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Dissertation Title

"A Comparative Analysis of Customer Loyalty Drivers: "Functional versus Emotional Mechanisms in an Independent UK Off-Licence Store (Guney Food & Wine) and a CO-OP Convenience Retail Chain."

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Master's Degrees by Examination and Dissertation

Declaration Form.

I, Ravikumar Pankajkumar Valand, declare that this dissertation has been composed by myself, that the work contained herein is entirely my own except where explicitly stated otherwise in the text, and that this work has not been submitted for any other degree or qualification, in whole or in part, except as specified.

Signature: ……Ravikumar Valand……

Date: ……02/02/2026……...

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Abstract

In this dissertation, the researchers assess the relative significance of functional and emotional motivators of customer loyalty in the UK convenience retail market by carrying out a comparative analysis of two companies, one independent convenience retailer, Guney Food and Wine, and one cooperative retail chain, CO-OP, in the same local context. The main objective of the study is to find out the major drivers of customer loyalty in each type of retail format as well as determine whether the strength and impact of the drivers vary significantly in the two environments.

This research takes on a positivist research philosophy and a deductive approach wherein the study assumes quantitative and cross-sectional survey design. The data of 200 customers were gathered with the help of the structured questionnaire that aimed to measure functional loyalty drivers (the price fairness, convenience, product availability, and promotional benefits), emotional loyalty drivers (the trust, interpersonal service quality, emotional connexion, and values alignment), and customer loyalty outcomes (repurchase intention, store preference, recommendation, and switching resistance). Data were analysed with the help of SPSS where descriptive statistics and reliability tests with independent-samples t-tests, correlation analysis and multiple regression analysis were used to test the hypotheses suggested.

The results prove that the functional and emotional loyalty drivers both significantly influence customer loyalty outcomes in convenience retailing in a positive way (statistically significant). The proportional impact of these drivers however varies across retail format. The drivers of emotional loyalty were identified as more significant in the independent retailer, and they indicate the significance of individualised service, trust and connexion with the community. Conversely, functional loyalty drivers had a greater impact in the cooperative chain with emphasis on the price competitiveness, convenience, and structured loyalty schemes. The research adds to the existing literature by filling the gap in the comparative convenience retail research as well as provides practical implications to retailers that aim at developing balanced loyalty strategies that incorporate both functional efficiency and emotional engagement.

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Glossary

Convenience Retailing

A retail format that is typified by the small size of stores, long opening hours, convenient locations and consumer low involvement, high frequency buying.

Customer Loyalty

The intention and behavior of a customer to continue to patronize a retailer and the positive attitudes that come with it include preference, trust and the desire to recommend.

Functional Loyalty Drivers

Logical and utilitarian determinants of customer loyalty such as fair price, convenience, availability of products and loyalty scheme or promotional benefits.

Emotional Loyalty Drivers

Relationship and psychological reasons that can make customers loyal, like trust, interpersonal service quality, emotional attachment, and consonance with personal or community values.

Independent Convenience Retailer.

A retail business that is locally owned and run normally depends on personalized service, customer relationship, and embeddedness to the community instead of economies of scale.

The Cooperative Retail Chain (CO-OP) is a retail store chain in the UK.

Cooperative Retail Chain (CO-OP) This is a UK retail store chain. A member-owned commercial business with ethical values, reinvestment in the community and democratic ownership.

Loyalty Outcomes

Measures of customer loyalty such as behavioral intentions in form of repurchase intention, store preference, recommendation intention, and resistance to switching.

Cross-Sectional Research Design.

A research design where the data is gathered at one point in time to test the relationship or differences between the variables or groups.

CHAPTER 1: INTRODUCTION

1.1 Background to Study

There is evidence which suggests that the convenience retail market sector in the UK is a much larger and resilient sector of the national retail economy that is important in addressing the day-to-day purchasing requirements of the consumers. The convenience stores are usually described by the availability of location, long hours of operation, and concentration on low-involvement, high frequency purchases. Over the past few years, the industry has been faced with an increased intensity of competition due to the increasing cost of operations, disruption of supply chains, and increased sensitivity of consumers to prices (Euromonitor International, 2023). This trend has also been compounded by the prevalence of loyalty pricing schemes and promotional differentiation schemes in the UK grocery and convenience retail market (Competition and Markets Authority, 2023).

These pressures have diverted the focus of managers regarding the aspect of transactional sales to the strategic value of retention of customers and long-term relationship building. Modern consumers are also more likely to judge convenience retailers by their convenience functions like price, location, and availability but also by their experiential and relational dimensions such as quality of service, trust, ethical behavior, and embeddedness to the place (Bitner, Booms and Mohr, 1994; Klaus and Maklan, 2013). This has made the customer loyalty in the realm of convenience retailing no longer be based entirely on proximity or habit, but also on emotional processes like familiarity, perceived value fit, and interpersonal relationships (Mintel, 2024). Repeat buying, price insensitivity and positive word of mouth are some of the ways through which customers remain loyal to the business which enhances competitive advantage in the highly localized markets (Dick and Basu, 1994; Oliver, 1999).

However, the process of developing loyalty in the context of convenience retailing is still complicated. The buying behavior of this industry is usually routine and contingent, i.e. repetitive patronage does not necessarily mean attitudinal loyalty (Grewal, Roggeveen and Nordfält, 2020). This is especially relevant when comparing the independent convenience retailers to bigger retail chains. The independent off-licence

shops, including Guney Food & Wine, often depend on the customized service, close interpersonal relationships, and strong community connections to be competitive in the face of the limited scale effects (Jones, Comfort and Hillier, 2021).

Conversely, chain stores generally compete based on economies of scale, standard assortments, longer opening hours, and formalized loyalty programs that are aimed at eliciting repeat purchasing behavior. In this respect, Co-operative Group (CO-OP) holds a unique niche of the UK convenience retail market. Being a member-owned cooperative, the CO-OP integrates the functional loyalty strategies (member rewards and pricing incentives) with the value-based emotional loyalty based on ethical values, social responsibility, and reinvestment into the community (Co-operatives UK, 2024).

Although this hybrid model implies the possibility of both functional and emotional loyalty coexisting, the comparative efficiency of these mechanisms to the ones used by independent retailers is yet to be empirically understudied. Based on this, this research paper will conduct a comparative study of customer loyalty drivers in an independent off-licence retailer, Guney Food & Wine, and a CO-OP convenience retail chain, which is in operation within the same locality.

1.2 Research Problem

The concept of customer loyalty has been widely discussed in the marketing and retail literature, and the research of the past has recorded that customer loyalty is crucial to profitability eventually, retention of customers, and sustainable competitive advantage. The basic concepts of Dick and Basu (1994) and Oliver (1999) conceptualise the concept of loyalty as a multidimensional phenomenon that involves both behavioural recurrence and attitudinal commitment. These models underline the fact that true loyalty goes beyond habitual buying and involves psychological attachment and emotional involvement. Nevertheless, even with this theoretical development, much of the empirical studies that have been conducted have concentrated on large supermarket chains or broad categories of retailers and have ignored the unique nature of the convenience retail industry.

In addition, there is often a tendency to study independent retailers and chain retailers separately, which does not allow making direct comparisons between different retail

forms operating in the same competitive and geographical arena. This is a major weakness, given that the independent retailers and the cooperative chains like the CO-OP are based on different value propositions and loyalty-creating systems. Most importantly, quantitative, comparative studies that could analyse the relative strength of functional loyalty drivers (price competitiveness, convenience, and loyalty programmes) and emotional loyalty drivers (trust, interpersonal relationships, and community attachment) between independent convenience retailers and cooperative retail chain in the UK are lacking (Lee, 2022). Lack of such evidence limits the levels of academic knowledge as well as managerial decision making. In the absence of understanding of the mechanisms of loyalty that have the most significant impact in particular retail situations, retailers might not be able to develop effective, context-specific retention strategies. The study fills this gap by offering quantitative comparative research on the customer loyalty drivers in two opposite convenience retail format that operated in the same local environment.

1.3 Research Aim and Objectives

Research Aim

The primary objective of this study is to make a comparative analysis of customer loyalty drivers by looking at both the functional and emotional processes that drive loyalty in an independent off-licence store United Kingdom (Guney Food & Wine) and a (CO OP) chain store.

Research Objectives

To determine the major functional and emotional determinants of customer loyalty at Guney Food & Wine. To find out the main functional and emotional aspects that affect customer loyalty in a chosen branch of CO OP convenience stores. To make a comparison of the relative strength of the functional and emotional loyalty drivers between the independent retailer and the CO OP chain on a quantitative basis. To produce evidence-based strategic suggestions on how to enhance the loyalty of customers in both retail formats.

1.4 Research Questions

To achieve the research, aim and objectives, the following research questions are addressed:

RQ1: What functional and emotional factors influence customer loyalty at Guney Food & Wine?

RQ2: What functional and emotional factors influence customer loyalty at a CO-OP convenience retail chain?

RQ3: Are there statistically significant differences in the relative importance of customer loyalty drivers between Guney Food & Wine and the CO-OP?

RQ4: What strategic recommendations can be derived from the findings to enhance customer retention for independent and chain convenience retailers?

These research questions offer a logical structure of the dissertation and underline the choice of variables, measurement tools, and methods of analysis. The questions will allow creating a theoretically based systematic comparison of the two retail formats by specifically differentiating between functional and emotional loyalty mechanisms.

1.5 Significance of the Study

Academically, this research can help fill the existing gap in the literature on customer loyalty because it issues an empirical gap that has been created in the context of under-researched UK convenience retailing. The study can be applied by employing a quantitative comparative research methodology as an extension of the current loyalty frameworks by analyzing the functional and emotional drivers in operation in the opposite retail format in the same local setting. As a manager, the results can provide useful information to independent retailers and cooperative chains alike.

In the case of independent retailers, the research has shown strategic value of personalized service, trust-building and community engagement. In the case of cooperative retailers like (CO-OP), the results give an idea of how to strike a balance between functional incentives and ethical positioning and value-engagement to enhance customer retention. In general, research facilitates evidence-based decision-making to enhance the sustainability and competitiveness of convenience retailers.

1.6 Theoretical Framework

This master thesis is guided by the existing theories of customer loyalty that differentiate between functional and emotional aspects of loyalty. The conceptualization of loyalty in the framework by Dick and Basu (1994) sees loyalty as an interaction between relative attitude and repeat patronage to distinguish between true and spurious loyalty based on convenience in the situation. This is especially applicable to convenience retailing whereby habitual purchasing behavior is common. The four-stage model of loyalty developed by Oliver (1999) further theories the concept of loyalty which goes through cognitive judgements to affective commitment and behavioral intention.

A combination of these theoretical perspectives forms the conceptual framework of the study by classifying the antecedents of loyalty into functional antecedents (which are price competitiveness, convenience, and product availability) and emotional antecedents (which are trust, interpersonal relationships, and community attachment). These constructions will inform the choice of the variables and will be used to inform the empirical analysis of customer loyalty in independent and cooperative convenience retail settings.

1.7 Structure of the Dissertation

In this dissertation, I have divided it into six chapters. Chapter One presents the research setting, problem statement, research aim and objectives, the research questions, significance, and theoretical framework. In Chapter Two, the literature review of customer loyalty is critically reviewed and specifically the functional and emotional drivers of loyalty in independent and chain convenience retailing settings. Chapter Three provides research methodology such as research philosophy, research design, data collection procedures and ethics. Chapter Four gives the results of the quantitative data analysis.

Chapter Five explains the findings about the existing literature and theoretical frameworks. Lastly, Chapter Six brings the study to an end by summarizing the main findings, presenting contributions to the theory and practice, limitations, and recommendations to further studies.

Figure 1 provides an overview of the structure of the dissertation, illustrating the progression from the research context and literature review through to the empirical analysis, discussion, and conclusion.

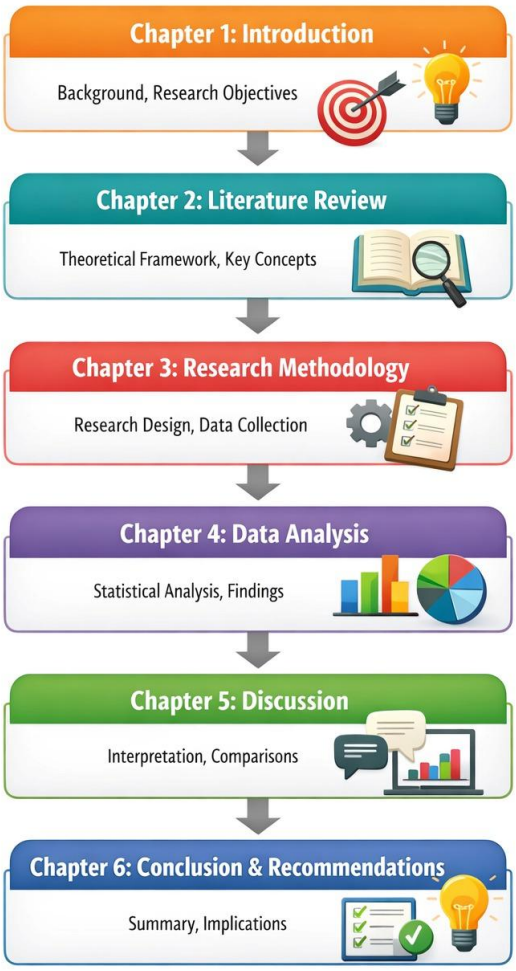

Figure 1: Structure of the Dissertation

Source: Author's own work

1.8 Contextual Scope and Research Focus

The research is set in the UK convenience retail context, particularly, an independent off-licence retailer and a cooperative convenience retail chain that are operating in their local geographical location. Such contextual emphasis is supported by the unique nature of convenience retailing such as low involvement purchasing behavior, high frequency of purchase, and high sensitivity to local competition. The study also helps to reduce the extraneous variables (i.e. demographic difference and intensity of rivalry)

by studying the retailers in the same locality and thus increases the validity of the comparative analysis.

The quantitative research design is adopted to identify the customer perceptions of functional and emotional loyalty drivers between the two retail formats. This method allows us to make statistically significant comparisons and makes it possible to describe the differences in the loyalty of drivers observed mainly to retail format and not the environmental factors. The specified scope will help to keep the study within the limits of an MBA dissertation and deliver findings which will be both scholarly and practically applicable.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

My reading let me believe that Customer loyalty has been one of the most significant factors in determining business success in the long term, especially in very competitive service and retail sectors. The customer retention ability is an extremely important source of sustainable competitive advantage in markets where product differentiation is low, price transparency is high, and switching costs are low (Reichheld and Sasser, 1990; Dick and Basu, 1994; Kumar and Shah, 2004). The loyal customers are not only a source of repeat revenue but also have a higher lifetime value, reduce the cost of servicing, are more price sensitive, and advocate behavior (Heskett et al., 1994; Reichheld, 2003).

