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Variety seeking behaviour as a measure of enduring loyalty

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Abstract

Purpose: The following paper aims to study how the variety seeking behaviour impacts the value creation process and in turn has implications on customer loyalty. It also tries to measure the success of the coalition loyalty programmes which satisfy the variety seeking behaviour. **Design/Methodology/Approach:** A structured questionnaire was developed and various aspects of the loyalty programme were studied. The data analysis consisted of exploratory factor analysis, chi-square analysis and Fisher's exact analysis test. **Findings:** The study reveals the importance of acceptance of variety seeking behaviour as a value which the customer derives by joining the coalition based loyalty programmes. It also reveals how the ease and simplicity of joining the coalition programme has an impact on the loyalty levels. **Practical implications:** We believe that this research will benefit the managers in strategizing for particular segments of their loyalty programme members. It will enable their understanding of the fact the greater customer co-creation, higher are the loyalty levels. **Originality/Value:** There has been little research on the variety seeking behaviour and its impact on the loyalty levels of the customer. This research paper tries to fill in this gap. It also tries to link Co-creation of the consumption experience and its impact on the loyalty levels. **Limitations/Future research:** This research was done in India and therefore a wider geographic and demographic reach and study across comparative coalition loyalty programmes will help to establish the model proposed.

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Keywords: Satisfaction; Loyalty; customer derived value; Variety seeking behaviour; Co-Creation; Consumption experience;

1. Introduction

This paper is written from a marketing angle by evaluating the process of value creation on customer loyalty. It attempts to measure how the variety seeking behaviour of customers can be tapped by using a coalition loyalty programme like PayLink** and succeed in retaining loyal customers. (** Name changed for confidentiality purpose)

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The paper begins by trying to understand satisfaction, and then loyalty. Then the link between loyalty, commitment, engagement and involvement is considered. We have also tried to establish a relationship between the variety seeking behaviour of customers and therefore value and loyalty. The last part studies the success of the PayLink card scheme, which is a coalition based loyalty programme (in India) by testing it against various hypotheses. The last part concludes the research and makes necessary suggestions from a managerial perspective. In order to understand the approach of the retailers to move away from customer satisfaction to customer loyalty, let us first understand customer satisfaction. Achieving customer satisfaction has long been identified as the key to customer loyalty (Anderson and Sullivan, 1993). It was assumed that customer satisfaction implied customer loyalty. However, over the years this belief could not be evidenced sufficiently. Jones and Sasser (1995) commented that “(m)erely satisfying customers, that have freedom to make choices is not enough to keep them loyal. Satisfaction is the necessary step in loyalty formation but it has become less significant as loyalty sets through other mechanisms like the role of personal determinism and social bonding at institutional and personal level (Oliver 1999). We are attempting to study loyalty in the changed market scenario of proliferation of choice, fragmentation and also evolution of new media choices and a time compressed customer who is connected socially to the World Wide Web.

Oliver (1999) defines satisfaction as a pleasurable fulfilment. It occurs when the customer truly feels that he/she has achieved greatest return on the investment made by him/her. Satisfaction is also defined (Yi 1989, Oliver 1997) as ‘The customer’s fulfilment response, the degree to which level of fulfilment is pleasant or unpleasant’. Jones and Sasser (1995) find that completely satisfied customers were six times more likely to repurchase over the next year and a half than somewhat satisfied customers. The satisfaction concept identified by Reichheld (1993) illustrates that satisfaction is not sufficient in any industry to affect customer loyalty. So what are the additional drivers that can satisfy a customer and at the same time keep him loyal?

2. Literature review

The retailer’s approach is slowly shifting from creating a base of satisfied customers to creating a set of ‘loyal’ customers who are committed and will not switch brands but remain fixed on their preference. Commitment is defined as the customer’s strong willingness to maintain a lasting relationship with the brand (Morgan and Hunt 1994, Dholakia 1997). Gurviez and Korchia (2002) defined this concept as: “Commitment from the customer standpoint is defined as the implicit or explicit intention to maintain a durable relationship. This durable relationship between a firm and its customer can further be classified as ‘Loyalty’. Modern day customers seek variety in almost every aspect of living and therefore even in buying. The customer seeks this variety not only in terms of different product choices but also store preferences, the atmospherics (Kotler 1973) and actual experience. This also means that the customer sees many choices on offer and therefore feels the need to at least try most of the promising ones to ensure that he is getting the best deal that is available. How does a brand create variety and yet retain the customer? This research paper tries to offer a relationship equation for managers and marketers by studying the usage and attitudes of customer towards the PayLink loyalty card on the basis of the hypothesis supported by the survey data and thus tries to draw inferences on the success of creating a loyalty programme that targets the customer value, yet offers a variety of services which help in retaining the customer.

