purchasing a custom loyalty card for less than 5 Euro a year which allows you to personalize loyalty programs? * Do you believe personalizing reward programs give you a hold on what you get back from the brand?

<table>
<thead>
<tr>
<th>Table 4-22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value</strong></td>
</tr>
<tr>
<td>Pearson Chi-Square</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
</tr>
<tr>
<td>N of Valid Cases</td>
</tr>
</tbody>
</table>

a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is .67.

<table>
<thead>
<tr>
<th>Table 4-23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value</strong></td>
</tr>
<tr>
<td>Nominal by Nominal Phi</td>
</tr>
<tr>
<td>Cramer's V</td>
</tr>
<tr>
<td>N of Valid Cases</td>
</tr>
</tbody>
</table>
4.3.3.1 **OBJECTIVE 4**

To examine if demographics has any effect on choosing the personalized loyalty programs.

**Ho**: Gender has no direct relationship with loyalty programs and reward points to be personalized.

**H₁**: Gender has direct relationship between personalizing loyalty cards and reward points.

In this case based on the below table, the chi square Likelihood ratio is considered which is 0.001, which suggests that there is significance between gender and personalized loyalty cards. The strength of association is 0.470 which explains that there is strong relationship between the two. Hence $H₀$ is rejected and $H₁$ is accepted.

**Gender * I prefer rewards points and loyalty discounts to be personalized to my needs Crosstabulation**

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>3</td>
<td>0</td>
<td>8</td>
<td>23</td>
<td>4</td>
<td>38</td>
</tr>
<tr>
<td>Expected Count</td>
<td>2.6</td>
<td>1.6</td>
<td>7.9</td>
<td>16.4</td>
<td>9.5</td>
<td>38.0</td>
</tr>
<tr>
<td>% within Gender</td>
<td>7.9%</td>
<td>0.0%</td>
<td>21.1%</td>
<td>60.5%</td>
<td>10.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Female</td>
<td>2</td>
<td>3</td>
<td>7</td>
<td>8</td>
<td>14</td>
<td>34</td>
</tr>
<tr>
<td>Expected Count</td>
<td>2.4</td>
<td>1.4</td>
<td>7.1</td>
<td>14.6</td>
<td>8.5</td>
<td>34.0</td>
</tr>
<tr>
<td>% within Gender</td>
<td>5.9%</td>
<td>8.8%</td>
<td>20.6%</td>
<td>23.5%</td>
<td>41.2%</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5</td>
<td>3</td>
<td>15</td>
<td>31</td>
<td>18</td>
<td>72</td>
</tr>
<tr>
<td>Expected Count</td>
<td>5.0</td>
<td>3.0</td>
<td>15.0</td>
<td>31.0</td>
<td>18.0</td>
<td>72.0</td>
</tr>
<tr>
<td>% within Gender</td>
<td>6.9%</td>
<td>4.2%</td>
<td>20.8%</td>
<td>43.1%</td>
<td>25.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**Table 4-24**
Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymptotic Significance (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>15.907</td>
<td>4</td>
<td>.003</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>17.660</td>
<td>4</td>
<td>.001</td>
</tr>
<tr>
<td>Linear-by-Linear Assoc</td>
<td>.567</td>
<td>1</td>
<td>.451</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>72</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is 1.42.

**Table 4-25**

Symmetric Measures

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Approximate Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal by Nominal Phi</td>
<td>.470</td>
<td>.003</td>
</tr>
<tr>
<td>Cramer's V</td>
<td>.470</td>
<td>.003</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>72</td>
<td></td>
</tr>
</tbody>
</table>

**Table 4-26**

4.3.4 OBJECTIVE 5
To assess the most valued feature for a customer in the reward programs:

For this question, the respondents were asked to choose the feature that they value the most, 36 respondents chose value-based loyalty program where they can redeem the points that they have earned in the very next purchase. 10 respondents chose the value-based loyalty program which is converted in to currency and then gifted or donated within their circle of friends. 10 respondents chose combination of all the features, where based on the retailer and their
individual shopping behavior they get to combine the kind of loyalty program. Out of 38 respondents 19 were female and 17 were men. 23 Respondents aged between 26-35 chose valued based loyalty program which can be redeemed in their next purchase.