As per my reading which let me believe that Loyalty in retailing has gained a significant role because of the basic shifts in consumer behavior and market structure. Competition has increased and old sources of advantage like location and scale have been undermined by the spread of omnichannel retailing, digital price comparison tools, and mobile commerce (Verhoef et al., 2017; Shankar et al., 2021). Additionally, as per the above discussion, with increased access to information and choice, retailers are finding themselves competing in more than just price and convenience, but also in relationship quality and experience to the customer. Nevertheless, the formation of loyalty is not like all retail formats. Convenience retailing is a unique industry that involves a high level of purchase frequency, low involvement decision-making, time constraint and proximity-driven selection of stores (Grewal, Roggeveen and Nordfält, 2020).

It has been widely acknowledged that convenience stores mostly cater to urgent, need-based shopping trips as opposed to the premeditated or experienced shopping trips. As a result, the consumer buying behavior in this industry is mostly automatic and contextual as opposed to being deliberate or emotionally charged. Furthermore, these attributes pose significant questions on what customer loyalty in convenience retailing is about. Customers on one hand can be seen patronizing a store repeatedly because it is close, stays open late, or always in stock, which means that there is some functional or situational loyalty. Conversely, frequency of interpersonal interaction,

customer centered service and embeddedness to community can lead to emotional attachment and relational commitment especially in independent retail settings.

This chapter is thus a critical review of theoretical backgrounds of customer loyalty and an analysis of functional and emotional processes by which loyalty is established. It defines the conceptualization of empirical research on the drivers of loyalty in independent and cooperative convenience retailing and gives the theoretical rationale of the proposed research hypotheses in the following chapter.

2.2 Conceptualizing Customer Loyalty

The construction of customer loyalty is among the most widely studied in marketing and consumer behavior as it is highly correlated with the performance of the firm, retention of customers, and profitability over the long term (Oliver, 1999; Chaudhuri and Holbrook, 2001; Kumar and Shah, 2004). The initial studies of loyalty were behavioral in nature and in which loyalty was operationalized as repeat purchasing behavior (Cunningham, 1956). In that sense, loyal customers are those who always make repeat purchases at the same retail store.

Nevertheless, academics have been keen to condemn purely behavioral outcomes of loyalty because they do not reflect the psychological mechanisms involved in customer commitment (Day, 1969; Dick and Basu, 1994). Repeating buying can be a manifestation of inertia, habit, non-preference or no choice. Consequently, behavioral loyalty can be too optimistic about the strength and stability of customer-brand relationships.

Author Day (1969) was one of the first researchers to differentiate between behavioral and attitudinal loyalty, stating that to be truly loyal, a person must repeat his or her behavior and experience positive psychological commitment (Day, 1969). Following this difference, Dick and Basu (1994) developed a conceptualization of loyalty based on the relationship between relative attitude and repeat patronage behavior (Dick and Basu, 1994). They have a four-state loyalty framework:

- **True loyalty** (high relative attitude, high repeat behavior)
- **Spurious loyalty** (low relative attitude, high repeat behavior)
- **Latent loyalty** (high relative attitude, low repeat behavior)

- **No loyalty** (low relative attitude, low repeat behavior)

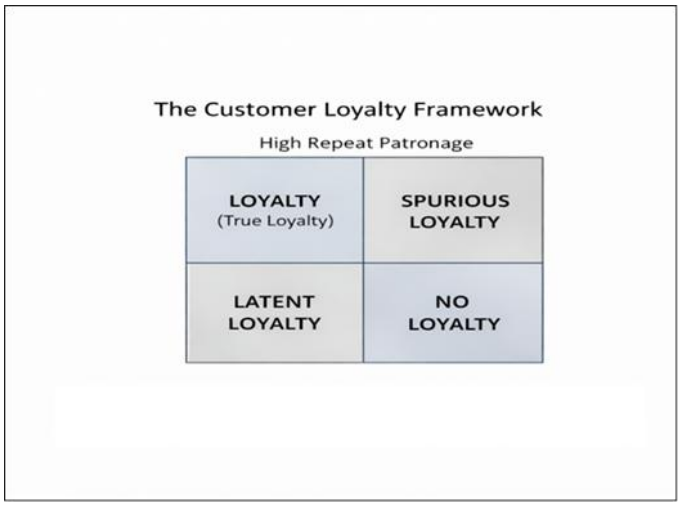

Figure 2: Customer Loyalty Framework

Source: adapted from Dick and Basu, 1994, p. 101

This framework emphasizes the fact that repeat purchasing is not a necessarily strong attitudinal commitment. Furthermore, Customers in most retail settings can be sporadically loyal, and it is the situational pressures of place, routine, or absence of an option. This difference is especially important in the case of convenience retailing where the proximity of the store and the urgency of the need tend to take precedence in the choice of the store.

Oliver (1999) also developed the theory of loyalty by theorizing a four-stage model of the development of loyalty namely cognitive, affective, conative, and action loyalty (Oliver, 1999). Existing studies suggest that Cognitive loyalty is founded on a rational consideration of the performance of a competition retailer. Affective loyalty is emotional commitment because of satisfaction and good experiences. In addition, Conative loyalty is a strong inclination and desire to repurchase and action loyalty is the conversion of such desire into regular action despite the situational hindrances.

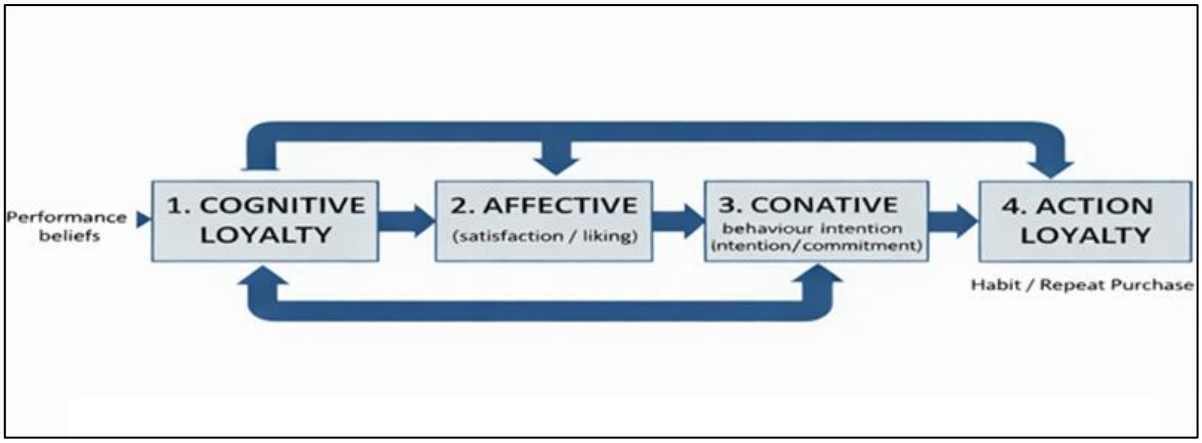

Figure 3: Oliver's Four-Stage Loyalty Model.

Source: adapted from Oliver, 1999, p. 36

The model by Oliver (1999) offers a more dynamic and process-based approach, and the author develops loyalty as a dynamic psychological relationship and not a fixed result (Oliver, 1999). The model has however been criticized on the assumption that it follows a linear development of the four stages which may not be the realities of the modern consumer behavior (Uncles et al., 2003), Customers can alternatively shift between loyalty phases depending on the situational factors, competitive behavior, and individual shifts.

Chaudhuri and Holbrook (2001) conceptualize loyalty further based on the results of brand trust, brand affect, and argue that loyalty is achieved when the consumers trust brand reliability and are emotionally connected to the brand (Chaudhuri and Holbrook, 2001). Trust is the confidence of consumers in a brand to provide its consistent quality whereas affect is the emotional attachment and like. This two-process system supports the significance of the functional and emotional loyalty mechanisms separation.

In the same manner, the commitment-trust theory by Morgan and Hunt (1994) focuses on the fact that trust and commitment are the key mediators of the success of relationship marketing (Morgan and Hunt, 1994). Customers will show long-time loyalty and will not be tempted by the competition when they trust a retailer and see the relationship as valuable. Collectively, these theoretical approaches imply that customer loyalty is a multidimensional concept that involves behavioral and attitudinal

aspects. True loyalty will not just be by patronizing it repeatedly, but also psychological commitment, trust, and emotional attachment.

2.3 Loyalty and Consumer Decision-Making

As per the prior data, the concepts of customer loyalty must be understood in the context of the literature on consumer decision-making. The classical economic theories presuppose that consumers act as rational decision-makers who aim to maximize utility relying on the price and product characteristics. Nonetheless, the behavioral studies have revealed that consumer decision-making is affected by cognitive and affective decision-making (Bagozzi, Gopinath and Nyer, 1999; Shiv and Fedorikhin, 1999).

According to Bagozzi et al. (1999), emotion is fundamental in consumer decision making as it affects evaluation, choice and subsequent post purchase behavior (Bagozzi, Gopinath and Nyer, 1999). In the same vein Shiv and Fedorikhin (1999) show that affective responses may dominate cognitive evaluations especially in low involvement situations (Shiv and Fedorikhin, 1999).

Consumer decision-making process in the retailing business is usually influenced by heuristics and habits and the situational cues as opposed to the conscious consideration of available options (Aarts, Verplanken and van Knippenberg, 1998). Habitual behavior is more common in low-involvement, high-frequency purchase situations like grocery and convenience retailing.

Uncles et al. (2003) make the point that a lot of retail loyalty has been observed because of inertia and not actual attitudinal commitment (Uncles, Dowling and Hammond, 2003). Customers will be fond of visiting the same store because it is a matter of convenience and habit and not because of relating to it emotionally. Moreover, this puts into question the idea that repeat buying must be a sign of high loyalty and emphasizes the need to differentiate between functional and emotional motivators.

Several scholars argue that Time pressure and urgency in convenience retailing also serve to decrease the motivation of consumers to make extensive decisions. Usually, customers want to reduce their effort and make the transactions as fast as possible

(Grewal et al., 2020). This has led to the fact that choices in store choices are usually determined by proximity, accessibility and speed and not brand preference or emotional attachment.

However, enduring service experiences and interpersonal relationships can equally have an impact on affective reactions in the long run. Although the selection of stores early in the shopping process might be motivated by some functional factors, positive experiences can gradually lead to some emotional attachment and trust, especially in small retail shops.

2.4 Functional Loyalty

Functional loyalty is loyalty that is motivated by a rational utility maximization and a perceived value (Zeithaml, 1988). In this sense, customers stay loyal to a retailer since they have been able to provide high functional benefits as compared to their competitors. These are usually benefits which consist of:

- Competitive pricing
- Convenience and accessibility
- Product availability
- Speed and efficiency of service
- Promotional incentives and rewards

According to Zeithaml (1988), perceived value is the overall evaluation of the utility of a product or service by the consumer basing on the perceptions on what is received and what is given (Zeithaml, 1988). Price, quality, convenience, and service performance are some of the factors that affect the perceived value in the retailing activity.

According to Zeithaml, Berry and Parasuraman (1996), perceived quality and value of service have a direct impact on behavioral loyalty intentions such as repurchase intentions and recommendation intentions (Zeithaml, Berry and Parasuraman, 1996). On the same note, Bolton et al. (2000) show that membership in loyalty program enhances the perceived value and retention of customers (Bolton et al. 2000).

Functional loyalty mechanisms are extensively applied in the context of grocery and convenience retailing as loyalty programmes, personalized promotions, and price incentives (Meyer-Waarden, 2008; Dorotic, Bijmolt and Verhoef, 2012). Such processes are intended to make switching more expensive and promote repeat buying through financial incentives and specialized offers. Nevertheless, it has been widely acknowledged that the success of the loyalty programmes is debatable.

According to Reinartz and Kumar (2002), most of the loyalty programmes do not create long-term profitability due to the rewards of customers who would have purchased anyway (Reinartz and Kumar, 2002). Moreover, the loyalty programmes can entice the deal-prone customers that are very responsive to the promotions and have low commitment to genuine commitment.

Kumar and Shah (2004) also claim that all loyal customers are not profitable (Kumar and Shah 2004). Others can be loyal customers with very high price sensitivity, hence low margins. This implies that functional loyalty mechanisms can arouse repeat behavior without necessarily generating valuable long-term relationships. Loyalty pricing has also been questioned because of regulatory scrutiny as to its ethical implications. According to Competition and Markets Authority (2023), certain loyalty schemes cause artificial price discrimination which can be deceiving and lack of trust (Competition and Markets Authority, 2023).

This implies that functional loyalty systems can bring about behavioral compliance at the relational trust cost. Also, functional loyalty is weak in principle. Retailing has low switching costs, competitors can easily imitate prices promotions and reward programmes (Reinartz and Kumar, 2002). Consequently, functional loyalty tends to create short term behavioral loyalty as opposed to commitment.

2.5 Emotional Loyalty

Emotional loyalty is more of a psychological attachment of trust, satisfaction, commitment and identification (Morgan and Hunt, 1994; Fournier, 1998). Relational interaction, service experiences and mutual values create emotional loyalty.

Fournier (1998) conceptualizes brands as relationship partners where consumers develop emotional attachment towards a brand just like they do to other people

(Fournier, 1998). Intimacy, commitment and emotional attachment are some of the ways these relations can be described. These relationships boost the strength of loyalty and counteroffers.

The commitment trust theory by Morgan and Hunt (1994) holds that success in relationship marketing lies in the formation of trust and commitment (Morgan and Hunt, 1994). Trust is expressed when one is confident that his or her partner is reliable and upright and commitment is expressed when one wants to sustain a relationship that is esteemed. If the customers trust the retailer and are committed to the relationship, they will tend to demonstrate long term loyalty.

The service-profit chain model advanced by Heskett et al. (1994) also highlights the importance of emotional involvement in the financial performance impetus (Heskett et al., 1994). The model is connected to internal service quality, employee satisfaction, customer satisfaction, customer loyalty, and profitability, with the emotionally engaged customers playing the key role.

Park, MacInnis and Priester (2006) believe that loyalty is enhanced through emotional attachment since it generates a sense of self-brand connexon (Parl et al., 2006). Brand/retailer identification customers form a part of their self-concept and defection is, therefore, psychologically expensive.

Mattila (2006) shows that affective commitment increases the tolerance to service failure as well as the intentions to repurchase (Mattila, 2006). Moreover, emotionally loyal customers are less sensitive to the lapses in service on an occasional basis and less open to breaking the relationship in the long term.

