Share of Wallet in FMCGs Retailing: Proposing a Conceptual Model

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Recent years, the Marketing Science Institute considered marketing performance measurement (MPM) a priority in marketing research and managerial practice. Several contributions on the same topic have been proposed in literature. The ability to measure the marketing performance is considered, a cognitive gap that determined a decrease of marketing relevance within firm and organizations. Based on relevant literature on retailing and an explorative case study, it will be proposed a conceptual and pragmatic model to investigate MPM for a consumer goods retailer. The model is aimed to identify antecedents of "share of purchase", "share of wallet", and "share of visit". An early test of the model has been carried out on three Italian leading chains: Superò, a master franchisee of SMA Spa (owned of 27 small supermarkets under control of the French Auchan Group), Decò-Multicedi (the Group is a multi-channel company based on network of five Ad Hoc cash & carry centers, 253 Decò outlets and three Ayoka pet shops) located in Campania Region. "U2" (the outlets label of Unes Spa, Finiper Group, operating mostly in northern Italy, with a chain of more than 190 direct and franchise supermarkets).

Keywords: marketing performance measurement, share of visit, share of purchase, share of wallet, marketing metrics and retail industry

Introduction

Recent years the analysis and the improvement of the marketing efficiency and effectiveness are one of the most analyzed topics in literature, and one of most interesting for the managerial practice. The alignment strategies and marketing performance metrics with business goals are strategically relevant for the success of the companies. In the retailing business, the process of Marketing Performance Measurement (MPM) is particularly important because it permits to better plan the sales, and increase "traffic" both in terms of customers' visits and sell-out. Implementing a system of MPM means to be able to arrange a metrics' set that bears the best measure of these phenomena. The purpose of this paper is to determine the share of visit (SOV) and the share of purchase (SOP) in consumer goods retail industry. It is important to understand which the levers that foster the customers' traffic in the stores and consequently increase their store purchases. The share of wallet (SOW) of each customer derives from these latter components: SOV and SOP. The analysis is focused on Fast Moving Consumer Goods (FMCG) or Consumer Packaged Goods (CPG). FMCGs are sold quickly and at relatively low cost. In addition, they have a short shelf life, because these products have a high

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consumer demand and deteriorate rapidly (e.g. meat, fruits, vegetables, dairy products, and baked goods are highly perishable; other goods such as alcohol, toiletries, pre-packaged foods, soft drinks, and cleaning products have high turnover rates). The FMCGs are interesting to investigate because they have a low profit's margin (more for retailers than suppliers), but they are generally sold in large quantities. Therefore, the cumulative profit on these products can be substantial. The model proposed in this paper aims to interpret these dynamics in a managerial perspective.