Gender * What kind of the loyalty program do you value the most? Crosstabulation

<table>
<thead>
<tr>
<th>Gender</th>
<th>Value – based Program (used by you in your next purchase)</th>
<th>Tiered Program (climb the levels allowing you to enjoy features - free delivery/express delivery)</th>
<th>Point system (collect points to redeem them later to purchase a product/service with enough points)</th>
<th>Loyalty gift cards (Gift cards to be able to redeem with any partnered retailer)</th>
<th>Combinations of the above based on the retailer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>17</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Female</td>
<td>19</td>
<td>6</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>36</td>
<td>10</td>
<td>6</td>
<td>4</td>
<td>6</td>
<td>10</td>
</tr>
</tbody>
</table>

**Table 4-27**

Age * What kind of the loyalty program do you value the most? Crosstabulation

<table>
<thead>
<tr>
<th>Age</th>
<th>Value – based Program (used by you in your next purchase)</th>
<th>Tiered Program (climb the levels allowing you to enjoy features - free delivery/express delivery)</th>
<th>Point system (collect points to redeem them later to purchase a product/service with enough points)</th>
<th>Loyalty gift cards (Gift cards to be able to redeem with any partnered retailer)</th>
<th>Combinations of the above based on the retailer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-20</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>
5 DISCUSSION

5.1 INTRODUCTION
This chapter discusses about the findings that are derived by utilizing the primary data that is collected from the respondents, the data was analyzed using various statistical tools to examine the association and relation between traditional loyalty programs and personalized loyalty programs and to assess if customers prefer loyalty programs and their first response to personalized loyalty program is recorded. The chapter also revisits the objectives of the study to find out if the research objectives are fulfilled or not. Further the hypothesis of the research is considered to find out if they are true or not. The chapter also highlights the research contribution by this research and addresses the scope for extension of the study. The chapter ends by providing the conclusion on the research.

5.2 OBJECTIVES REVISITED
To analyze if loyalty cards influence customers of where they shop.
Based on the literature review, there are numerous factors that influence customers to subscribe to loyalty programs. According to (The Wise Marketer, 2017) there are multiple factors that influence customers to subscribe to loyalty programs like core value, market place, demographics and satisfaction. To analyze if personalization of loyalty cards will
be preferred by the new generation of omni-channel shoppers, it was crucial to understand if customers are influenced by the kind of loyalty program in choosing where they shop. In the primary research, most of the respondents believe that they do consider loyalty programs provided by the retailer and it does influence their shopping decision about choosing a retailer. The hypothesis tested also suggested that there is moderate strong association between people who subscribe to loyalty programs more often than others are influenced by the kind of loyalty programs. According to (Singh & Khan, 2012) on an average online retailer lose 25% of their clients consistently, and the retailers are pushing hard to retain existing customers as acquiring new customers comes at extra cost than retaining the existing ones. There is evidence that the customers are influenced by the loyalty programs on choosing the retailer, with effective loyalty programs that is more customer oriented may result in retaining more percentage of customers which also results in repeat purchase thereby increasing the sales and profit of the brand. Customers are more like to subscribe to a loyalty program when they recognize loyalty programs carry relevant value which can be utilized soon.

Objective 2

To assess if customers believe in traditional loyalty programs as a mode of saving.