Nevertheless, it is debatable whether emotional loyalty can be developed in low-involvement retail situations. Uncles et al. (2003) state that a lot of retail loyalty is motivated by habit and not affective commitment (Uncles, Dowling and Hammond, 2003). The relationships in convenience retailing may be limited by the lack of time to develop them because of short transaction time and limited opportunities to interact.

However, repeated interpersonal relations, personalized service, and embeddedness in community can potentially cause the degree of emotional attachment, especially in the independent retail setting.

2.6 Loyalty Drivers in Independent Convenience Retailers

As per the prior research, The UK retail market has a unique status of independent convenience retailers. In addition, They are generally described as small scale of operation, locally owned and tightly knit neighborhood communities. The independent retailers are usually deprived of economies of scale, centralized procurement systems, and advanced logistics networks, unlike the national retail chains. Consequently, they become less competitive in terms of price leadership and the intensity of promotions and have to use relational, experiential, and community-based differentiation strategies (Jones, Comfort and Hillier, 2021; Wrigley and Lambiri, 2015).

Existing studies suggest that Personalized service has been recognized as one of the most recognized loyalty drivers in independent retailing. Bitner, Booms and Mohr (1994) reveal that the encounters in service are significant in determining customer satisfaction and long-term loyalty (Bitner et al., 1994). Repeated interpersonal contacts in small retail environments make familiarization, trust and emotional attachment possible. Customers appreciate getting recognized, personally greeted, and being given a product recommendation. These relational interactions help in a feeling of being valued and this enhances emotional loyalty.

According to Jones et al. (2021), independent retailers are dependent on competitive advantage grounded on relationships (Jones et al., 2021). Their study indicates that interpersonal relationship between retailers and customers leads to reciprocity, trust and commitment that subsequently enhance customer retention. It has been widely acknowledged that independent retailers in most instances build informal social connexions with their customers thus blurring the line between trade and social interaction. Furthermore, this relationship aspect makes the difference between independent retailers and the impersonal chain format and improves customer loyalty.

Additionally, Store atmosphere is also a significant factor that determines customer perceptions and emotional reactions. As pointed out by Fox and Luff (2019), ambience, layout, and social interaction are part of the development of a friendly and familiar atmosphere (Fox and Luff, 2019). The shopping experience of independent convenience stores can be a lot more relaxed and authentic than the standardized chain outlets, which may appear to be more transactional and impersonal.

According to prior research, another dimension of vitality in regard to loyalty in independent retailing is community embeddedness. In addition, independent convenience stores tend to be well embedded into local neighborhoods and have a more extensive social role than their commercial purpose. They can contribute to the community by sponsoring local events, supporting local community projects and hiring local people. Wrigley and Lambiri (2015) state that this embeddedness promotes social capital and enhances community identity, which supports the emotional connexon between the retailers and the customers (Wrigley and Lambiri, 2015).

Prior research suggests that, Nonetheless, these relationship benefits are accompanied by significant structural and economic difficulties of independent retailers. The increasing operational expenses, which include rent, power and labor have continued to put more pressure on the profit margins. Their possibility to provide a competitive price is also restricted by supply chain disruptions and low bargaining power with wholesalers (Euromonitor International, 2023).

According to Mintel (2024), the inflation and cost-of-living pressure have led to consumers in the UK becoming highly price-sensitive (Mintel, 2024). Consequently, the issue of functional value might be used to override the effect of emotional attachment in deciding about the choice of store by consumers. This has posed a strategic dilemma on independent retailers, where the relational and community-based approach can create emotional loyalty, but financial limitations might restrict their capabilities to compete on functional aspects like pricing, promotions and product assortment.

Moreover, this strain brings into the limelight a basic weakness of emotional loyalty in independent retailing. Although customers might like personalized service and community involvement, they might still switch to other competitors with lower prices, more assortments, or convenient services. As a result, the independent retailers must strike a balance between the relational strategies and the attempts to fulfil the functional expectations of the customers.

2.7 Loyalty Drivers in Convenience Retail Chains

As per my research, big box convenience store chains have a totally different business model compared to small retail stores. In addition, they have the advantage of economies of scale, centralized procurement, advanced logistics and customer analytics based on data. These functions allow chain retailers to provide a high-quality service, competitive prices, and assorted products in several locations (Wrigley and Lambiri, 2015; Grewal et al., 2020).

According to the prior data, the chain retailers have always been fond of functional loyalty mechanisms to trigger repeat patronage. They are extended opening hours, uniform store layouts, dependable stocking of products, price promotion and formalized loyalty programmes (Bolton et al., 2000; Meyer-Waarden, 2008).

Moreover, one of the most popular functional loyalty tools applied in retailing is that of loyalty programmes. Dorotic, et al. (2012) give a thorough review of the research on loyalty programmes and are of the opinion that loyalty schemes can result in increased purchase frequency, share of wallet and retention (Dorotic, Bijmolt and Verhoef, 2012). Such programmes, however, are only effective based on the perceived value, usability and attractiveness of the rewards.

Bolton et al. (2000) show that customer retention can be increased through the membership of the loyalty program through the perceived value and relationship benefits (Bolton, Kannan, and Bramlett 2000). Similar results are obtained by Meyer-Waarden (2008) who conclude that the members of the loyalty programme show more frequent purchase and more expenditure than non-members (Meyer-Waarden ,2008).

Nevertheless, the use of loyalty programmes has also been criticized in the sense that it promotes deal-prone behavior as opposed to commitment (Reinartz and Kumar, 2002; Uncles et al., 2003). As per the prior data, Clients can be loyal only up to the point when the rewards are appealing and can change in case other competitor companies present them in a better way. Moreover, the UK groceries market faces regulatory criticism over the issue of loyalty pricing. The Competition and Markets Authority (2023) states that certain loyalty pricing programmes cause artificial price distinction between the members and the non-members, which may be misleading and can lead to the loss of trust (Authority, 2023). This regulatory environment

underscores the ethical and reputational dangers of the only transactional loyalty approach.

To cope with such challenges, there are chain retailers that have tried to incorporate emotional and experiential factors in their loyalty strategies. Customer experience has become a key strategic focus, and retailers invest in shop design, online interaction, and customer-related communications (Verhoef et al., 2009; Lemon and Verhoef, 2016).

As per my reading, the very standardized and efficiency-focused aspect of chain retailing, however, might limit the possibility of building deep emotional attachment. Customers might value reliability and uniformity, but they might see chain retailers as cold and impersonal and have fewer chances to establish a relationship.

2.8 The CO-OP as a Hybrid Cooperative Retail Model

The Co-operative Group (CO-OP) has a unique role in the UK convenience retailing industry. Moreover, The CO-OP is a business based on a model of a member owned cooperative, that is, a business model based on social and community interests, as well as commercial interests. The cooperative model is founded on the principles of democratic ownership, social responsibility, and reinvestment into the community (Co-operatives UK, 2024).

In contrast to investor-owned corporations, cooperatives are owned by their members, who own their share of the profits and are involved in the running of the organization. This form of ownership can generate a feeling of involvement and group identity between customers and enhance relational relationships and emotional attachment (Birchall, 2011).

According to prior research, The CO-OP membership program enables customers to join, and the membership gives them rewards depending on their expenditure, as well as donating to the community projects. This model merges functional incentives, ethical and social value propositions building a hybrid loyalty strategy.

Co-operatives UK (2024) claims that cooperative businesses not only create value to their members, but also to local communities by reinvesting and impacting social lives

(Co-operatives UK, 2024). CO-OP has been able to position itself as a socially responsible retailer and has been focusing on ethical sourcing, environmental sustainability, and fair trade.

As per the prior data, it has been argued that customer loyalty may be affected by ethical positioning. Iglesias et al. (2020) discover that the impressions of corporate social responsibility positively affect brand trust and loyalty (Iglesias et al., 2020). On the same note, Marin, Ruiz and Rubio (2009) propose that socially responsible behavior strengthens corporate reputation and identification by customers (Marin, Ruiz and Rubio, 2009).

The degree to which ethical positioning is transferred into the actual purchasing behavior is however disputed. According to Carrigan and Attalla (2001), the idea of ethical consumer is exaggerated and most of the consumers consider price and convenience rather than ethical issues (Carrigan and Attalla, 2001). Likewise, it is also discovered by Bray, Johns and Kilburn (2011) that ethical intentions are not necessarily translated into ethical purchasing behavior because of situational limitations (Bray, Johns and Kilburn, 2011).

Therefore, this implies that although the cooperative model used by the CO-OP can reinforce the emotional loyalty of socially aware consumers, the functional value of the stores in the choice decision is the key factor. Within a very competitive and price conscious retailing environment, the CO-OP would be forced to strike a balance between its ethical obligation and the ability to provide competitive rates and convenience.

2.9 Comparative Empirical Studies on Retail Loyalty

The prior market data which suggest, Despite the extensive marketing and retail research on customer loyalty, the bulk of the current body of work covers large supermarket chains or general categories of retail outlets. The literature that investigates the concept of convenience retailing is more likely to focus on independent and chain retailers individually, which restricts the possibility of drawing direct comparisons between opposing retail formats (Lee, 2022).

As Lee (2022) points out, there are limited comparative studies of drivers of loyalty between independent and chain retailers within the UK, especially when focusing on the convenience retail sector (Lee, 2022). The current literature mainly deals with supermarkets, fashion retail, or hospitality where shopping behavior is more planned and where the level of involvement is more.

Besides, most loyalty studies have been qualitative or case-study, which are informative regarding customer experiences and perceptions but do not have statistical generalizability (Pantano et al., 2020). Although qualitative research can be useful in the investigation of a complex social phenomenon, it cannot be used to make a strong quantitative comparison of the loyalty drivers of various retail types.

It is remarkable that quantitative comparative studies investigating the drivers of functional and emotional loyalty in independent and cooperative convenience retailers that operate in the same geographical setting are lacking. This is a major weakness since convenience shopping behavior is highly affected by local demographic variables, the level of competition, and accessibility (Grewal et al., 2020).

As per my reading, it is hard to control the location factor and isolate the retail format effect on the loyalty formation. Moreover, the shopping behavior of customers can also be affected by the income level, time constraints and consumption patterns that customers in the various neighborhoods have, which in turn could affect their loyalty behaviors. The current study aims to minimize these extraneous variables by targeting retailers that take place in the same local setting and increase the validity of the comparative analysis.

2.10 Research Gap and Conceptual Framework Justification

The reviewed literature in this chapter supports the fact that customer loyalty is a multidimensional construct that is determined by the mechanisms of both functionality and emotion. Rational considerations of price, convenience, and value influencing functional loyalty and trust, interpersonal relations and common values are influencing emotional loyalty.

Independent convenience retailers are more dependent on relational and community-based loyalty strategies whereas chain retailers focus on functional loyalty

mechanisms which are backed by economies of scale and loyalty programmes. The CO-OP is a model, which combines ethical positioning and community reinvestment into the functional incentives.

Nevertheless, there is a gap in literature. The literature gap is the absence of quantitative comparative studies to investigate the relative power of functional and emotional loyalty drivers of independent and cooperative convenience retailers in the same local environment.

This omission is of significance especially considering the strategic significance of convenience retailing in the UK. Demand in services related to convenience retail is likely to keep rising as the trend of urbanization expands and the lifestyles of consumers become more time-constrained (Euromonitor International, 2023). The study of the formation and maintenance of loyalty in this industry is hence gaining scholarly and managerial importance.

This gap is filled by the current research as it involves comparative quantitative evaluation of drivers of customer loyalty in a Guney Food Wine and a CO-OP convenience store that are in the same locality. The theoretical approaches embraced in the study are Dick and Basu (1994) and Oliver (1999) and divides loyalty antecedents into functional drivers (price competitiveness, convenience, product availability, loyalty programmes) and emotional drivers (trust, interpersonal relationships, community attachment) (Dick and Basu 1994; Oliver, 1999).

The conceptual framework is used to formulate research hypotheses and to structure the empirical investigation introduced in the next chapter.

2.11 Chapter Summary

This chapter has critically evaluated the scholarly and commercial literature on customer loyalty and discussed the functional and emotional motivation of customer loyalty in convenience retailing. It has reviewed the theoretical basis of loyalty studies, discussed the loyalty mechanisms in independent and chain retailing format and discussed the unique cooperative model of the CO-OP.

This chapter has also established a huge empirical literature gap in the literature on comparative analysis of drivers of loyalty among independent and cooperative convenience retailers working in the same local environment. This was a gap that gives good theoretical justification to the current study.

The following chapter describes the research methodology that will be used to empirically study such relationships.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

The chapter aims at explaining the methodology to be used in order to explore functional and emotional motivation of customer loyalty in convenience retailing is outlined in this chapter and justifiably criticized. It is a direct extension of Chapter Two which has concluded that loyalty is multidimensional and can be driven by both functional drivers (e.g., price/value, convenience, product availability, promotions) as well as emotional drivers (e.g., trust, interpersonal service encounters, attachment and community/ethical alignment). The aim of the current study according to this framework is to compare customer loyalty drivers between a standalone convenience retailer (Guney Food and Wine) and a cooperative convenience chain retailer (CO-OP) that is operating in the same local environment.

It also describes further research philosophy, research approach, research design and strategy, sampling, questionnaire development, measurement operationalization, data collection procedures and intended statistical analysis. It also measures the quality of the research (reliability and validity), addresses ethical issues, and mentions methodological shortcomings. The chapter is organized based on the research onion model to provide the logical consistency between the research aim, research questions and methods selected (Saunders, Lewis and Thornhill, 2019).

3.2 Research Onion and Methodological Coherence

The research onion offered by Saunders a systematic method of connecting philosophical suppositions to actual research practices (Saunders et al., 2019). The research objective, to be used in this dissertation, will entail the measurement of loyalty drivers, statistical comparison of two retail settings, and the testing of construct relationships. The requirements will aid a quantitative, survey-based approach and inferential statistical analysis (Malhotra, 2019; Hair et al., 2019).

While customer loyalty is often conceptualized as a subjective and relational phenomenon (Fournier, 1998; Morgan and Hunt, 1994). This research adopts a

quantitative approach that integrates interpretive insight with the systematic comparison and empirical testing of established loyalty theory. The quantitative design thus offers methodological consistency to the research objectives but ensures theoretical consistency with the loyalty framework that is developed in Chapter Two.

Methodological coherence is an important indicator of academic quality in business and management research studies as it shows that the research design was not constructed in a haphazard manner (Saunders et al., 2019). In this research, there is a match between the research objective, questions, and research methods and thereby the data obtained can be able to answer the comparative objectives of the dissertation.