3. Value creation and loyalty

Let us first understand ‘value’ in terms of a customer’s perception and look at how it is related to loyalty. Loyalty has been and continues to be defined in some circles as repeat purchasing frequency or relative volume of same brand purchasing (e.g., Tellis 1988). Loyalty is also an accumulation of experiences (Mascarenhas et al., 2006), accrued over multiple “moments of truths”. Delighted customers are more loyal (Johnston, 2004; Curasi and Kennedy, 2002). The two key dimensions which loyalty practitioners focus on are the behavioral and attitudinal. The first is behavioral loyalty that is defined with customer actions (not intentions) (Keiningham et al., 2007). Behavioral loyalty affects purchase frequency (Divett et al., 2003), purchase value (Mascarenhas et al., 2006), purchase quantity and variety (Jang and Mattila, 2005) and solicited WOM (Word of mouth). It is more short-term and leads to customer retention (Baumann et al., 2007; Mascarenhas et al., 2006; Skogland and Sigauw, 2004; Uncles et al., 2003). Repurchase intension, resistance to switching and willingness to recommend account for 62 percent of loyalty (Lee et al., 2000). How does one measure customer loyalty in terms of value perceived by the

customer given that only behavioural loyalty can be measured and there are no direct measures for attitudinal loyalty only indicators.

Attitudinal loyalty is intrinsic. If a product or service offers instant gratification, it gets noted subconsciously in the customer's mind and he tries to relate the same gratification when he makes repeated purchases. It is not the cost, nor the appearance but the 'value' of the product in customer's mind that makes him loyal. Attitudinal loyalty is important especially when the functional benefits of products are difficult to evaluate. Behavioural economists tell us that economic decision-making is 70 percent emotional and 30 percent rational (Johnson, 2010). This occurs since the attitudinal components, such as perceived value, are viewed as the antecedents of customer loyalty (Donio, Massari, & Passiante, 2006; Hennig-Thurau, Gwinner, & Gremler, 2002; Ibrahim & Najjar, 2008). This supports the findings of Dick and Basu (1994) that viewing loyalty as an attitude behavior relationship allows integrated investigation of antecedents of customer loyalty. Such antecedents of customer loyalty include customer perceived value and marketing mix (Bloemer & Odekerken-Schröder, 2002; Cronin et al., 2000; Yoo, et al., 2000). Numerous attempts have been made to study the concept of 'value'. Generally, value has been conceptualized on an individual level (Holbrook 1994; 1999), as an assessment of the tradeoff between benefits and sacrifices (Zeithaml 1988; Day 1990; Woodruff and Gardial 1996), or as means-ends-models (Howard 1977; Gutman 1982; Zeithaml 1988; Woodruff 1997). More recently value has been recognized in the context of customer experiences (Heinonen and Strandvik 2009), as part of extended social systems (Epp and Price 2010; Edvardsson, Tronvall and Gruber 2010) or as monetary gains created mutually by business partners (Grönroos and Helle 2010).

It is not just the product or the service which delights the customer but the entire gamut of marketing mix that comes together in creating a positive value for the product. Customer perceived value as conceptualized by Zeithaml (1988) is: "(3) value is the quality I get for the price I pay and (4) value is what I get for what I give." Creation of customer value has long been recognized as a central concept in marketing (Woodruff 1997) and a fundamental basis for all marketing activity (Holbrook 1994). It drives decisions about product development, modification, pricing, distribution and marketing communications. Products offering greater value to customer are found to be more successful than products that offer no value or limited value (Cooper 2001). Customer value creation has become the precursor to customer satisfaction and loyalty (Woodall 2003). Given the fundamental nature of value, it is critical for managers to gain estimates of value of their products in particular customer applications and to learn how these can be enhanced (Wind 1960). Value creation has to take a micro view of the customer and should consider (apart from other things) his ability and willingness to spend for a value added service.