According to (Yi & Jeon, 2003) “The goal of a loyalty program is to establish a higher level of customer retention in profitable segments by providing more satisfaction and value to certain customers”. Based on this the survey included few questions to analyze if customers believe that it takes too long to earn enough points to able to redeem them against their future purchase. Most of the respondents believe that it takes too long to earn points and redeem the same. The statistical tests conducted suggests that customers
who are influenced by loyalty program to shop at a retailer also believe that it takes too long to earn enough points to be able to redeem. According to (CRM trends.com., 2018) only 15% of the customer base is currently loyal to one sole retailer who are also responsible for generating overall sales between 55% to 70%. So, if traditional loyalty programs are not delivering enough value to the modern shoppers, more often they are seen switching to an alternate retailer who provide better value when they are deciding to shop. The strength of association between customers who are influenced by loyalty cards and customers who believe traditional loyalty programs are long enduring commitment is shown to be moderately positive.

Objective 3

To assess if the customizable reward programs will result in increasing sales to current customers.

Under the literature review “Loyalty Programs” it is evident that Loyalty programs are being justified as positive influence of increased consumer loyalty on long-term financial performance and according to (Peiguss, 2012) Loyalty programs urge shoppers to move from nearsighted or single-period decision making to dynamic or multiple-period decision making. These programs encourage repeat buying and improve retention rates by providing incentives for customers to purchase more frequently and in larger volumes. (Lewis Michael, 2004). This resulted in deriving the above objective and hypothesis if customizable reward points benefit the retailers. The respondents were asked if they mind spending as low as 5 Euro for an annual subscription of customizable loyalty program, most of the respondent were skeptical about purchasing a loyalty card, but on the contrary when tested between if they prefer customizable loyalty programs, most of the
respondents had positive belief and when tested the relationship between these two variable, that is respondents who prefer customizable loyalty programs to customers who wouldn’t mind purchasing loyalty cards, the statistical test suggested that there is moderate strong association. Most of the respondents believe that personalized loyalty programs give them a hold on what they get back from the brand. Hence the retailer has multiple monetary benefits by personalizing loyalty programs, where by the percentage of loyalty customer base is increased which results in increased percentage of overall sales and by charging for loyalty cards, retailer is entitled to earn and gather precise customer behavioral patterns, more precise data helps any brand study their customer base to enhance the overall shopping experience.

Objective 4:

To examine if demographics has any relation while choosing the personalized loyalty programs.

The literature review gathered for the research suggest that one of the factors that influence customers loyalty program is demographics, which resulted in analyzing if demographics has any relation while choosing the personalized loyalty program. Most of the respondents aged between 26-35 and 21-25 responded that they prefer customizable loyalty program while the test that performed to see if there any relation between demographics and purchasing loyalty programs suggest that age has no relation, but gender has a strong positive association which influences decision of purchasing personalized loyalty cards. Most of the female respondents chose the option that they prefer personalized loyalty programs compares to men. Also, when asked about where do female respondents subscribe to loyalty programs, most of them choose fashion and
beauty or beauty product retailers. Hence this suggests that the retailer falling under these categories need to design loyalty programs to be personalized which may result in retaining more loyal customers and there by expect more frequent interaction with the brand.

Objective 5:

To assess the most valued type of loyalty program for a customer.

By the primary data gathered to analyze what is the most valued kind of loyalty program, most of the respondents chose, they prefer value bases loyalty program in which the reward collected for the current purchase could be used as a price reduction or discount for their immediate next purchase. Also, the next highest number of respondents also chose that they prefer valued based loyalty card which could be used to gift or donate it to a friend or family. According to (Rouse, n.d.) there are four types of loyalty program users, a) the never consumers who are not influenced by the type of loyalty program, light consumers who are moderately influenced by the incentives of the loyalty program. Heavy consumers are highly influenced and extreme consumers are the ones who are obsessed with loyalty cards. With crosstabulation between demographics and the type of loyalty program, it is evident that most of the respondents want to redeem loyalty reward points immediately. By offering such loyalty programs, brands can induce customers to make purchase more often than regular which also ensures customers sticking to one brand to redeem points that have been acquired for the previous purchase. This can be made effective by acquiring data about behaviors and shopping patterns of the customer which helps build effective loyalty program model.
5.2.1 RESEARCH CONTRIBUTION
The research was aimed to analyze if personalized loyalty programs can acquire more loyal customer base and to see if it benefits the retailers. With primary research and secondary research conducted, it is evident that traditional loyalty programs are starting to fade out and a new kind of interactive loyalty programs can give customers a hold on what they get back from the brand for their repeat purchases with the brand. A new loyalty model is developed and suggested for the retailers to incorporate personalized loyalty program.