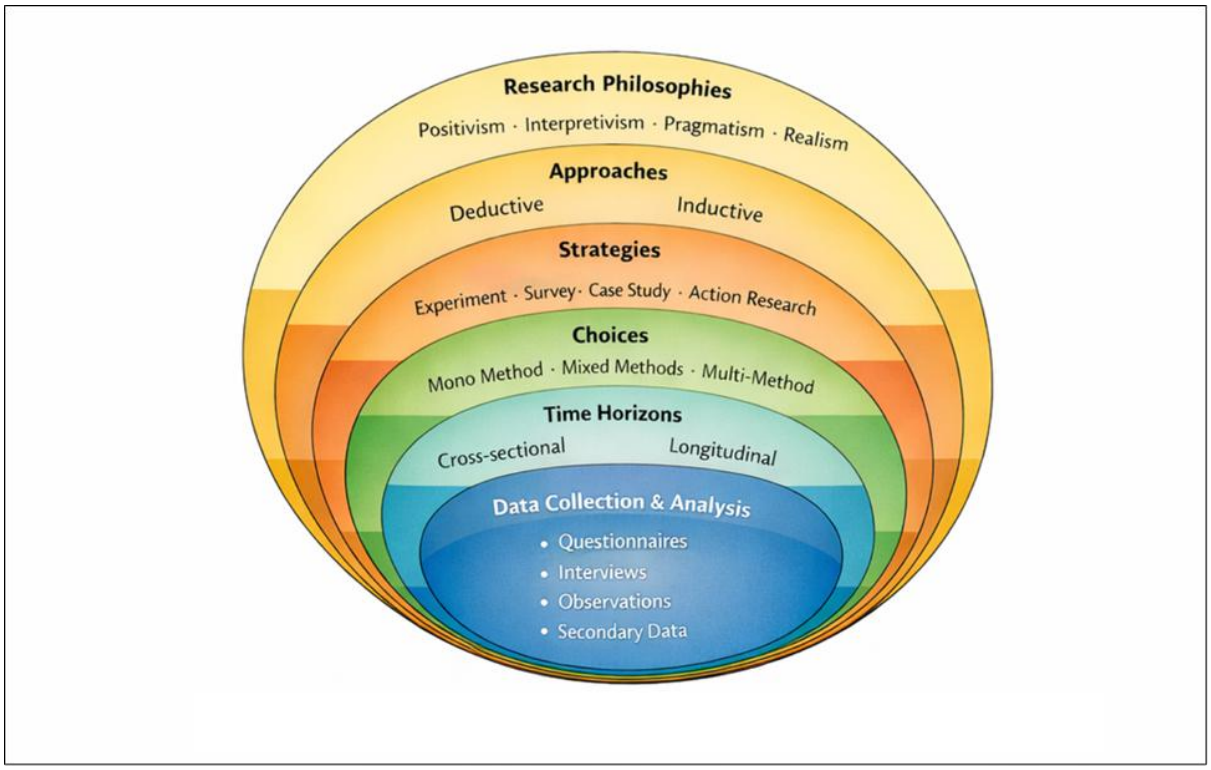

Figure 4: The Research Onion.

Source: adapted from Saunders, Lewis and Thornhill (2019, p. 130)

The functional-emotional loyalty model formulated in Chapter Two involves measurement of latent psychological constructs, which are best measured with the help of the standardized survey instruments. This is why quantitative research design should be used and why the inferential statistical analysis methods like correlation analysis and regression analysis should be implemented (Malhotra, 2019; Hair et al.,

2019). The study incorporation of methodological design into a standard research design makes it stronger analytically and academically.

3.3 Research Philosophy

The philosophical orientation that is used in this research is positive. Positivism presupposes that social phenomena can be quantified by objective methods with the help of structured tools and statistical methods (Bryman, 2016). This view is prevalent in the field of business and management research whereby the goal is theory testing and statistical generalization (Sekaran and Bougie, 2016). This research method will be suitable, as the constructs of interest in this research functional loyalty, emotional loyalty and loyalty outcomes can be operationalized into measurable variables and then be analyzed quantitatively.

Although emotional loyalty is associated with subjective attachment and trust (Fournier, 1998), they are evaluated by validated multi-item scales, which enhances construct representation and analysis strength (DeVellis, 2016). This comparative loyalty study therefore is best supported by the positive stance.

3.4 Research approach

The approach used in this dissertation is deductive. Deduction is the method where the existing theory is used to derive expectations, which are then tested using the empirical data (Saunders et al., 2019). The method is suitable as Chapter Two laid a theoretical basis on loyalty and contended that both functional and emotional drivers must affect the result of loyalty (e.g., repurchase intention and recommendation). The deductive approach advocates systematic hypothesis testing and is consonant with the comparative objective.

A pure inductive approach may lead to the creation of new theory due to an exploratory qualitative study, but the present dissertation is aimed at testing and comparing theoretically based drivers within a particular convenience retail scenario (Creswell and Creswell, 2018). Thus, deduction would be more appropriate in generating a research design that is easy to examine.

3.5 Research Hypotheses

As suggested by various authors such as Saunders and Thornhill (2019) the method applied to conduct the research is deductive, positivist, which assists in formulating and testing hypotheses relying on the theory at hand (Saunders, Lewis and Thornhill, 2019). As per the functional-emotional loyalty model, which was developed in Chapter Two, the research hypothesis identified is that customer loyalty performance is contingent on the presence of functional and emotional motivation and the relative strength of such motivation is different in independent and cooperative convenience retailing model.

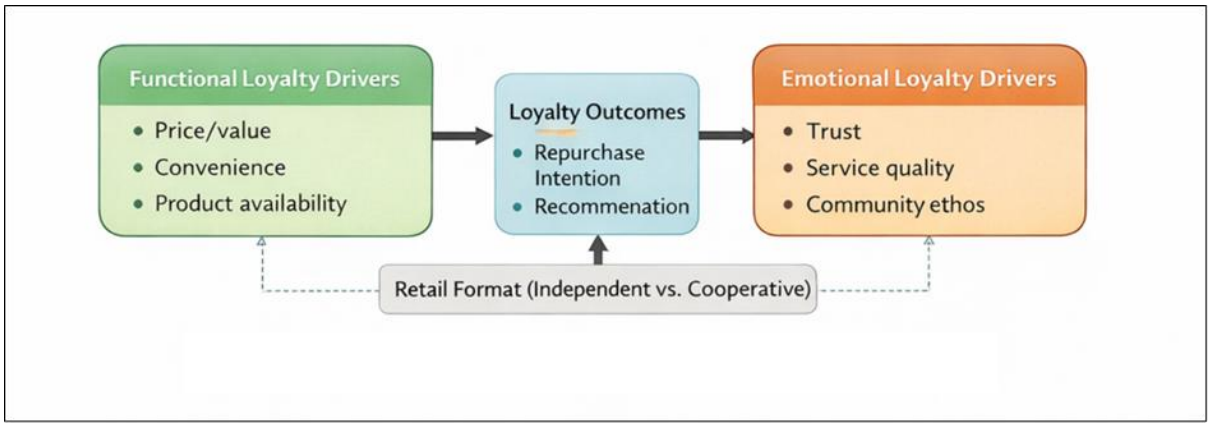

Figure 5: Conceptual Framework of Functional and Emotional Loyalty Drivers.

Source: Author's own illustration

Oliver and Zeithaml suggest that the operationalization of the customer loyalty results in this study is through behavioral intentions, including repurchase intention, recommendation intention and resistance to switching as popular valid proxies of customer loyalty in marketing research (Oliver, 1999; Zeithaml, Berry and Parasuraman, 1996).

Functional Loyalty Drivers and Loyalty Outcomes

The theorized drivers of functional loyalty include perceived value, convenience, product availability, and benefits of loyalty scheme, which are expected to affect customer loyalty by lowering transaction costs and augmenting perceived utility (Zeithaml, 1988; Dick and Basu, 1994). As the study discussed regarding functional loyalty suggests, functional benefits are especially salient in the case of convenience retail, where people shop regularly and time is limited.

H1: There is a positive and significant impact of functional loyalty drivers on the customer loyalty results in convenience retailing.

Emotional Loyalty Drivers and Loyalty Outcomes

Theorized to determine the effect on loyalty are emotional loyalty drivers such as trust and quality of interpersonal service encounters, personal recognition, and ethical or community alignment (Morgan and Hunt, 1994; Fournier, 1998; Oliver, 1999). These drivers are also said to be particularly powerful in small format or relationship-based retail environments.

H2: Emotional loyalty drivers have a positive and significant effect on customer loyalty outcomes in convenience retailing.

Comparative Differences Between Retail Formats

Several scholars argue that independent convenience retailers and the cooperative chain retailers have differences in value propositions, organizational structures and their customer engagement strategies. Moreover, Independent retailers are personalized in nature and relate closely whereas cooperative chains like CO-OP integrate functional rewards with ethical and community-based positioning. Last but not the least, Such structural variations imply that the functional and emotional drivers may have a different impact in different retail formats.

H3: Perceptions of functional loyalty drivers between the customers of the independent convenience retailer and the cooperative chain retailer are significantly different.

H4: Perceived emotional loyalty drivers differ between the customers of the independent convenience retailer and the cooperative chain retailer significantly.

Relative Predictive Strength of Loyalty Drivers

In addition to the mean differences, the study will also test the hypothesis that functional and emotional drivers have different predictive powers in retail format. This comparative study gives more insightful information on how loyalty is created in various convenience retail situations.

H5: The relative predictive strength of functional and emotional loyalty drivers on customer loyalty outcomes differs between the independent convenience retailer and the cooperative chain retailer.

Presenting the hypotheses and their theoretical justification in tabular form enhances transparency and enables readers to clearly trace how the empirical tests derive from established theory.

Table 1: Summary of Research Hypotheses.

Summary of Research Hypotheses		
Hypothesis		**Description**
H1	Functional loyalty drivers positively affect loyalty	positively affect loyalty outcomes
H2	Emotional loyalty drivers positively affect loyalty	positively affect outcomes
H3	Functional loyalty perceptions differ between store types	differ between store types
H4	Emotional loyalty perceptions differ between stores	differ between store types

Source: Author's own work

Table 1 summarizes the hypotheses developed from the conceptual framework and literature review.

Table 2: Summary of Theoretical Support for Research Hypotheses.

Summary of Research Hypotheses	
Hypothesis	**Source**
Perceived value	Zeithaml (1988)
Trust	Morgan and Hunt (1994)
Emotional loyalty	Oliver (1999)
Loyalty outcomes	Zeithaml, Berry and Parasuraman (1996)

Source: Author's own work

Table 2 outlines the theoretical sources underpinning each construction used in the study.

3.6 Methodological choice

The dissertation is quantitative in terms of mono-method survey design. Loyalty research is a field where quantitative methods are very popular since they enable measurement of the attitudes, perception and behavioral intentions across huge samples reliably (Dick and Basu, 1994; Oliver, 1999; Uncles et al., 2003). There is also group comparison and statistical modelling supported by surveys (Malhotra, 2019).

Whereas mixed methods may be required to offer more insight into the individual meanings, such designs demand more time and complexity in analysis. Since the proposed study aims at comparative and theory-testing goals, the chosen methodological approach is a quantitative mono-method design, which is both adequate and justifiable (Saunders et al., 2019).

3.7 Research design and time horizon

3.7.1 Cross-sectional comparative design

The research design is cross-sectional, and the data was collected at a single time period. It is suitable in cases where a researcher wants to gauge existing perceptions and contrast groups with each other in a realistic dissertation time limit (Bryman, 2016). The design is also comparative as it directly compares two types of retail (independent vs cooperative chain). The fact that the stores were chosen within the same locality assists in eliminating confounding factors due to geographical location and local demographics, which enhances the validity of the comparison.

3.7.2 Weaknesses of cross-sectional designs.

Causality cannot be established with a lot of certainty in cross-sectional research. To take some examples, trust can result in loyalty, and loyal customers can also report trust increase because of previous experiences (Bryman, 2016). This dissertation thus considers results as evidence of association and prediction and not causality. A longitudinal study might offer superior causal inference but is out of the scope of time and resources of this project (Saunders et al., 2019).

3.8 Research strategy

Primary data is collected using a survey strategy where data is collected immediately after the visit to a store by the customer. Attitude, perception and behavioral intentions like repurchase intention and word-of-mouth can be studied using survey strategies (Malhotra, 2019). The questionnaire design facilitates reliability and statistical tests t-tests and regression.

3.9 Population, sampling and access

3.9.1 Target population

The target market is composed of adult customers who shop in Guney Food & Wine and the chosen CO-OP store. The individual customer is the unit of analysis. The appropriate respondents are the customers since the constructions under

measurement (perceived value, trust, loyalty intention) are at the customer level, as opposed to organizational level.

3.9.2 Sampling technique

The sampling technique applied in the study is non-probability convenience sampling, as customers are approached post purchase. In retail, convenience sampling is often employed when it is not possible to achieve a complete sampling frame (Saunders et al., 2019). This will enable viable data gathering under the limitations of an MBA dissertation.

3.9.3 Critical analysis and mitigation.

The convenience sampling method minimizes generalizability and introduces self-selection bias given that the customers who are ready to participate might be different than those who refuse (Bryman, 2016). To minimize this bias, the researcher must record data at different times (morning/afternoon/evening) and days of the week (weekdays/weekends) to have a variation in the type of customers (Dillman, Smyth and Christian, 2014). Conclusions in the dissertation will be well placed by making it clear that they are locally based but not nationally generalizable.

Besides the timing-related mitigation measures, the external validity is enhanced with the help of the two stores functioning in the local retail environment. This minimizes contextual variation based on neighborhood features, access to transport and local competition which otherwise pervert comparative retail research results (Bryman, 2016).

Although the results cannot be extrapolated to the whole UK convenience retail industry, the results are analytically useful in determining the functionality and emotional loyalty drivers that work within a local controlled environment. This kind of context-driven analysis is common in small-scale business research, especially where a theory is to be tested instead of generalization at the national level (Saunders et al., 2019). The research thus offers useful empirical support and yet, it has been methodologically clear on the scope and limitations.

3.9.4 Sample size justification

This is reasonable on a target of about 200 valid responses (around 100 per store) to perform an MBA-level comparative study, which will be tolerant to reliability testing and

simple inferential analysis (Hair et al., 2019). In case a larger sample (e.g. 150-200) is obtained, the statistical power is better, but the target is still justifiable due to the limitations of access to the field. The complexity of the models is also controlled in the study, as the predictors are reduced to the most important functional and emotional constructs, which contributes to the possibility of regression in small samples (Hair et al., 2019).

