

## **“LOYALTY THROUGH LOYALTY CARDS” – A STUDY ON THE FACTORS AFFECTING USAGE OF LOYALTY CARDS IN INDIAN FOOD AND GROCERY RETAILING**

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### **ABSTRACT**

The very intense competition in the retailing is provoking the retailers to follow the different CRM practices; out of them introducing loyalty programs is one of the remarkable phenomenons. Loyalty cards will be issued to the customers under this program and for every sale, reward points will be issued to the customers. Loyalty programs make the customers to connect with the retailers and aggravate for the repeat purchases. Being very competitive, basket size and the sales volume is very low it is highly important for the food and grocery retailers to make the customers to have repeat purchase and multiple visits of the stores. Loyalty card is the best tool for the food and grocery retailers to achieve their goals. So far, the research has been carried out on various CRM practices but there is no much focus on factors affecting usage of loyalty cards.

The researcher wants to explore the different factors affecting the usage of loyalty cards and wants to determine the factors influencing the growth of loyalty through loyalty cards. Basing on the theoretical background the constructs like convenience, rewards, customer satisfaction, commitment, billing process, shopping experience, perceived value, value for money, store employee's support and trust has been taken as the factors affecting of the loyalty among loyalty card holders. Factor analysis has been conducted and the latent factors have been tested with multiple regression analysis to find out the correlation with loyalty.

**KEY WORDS:** Loyalty program, loyalty cards, rewards, convenience, shopping experience, value for money, perceived value, convenience, trust.

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