5.2.2 THEORETICAL CONTRIBUTION:
In this research various relations between customers who subscribe to loyalty programs, customers who prefer personalized loyalty programs, customers who believe personalized loyalty programs will give them a hold on what they get back and analyze if retailer hold monetary benefits by providing personalized loyalty cards. Based on the analysis derived from the primary and secondary data a conceptual personalized loyalty program is developed.

5.2.3 MANAGERIAL CONTRIBUTION
In the context of managerial contribution, the research explains the factors that influence customer loyalty. So, based on this information managers can develop their quality, customer service, customer experience, value, price and customer satisfaction by analyzing the loyal customer behavior based on personalized loyalty program so that they can build customer loyalty in this competitive online retail space.

5.3 RESEARCH LIMITATIONS
The most evident limitation for this research was time. It is because of the sample framework and sample size which is limited to 75 respondents, data collected is complex and takes time to analyze and interpret. Apart from that there was research methodology
limitation, which made researcher choose mono quantitative research method for data collection. The limitation to use mono data collection method has affected the quality of data yet because of researcher’s effort the quality of data is enhanced. The research also is limited by not considering the internal factors that exists within the retailer like business scope and type of products sold.

5.4 SCOPE FOR FURTHER RESEARCH
The research can be done based on mixed or multi method of data collection to have quality data to provide an explanation for the data that has been generated through questionnaire. The study to analyze if Irish online retail brands can enable strong relationships with individual customers by allowing to personalize loyalty programs. The study was performed by considering limited variables with regards to customers and not considering the internal factors that exists within the brand. Most of the online brands use gamification as a platform to encourage customers to subscribe to loyalty programs. But with the research we have witnessed that customer believe it takes long enough to earn points that are worth, hence the existing loyalty model need to be upgraded by introducing customizable loyalty programs, which can be done by extending this research to analyze if there cab be strong interaction between customers and gamified loyalty programs when they have the option to personalize loyalty programs based on their shopping behaviors and needs.

5.5 CONCLUSION
The research achieves its research objectives as primary research and secondary research (literature review) converge to establish generation for the research. The findings of the research indicate that the traditional loyalty programs are failing to achieve the target of retaining loyal customers. Customers believe that they need more hold on what they get
back from the loyalty program which can be achieved by allowing them to personalize loyalty programs. A small example model of how this can be achieved is illustrated in the figure below. Loyalty programs do influence the decision-making process of the customer about the purchase with a retailer, when a value-based loyalty program is offered by a retailer, customers are more likely to make repeat purchases with that retailer. Most of the online brands use gamification as a platform to encourage customers to subscribe to loyalty programs. But with the research we have witnessed that customer believe it takes long enough to earn points that are worth, hence the existing loyalty model need to be upgraded by introducing customizable loyalty programs. The cost to retain existing customer is cheaper than acquiring new customers and the percentage of overall sales generated by the loyal consumer base is high and hence by personalizing loyalty program, the retailers have monetary benefits and also with increased loyal customers, the brand image of the company is enhanced which helps any brand sustain in the market for longer and stand strong among the competitors.