3.9.5 Fieldwork Considerations

The fieldwork of retailing has practical limitations concerning time pressure, customer access and availability (Dillman et al., 2014). The convenience shoppers are usually short and task-related visitors, and this restricts the length of questionnaires. This is why the instrument should take no more than five to seven minutes to complete and achieve the highest response rates and the quality of data (Malhotra, 2019). Social desirability and interviewer bias can be minimized by anonymity and a neutral researcher (Bryman, 2016).

3.10 Questionnaire design and measurement development

3.10.1 Instrument structure

The questionnaire will be designed into four parts:

Shopping behavior and demographics (ex: age group, gender, shopping frequency, store preference)

Functional drivers of loyalty (perceived value/price fairness, convenience/proximity, availability, promotions/value of loyalty scheme)

Drivers of emotional loyalty (trust, service experiences, friendliness of staff/personal recognition, ethical/community fit)

The results of loyalty (repurchase intention, recommendation intention, switching resistance)

Attitudinal items are measured on a five-point Likert scale (strongly disagree to strongly agree) as it is generally considered suitable to measure perceptions and intentions and is quantifiable (Malhotra, 2019).

3.10.2 Chapter Two constructs operationalized.

In order to keep in line with Chapter Two, constructions are operationalized based on the accepted theoretical logic:

Functional loyalty is grounded in perceived value and service utility (Zeithaml, 1988; Zeithaml, Berry and Parasuraman, 1996).

Emotional loyalty is grounded in trust and relationship commitment (Morgan and Hunt, 1994; Chaudhuri and Holbrook, 2001) and relational loyalty formation (Oliver, 1999).

Loyalty outcomes are measured through behavioral intentions such as repurchase and recommendation (Zeithaml et al., 1996; Oliver, 1999).

Multi-item scales are more reliable measurement scales that minimize random error relative to single-item measures (DeVellis, 2016).

3.10.3 Pilot testing

To determine the clarity, timing, ambiguity of the question and consistency of response, a pilot test with 8-12 participants is (Dillman, Smyth and Christian, 2014; Saunders, Lewis and Thornhill, 2019). The pilot testing is significant to minimize the error of measurement and enhance the content validity. In case of confusion or low reliability in one of the constructs (e.g., trust) expressed by the pilot, the wording can be narrowed down prior to complete data collection.

3.10.4 Measurement Development

The theoretical framework presented in Chapter Two and best practice in marketing research are the principles of scale development (DeVellis, 2016). Moreover, Functional loyalty is gauged using the value, convenience and availability indicators whereas emotional loyalty is gauged using the trust, service encounter and attachment. The results of loyalty are the repurchase and recommendation intentions (Oliver, 1999; Zeithaml et al., 1996). Multi-item scales enhance reliability and also minimize random measurement error (Hair et al., 2019).

3.11 Data collection procedure

The survey will be self-administered and will be in the form of a face-to-face survey. The participants will be contacted after they make a purchase and given a concise information statement and requested to volunteer to participate. The method is appropriate in any convenience retail store where customers have time to fill short surveys.

The researcher should adopt standard script to minimize the influence of the interviewer, no information that can identify the interviewee should be gathered and all interviewees should be given the same instructions. The surveys which are completed are supposed to be stored safely and digitized as soon as possible to minimize the risk of losing data.

3.12. Data preparation and management

Responses shall be coded into SPSS before they are analyzed. The process of data cleaning will include the absence of values, extreme response patterns (e.g., straight lining), and inconsistent responses (Field, 2018; Pallant, 2020). Listwise deletion can be employed where there are few missing values, and where it is more extreme, the technique will be transparently justified.

All information will be safely kept in the form of password-secured files, with only the researcher having access to it. This complies with the ethical demands of confidentiality and data protection (Cohen, Manion and Morrison, 2018).

3.12.1 Statistical Assumptions

Before testing the hypothesis, the data will be evaluated with respect to normality, linearity, homoscedasticity, and multicollinearity (Field, 2018). These tests warrant the validity of regression and correlation analysis. In the event of violation of assumptions, relevant remedial measures will be taken into consideration (Hair et al., 2019).

3.13 Data analysis plan (SPSS)

It is planned that the analysis strategy will comply with the dissertation objectives, i.e. describing loyalty perceptions, comparing stores, and testing predictors of loyalty. These analytical procedures directly inform the structure and reporting of results in Chapter Four.

3.13.1 Descriptive statistics

Descriptive statistics will be used to generalize demographic profile, shopping frequency and construct averages by store. The use of means and standard deviations assists in the interpretation of the most important loyalty drivers valued by the customers (Pallant, 2020).

3.13.2 Reliability analysis

Cronbach alpha will be used to determine construct reliability. Dissertation research tends to be acceptable with values ≥ 0.70 (Hair et al., 2019). In case alpha is lower than threshold, the item-total correlations will inform the decision to drop a weak item (DeVellis, 2016).

3.13.3 Comparison with the group (Guney Food & Wine vs CO-OP)

The comparison of the mean differences between the store groups will be carried out with the help of independent-samples t-tests to compare the differences in the mean of the functional drivers, emotional drivers, and loyalty outcomes (Field, 2018). It is assumed that (normality and homogeneity of variance) will be verified; in the case of their violation, non-parametric substitutes can be taken (Field, 2018).

3.13.4 Correlation analysis

Pearson correlation will be used to analyses the relationships between the main constructs to define whether functional and emotional drivers correlate with the loyalty outcomes (Pallant, 2020).

3.13.5 Regression analysis

The level of the predictability of the functional and emotional drivers to the loyalty outcomes will be tested by multiple regression. Regression is appropriate when it is necessary to investigate the comparative effect of predictors and hold other variables

constant (Hair et al., 2019). An alternative more comparative alternative (also dependent on sample size) would be to ensure that individual regressions are run on each group of stores to compare the strength of an effect or to incorporate a store dummy variable to test whether the pattern of predicting is different across stores.

3.13.6 Common method bias

Due to self-reporting of measures, common method bias is a threat. To minimize this, the questionnaire design would be in clear wording, mixed item order and the assurance of anonymity (Podsakoff et al., 2003). This will be recognized in an open manner as research quality assessment.

3.14 Reliability and validity

the following aspects will be used to ensure reliability: (1) multi-items, (2) pilot testing and (3) Cronbach's alpha tests (DeVellis, 2016; Hair et al., 2019). Clear correspondence to the established theory presented in Chapter Two will be used to validate it and guarantee a high level of content validity (Saunders et al., 2019). The construct validity is enhanced by the fact that both driver construct and outcome construct are measured in accordance to the loyalty theory (Oliver, 1999; Zeithaml et al., 1996).

External validity is restricted since convenience samples in a locality do not reflect the entire UK market. The aim of the research, however, is comparative knowledge in a controlled local situation and not a generalization on a national level.

3.14.1 Research Credibility and Trustworthiness

Credibility in quantitative research is achieved by transparency, methodological rigor and systematic analysis (Saunders et al., 2019). This research also increases the level of credibility since all steps of the research process, including questionnaire design and sampling strategy, data analysis, and interpretation are well documented.

Reliability is enforced by using standardized measure tools and repeatable analytical methods. Confirmability is dealt with by objective data analysis with the help of statistical software and transparent presentation of the results in Chapter Four.

Although qualitative concept of trustworthiness cannot be directly applied to positivist research, the principles of rigor, transparency and reflexivity are a major requirement. The evaluation of methodological decisions and the consideration of limitations reveal the academic integrity and the research professionalism of the study.

3.15 Ethical considerations

Ethical approval of this study was obtained via the official ethics review method of the University of Wales Trinity Saint David before collecting the data. The research complies with all the institutional ethical practices and UK data protection laws, including the provisions of the General Data Protection Regulation (GDPR).

Informed consent, voluntary participation, confidentiality and the right to withdraw are among the ethical principles (Cohen, Manion and Morrison, 2018; Saunders et al., 2019). A brief description of the study will be provided to the participants who will not be requested to provide personal information. Data will be kept safe and will be used in academic purposes.

3.16 Methodological limitations

The major weaknesses are convenience sampling, cross-sectional study and self-report bias. These restrictions do not discredit the research, but they form interpretation. The results will be reported in the form of local comparative evidence and brought back to the theoretical framework of Chapter Two without making overstated claims of causation (Bryman, 2016).

3.17 Chapter summary

This chapter has described and critically defended a quantitative, deductive, cross-sectional comparative survey design to explore the customer loyalty drivers in convenience retailing. It is designed in accordance with the functional-emotional loyalty system of Chapter Two and enables statistical comparison of Guney Food and Wine with a CO-OP store. The following chapter will show the results, which will be in the form of descriptive results, reliability test, group comparison and regression-based analysis of predictors of loyalty outcomes.

CHAPTER 4: DATA ANALYSIS

4.1 Introduction to Data Analysis

This chapter reveals the findings of the quantitative research that was done to investigate the factors of customer loyalty in the independent and cooperative convenience retail format. As indicated in the research aim, objectives and hypotheses as well as in line with the methodology as detailed in Chapter 3, this chapter will analyze and report the empirical findings of the customer survey. The chapter is purely based on the presentation of statistical results, and the interpretation and discussion of the findings is left to Chapter 5.

The analysis will start with the data preparation and screening processes and then proceed with the description of the respondent sample. The main constructs are summarized using descriptive statistics including the drivers of functional loyalty, the drivers of emotional loyalty and the outcome of customer loyalty. Reliability testing is done to determine internal consistency of the measurement scales, and then, inferential statistical tests, including independent-samples t -tests, correlation analysis and multiple regression analysis, are used to test research hypotheses. The chapter ends with the summary of the key statistical findings.

4.2 Data Preparation and Screening

The quantitative data of this study was collected in the form of a structured customer survey which was exported into an excel spreadsheet to be analyzed. The raw data consists of 200 full-fledged responses (N = 200). The balance of the respondents by the type of store was even with 100 respondents indicating that Guney Food and Wine were the most often store and 100 respondents indicating CO-OP, which helps in equal comparison of the two retail formats.

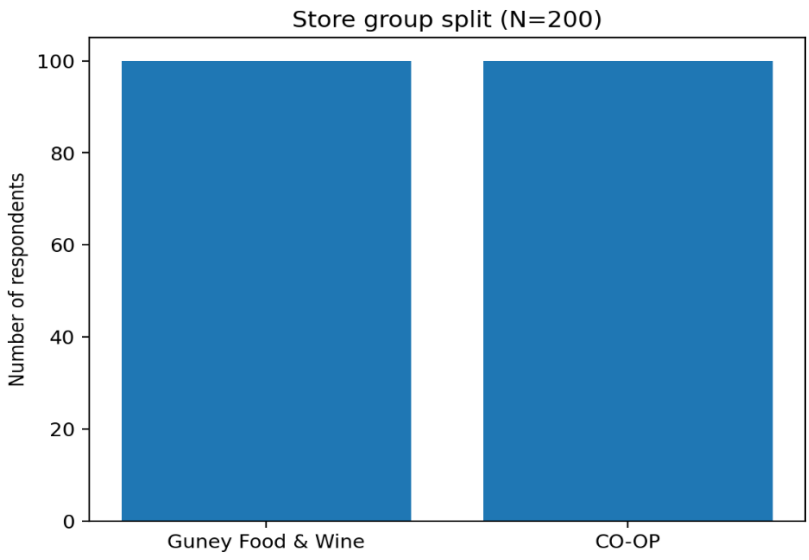

Figure 6: Distribution of respondents by store type (N = 200)

Source: Data collected through a survey conducted by the author

The dataset was filtered to ensure completeness, accuracy of the coding, and appropriate analysis before the statistical testing was done. The responses of the core constructs were recorded through a five-point Likert scale that had the following categories of responses: Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree. To be quantitatively analyzed, these categories were coded numerically between 1 and 5 respectively.

A completeness cheque test ensured that there were no missing values in the Likert-scale variables used in the construct analysis. The data set had an optional comment field which had most of the blank values, but this was not a variable that would be quantified in the testing. Also, the column of timestamps was empty and was not included in the analysis. To be consistent with the conceptual framework and methodology used in Chapter 3, composite indices were generated to reflect the important study constructs.

In particular, (1) a Functional Loyalty Drivers Index was calculated using items associated with value for money, price fairness, convenience, product availability, promotions and loyalty scheme benefits; (2) an Emotional Loyalty Drivers Index was calculated using items associated with trust, staff behavior, feeling welcomed, recognition as a regular customer, emotional connexon, comfort, and values alignment and (3) a Customer Loyalty Outcomes Index was calculated using items associated

with continued shopping intention, store preference, recommendation intention, store choice and switching resistance. These indices allowed strong inferential analysis and test hypothesis by comparing and predicting statistics.

4.3 Sample Profile and Demographic Analysis

This section will provide the demographic features and shopping behavior of the respondents who were part of the study. This analysis is meant to offer some contextual background to the sample as well as to facilitate later comparative and inferential analyses. The demographic variables under the investigation are the age group, sex, shopping frequency, and duration of relationships with the chosen store.

Figure 6 shows the distribution of age groups of the respondents that were used in the study.

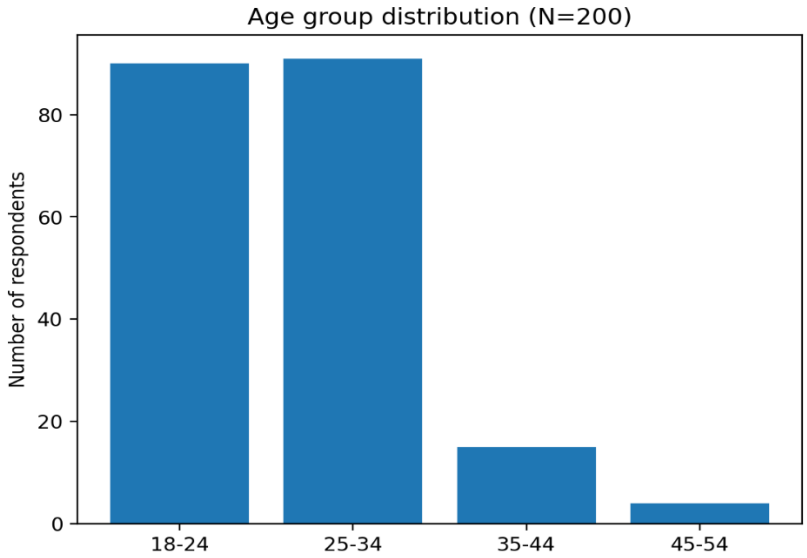

Figure 7: Distribution in terms of age group of the respondents (N = 200)

Source: Data collected through a survey conducted by the author

Most of the respondents, as indicated in Figure 7 were aged between 18-24 and 25-34 where they constituted 90.5 percent of the total sample. The respondent proportions were less in the age category of 35-44 and 45-54. This suggests that the sample was mostly made up of younger adult consumers, as it is in line with the average customer of a convenience retail store.