A wide array of value creation is taking place, some that can be measured easily and some that cannot be measured according to the existing approaches of measurement. Mark Moore has described this challenge as one requiring an awareness of the multiple dimension of value, as opposed to simply understanding value as trade-off between competing measures. Though value creation is thought of as an important factor, not much work has been done, in the marketing mix, particularly from the product/service point of view, in capturing and retaining the customer value. Woodruff (1997) defines customer value as "a customer's perceived preference for, and evaluation of, those product attributes, attribute performances and consequences arising from use that facilitates (or blocks) achieving the customer's goals and purposes in use situations".

An easier definition of customer value (as given by Gale 1994; Heard 1993-94; Zeithaml 1998) defines customer value as being what customers get (benefits, quality, worth, utility) from the purchase and use of a product versus what they pay (price, costs, sacrifices), resulting in an attitude toward or an emotional bond with (Butz and Goodstein 1996), the product. It is not just the product that offers value, as per the service dominant logic a customer can assess value and always co-creates value. Customers are claimed always to be "co-creators of value" (e.g. Vargo and Lusch 2004; Vargo and Lusch 2008). Moreover, it is claimed that "the firm cannot deliver value, but only offer value propositions" (Vargo and Lusch 2008). We feel that it is this attitude towards and an emotional bond for, that we are looking to prove and say that attitudinal loyalty is required for higher levels of engagement with the product/service which can lead to loyalty that is stable and predictable; because what is predictable can be tackled and improved upon. The ease with which the customer can decide on purchasing increases his probability of returning to the firm (making repetitive purchases) and taking him up to a level above that of satisfaction, thus making him loyal. This ease and convenience of use is what we have tried to measure in our primary study.

Alternatively, value is not obtained in the economic exchange of market offerings but rather through their use within a context. Knowing what a customer wants helps the firm in deriving its value proposition. It is of utmost importance from a firm's perspective to understand the perception of 'value' as it is likely to vary from customer to customer. The service dominant logic sees goods as tools or appliances in the customer service provision 'supply

chain' and role of supply chain is to support the customer value creating processes with service offerings, either directly or through goods (Gummesson 1995; Vargo and Lusch 2004).

4. Variety seeking behavior and customer derived value

An important factor that comes in the study of loyalty is the variety seeking behaviour of the customer. Both these are assumed to be mutually exclusive. A variety seeking customer does not remain loyal. Hence an understanding of the variety seeking behaviour of the customer is of utmost importance. Variety seeking is not a new concept, though its relevance in marketing has been recently observed. It derives its origin from the field of psychology (Leuba and Hebb, 1955). A key finding in previous research is that people are often motivated to choose variety (Ratner, Kahn, & Kahneman, 1999; Read & Loewenstein, 1995; Simonson, 1990). Recently, customer researchers have become interested in applying the concept of variety seeking to the customer context. The consumer seeks variety not only in the type of purchases he makes, but also in the methods of his payment. He tends to prefer the minimum effort required from his side to satiate his need for obtaining variety. The purchase decisions are at times based on the ease of availability, the methods of payments and convenience of using a particular payment pattern. Specifically, studies have illustrated the connection between optimal stimulation level and: 1) acceptance of new products and retail stores (Haines 1966, Mazis and Sweeny 1972, Mittelstaedt et al. 1976, Grossbart, Mittelstaedt and DeVere 1976, Raju 1980, 2) brand switching (Tucker 1964, McConnell 1968, Brickman and D'Amato 1975), 3) media attention and utilization (Kroeber-Riel 1979, Goodwin 1980, Hirschman and Wallendorf 1979 and 1980), and 4) creativity in the use of products (Price and Ridgeway 1982a and 1982b). However not much research has been written or done on the aspect of taming this variety seeking purchase behaviour or on checking the success of a product or service that offers variety and yet keeps customers loyal.

A customer has a multitude of choices and it is from these that he makes his decision based on the best value provided by the product. What is the impact of variety seeking purchase behaviour on the customer loyalty?

In this paper we test the following:

- Is there a relationship between customer satisfaction and card usage
- Degree to which customer satisfaction leads to referral & recommendation of the loyalty card
- Is variety seeking behaviour age dependent?
- Is the consumer's income an indicator of his indulgence in variety seeking behaviour?
- Does the coalition loyalty program ensure brand loyalty?

We will also check the factors that improve the experience of using a coalition loyalty card.

