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探討顧客忠誠方案之績效研究

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摘 要

顧客忠誠度一直是服務業行銷的重要議題。很多公司從發行會員卡中獲利。但是有些公司卻因此而增加成本。會員卡制度不應該改變行銷的基本結構。如此可保持原有的效果且成爲行銷的利器，但一方面會增加行銷成本。雖然會員卡制爲今日的零售業帶來極大的效益，但是可能會因爲被簡化成「集點卡」而形成假的顧客忠誠。這種結果造成了零售業惡性競爭而產生更多的成本支出。相同的，當會員卡被簡化爲一種收集資料的機制，把注意力集中在索取更多顧客的詳細資料使實施忠誠方案的目標變模糊。本研究擬針對餐旅業之行銷部經理人，進行深度訪談與問卷調查，以釐訂與忠誠度相關的重要因素，結合文獻探討的觀點，分析會員卡制度在實行上的有效性。研究結果將指出顧客的忠誠度維護如果僅提供會員卡制是不夠的，正面的口耳相傳、顧客有『物超所值』的感覺以及長期經營顧客關係…等關鍵因素的配合下，才能產生眞正的忠誠顧客。

關鍵字：忠誠計劃、顧客忠誠度、會員卡

A study on exploring the performance of customer loyalty programs

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Abstract

Customer loyalty has been an important issue in the service marketing. Many companies were benefited from developing loyalty programs. However, some companies have increased in cost. Loyalty program should not change the basic structure. While the loyalty program (eg. Customer loyalty card) brings great benefits for retail industry, it has become simplified as "Bonus card" and caused spurious loyalty. That is, the goal of loyalty programs will become ambiguous as an information-gathering mechanism focusing on gaining more detailed information to retain customers. Therefore, the related literature was collected and the method of in-depth interview was used in this study to examine the effectiveness of loyalty programs in different Scottish hotels, five marketing managers were participated to determine important factors of loyalty. The results indicated that customer loyalty card is not enough to maintain customer loyalty, the combination key factors such as positive word of mouth, customers have the feeling “value for money” and long-term customer relationship management are vital in producing true customer loyalty.

Key words: Loyalty program, Customer loyalty, Customer loyalty card

Introduction

Customer loyalty has been conceptualized as an interaction of attitude and behavior (Samuelson and Sandvik, 1997). However, there is debate about the nature of the interaction. East (1996) for example, believes that thought and feelings are interwoven and that changes in one component may affect others in the system. Indeed, there is a range of conceptualizations as to what constitutes loyalty. These range from repeat purchases to a lifetime relationship (Dick and Basu, 1994). Loyalty behaviors include relationship continuance, increased scale or scope of relationship, and recommendations (Hallowell, 1996).

Customer loyalty expresses an intended behavior related to the service or the company. They trust company's products and they are willing to accept new ones without the need to be heavily persuaded (Andreassen and Lindestad, 1998; Beth et al., 2008). This includes the likelihood of future renewal of service contracts, how likely it is that the customer changes patronage, how likely the customer is to provide positive word-of-mouth, or the likelihood of customers providing voice. If there are sufficient loyal customers, advertising costs and administrative overheads can be cut to a minimum.

Customer retention has always been important, although traditionally it has been viewed rather simply as an outcome of successful marketing. This is embodied in the description of marketing as "selling products that do not come back to customers that do"(O'Malley, 1998). Because retention was seen as a by-product of marketing, organizations focused on customer acquisition with the explicit aim of increasing market share. This, in turn, was assumed to increase both the organization's power and profitability. As long as market share continued to grow, it was accepted that marketers had got it right. However, market share, as an aggregate measure, can cover up a host of inadequacies in marketing terms (Grönroos, 1994), not least of which is the fact that increases in market share disguise the level of customer defection. Rosenberg and Czepiel (1984) observe that "some companies seem hooked on steady doses of fresh customers to cover up regular losses of existing ones". It was not until the early 1990s that there was widespread recognition that this represented a serious flaw in marketing. Reichheld and Sasser (1990) calculated the impact of customer retention on profitability: "As a customer's relationship with the company lengthens, profits rise, and not just a little. Companies can boost profits by almost 100 per cent by retaining just 5 per cent more of their customers (Reichheld and Sasser, 1990). Reduced to pounds, shillings and pence in this way the business world began to focus aggressively on customer retention. The aim was to reduce marketing's "scrap heap" (customers who defect) and, thus, enhance profitability. This renewed focus on customer retention is generally referred to as loyalty marketing, and is increasingly reliant on a customer database and direct communication.