Figure 7 represents the gender structure of the sample.

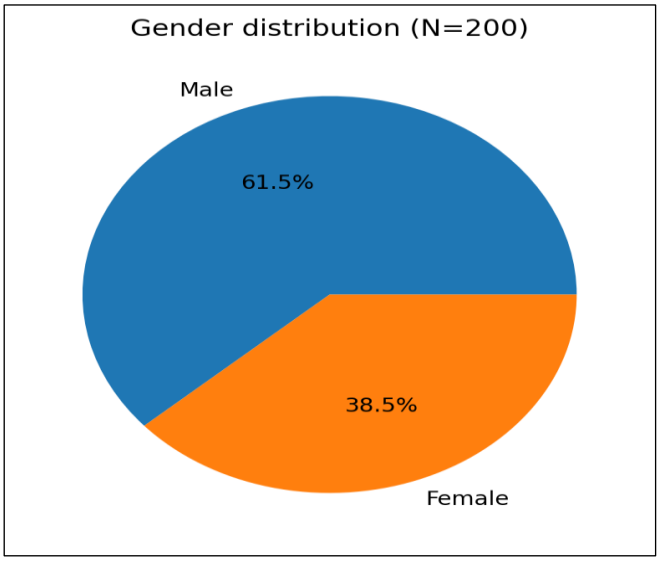

Figure 8: Distribution of gender of the respondents (N=200).

Source: Data collected through a survey conducted by the author

The majority of respondents (61.5 percent) were male and 38.5 percent were female as shown in figure 8. Even though the sample consisted of more male respondents, the percentage of both genders was sufficient to facilitate additional analysis. The frequency of shopping at the chosen store was also the question that the respondents were asked.

The summary of the shopping frequency of respondents is presented in Figure 9.

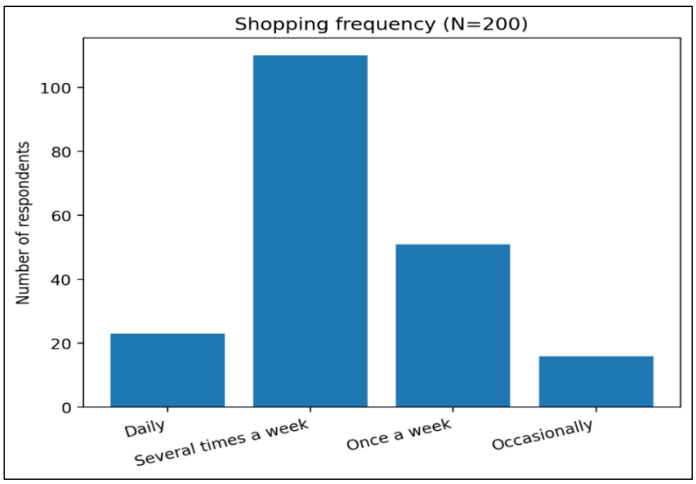

Figure 9: Shopping frequency of the respondents (N = 200)

Source: Data collected through a survey conducted by the author

Most of the respondents (55.0%) indicated that they shopped at the store several times each week (as shown in Figure 9) with 25.5% indicating that they shopped once a week. A smaller percentage of the respondents reported that they shopped daily (11.5%), or infrequently (8.0%). This implies that there is an overall high level of interaction between respondents with the chosen stores. Lastly, the respondents were requested to specify the duration of time they had been shopping at their chosen store.

Figure 9 presents the distribution of shopping tenure.

Figure 10: Duration of relationship with the store (N = 200)

Source: Data collected through a survey conducted by the author

Figure 10 reveals that the biggest percentage of respondents (55.5) had between six months and one year in their selected store and 27.0% had less than half a year relationship. Less proportions mentioned longer one-to-three-year relationships (12.0%), and over three years (5.5%). This implies that there were relatively new and older customers in the sample.

In general, the demographic profile can be considered as balanced and appropriate sample to be used in the comparative analysis which is to be performed in the further sections of this chapter.

4.4 Descriptive Statistics of Key Constructs

This part includes the descriptive statistics of the key constructions under analysis in the study. Descriptive statistics are employed to generalize the overall perception of the respondents of functional loyalty drivers, emotional loyalty drivers and customer loyalty outcomes in the two retail formats. An initial idea of how the customers tend to perceive various facets of their shopping experience is given by reporting mean scores and standard deviations and this will come in handy later in the inferential analyses.

Each construct was divided into mean scores through the composite indices that were developed in the data preparation phase. The composite measures also enable a better comparison between Guney Food and Wine and CO-OP since it presents a summary of several items related to a construct into one general score. Standard deviation is also reported to show the degree of variation in the perceptions of respondents in each of the groups of stores.

Table 3: Descriptive statistics for key constructions by store (N = 200)

Construct	Store Type	Mean	Standard Deviation
Functional Loyalty Drivers	Guney Food & Wine	3.9	0.45
	CO-OP	4.22	0.54
Emotional Loyalty Drivers	Guney Food & Wine	4.21	0.4
	CO-OP	3.76	0.34
Customer Loyalty Outcomes	Guney Food & Wine	3.52	0.48
	CO-OP	3.33	0.52

Source: Author's own work

The descriptive findings show that the functional loyalty drivers were rated higher on the overall mean score by the respondents who shop at CO-OP most than those who

shop at Guney Food and Wine. It implies that, overall, the customers of CO-OP had more positive perceptions of such functional factors as price value, promotions, convenience, and product availability. The standard deviations measured were rather moderate in both groups of stores, which suggests that there was a fair degree of consistency in the perceptions of the respondents towards the functional drivers.

Conversely, the emotional loyalty drivers had a greater mean score at Guney Food and Wine than at CO-OP. This indicates greater average perceptions of the retailer with regard to emotional factors like trust, friendliness of employees, feeling welcome, and emotional comfort among customers of the independent retailer. The descriptive statistics indicate that emotional associations might be higher in the independent retail context, but additional testing needs to be conducted to test the existence of the differences.

As far as the customer loyalty outcomes are concerned, the average score obtained in Guney Food and Wine was slightly higher in comparison with that of CO-OP. It means that the respondents who shop at the independent retailer indicated slightly higher loyalty-related behaviors, including intention to continue shopping, preference of the store and the willingness to recommend the store to others. The standard deviations of the results of the loyalty indicate that there is a moderate degree of differences in both groups, which indicates that the perceptions of loyalty among individual customers vary.

In general, the descriptive statistics give a preliminary insight into the difference between the customer perceptions in the two retail formats. Although these findings provide some valuable information about the overall trends in the data, they do not reveal the statistical significance of the differences observed. In the next section, formal hypothesis testing by inferential statistical methods is provided.

4.5 Reliability Analysis

The analysis of reliability was done to determine internal consistency of the measurement scales in this study. Reliability is a significant procedure in quantitative research because it assists in establishing the consistency of the items in each scale to measure the same underlying concept. The three composite indices that were

created in the data preparation phase were evaluated in this study as the functional loyalty drivers, emotional loyalty drivers, and the outcomes of customer loyalty.

The reliability coefficient was the alpha (a) of Cronbach, as it is among the most widespread measures of internal consistency applied to social science and business research. The alpha values of Cronbach are between 0 and 1 where a higher alpha value represents a high internal consistency of the scale items. Because of the alpha value of 0.7 and above as specified in Chapter 3, such values are typically acceptable, but lower values can be also reported in exploratory research or in situations in which the constructions have many different dimensions.

Table 4 shows the alpha of Cronbach by each of the three measurement scales which were used in the study.

Table 4: Reliability analysis of measurement scales (Cronbach's alpha)

Scale	**Number of Items**	**Cronbach's Alpha (α)**
Functional Loyalty Drivers	7	0.45
Emotional Loyalty Drivers	7	0.315
Customer Loyalty Outcomes	5	0.252

Source: Author's own work

The values of Cronbach alpha of the three scales as can be seen in Table 4 were lower than the generally recommended value of 0.7. This result is indicative of the questionnaire design, whereby each composite index is composed of a series of items that reflect a few related, yet distinct customer perceptions as opposed to only one narrowly defined construct. Indicatively, the functional loyalty drivers scale contains the items associated with price, convenience, promotions and product availability, which might not be expected to show high internal consistency.

Although the alpha values were lower, the scales were still used in further analysis because they performed in accordance with the conceptual framework and the research objectives of the study. This has been done in the previous exploratory studies in which composite indices are taken to represent broad behavioral and perceptual dimensions. The reliability findings are thus presented in this chapter with a transparent report on the reliability findings and implications on findings interpretation will be discussed in Chapter 5.

4.6 Hypothesis Testing and Inferential Analysis

4.6.1 Independent-Samples t-Test Analysis

Independent samples t-tests were done to test the presence of statistically significant differences between customers of Guney Food & Wine and CO-OP based on functional loyalty drivers, emotional loyalty drivers, and customer loyalty outcomes. This test was chosen because it is suitable to compare the mean scores of two independent groups of continuous variables as it is discussed in the methodology chapter. The hypotheses of the differences in formats of retail were directly answered during the analysis.

The hypotheses that were tested were as follows:

- **H3:** There is a significant difference in perceived functional loyalty between Guney Food and Wine and CO-OP.
- **H4:** The perception of emotional loyalty drivers is significantly different between Guney Food and Wine and CO-OP.
- **H5:** The customer loyalty outcomes of Guney Food and Wine and CO-OP are significantly different.

The composite indices that were previously developed in the analysis were used to compare mean scores of each construct between the two store groups. The independent samples t-tests results are given in Table 5.

Table 5: Independent-samples t-test results by store type (N = 200)

Construct	Store Type	Mean	Std. Deviation	t-value	p-value
Functional Loyalty Drivers	Guney Food & Wine	3.9	0.45	-4.703	< .001
	CO-OP	4.22	0.54		
Emotional Loyalty Drivers	Guney Food & Wine	4.21	0.4	8.53	< .001
	CO-OP	3.76	0.34		
Customer Loyalty Outcomes	Guney Food & Wine	3.52	0.48	2.656	0.009
	CO-OP	3.33	0.52		

Source: Author's own work

Table 5 has depicted that statistically significant differences were observed between the two types of stores in all the three constructions studied. In the case of CO-OP to drive functional loyalty, the CO-OP was higher than that of Guney Food and Wine and the difference was significant ($p < .001$), as evidenced in the support of H3. Conversely, the mean score of the emotional loyalty drivers was greater in the case of Guney food and wine and the difference is also statistically significant ($p <. 001$), which validates H4.

On the same note, customer loyalty outcomes showed a statistically significant difference wherein Guney Food & Wine recorded higher mean score than CO-OP ($p =.009$). This finding supports H5. Such results suggest that the two retail format customers are very different in the way they perceive both the drivers of loyalty and the loyalty outcomes. In later sections, further examination is done to bring out the relationships between these constructions in more detail.

Although the independent-samples t-test findings indicate that there are variations between the two types of stores, the results need further analysis that will determine

the relationship that exists between the loyalty drivers and customer loyalty results across the sample. This is discussed in the next section using correlation analysis.

4.6.2 Correlation Analysis

The relationships between customer loyalty outcomes, emotional loyalty drivers, and functional loyalty drivers were analyzed by the use of correlation analysis. The correlation coefficient of Pearson was applied because the coefficient is appropriate to determine the strength and direction of associations among the continuous variables that were obtained based on Likert-scale data. This exposition substantiates the research purpose of the study on the relationship between the various loyalty drivers and customer loyalty outcomes.

The hypotheses were the following:

- H1: The functional loyalty drivers are positively correlated with the customer loyalty outcomes.
- H2: Emotional loyalty drivers have a positive correlation with customer loyalty outcomes.

Also, the correlation between functional and emotional loyalty drivers was investigated to find out the relationship between the two constructs. The findings of the Pearson correlation are shown in Table 6.

Table 6: Pearson correlation coefficients between key constructs (N = 200)

Variables	**1**	**2**	**3**
1. Functional Loyalty Drivers	1		
2. Emotional Loyalty Drivers	-0.106	1	
3. Customer Loyalty Outcomes	0.240**	0.373**	1

Source: Author's own work

Note: ($p < .00$)

As revealed in Table 6, there was a positive and statistically significant relationship between the drivers of functional loyalty and the final customer loyalty ($r = 0.240$, $p < .001$), which supports H1. This implies that the greater the perceptions of functional benefits, the greater the loyalty outcomes.

The results showed a stronger and statistically significant positive relationship between the drivers of emotional loyalty and customer loyalty outcomes ($r = 0.373$, p under.001), which supports H2. This implies that the emotional aspects are more closely linked to the customer loyalty outcomes in the sample.

The correlation between the functional and emotional loyalty drivers was not statistically significant and weak ($r = -0.106$, $p > .05$), which means that the two constructions are rather independent of each other. Overall, correlation analysis supports the fact that both of the loyalty drivers are largely correlated with customer loyalty outcomes and gives the grounds of further predictive analysis in the following section.

4.6.3 Multiple Regression Analysis

The multiple regression analysis was performed to investigate more the predictive influence of the functional and emotional loyalty drivers on the customer loyalty results. This analysis is based on the findings of the correlation results in the preceding section as it evaluates the relative contribution of each driver of loyalty when they are used together, as well as the store type is controlled. This purpose is suitable to multiple regression because it will be possible to gain a more detailed picture of the impact of various loyalty drivers on the customer loyalty outcomes within one statistical model.

Customer loyalty was identified as the dependent variable in this model. The independent variables were functional loyalty drivers and emotional loyalty drivers entered the study in accordance with the conceptual framework of the study. Moreover, store type was also a control variable (CO-OP = 1) to take into consideration possible differences in terms of retail format. This method will help the analysis to identify whether the outcomes of loyalty could be better explained by customer perceptions of loyalty drivers as opposed to store type only. Table 7 shows the findings of the multiple regression analysis.

Table 7: Multiple regression results predicting customer loyalty outcomes (N = 200)

Predictor	Unstandardized B	Standard Error	Standardized Beta (β)	p-value
Functional Loyalty Drivers	0.302	0.071	0.24	< .001
Emotional Loyalty Drivers	0.416	0.065	0.373	< .001
Store Type (CO-OP = 1)	-0.101	0.078	-0.062	0.198

Source: Author's own work

Note: - (Model summary: $R^2 = 0.225$)

Table 7 demonstrates that both functional and emotional drivers of loyalty were statistically significant predictors of customer loyalty outcome. The positive and significant effect of functional loyalty drivers on the outcome of loyalty ($b = 0.240$, $p < .001$) was positive and significant compared to the emotional loyalty drivers ($b = 0.373$, $p < .001$). An analysis of the standardized beta coefficients shows that the drivers of emotional loyalty had a more significant impact on the customer loyalty outcomes compared to the functional loyalty drivers in the model.