5. Loyalty Programmes

This note has been written basis an initial exploratory research done with 6 managers who were running different types of loyalty programmes with different organizations in India. They were all based in the cities of Pune and Mumbai in the state of Maharashtra in India. Face to face depth interviews were conducted and they were questioned basis a discussion guide. The areas covered in the discussion guide were perceptions about loyalty, importance of loyalty, various ways of implementing loyalty schemes and what kind of schemes did they think would work best. Some of the key findings can be summarized as below:

- New ways of inculcating, building and strengthening customer loyalty and engagement should be developed and implemented to fight intense competition.
- Loyalty programmes are only one of many such marketing tools and these can be effectively used by marketers to identify their most valued customers, understand their preferences and then provide them with simple yet relevant offers and experiences that differentiate the brand in the mind of the customer.
- The best known example of reward programme is the frequent flier programme.
- One of the key reasons a lot of customers enrol then become inactive is because they feel that the offers are not relevant and there is nothing new or novel in it.
- The 'sameness' of the loyalty programme was perceived as boring by customers. This was on account of limited stores, very few or the same brand available, difficulty in operation and redemption.
- The India Retail Industry is the largest among all the industries, accounting for over 10 per cent of the country's GDP and around 8 per cent of the employment.

- The total concept and idea of shopping has undergone a transformation in terms of format and customer buying behaviour, ushering in a revolution in shopping in India.
- Indian retailers need to take advantage of the growth and should look at formats that can provide retailtainment, diverse experiences, newer product and consumption formats all with the intention of brand building.
- The loyalty building programmes in India were first initiated in the hospitality industry and then covered the airlines sector and now the retail industry has started adopting them.
- More recent entrants are the automobile industry and petroleum companies like BPCL and HP.
- The benefits of a well run loyalty programme are numerous, but most Indian retailing organizations feel that loyalty programmes are nothing but distribution of freebies to customers.
- There are a few players in the Indian retail sector who have succeeded by adopting the loyalty programme strategies like

Table 1: Loyalty program strategies

Retail outlet	Name of the programme	Cost of Enrolment	USP
Shopper's Stop	First Citizen	Rs. 200	Collaboration with Food Joints like US Pizza, 75% of its sales from Card Holders
Lifestyle	The inner Circle	Rs. 200	Valid in Landmark store like SPAR, MAX etc
Reliance	Reliance One	Free	Simple Registration

- There is a perception that a loyalty programme attracts customers repeatedly to a store and encourages them to purchase more.
- However now-a-days retail programmes are about the value from shopping. Positive experiences with programmes are talked about and lead to referrals. Therefore recommending and referring the programme seem to be targets that the companies are aiming for.
- Negative experiences are also talked about and lead to an adverse impact on the parent brand and therefore a close check by way of satisfaction or customer experience management is now done by a lot of companies like 3M Car Care etc.

We feel that, there has not been any study conducted on what value a loyalty programme provides to the customers in terms of satisfying his desire to seek variety. The concept of loyalty and variety seeking may sound ambiguous. However in this paper we try to study how variety seeking can be thought about as a value which a customer seeks when he/she opts for a coalition based loyalty programme in the context of the Indian retailer.

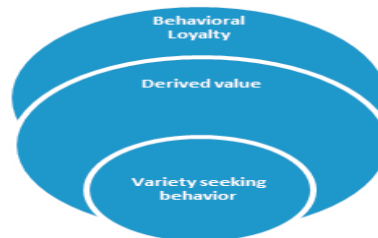


Fig 1 : Value of loyalty program

6. Coalition Loyalty Programmes

The following note has been prepared exclusively by interviewing a team of five decision makers who were

currently owners of the coalition loyalty programme under study. To study the need for coalition loyalty programmes let us first understand the basic concern behind this kind of loyalty. Is it the lack of incentive from customer's perspective given by the card? Or is it the fear to get 'stuck' with a particular brand? To understand the reason behind this we need to understand that the customer today has a varied requirement and it cannot be limited to the bounds of a single store. In addition to this, the customer does not want the burden of carrying various cards and using each for a separate purpose. Lastly there is a concern that one does not spend enough to qualify for the store's incentives. These limitations have given way to a new form of loyalty programme for the Indian retailers known as 'Coalition loyalty programme'; which are customer loyalty programmes designed for joint use by two or more companies. In an era where customer loyalty is the most valuable asset of the firm, such coalition based programmes provide a strong customer base, which in turn become assets of the business and thus provides substantial benefits in the future. For a coalition loyalty programme, customer engagement is very important through providing benefits and a range of choices (for the customer and the retailer). Multi-partner loyalty programmes exactly to tackle this issue.