Loyalty programs have blossomed in the era of "customer retention" though their emergence is not a recent phenomenon. They have been around in one form or another since the early 1970s. The basic idea of a loyalty program is to reward customers' repeat purchasing and encourage loyalty by providing targets at which various benefits can be achieved (Anderson and Narus, 2004; Robert et al., 2008). An early example of a Frequent Flier Program (FFP), Southwest Airlines "Sweetheart Stamps" promotion in the 1970s, allowed business travelers to accumulate benefits in order to take their partners on a free flight (Gilbert, 1996). In the UK, Green Shield Stamps promotions provided similar incentives. These schemes were reasonably successful, despite their lack of sophistication. What distinguishes today's schemes is their ease of use for consumers, and the degree of sophisticated targeting made possible through continual improvements in technology.

Despite the apparent problems associated with airlines' FFPs, the retail loyalty program has been widely embraced in the UK, by petrol retailers, supermarkets, bookstores and a host of other organizations. Dowling and Uncles (1997) attribute the speed of loyalty programs adoption to competitive factors. "Once one retailer broke ranks, all others followed within months". That said, the majority of retailers would argue that loyalty programs are ultimately more about engendering loyalty than matching competition. As such, it is timely to explore exactly what is understood by the concept of loyalty.

The preoccupation with developing customer loyalty programs is understandable in the context of studies that have suggested that it is more profitable to retain existing customers, than constantly seeking new customers to replace lapsed ones (Reicheld and Sasser, 1990; Hamilton and Howcroft, 1995). It costs approximately five times to attract new customers than what it costs to retain current customers (Reicheld, 1996; Pfeifer, 2005). Capturing new customers is expensive because of advertising, promotion and sales costs, and start up operating expenses.

Once established within the hospitality industry, loyalty programs spread rapidly. It has however been observed that in the later stages of development, when the loyalty programs have become a sector norm, their overall benefit is low (Mowlana and Smith, 1993; Karabeyekian and Gilbert, 1995). Research further indicates that due to the rapid growth and adoption of loyalty programs in hospitality firms, most firms only stand to gain the tactical benefits without realizing the strategic benefits that can be reaped (Palmer et al., 2000). It is estimated that hotel companies may spend about US$ 35 million to US$ 50 million annually, but only get in return US$ 60 million to US$ 80 million in revenues (Bond, 1995). Hotel companies can therefore no longer afford to 'jump on the customer loyalty bandwagon' without first analyzing the costs and benefits to be expected.

The main purpose of the research is to know which loyalty programs can really build loyalty in the UK hotel industry. In attempting to solve the main research problem, this research will also address a number of issues that will further contribute to the completeness of the investigation:

1. Identify the main loyalty programs in use in the hotel industry;
2. Determine the meaning of loyalty to various hotel brands in the UK hotel industry;
3. Enquire if loyalty programs really satisfy and retain loyalty customers.
4. Enquire if loyalty programs are effective as a strategic tool.
5. Enquire if loyalty programs are effective in increasing hotel benefits.

Literature Review

Given existing criticisms of loyalty programs it is concluded that such schemes have an important role to play in situations where no loyalty or spurious loyalty is evident. However, where sustainable loyalty is the ultimate goal, customer loyalty programs are of importance only as part of a coherent value proposition (Jill and Joffre, 2008).

Most literature on customer loyalty are in relation to other issues in hospitality such as consumer satisfaction, performance quality, relationship marketing, brand loyalty, the consumer purchase decision process and customer complaints. (Sandvik and Duhan, 1996; Cronin and Taylor, 1992; Fornell, 1992) These authors agree that consumer loyalty is as a result of the variables identified. There however, remains a great need for stronger integration between the concept of loyalty and other concepts in consumer research.