Control variable of store type was not found to be statistically significant ($p > .05$) indicating that customer perceptions of loyalty drivers are more closely related to differences in customer loyalty outcomes than retail format. The general model was able to explain the variance of customer loyalty outcomes at a moderately high degree (around 22.5). The analysis thus empowers the empirical findings about the role of the drivers of functional and emotional loyalty in influencing the customer loyalty outcome and adds to the findings of the previous inferential analyses.

4.6.4 Interaction / Moderation Analysis

The interaction analysis was done to investigate the hypothesis of H5 by exploring whether store types mediate the relationship between loyalty drivers and customer loyalty outcomes. This analysis is based on the earlier regression model by examining the hypothesis that the relationship between the drivers of functional and emotional loyalty and the outcome of customer loyalty is stronger in Guney Food and Wine than in CO-OP. The moderation analysis would be suitable in this case because it enables us to investigate whether the effect of one variable is contingent on the level of another variable.

To test this interaction terms were developed by combining store type and functional loyalty drivers and emotional loyalty drivers. These terms of interaction were then included into the regression model with the main effects. The outcome of the moderation analysis is given in Table 8.

Table 8: Interaction effects of store type on loyalty drivers and customer loyalty outcomes (N = 200)

Interaction Term	Standardized Beta (β)	p-value
Functional Loyalty Drivers × Store Type	-0.038	0.638
Emotional Loyalty Drivers × Store Type	0.071	0.322

Source: Author's own work

Both terms of interaction were not statistically significant (p >.05) as indicated in Table 8. This shows that the type of store does not play a significant role in moderating the relationship between the functional loyalty drivers and customer loyalty results as well as between the emotional loyalty drivers and customer loyalty results. As a result, H5

is not supported. These results indicate that the influence of functional and emotional loyalty drivers on customer loyalty outcomes is widely applicable in both retail formats. This result is further discussed in Chapter 5.

4.7 Summary of Chapter 4 Findings

This chapter contained the findings of the quantitative data analysis undertaken to test the drivers of customer loyalty in independent and cooperative convenience retail format. The chapter was dedicated to the reporting of the statistical results without interpretation, according to the objectives and methodology of the research.

The analysis commenced with data preparation and screening which ensured that the data of 200 responses was appropriate to be analysed. This was followed by a demographic profile of the respondents which showed that the sample was suitable in studying customer loyalty in the convenience retail environment. The descriptive statistics gave a summary of the views of the respondents on the functional loyalty driver, emotional loyalty driver, and the customer outcome of loyalty in the two types of stores.

The inferential analysis revealed that significant differences between Guney Food and Wine and CO-OP were found with respect to functional loyalty drivers, emotional loyalty drivers, and customer loyalty outcomes. Correlation analysis revealed that the two functional and emotional loyalty drivers were positively related to customer loyalty outcomes, although emotional drivers were more strongly correlated. Multiple regression analysis also supported the result of a significant prediction of both the loyalty types of drivers on customer loyalty outcomes but not store type. The interaction analysis showed that the store type did not significantly condition the relationship between the loyalty drivers and the loyalty outcomes.

In general, the results bring empirical data to respond to research hypotheses and research objectives of the study. These results have some implications that are discussed critically in the next chapter.

CHAPTER 5: DISCUSSION

5.1 Introduction to the Discussion

This chapter gives a critical discussion of findings presented in Chapter 4 in relation to research aim, objectives, and hypotheses of the research. While the previous chapter was focused on the presentation of statistical results, the aim of this chapter is to interpret the results of the study and assess their significance in the context of existing academic literature concerning customer loyalty in convenience retailing. In making such a discussion, it draws on the theories and empirical studies reviewed in Chapter 2.

The chapter explores some of the major themes that emanate from the analysis, such as the role of functional loyalty drivers, emotional loyalty drivers, and customer loyalty outcomes and the difference in independent and cooperative retail formats. Attention is paid to an explanation of why some loyalty drivers had greater effects than others and to a discussion of the reasons for supported and unsupported hypotheses. The findings are critically assessed by comparing them with the findings of previous research, indicating points of similarity and difference. Overall, this chapter seeks to show how the study adds to a better understanding of customer loyalty behavior in the context of convenience retail environments and paves the way for the final chapter.

5.2 Overview of Key Findings

This section gives an integrated overview of the important findings from Chapter 4 and is used as a basis for the detailed discussion given in the following sections. Rather than restating statistical results, the purpose here is to synthesize the main results of the analysis and highlight the most important patterns that have emerged in relation to customer loyalty within convenience retailing.

Overall, the results suggest that both functional and emotional drivers of loyalty are important in determining the fate of customer loyalty, though their relative importance vary across retail formats. Functional loyalty drivers, for example, price value, convenience and promotional activity were perceived stronger by customers of the

cooperative retailer. In contrast, emotional loyalty drivers, such as trust, personal interaction and staff-customer relationships, were more prominent among customers of the independent retailer. These differences indicate that store format moderates the effects of customer experience and evaluation of loyalty drivers.

The analysis also showed that the drivers of emotional loyalty were more strongly associated with customer loyalty results than were functional drivers. This trend was reflected in both correlation and regression analysis, showing that emotional relationships might be a more positive contributing factor in creating loyalty behaviors that include repeat patronage and positive word-of-mouth. Although functional drivers are still significant, especially in the competitive retail setting, the results indicate that emotional engagement forms more powerful foundation towards customer loyalty.

In terms of hypothesis testing, most of the postulated hypotheses were supported. Statistically significant differences were found between the two retail formats and positive relationships were found between the loyalty drivers and the loyalty outcomes. However, the moderation analysis showed that the type of store did not significantly affect the relationship between loyalty drivers and customer loyalty outcomes. This finding indicates that, although customers do perceive differences between retail formats, the underlying mechanisms by which loyalty drivers affect the outcome of loyalty are relatively consistent.

To provide a clear summary of the results of hypothesis testing, Table 9 gives an overview of the hypotheses and their results.

Table 9: Summary of hypothesis testing results

Hypothesis	Description	Outcome
H1	Functional loyalty drivers are positively related to customer loyalty outcomes	Supported
H2	Emotional loyalty drivers are positively related to customer loyalty outcomes	Supported
H3	Functional loyalty drivers differ between independent and cooperative retailers	Supported
H4	Emotional loyalty drivers differ between independent and cooperative retailers	Supported
H5	Store type moderates the relationship between loyalty drivers and loyalty outcomes	Not supported

Source: Author's own work

5.3 Discussion of Functional Loyalty Drivers

This section critically discusses the results concerning the functional loyalty of drivers and explores the impact of these drivers on customer loyalty in the convenience retailing context. Functional loyalty drivers that were considered in this study included factors such as the value of price, convenience, product availability, promotional activities. The results of Chapter 4 showed that cooperative customers had a more positive perception of these functional attributes than independent customers.

One explanation for this result is linked to the operational advantages generally ascribed to cooperative retail formats. The co-operative retailers tend to enjoy higher purchasing power, efficient supply chain and standardized operation processes which allow them to provide competitive prices and regular availability of products. In the

case of convenience retailing, where customers often seek speed, accessibility and value for money, such functional attributes are important in determining customer satisfaction and repeat purchasing behaviors. The results of the present study are hence consistent with the existing literature that identifies functional value as a key determinant of store choice and transactional loyalty.

However, while functional loyalty drivers were rated more strongly for the cooperative retailer, the results of an inferential analysis showed that their effect on the overall customer loyalty outcomes was weaker than that of emotional loyalty drivers. This suggests that functional benefits may be seen as basic expectations and not as distinguishing features. In most cases of convenience store competitiveness, the customers might be anticipating convenience, reasonable prices, and sufficient supply of products as a common characteristic feature in the convenience stores.

These findings suggest that functional loyalty drivers while also necessary may not be sufficient by themselves to create strong and sustained customer loyalty. Rather, the functional qualities can be seen to facilitate repeat patronage at the transactional level but not necessarily elicit stronger emotional connection and commitment. This difference is consistent with the models of loyalty that distinguish between convenience-based behavioral and attitudinal loyalty based on emotional attachment.

Overall, the results underscore the importance of considering functional loyalty drivers as building blocks that facilitate customer satisfaction but do not account for loyalty outcomes. Retailers that are purely focused on functional performance may do poorly differentiating themselves in the long run, which explains the importance of complementing functional strengths with emotional engagement strategies, which are addressed in the next section.

5.4 Discussion of Emotional Loyalty Drivers

The results in this section have been critically discussed and the impact of the emotional loyalty drivers on influencing customer loyalty in convenience retail environment have been evaluated. The emotional loyalty that drivers were studied during the paper were trust, staff behavior, personal interaction, and emotional connexon with the store. The results of Chapter 4 showed that emotional loyalty

drivers were more perceived by the customers of the independent retailer compared to the customers of the cooperative retailer. This implies that independent convenience stores could be more efficient in establishing an emotionally driven relationship with their customers.

The reason behind this observation is attributed to the fact that customer-staff relationships in independent retail settings are different. Independent retailers are usually local and have regular and personal contact with frequent customers. These interactions may lead to the establishment of trust, familiarity, and the sense of personal recognition, which have been found in the literature to be the central elements of emotional loyalty. This means that the customers will be more emotionally attached to the smaller, independent stores where interpersonal relationships are more apparent and predictable.

The inferential analysis findings also revealed that emotional loyalty drivers had a stronger relationship with the customer loyalty results as compared to the functional loyalty drivers. This implies that the emotional aspects are more influential in stimulating loyalty behavior like repeat purchase and word of mouth. Although functional advantages can have an immediate appeal to the customers, emotion ties seem to play a greater role in long-term loyalty. This observation concurs with the loyalty theories which differentiate between behavioral loyalty which is influenced by convenience and attitudinal loyalty which is influenced by emotional attachment. The more successful performance of independent retailers on drivers of emotional loyalty also signifies the difficulties of cooperative retail format. The bigger retail organizations tend to employ the standardized service processes, which can restrict the possibilities of the personal interaction. The increase in staff turnover and scale of operation can also decrease the uniformity in emotional interaction between the various stores. As such, cooperative retailers can be good in terms of functional attributes but can experience more challenges when it comes to building strong emotional connexions with customers.

Generally, the results indicate that emotional loyalty drivers are a very important aspect of customer loyalty in convenience retailing. Their capacity to develop trust-based and emotionally significant relationships seems to pay off in independent retailers in terms of them being able to offset the constraints in terms of functional

offerings. These findings contribute to the understanding of the reason why emotional loyalty drivers were more effective in influencing the results of loyalty and serve as the basis of discussing customer loyalty outcomes in the next section.

5.5 Discussion of Customer Loyalty Outcomes

This section explains the findings in terms of customer loyalty outcomes and determines the effect of such outcomes on the functional and emotional loyalty drivers in the context of convenience retail stores. In this study, the results of customer loyalty were observed in the behavioral intentions of repetition of purchase, preference of the store, and readiness to refer others to the same store. The results of Chapter 4 revealed that there was a difference in customer loyalty outcomes between the independent and cooperative retail formats with greater customer loyalty outcomes in the independent retail format.

One of the explanations of this outcome could be the greater emotional loyalty drivers that were determined among the customers of the independent retailer. As was mentioned in the above section, emotional aspects like trust, personal interaction and emotional connexon were more evident in the independent retail environment. The available literature on loyalty indicates that emotional attachment is an important factor in attitudinal loyalty which enhances long-term behavioral loyalty. The results of this research affirm that the driver of emotional loyalty plays a more viable role in the overall customer loyalty results compared to functional drivers.

Although there were more favorable views regarding functional loyalty drivers when using the cooperative retail format, it did not positively affect the outcomes of loyalty. This implies that such functional benefits as competitive pricing, convenience and promotions can stimulate repeat behavior in short term but not as much towards deeper loyalty. These functional attributes might be perceived by the customers as simple expectations and not differentiating variables, especially in the highly competitive convenience retail market whereby the offerings are highly competitive.

This interpretation was also supported by the regression analysis that showed that emotional loyalty drivers were more predictive of customer loyalty outcomes compared to functional ones. This implies that emotionally attached customers to a store have

greater chances of developing loyalty behaviors, which fall beyond the convenience-based purchasing behavior. These behaviors are word-of-mouth positive and long-term commitment in the store, which prove especially useful when independent retailers must maintain customers without much resource.

Overall, the results point to the fact that customer satisfaction with the loyalty process is predetermined not only by the offerings of retailers but also by the experience of customers with the store. Emotional connexon seems to be one of the main ways to make ordinary consumers become devoted ones. These highlights the necessity of the functional performance and relationship-oriented strategy balance and give grounds to the further discussion of the hypotheses and inferential conclusions.

5.6 Discussion of Hypotheses and Inferential Findings

This part is a critical discussion of the study inferential findings in terms of the research hypotheses, and an appraisal of how the findings can be used to understand customer loyalty in convenience retail environment. The discussion is based on the findings of correlation, regression, and comparative analyses in Chapter 4 and connects them with the theoretical perspectives examined in Chapter 2.

Hypotheses H1 and H2 tested the correlations between the drivers of functional and emotional loyalty and customer loyalty outcomes. The results showed that the two categories of loyalty drivers were related to customer loyalty outcomes positively, which validated these hypotheses. Nevertheless, emotional drivers of loyalty showed a better relationship and predictive importance as compared to functional drivers of loyalty. This implies that emotional aspects like trust, personal interaction and emotional attachment are more influential in molding loyalty behaviors as compared to transactional or convenience based. Such a result is in line with the available loyalty theories which underscore the relevance of attitudinal loyalty and emotional attachment in long-term relationships with customers.

H3 and H4 were concerned with the differences in the loyalty of drivers between independent and cooperative retail format. The findings confirmed the two hypotheses showing that the differences between the two types of stores were statistically significant. The cooperative retail format was viewed as having more positive

perceptions of functional loyalty drivers and had more emotional loyalty drivers in the independent retail setting. The results represent the structural differences in retail formats. The scale, standardization and pricing strategies used by cooperative retailers are good in increasing the functional value, but independent retailers seem to be better placed to create personalized relationships and emotional attachment with customers. The results thus support the thesis that the retail format affects the way the customers judge and react to the various loyalty drivers.

Hypothesis H5 tested the hypothesis that the relationship between the variable's loyalty drivers and customer loyalty outcomes was moderated by the store type. This hypothesis was not supported because no significant moderation effect was found. This indicates that customers may find differences in the retail formats, but the relationship between loyalty drivers and loyalty outcomes between the types of stores is similar. Practically this means that both functional and emotional drivers of loyalty affect customer loyalty in the same manner irrespective of whether the retailer is independent or cooperative. This result is contrary to certain anticipations in the literature that the retail format can be a major factor in changing the loyalty processes, yet it agrees with research that indicates that fundamental motivators of loyalty are the same in similar retail settings.