The benefits derived by coalition loyalty programme are numerous. Some of them can be stated as:

- Customers are interested in greater rewards and greater choices.
- The coalition's card is likely to be carried all the time and at each use it reminds the customer of the programme improving engagement.
- Cost benefits and competitive advantages due to the fact that most of the development work has already been done by the coalition programme's operator/founder sparing partners the effort for a new programme.
- A useful database which is central to the business of the programme operator and can be used for multiple purposes.
- Sector exclusivity nurtures market dominance.

About PayLink and the Research Design

PayLink allows shoppers to collect points with only one card and to redeem them for attractive rewards. In order to study the benefits of coalition loyalty in the Indian context, an elaborate study of PayLink's loyalty card scheme was studied in depth. PayLink was launched in 2000 by a European firm and has the largest market share. In 2010, India's leading rewards programme was taken over by PAYLINK and as of 1st July 2011, was rebranded as PayLink India, thus formally launching this loyalty programme in India.

In order to test the impact of the loyalty programme, the study was conducted over 10 major cities and a sample of 2301 respondents in India at the various retail formats. The methodology chosen was:

- Face-to-Face interviews (Structured questionnaire not exceeding a length of 20 mins.)
- Computer Aided personal interviews administered by trained corporate interviewers

The sampling used was convenience sampling, by carefully choosing the stores with partners having higher number of loyalty card transactions. The exit-interviews were conducted in a store environment, inside the partner retail stores. The respondents which do not conform to any of the following screening criteria were screened out:

- Aware of Loyalty programmes as a concept
- Aware of the PayLink (coalition loyalty programme)
- Age groups - 18 to 55 years old

7. Data Analysis and Findings

Respondents were asked about their PayLink experience and were asked to rate the importance of certain features on a scale of 1 to 5, 1 being "Extremely important" and 5 being "Not at all important". The major features that they were asked to rate were: Simplicity, Ease of redemption, Value of rewards, Number of partners, Partner reputation, Relevance of offers, Offer attractiveness and Offer frequency. A chi-square test of goodness-of-fit was done on these variables to ascertain if the responses were significantly different from a uniform distribution. For all the variables above, the responses were predominantly either "Extremely important" or "Important" ($p < .001$, χ^2 in the range 961 to 1736 for all the variables listed above).

These features of the PayLink scheme therefore are very important to customers.

H_{0a}: There is no significant relation between the customer's experience and the card usage.

H_{1a}: The usage of the card is dependent on the customer's experience.

The respondents were also asked about the ease and convenience of online shopping/booking and the ease and convenience of using a partner store. These responses were also scored on a five point scale ranging from "Extremely important" to "Not at all important". It was of interest to see if these two variables were related to their PayLink experience as outlined in the previous paragraph (Simplicity, Ease of redemption etc.) The independence of two categorical variables is conventionally tested using the chi-square test for independence. This test however requires that not more than 20% of cells should have expected frequency less than 5. The data in question had very few (or no) responses in the "Not important" or "Not at all important" category, making the conclusions of a conventional chi-square test questionable. Keeping this in mind, the analysis for independence was done using Fisher's exact test, which is valid for arbitrary table sizes with no restrictions on the expected cell count. These results were verified independently using a bootstrap method. All calculations were done using SPSS 18.

Fisher's exact test for independence showed that the variables in these two sets were strongly dependent ($p < .05$ for all cross-tabulations). This implies that we accept the alternate hypothesis that the card usage is indeed dependent on the customer's experience, which constitutes of ease of use and convenience.

H_{0c}: There is no significant relation between a customer's satisfaction and his referral & recommendation for the loyalty card

H_{1c}: Card recommendation is highly dependent on the customer satisfaction

It was of interest to know whether respondents who were satisfied with the PayLink scheme would recommend the scheme to others. Both these variables ("satisfied with scheme" and "would recommend to others") were rated on a 5 point scale. A chi-square test for independence showed that the customers who were satisfied with the scheme were likely to recommend it to others (Fisher's exact test, $p < .001$). Therefore if a customer is aware and has used the scheme he/she is sufficiently satisfied to themselves to recommend it to others. We also need to keep in mind that the customer sees himself as an expert while recommending and is unlikely to recommend an experience that was not good for him/her. This would mean that the customer was extremely satisfied and therefore is likely to be loyal and therefore also exhibit not just behavioral but also attitudinal loyalty due to the functional benefits and also an emotional bond.

8. Factor analysis

There were 14 items that assessed the PayLink experience (see Appendix 1).