With any product, quality is the first criterion. Loyalty from some customers is directed more towards a brand name than to an organization. If the organization is taken over by another, the customer clings to the brand. If, as sometimes happens, doubt is cast on the quality or integrity of the brand, brand-loyal customers defect and seek alternatives (Kevin et al., 2008). These people want consistent quality from their favorite branded goods, and a consistent image that is instantly recognizable and with which they are comfortable. Another type of loyalty depends on incentives (John et al., 2010). Such things as coupons, air miles, family discounts and loyalty gifts are enough to create incentivized loyalty. If the incentives cease, or no longer appeal, these customers are likely to depart. Many organizations have seen blanket incentives as wasteful. They now target them at their best customers, not as incentives, but as rewards.

Loyalty programs are developed for a variety of reasons including to reward loyal customers, to generate information, to manipulate consumer behavior, and as a defensive measure to combat a competing scheme.

However, one of the problems with loyalty programs as a defensive move is that organizations are often unclear about what exactly the scheme is intended to achieve. As a result "reward programs are widely misunderstood and often misapplied" (O'Brien and Jones, 1995).

This suggests that there is too much emphasis on short-term results, with strategic objectives and implications often overlooked (Terblanche and Boshoff, 2006). That is not to say that there are no successful loyalty programs, but that loyalty programs by themselves may not necessarily have been the direct marketing panacea of the 1990s. Indeed, loyalty programs increasingly attracted criticism, including that they were little more than sophisticated sales promotions and loyalty was exhibited to the program not the brand and also information collection was over-stressed and subsequently the costs may outweigh benefits.

On the basis of the preceding discussion it is clear there are a number of issues which must be resolved if managers are to be in a position to manage loyalty. First and foremost there is a need to establish exactly what is meant by loyalty, and to identify how it can be measured. As Reichheld (1994) outlines, "if you can't measure it - you can't manage it".

The concept of “loyalty” has been around for centuries and the concept of customer loyalty has pervaded several industries in the past decade (Lewis, 1997). Consequently, consumers often enroll in loyalty programs of multiple companies with the same industry (Passingham 1998). Research suggests that a 100 per cent loyalty is difficult, if not impossible to achieve, and that polygamous loyalty is far more common. Indeed this is already evident in customers' multiple membership in loyalty programs (Dowling and Uncles, 1997), with UK consumers holding, on average 3.5 cards in 1995 (Reed, 1995). If polygamous loyalty is all that we can hope for, then striving for 100 per cent repeat purchase is an idealistic and expensive aim. In terms of the conceptual issues, organizations need to determine what category of loyalty they wish to achieve. Although sustainable loyalty is implicitly suggested as the aim of most schemes, the characteristics of the scheme, and of many markets, inhibit its ultimate realization (Dick and Basu, 1994). However, where loyalty programs are used to maintain spurious loyalty, there is a continual need to ensure that they provide greater value for customers than competing schemes (O'Brien and Jones, 1995). Sustainable loyalty is clearly a more strategic issue and, given the discussion so far, it seems that loyalty programs, as they are currently implemented, are unlikely to fulfill this aim. "If they remain the only strategy, short-term incentives with little real effect on the bottom line will be the result" (Mazur, 1995).

According to above literature review, hospitality managers believe that firms can improve their profits by satisfying customers. Studies show, however, that satisfying customers alone is not enough, since there is no guarantee that satisfied customers will return to purchase. It is now becoming apparent that customer loyalty is significantly more important than customer satisfaction in a business organization's success.

Research Methodology

In exploring the performance of loyalty programs in the hotel industry, the key steps in conduction research proposed by Lumsdon (1997) acted as a guideline that provided a logical sequence in conducting the research. In the preliminary stages it was decided that the investigation on customer loyalty would concentrate on the hotel industry. The research was undertaken in the United Kingdom and specifically in Scotland and although the findings are most relevant to the UK hotel sector they may also be globally representative.

The data collected for the purpose of this research was based on two major sources; secondary data collection and primary data. This section is organized under five sub-headings:

1.Secondary data collection

Secondary data on the subject was necessary to form the basis for which primary data was to be collected. The main sources of secondary information were the University of Strathclyde's John Anderson Campus Library in the form of journal articles and academic books.