Although the primary data collected was collected to mainly analyze if personalized loyalty can result in enabling strong relationship with customers, many factors that influence loyalty programs and program user need to be analyzed by inter-relating factors and examining if they have any correlation.
1. Value-based Program (used in the next purchase)
2. Value-based Program (which can be donated/gifted)
3. Use points to avail express delivery
4. Use points to be able to redeem at partnered retailer
REFLECTION ON LEARNING

The experience at Dublin Business School, through my MSc Program has been altogether different from the Indian education framework. In the Indian education system, the prominence is more on learning theory while here in Ireland rather the teaching technique in DBS is more into continuous business-related investigations where students need to comprehend the ideas and hypothesis and execute those theories and ideas to those related investigations to get analytical, or strategically inclined answers for the ongoing business issues displayed for those situations considers. Along these lines, in DBS the prominence is more on finding out about understanding business issues and formulating consistent and supportable documents, methods and suggestions for those issues. My professional experience with 2 companies and this teaching technique helped me grab knowledge faster than others I believe. With these additional techniques to grab information, to strategically view things and analyze better.

With regards to this research and thesis writing, it has helped me investigate my potential as a student. Dissertation writing was essential for fulfillment of my MSc degree. It took just about 3 months to finish my paper. The dissertation incorporates research topic to discover the justification for the research, research title, the subject, to designing suitable research methodology, accumulation of data, analysis of data, and afterward elaborate the findings of the research. The dissertation was completed by adhering to DBS standards. self-reflection of learning while writing dissertation has a purpose to analyze my improvement and development as a researcher by honing different skills during this period of dissertation writing.
5.5.1 DISSECTATION WRITING PROCESS:
The research process was an intimidating responsibility and learning, which required persistence, inspiration, and diligent work, devotion. The findings of the research joined with the secondary research, however the research didn't help drawing a complete loyalty model that would suit the online retailers, the present model needs extension of work. There are numerous determinants, which have guide effect to the loyalty programs. The determinants decided for this exploration are regular determinants, which impact loyalty and customers perception towards customizable loyalty programs, however these determinants are insufficient to infer a model of customer loyalty. Prior to coming to Ireland, I was more Theorist since I constantly needed to comprehend the theory behind every single activity around. I have progressed toward becoming Pragmatist. Presently I can try the learning. I currently put plans to make things less demanding for me.

5.5.2 PERSONAL DEVELOPMENT
During my education at DBS, I now comprehend myself better and analyze my strengths and weaknesses and work accordingly, also, possessed the capacity to get to my qualities and shortcomings. As a genuine logical thinker, I am currently dealing with my shortcomings in the meantime select work according to my qualities, so I can perform better in that work. During the research writing these are the skills that I have developed.

5.5.3 RESEARCH SKILLS
In During the phase of the research, I have created aptitudes to pick relevant data from original sources for secondary research. I took in the abilities to skim through the journals and articles to non- appropriate articles and academic journals to spare time while completing the literature review.
While collected the data for primary research, I figured out how to structure survey both on the web and physical survey types. I likewise found out about various research theories and research strategies to pick proper research strategy according to the idea of research. I additionally found out about data collection methods to gather quantitative and qualitative statistics.

5.5.4 TIME MANAGEMENT SKILLS
As a student away from Ireland, the need to take of my living expenses and save money for tuition fees, I worked part-time. Amid one year of MSc I have figured out how to utilize time viably with the goal to use time and money efficiently.

But during the last stages of dissertation I had to take time off from the part-time work and completely focus on research. It was somewhat troublesome on the grounds that paper requires free mind and enough time to think, read and afterward write.

5.5.5 MOTIVATIONAL SKILLS
The dissertation process is lengthy, which incorporates continues inspiration, so I never feel exhausted about it. I figured out how to persuade my functioning customary in odds and ends instead of chipping away at gathered assignments. I motived myself to write 1000words and read somewhere around 2 academic journals and articles during this period. Presently I have built up this ability to do any repetitive activity without any issue.