An exploratory factor analysis was done to ascertain the factor structure of this questionnaire. The method of analysis chosen was "Direct Oblimin" since we expected some correlations between the factors. The diagnostics of the factor analysis indicated a good factor structure. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.946 indicating that the partial correlations between the variables are small and that factor analysis is appropriate. Bartlett's test of sphericity gave a p-value less than .001, indicating that the correlation matrix is far from the identity matrix. Two clear factors emerged from the analysis. (See Appendix 2). One factor comprised the items "Simplicity" and "Ease of enrolment", this implies that ease of use is an important consideration while deciding the usage of the loyalty card. Previous research also suggests that simplicity of use leads to enhanced levels of loyalty. Hence this factor is important.

The second factor has many variables in it and consumers perceive all of them to be correlated. These include - Ease of redemption, Ability to earn frequently, Value of rewards, Partner reputation, Adequacy of communication, in store visibility, Relevance of offers, Offer attractiveness, Offer frequency, Advertisement about programmes and offers. This means that the customer wants a variety of offers, variety of partners and all these should be communicated in adequate and various ways to them. The implication is the variety seeking behavior of the customer should be adequately satisfied. Since this data was collected from enrolled users we can say that the customer's primary reasons for staying loyal to the programme were : 'Ease of Use' and 'Variety Value'. It is interesting to note that the item "Ease of earning" loads almost equally on both factors. This may mean that the customer derives pleasure by indulging in variety seeking behavior with ease of transaction. The implication for managers is that a loyalty programme should allow the customer to indulge in variety (in terms of products, experiences, offers, communications and frequency) however this variety should be accessible in a simple and efficient manner.

9. Conclusions and areas of future research

The customer co-creates the consumption experience based on the card usage which is that he/she tends to look at a variety of choices available and picks a mix that they consider relevant for themselves given their past experiences and perceptions. When the awareness levels of the coalition loyalty programme are high the customer shows higher enrollment implying that he/she is looking for those specific benefits (of variety) and when such a proposition is available a customer shows higher tendency to opt into such a programme and remain loyal. So, variety seems to be a product/service offering that customers actively seek and therefore managers should build that into their value proposition.

The coalition loyalty programme showed high satisfaction leading to high word-of-mouth publicity by way of recommendations. Variety and ease of use are key factors of consideration to build loyalty with a coalition programme. Therefore our model shown in Fig 1 is clearly established. This research was done in India and therefore a wider geographic and demographic reach and study across comparative coalition loyalty programmes will help to establish the model.

Appendix-1: Questions based on which data was collected

1. We will now read out some attributes of loyalty programmes. On a scale of 1 to 5 (where 1 means "extremely important" and 5 means "not important at all"), how would you rate each of the following attributes in terms of importance.
2. On a scale of 1 to 5, where 1 means "extremely satisfied" and 5 means "extremely dissatisfied", how would you rate your PayLink experience on the following attributes:
 - Simplicity
 - Ease of enrolment
 - Ease of redemption
 - Ability to earn frequently
 - Value of rewards
 - Partner reputation
 - Adequacy of communication
 - In store visibility
 - Relevance of offers
 - Offer attractiveness
 - Offer frequency
1. Advertisement about programmes and offers
 3. You told us that you have redeemed your PayLink points, please share how did you redeem your points?
 4. Rate your satisfaction from the ease and convenience of redemption process on scale of 1 to 5. 1 being 'Extremely satisfied' and 5 being 'Not satisfied' at all on the following attributes:
 - Online @ PayLink.in(rewards catalogue)
 - Online shopping/ booking online @partner sites
 - At partner stores
 - Other sources (please specify)
 - On scale of 1-5 how convenient was enrollment process
 - Extremely convenient
 - Very convenient
 - Somewhat convenient
 - Very inconvenient
 - Extremely inconvenient

Appendix 2 – Output of Factor Analysis

Rating experience of using PAYLINK	Variety - value	Ease of use
	1	2
1. Simplicity		.819
2. Easy enrolment		.724
3. Ease of earning	.438	.418
4. Ease of redemption	.611	
5. Ability to earn frequently	.657	
6. Value of rewards	.626	
7. No. of partners	.579	
8. Partner reputation	.540	
9. Adequacy of communications	.595	
10. In store visibility	.738	
11. Relevance of offers	.842	
12. Offer attractiveness	.886	
13. Offer frequency	.919	
14. Advertisement about programmes and offers	.896	

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