The information gathered from the secondary data was used to identify the key variables that were connected to the research problem. The secondary data was analyzed, organized and presented in the form of the literature reviews.

2.Primary data collection

Primary data collection was done in two different stages. The initial stage involved the analysis of primary data already available (i.e. the hotels' websites, hotel publications e.g. brochures and the application forms for the loyalty programs). These data was used to supplement the information collected through the interviews used in the second stage of the primary data collection process the data also proved useful in the formulation the interview questions.

3.The research instrument

The interview, which is a

qualitative research tool, was chosen to investigate the research problem and facilitate the collection of primary data. A structured interview format, which constituted a series of closed and open-ended questions, was used. The questions (appendix A) were mostly developed form the issues raised from the analysis of the secondary data in the literature review.

The interview has been defined by Burgess (1982) as the opportunity for the research to probe deeply to uncover new clues, open up new dimensions of a problem and secure accurate accounts that are based on personal experience. The interview can take many forms; from the informal, where the process can be shaped to the individual situation and context and where the respondent feels relaxed and unassessed, to the fully structured interview, where a schedule of questions is followed with each respondent as in the case of this particular research.

Face to face interviews were conducted with each respondent. The use of the structured interview schedule ensured the consistency of the research data. In some instances some questions were rephrased and explained to enable the correct information to be collected. In other case additional questions were asked to develop some of the unclear response offered by the interviewees. Each interview lasted approximately 40 minutes.

All the interviews were conducted in the hotel public areas i.e. hotel lobbies or bars. Although Yin (1994) argues that the tape recorder provides a more accurate rendition of any interview than any other method, the researcher felt that given the location of the interviews there would be interfering noise present and therefore the interviews were recorded on tape. Following each interview, the researcher used the questions to recall the respondent's responses and stored the data awaiting its organization and presentation.

The interview was considered as appropriate for the type of information that was desired, as it is an extremely useful tool for the acquisition of reliable and valid data (Burgess, 1982).

4.The interview questions

In analyzing the research title further, the word utility was identified as the central issue of the research problem. Therefore, the term utility was used to guide the issues the interview would cover.

The interview question were also designed to explore certain key issues arising form the literature review further, while also addressing the following incorporated research questions:

i. Determine the meaning of customer loyalty to different hotel brands;
ii. Utility of customer loyalty in terms of increasing hotel's benefits;
iii. Utility of customer loyalty programs in satisfying and retaining customers; and

iv. Utility of customer loyalty programs as a strategic tool with particular reference to marketing.

1.5.The research sample

The UK hotel industry is heavily fragmented in nature (Knowles, 1998). Owner operated small to medium sized enterprises dominate the industry. This dominance has led to a traditional classification of hotels into independently owned and chain affiliated hotels (O'Brien and Jones, 1995)

For the purposes of this research, the data collected is in relation to the chain-affiliated hotels that have established loyalty programs. Five hotels in this study are also representative of majority of the UK hotel sector for they are the largest hotel groups in the UK as at 31st October 1999 (HCIMA, 2000). The data may also be globally representative due to the presence of the same hotel groups worldwide. The sample chosen also represents the well-known and established loyalty programs in the hotel industry today.

Finding and Discussion

The research findings presented are based on interviews with various managerial personnel in each hotel; the interview data has been supplemented with literature drawn from hotel publications in the form of brochures and newsletters as well as information available on the hotels' websites in the Internet.

Five loyalty programs in this research that are currently in use in the hotel industry have been analyzed and presented under the following headings:

1.Background
2.The meaning and importance of customer loyalty to the hotel
3.Enrolment process
4.Membership types
5.Benefits of the loyalty programs to the customer
6.Utility of customer loyalty in terms of increasing hotel's benefit
7.Utility of customer loyalty programs in satisfying and retaining customers
8.Utility of customer loyalty programs as a strategic tool with particular reference to marketing.

It was found that all five loyalty programs in this study examined offered different membership levels to their customers. Some of the schemes like Marriott Rewards offer up to three level of membership while others like Milton hotel offer only one. The requirements for joining each level in each scheme also vary distinctly. The information contained allows for cross comparison of the five customer programs, in terms of membership levels and requirements.