5.5.6 SKILLS TO MEET DEADLINES
Alongside motivation I have also adapted new skills to meet deadlines by working vigorously and being on time about my schedule during my dissertation-writing period.
5.5.7 FUTURE GOALS

When I arrived at Dublin to pursue my masters, I was just about a marketing person with average knowledge in marketing, but as and when the course progressed, with all the assignments and other aspects of lecture, made me learn and research a lot about marketing and omnichannel in precise, I also learnt about the b2b marketing and how digital media is changing the b2b marketing world. From here, I would want to develop my own website with marketing content and learn a way to push it to the audience. Implement everything that I learn in college in the real time world and see if I can see positive impacts in my career. Since I want to make career in Marketing after completion of my MSc at DBS, I purposefully chose to investigate perception of customers towards personalizing customer loyalty It was during my research module I got an idea to develop research topic, which is feasible and narrow. In this research I learnt about various loyalty models and programs which persuade customers to opt for a loyalty program. I’m hoping to create a feasible model that can be implemented soon.
Bibliography


DBS student survey on personalizing the loyalty programs and reward points.

By continuing with this survey, you are agreeing that: (1) you have read and understood the Participant Information Sheet, (2) questions about your participation in this study have been answered satisfactorily, (3) you are aware of the potential risks (if any), and (4) you are taking part in this research study voluntarily (without coercion).

https://docs.google.com/document/d/1kU6thcePZQWkAmv$UmeQcMkNwTocpQdmbToFnWW/edit?usp=sharing

DBS student survey on personalizing the loyalty programs and reward points.

"ENABLING STRONG RELATIONSHIPS WITH INDIVIDUAL CUSTOMERS BY ALLOWING TO PERSONALIZE LOYALTY PROGRAMS OF THE IRISH RETAIL ONLINE BRANDS"

1. Name

2. Age
   Check all that apply.
   □ 16-20
   □ 21-25
   □ 26-35
   □ >35
   □ Option 5
   □ Other:

3. Gender
   Mark only one oval.
   □ Female
   □ Male
   □ Other:

4. Have you purchased online from any of the e-commerce retailers?
   Check all that apply.
   □ Yes
   □ No
5. Have you subscribed to any loyalty programs or collected reward points for the purchase you made?
   Check all that apply.
   □ Yes
   □ No

6. Where do you most frequently subscribe to a loyalty/reward program?
   Mark only one oval.
   □ Grocery Retailer
   □ Fashion Retailer
   □ Furniture Retailer
   □ Beauty products and Beauty Salons
   □ Electronic Retailers

7. Do loyalty cards influence where you shop?
   Check all that apply.
   □ Yes
   □ No
   □ Maybe

8. It takes too long to earn enough points for anything worthwhile?
   Check all that apply.
   □ Yes
   □ No

9. Do you enjoy saving with loyalty/reward programs?
   Check all that apply.
   □ Yes
   □ No

10. I prefer rewards points and loyalty discounts to be personalized to my needs
    Check all that apply.
    □ Strongly disagree
    □ Disagree
    □ Option 3
    □ Agree
    □ Strongly agree
11. What kind of the loyalty program do you value the most?
Check all that apply:

☐ Value - based Program (the reward points is converted to currency which can be used by you in your next purchase)
☐ Value - based Program (the reward points is converted to currency which can be donated/gifted)
☐ Tiered Program (with more you purchase you climb the levels allowing you to enjoy features like free delivery/express delivery)
☐ Point system (collect points to redeem them later to purchase a product/service with sufficient points)
☐ Loyalty gift cards (Gift cards to be able to redeem with any partnered retailer)
☐ Combinations of the above based on the retailer
☐ Other: ____________________________

12. Would you mind purchasing a custom loyalty card for less than 5 Euro a year which allows you to personalize loyalty programs?
Check all that apply:

☐ Yes
☐ No
☐ Maybe

13. Do you believe personalizing reward programs give you a hold on what you get back from the brand?
Check all that apply:

☐ Yes
☐ No
☐ Maybe