

# Factors affecting buying behavior of consumers with loyalty cards

Research Project

By

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## Abstract

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The main objective of this research is to identify the factors that affect the consumer behavior, once the consumers are given loyalty cards. Recently many supermarkets, insurance companies, and similar products or service providers started giving loyalty cards to their consumers as a marketing strategy to retain their loyal customers.

Now a day, a single customer holds several loyalty cards and therefore, the basic idea of retaining loyal customers by issuing a loyalty card has arrived in to a complex situation. Therefore the need to find what factors that affects the customers buying behavior has risen and this study was able to provide many interesting findings.

The findings revealed that, customers who concerns mostly about the budget moves towards closer shops, low price products, free offers, and promotions and if they are having one loyalty card their attitudes towards above are higher. However male customers preferred buying free products and searching for discounts more than females. Further findings also showed that customers have different preferences towards trendy and new products, respect and friendliness shown on them and also about the time factor. Among these, many customers preferred to visit the shops that respect their customers and provide a friendly service and then the preference is towards the new trendy items. If customers have one loyalty card it is seen that if the above factors are same in all shops they prefer to move towards the shops that gives easy access and have less transaction time.

Factors such as responding to the place where the first loyalty card was given, responding to a famous place, or respond to a place where attendants show concern were unaffected by the gender or number of cards that the customer holds. When considering the promotional factors, customers preferred to have promotions on, vegetable/ fruits or grocery items the most.

**Key words:** Loyalty cards, Customer loyalty, Customer satisfaction, Customer buying behavior, Effects on loyalty.

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## Abbreviations

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Abbreviation	Description
SPSS v. 17	Statistical software for social sciences version 17
Df	Degree of freedom
R <sub>1</sub>	which is closest to me
R <sub>2</sub>	which offers low prices
R <sub>3</sub>	where the shop offers additional products, services for free
R <sub>4</sub>	which offers regular sales promotion or Discounts
R <sub>5</sub>	which sells current, fashionable or trendy goods
R <sub>6</sub>	where I'm treated with respect and in a friendly manner
R <sub>7</sub>	where I spend less time during transaction
R <sub>8</sub>	which is located where transportation, transiting is easier
R <sub>9</sub>	where the needed items can be easily located
R <sub>10</sub>	which has the best rewards for the loyal customers
R <sub>11</sub>	which has granted me with a loyalty card
R <sub>12</sub>	which granted me the first loyalty card
R <sub>13</sub>	where they are experts in the area of business
R <sub>14</sub>	where attendants show concern about my problem
R <sub>15</sub>	Vegetables/Fruit
R <sub>16</sub>	Beverages
R <sub>17</sub>	Grocery
R <sub>18</sub>	fish/meat
R <sub>19</sub>	Bath-ware