The finding shows that five marketing (sales) managers (3 female and 2 male, age range 26 to 35) in each hotel are consistent to the meaning of customer loyalty. From the interviews conducted various meanings of the term loyalty, it was described as return business. The findings support the definitions put forward by authors (Oliver, 1997; Gould, 1995) who also describe customer loyalty as relationship building, guest recognition and a conscious commitment make by customers to buy from a certain brand. The purposes of the loyalty programs were described as; recognizing and rewarding guests, giving guests value for money and ensuring they come back again. The main objective of loyalty programs, for mid-market such as Ibis and Novotel hotels were not very clear. On the other hand, upper market such as Morriott, Milton and Millennium&Copthorne hotels, the main objective was to make sure guests come back frequently.

The benefits offered by the four loyalty programs, as argued by Dekimpe *et al.* (1997), it is more expensive to recruit new customers than to keep existing customers (Rosenberg and Czepiel, 1983). Loyal customers are assumed to be less price-sensitive (Krisnamurthi and Raj, 1991), and loyal customers give a firm valuable time to respond to actions taken by competitors (Aaker, 1991). Furthermore, loyal customers may also reduce marketing costs and raise barriers of entry to the market (Sharp and Sharp, 1997). Therefore, firms strive to keep their existing customers. Loyalty is only a valid concept in situations where customers have several options to choose from.

From the research, it was not

made clear whether the benefits are as a result of any type of customer research process that has been made possible by the information collected through the loyalty programs. The findings suggest that this may not be the case because the individual hotel like Marriott, Ibis, Novotel, Millennium & Copthorne hotels can not access information gathered form loyalty programs, only head office managed those customer information.

Another issue of the utility of loyalty program occurred when asked for interview with Thistle Glasgow sales manager, Pauline Houston refused by phone, she mentioned about the financial problems of loyalty programs that programs cost is outweigh benefit, therefore, they canceled loyalty programs few years ago.

Result in time limitation in this research, future study could be focused on customers' opinion about of loyalty program. And furthermore, the empirical study about the performance of loyalty program may also be examined to explore the issue from both side of customers and management.

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Appendix A

Interview Schedule

GENERAL QUESTIONS

1. Describe the process a customer goes through to be member of your loyalty programme.
2. What are the benefits or rewards offered to the members of your loyalty scheme?
3. How would you describe customer loyalty?
4. Does your head office manage the loyalty programme or has it been contracted i.e. outsourced?

SPECIFIC QUESTIONS

Utility in attracting and retaining loyalty customers

5. Is customer loyalty important? Why?
6. What are the objectives of your loyalty programme? – Have they been met satisfactorily?
7. Has true loyalty been achieved of your customers involved in your loyalty programme?
8. Are you able to identify your loyalty customers? How?
9. Do you feel consumer loyalty can be achieved without reward?
10. Apart from the benefits and rewards enjoyed by the loyal customers through your loyalty programme, in your opinion are there other factors that contrib-

ute to building customer loyalty?

Utility of loyalty programmes as a strategic tool

11. What type of marketing activities does your hotel engage in?
12. Is your loyalty programme run as part of your marketing initiative or is run as a separate entity?
13. Do you feel it is necessary to have both or would one be sufficient?
14. Does a growth in market share indicate successful marketing for your hotel?
15. Is there an overlap between the objectives of your marketing activities and the customer loyalty programme that you are operating?
16. Is the information collected through the loyalty programme used in any of the marketing activities undertaken by your hotel?
17. Currently, most hotels have some sort of loyalty scheme that they are offering their client base; do you feel that you really have a competitive advantage because of your loyalty programme?

Utility of loyalty progrmmes in increasing hotel revenue

18. Do you think that attracting new business is more expensive then the costs involved in retaining your existing client base?
19. Who is responsible for oper-

ating the loyalty programme within your hotel? Are they also responsible for monitoring the costs?

20. Do you use the information gathered from the loyalty progrmmes can help in generating revenue?
21. Do the benefits from the loyalty programme outset the costs?
22. Do you feel that consumer loyalty enhances your profitability? If yes how?