The lack of a substantial moderation effect reveals a valuable study observation. Although retail format is known to influence customer perceptions of drivers of loyalty, there is no fundamental change in the conversion of the drivers to the form of loyalty. This supports the notion that emotional and functional drivers are universal loyalty mechanisms, although the strength of either might depend on the setting. The results thus help in refining the concept of customer loyalty by showing that differences in formats are present at perception level as opposed to behavioral relationship level.

In general, the inferential results support most hypotheses put forward by the study and give important information about the dynamics of customer loyalty in convenience retailing. The paper confirms the prevailing role of emotional loyalty drivers and explains the impact of the retail format, which the current body of research lacks and offers a logical account of the trends in Chapter 4. These results establish a fundamental basis to the final chapter where conclusions and contributions of the study are continued to be discussed.

5.7 Chapter Summary

The findings of Chapter 4 have been critically discussed in relation to the research aim, objectives, and hypotheses of the study in this chapter. It was discussed in terms of how functional and emotional loyalty drivers affect the customer loyalty outcome in a convenience retail context and specific consideration was made regarding the difference between independent and cooperative retail format. The chapter has been able to explain the observed patterns by relating the empirical results to the existing literature and the relative significance of various loyalty drivers.

The discussion revealed that though the functional loyalty drivers are still relevant in the creation of customer perception, emotional loyalty drivers are more influential in creating sustained customer loyalty. Independent retailers were identified to be doing better when it comes to emotional engagement and cooperative retailers had an advantage in functional form in terms of price value and convenience. Another important point that the chapter made was that even though the retail format affected the perceptions of the drivers of loyalty, it had no significant effect on the existing relationship between the drivers of loyalty and the customer loyalty outcomes.

Overall, this chapter has helped us understand customer loyalty behavior in convenience retailing better as it critically assesses the findings of the study in a theoretical framework. The insights obtained in this discussion give a clear basis to the last chapter which gives the overall conclusions, managerial implications, limitations, and suggestions on future research.

CHAPTER 6: CONCLUSION

6.1 Introduction to the Conclusion

This last chapter gives the thorough conclusion to the research offering the compilation of the main aspects of the research on customer loyalty in the convenience retail environment. This chapter aims to consider the overall research aim and objectives, summaries the key findings, and demonstrate the contributions of the study to the academic knowledge and managerial practice. Moreover, the chapter recognizes the weaknesses of the study and provides the directions of future research.

With the synthesis of the insights developed in the earlier chapters, the conclusion chapter provides a clear answer to the research questions and hypotheses discussed in the study. Instead of bringing in a new analysis, the chapter is aimed at summarizing the results and highlighting their importance in the framework of convenience retailing. Overall, the purpose of this chapter is to give the dissertation a logical and coherent conclusion as well as to strengthen the worth and applicability of the study.

6.2 Summary of Research Aim, Objectives, and Key Findings

The main purpose of the current work was to test the theoretical impact of the drivers of functional and emotional loyalty on customer loyalty results in convenience retail environment with specific attention to the comparative analysis of independent and cooperative retail formats. To this end, the study had a set of research objectives that were directed at determining the important drivers of loyalty, differences in retail formats, and the relationship strength of the relationships between loyalty drivers and customer loyalty effects.

To answer the research objectives, a quantitative research approach was adopted. The data were gathered using the structured questionnaire given to the customers of an independent convenience retailer (Guney Food and Wine) and a cooperative retailer (CO-OP). The analysis of 200 valid responses was done through the application of various statistical methods, such as descriptive analysis, reliability tests, independent samples t-tests, correlation analysis, multiple regression analysis, and

moderation analysis. The chosen methodological approach allowed conducting a thorough study of the customer loyalty dynamics in the two retail formats.

The most notable results of the research point at the fact that both functional and emotional drivers of loyalty are significant in the determination of the results of customer loyalty. Nonetheless, emotional loyalty drivers were identified to have a higher impact on the customer loyalty outcomes as compared to functional drivers. Regarding the retail format differences, cooperative retailers were stronger in the functional loyalty drivers like price value and convenience whereas independent retailers were stronger in the emotional ones like trust and personal interaction. Moreover, positive relationships between loyalty drivers and customer loyalty outcomes were also confirmed by the inferential analysis, and the moderation analysis showed that retail format did not have a significant impact on them.

Altogether, the results serve the purpose and the objectives of the research because they show the role of various loyalty drivers in convenience retailing and the comparative significance of emotional involvement in creating long-term customer loyalty. These observations form a clear basis for the further discussion of the study contributions, implications, and limitations.

6.3 Answers to Research Questions / Hypotheses

This part will give a definite response to the research hypotheses that were being tested in the study, depending on the findings that are provided and discussed in the earlier chapters. Both hypotheses are decided in connexon with the empirical data received after the data analysis.

H1 that suggested a positive correlation between the drivers of functional loyalty and the outcome of customer loyalty was accepted. The findings established that functional variables like price value, convenience and product availability are positively related with customer loyalty outcomes and this implies that the functional variables are significant towards the development of customer behavior in convenience retail environment.

H2 that hypothesized a positive correlation between the emotional loyalty drivers and the customer loyalty outcomes was also supported. The drivers of emotional loyalty

such as trust, staff behavior, and personal interaction were identified to contribute more to customer loyalty results compared to functional drivers. This observation underscores the significance of emotional involvement in long-term customer loyalty.

H3 and **H4** compared the differences between independent and cooperative retail format in the functional and emotional loyalty driver. The two hypotheses were accepted. The results showed that cooperative retailers fared better when it comes to functional loyalty drivers, and independent retailers were stronger than emotional loyalty drivers. These findings are structural and relational variations of the two retail formats.

Lastly, **H5** that postulated that store type moderates the relationship between loyalty drivers and customer loyalty outcomes were not supported. The moderation analysis suggested that the perception of customers about loyalty drivers varies across retail formats, but the relationship between loyalty drivers and loyalty outcomes are similar across the types of stores.

Generally, the findings of the hypothesis test give definite responses to the research questions and reveal that the emotional and functional loyalty drivers have a complementary, but separate impact on customer loyalty in convenience retailing.

6.4 Contribution to Knowledge (Theoretical Contribution)

This research contributes positively to the body of theoretical literature on customer loyalty by contributing to the existing body of knowledge on the connexon between the functional and emotional loyalty drivers and the customer loyalty outcomes in the context of convenience retail stores. Although the role of both functional and emotional factors has been previously viewed as a well-established fact, the current research will offer concrete empirical evidence that will help to explain the relative role of these variables in a particular retail setting. Specifically, the results show that the role of emotional loyalty drivers has a greater influence on the customer loyalty outcomes as compared to the functional drivers, which supports theoretical viewpoints focusing on emotional attachment and relationship bonds as an important factor in the occurrence of sustained loyalty.

Besides, the research is also related to the scarcity of literature on the comparison of independent and cooperative retail forms. The study contributes to the body of literature on loyalty by enabling the establishment of a distinction in the perceptions of these loyalty drivers by customers about these formats and retail structure as a significant contextual determinant. Simultaneously, the result that the retail format does not moderate the relationship between loyalty drivers and loyalty outcomes at the same time gives a subtle contribution, indicating that core loyalty processes are consistent across a variety of convenience retailing environments.

Also, the study is methodologically valuable as it shows how various quantitative research methods were applied to analyze loyalty relations within a practical retail setting. In general, the study contributes to theoretical knowledge by combining both the loyalty driver theory and retail format analysis in providing a more holistic approach to understanding customer loyalty in the context of convenience retailing.

6.5 Managerial / Practical Implications

The results of this research have some significant practical implications for managers working in the convenience retail industry. One of the implications is that retailers should realize that customer loyalty is not only influenced by functional performance, but it also depends on emotional involvement. Although functional loyalty drivers like competitive pricing, convenience and availability of products are important in fulfilling the customer expectations, they must be considered as minimum requirements and not as the only foundation of long-term customer loyalty.

In the case of cooperative retailers, the findings indicate that, though high functional performance is an advantage in creating a competitive edge, more emphasis should be on enhancing emotional loyalty drivers. Investment in employee training programmes that promote personalized services, customer recognition and relationship-building may prove beneficial to the managers. Improvement of employee-customer interactions might be used to minimize the perceived standardized service and establish more emotional bonds with customers, resulting in better loyalty results.

In the case of independent retailers, emotional loyalty as a differentiator is a strategic factor as indicated in the findings. Independent retailers tend to be in local communities and are well placed to build trust-based relationships with customers by being able to interact with them in a personalized manner. Managers must still take advantage of this relational strength with the same consideration that the functional standards like regularity of products and reasonable prices are upheld so that the customers are not dissatisfied.

Further, the research recommends that managing loyalty in convenience retailing should be based on an integrated approach that would balance functional efficiency and emotional involvement. The loyalty strategies developed by the retail managers ought to be integrated into operational excellence and relationship-oriented practices. In this way, retailers will be able to optimize customer retention, promote positive word-of-mouth, and create more sustainable loyalty results in a more competitive retailing environment.

6.6 Limitations of the Study

Although this study brings a lot of insights when it comes to customer loyalty in the convenience retail context, it has several limitations as they must be considered. To begin with, the study was founded on a sample of 200 respondents which is limited in geographical sense and was concentrated on one independent retailer and one cooperative retailer. Consequently, the results cannot be completely extended to other areas or to the convenience retail industry in general.

Second, the research was quantitative based on self-reported data in the form of a survey. Even though such approach is suitable in analyzing perceptions and attitudes, the responses can be biassed, e.g. social desirability bias or recall bias. Moreover, the cross-sectional research design used does not allow exploring the changes in customer loyalty and drivers of customer loyalty over time.

Lastly, although the study has looked at the main functional and emotional drivers of loyalty, it failed to capture other possible aspects of customer loyalty like brand image or external competitive forces. These are limitations that must be put into consideration

when interpreting the findings albeit they do not diminish the holistic contribution of the study.

6.7 Recommendations for Future Research

Based on the limitations found in the present work, it is possible to make several recommendations as to how future research would be conducted. To begin with, research in the future may increase the sample and incorporate various geographical areas to enhance the generalizability of the results to other convenience retail settings. It would also be possible to compare retail formats in a wider scope by looking at a wider variety of independent and cooperative retailers.

Second, the study might be developed in the future as either qualitative or mixed-method research including in-depth interviews or focus groups, to obtain deeper information on the emotional and relational components of customer loyalty. These techniques can assist in capturing finer customer experiences which cannot be captured solely using survey-based data. Moreover, longitudinal research designs may be used to test the ways of customer loyalty development, as well as the factors that influence the development of customer loyalty, which will grant a better insight into the way loyalty is formed and maintained.

Lastly, further research could be conducted in the future to examine more variables that affect customer loyalty, including brand image, online interaction, or competitive rivalry to expand the existing research model. These guidelines would help to get a more comprehensive picture of customer loyalty in the changing convenience retail sector.

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Appendices – Customer Loyalty Survey Questionnaire

Research Title:

"A Comparative Study of Functional and Emotional Drivers of Customer Loyalty in Convenience Retailing: A Study of Guney Food & Wine and CO-OP"

Participant Information

You are invited to take part in a research study examining customer loyalty in convenience retailing. The purpose of this study is purely academic and forms part of an MBA dissertation.

Your participation is voluntary and anonymous. No personal identifying information will be collected. You may withdraw at any time. The survey takes approximately 5–7 minutes to complete.

By proceeding, you confirm that:

- You are over 18 years old
- You consent to participate in this study

Section A: Demographic Information

Please tick the option that best applies to you.

1. **Age Group**

- ☐ 18–24
- ☐ 25–34
- ☐ 35–44
- ☐ 45–54
- ☐ 55+

2. **Gender**

- ☐ Male
- ☐ Female
- ☐ Prefer not to say

3. **Which store do you visit most often?**

- ☐ Guney Food & Wine
- ☐ CO-OP

4. **How often do you shop at this store?**

- ☐ Daily
- ☐ Several times a week
- ☐ Once a week
- ☐ Occasionally

5. **How long have you been shopping at this store?**

- ☐ Less than 6 months
- ☐ 6 months – 1 year
- ☐ 1–3 years
- ☐ More than 3 years

Section B: Functional Loyalty Drivers

Please indicate your level of agreement with the following statements.

Scale:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

No.	Statement	1	2	3	4	5
B1	This store offers good value for money	☐	☐	☐	☐	☐
B2	Prices in this store are fair compared to other nearby stores	☐	☐	☐	☐	☐
B3	This store is conveniently located for me	☐	☐	☐	☐	☐
B4	The store has the products I usually need	☐	☐	☐	☐	☐
B5	Products are usually available when I visit	☐	☐	☐	☐	☐
B6	Promotions and special offers are attractive	☐	☐	☐	☐	☐
B7	The loyalty scheme (if applicable) offers good benefits	☐	☐	☐	☐	☐

Section C: Emotional Loyalty Drivers

Please indicate your level of agreement with the following statements.

Scale:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

No.	Statement	1	2	3	4	5
C1	I trust this store	☐	☐	☐	☐	☐
C2	Staff are friendly and polite	☐	☐	☐	☐	☐
C3	I feel welcomed when I visit this store	☐	☐	☐	☐	☐

No.	Statement	1	2	3	4	5
C4	Staff recognise me as a regular customer	☐	☐	☐	☐	☐
C5	I feel emotionally connected to this store	☐	☐	☐	☐	☐
C6	I feel comfortable shopping in this store	☐	☐	☐	☐	☐
C7	This store reflects values that are important to me (e.g. community, ethics)	☐	☐	☐	☐	☐

Section D: Customer Loyalty Outcomes

Please indicate your level of agreement with the following statements.

Scale:

1 = Strongly Disagree

2 = Disagree

3 = Neutral

4 = Agree

5 = Strongly Agree

No.	Statement	1	2	3	4	5
D1	I intend to continue shopping at this store	☐	☐	☐	☐	☐
D2	This store is my first choice for convenience shopping	☐	☐	☐	☐	☐
D3	I would recommend this store to friends or family	☐	☐	☐	☐	☐
D4	I would choose this store over other nearby stores	☐	☐	☐	☐	☐
D5	I am unlikely to switch to another convenience store	☐	☐	☐	☐	☐

Section E: Optional Comment

If you would like to share any additional comments about your experience with this store, please write below:

Thank You

Thank you very much for your time and participation. Your responses are greatly appreciated and will contribute to academic research in retail management.