Conceptual Framework

To demonstrate the contribution to the firm's performance, there is an increasing interest in the academic literature on SOV (Mägi, 2003), SOP (Anaza & Rutherford, 2014) and SOW (Keiningham, Perkins-Munn, & Evans, 2003; Cooil, Keiningham, Aksoy, & Hsu, 2007). Several authors (Immink, Wierenga, Bremmers, Omta, Trienekens, & Wubben 2004; Rao, 2009; Huang, Fildes, & Soopramanien, 2014), have proposed a model for understanding sales dynamics in FMCGs. In this context, the construction of MPM's set is fundamental to improve the business performance measurement. The MPM "…is the systematic management of marketing resources and processes to achieve measurable gain in return on investment and efficiency, while maintaining quality in customer experience" (American Marketing Association, 2005). The MPM assumes a central facet because it is based on a set of measurable performance standards that puts the focus on outcome of marketing's actions. This paper connects two different research streams in marketing: the store satisfaction (SS) and the store loyalty (SL). The interconnections between these two components have a positive effect on purchase intentions (Bloemer & De Ruyter, 1998). Purchase intentions are crucial for the formation of SOW and this latter element is related to percentage (share) of a customer's expenditures (of wallet) for a product that goes to the firm selling the product. The firms fight over the share they have of a customer's wallet, trying to get of it as much as possible. For extending this share, they can sell even ancillary or complementary products.
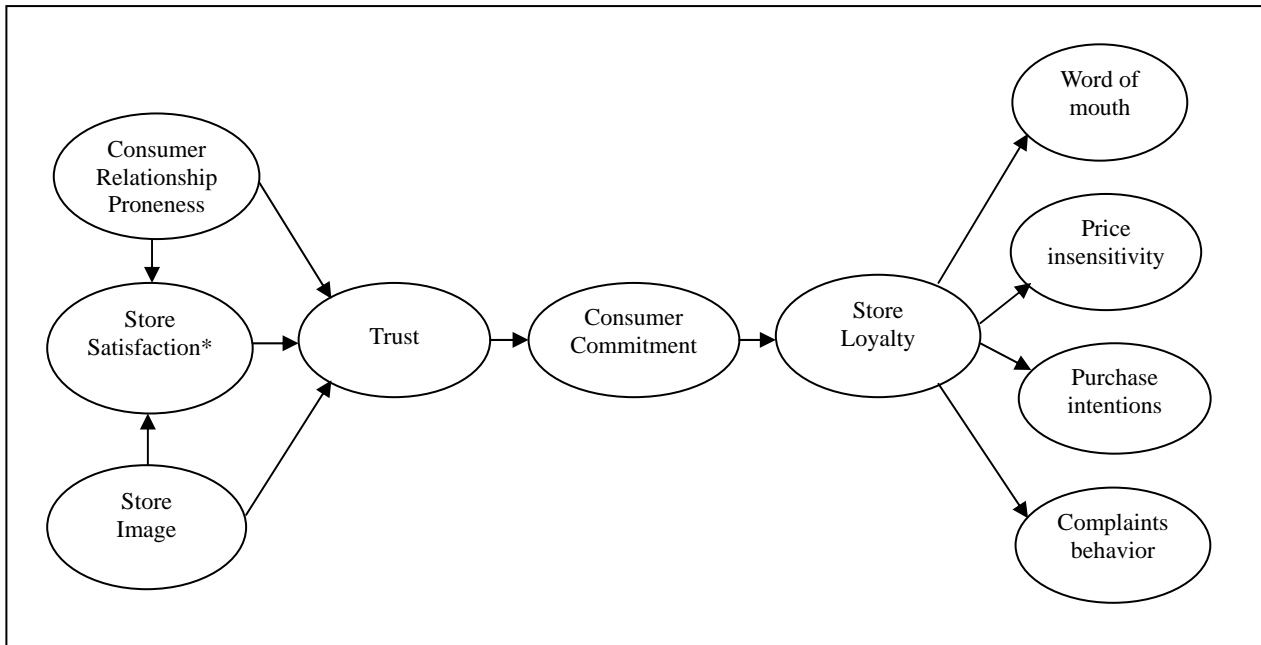

Figure 1. Positive effect of store satisfaction on purchase intentions. Source: Adaptation from Bloemer and Odekerken-Schroder (2002).

Literature Review

Table 1 (below), provides an overview of recent studies about the topics of customer satisfaction, purchase behavior, and customer loyalty, which have strong impact on SOV, SOP, and SOW.

Table 1

SOP, SOW, and SOV—a Reference Frame in Literature

Author	Topics	Field of application	Methodology	Findings
Clerfeuille and Poubanne (2002)	Consumers' share of purchase	Veterinarian industry	Qualitative/ survey and quantitative/statistical	"…the categorization of satisfaction impact on the SOP "tetraclass model"
Mägi (2003)	Share of wallet in retailing	Grocery stores	Quantitative/statistical	"satisfaction and loyalty card impact strong on SOP/SOV"
Keiningham, Perkins-Munn, and Evans (2003)	Impact of customer satisfaction on share of wallet	B2B environment	Quantitative/statistical	"according to a statistical model is a positive relationship between customer satisfaction and SOW"
Leenheer, Bijmolt, Van Heerde, and Smidts (2004)	Loyalty programs and behavioral loyalty influence on share of wallet	Grocery retailing, Netherlands	Qualitative/ survey and quantitative/statistical	"…the SOW of a company's customer base is positively related to the presence of a loyalty program and SOW depends on its relative attraction to a consumer"
Cooil, Keiningham, Aksoy, and Hsu (2007)	Customer satisfaction and share of wallet	Canadian banking industry	Qualitative/ survey and quantitative/statistical	"positive relationship between changes in satisfaction and SOW"
Meyer-Waarden (2007)	The effects of loyalty programs on share of wallet	Grocery retailing in the French region	Qualitative/ survey and quantitative/statistical	"positive relationship between SOW and lifetime duration"
Babakus and Yavas (2008)	Perceived quality and share of wallet	National retailer of automobile accessories and replacement parts	Qualitative/ survey and quantitative/statistical	"sex influence the relationship between interaction quality/merchandise quality and impact on SOW"
Carpenter (2008)	Satisfaction, loyalty, and share of purchase	Discount retail shoppers	Quantitative/statistical	"attitudinal loyalty influences word of mouth and SOP"
Kim, Ok, and Canter (2010)	Customer share of visits (CSOV)	Full-service restaurant	Qualitative/ survey and quantitative/statistical	"procedural and social switching cost influencing directly SOV"
Cheng, Han, and Cao (2011)	Factors influencing share of wallet	B2B market	Qualitative/ survey and quantitative/statistical	"there is a certain reference value to predict SOW in customer lifetime value (CLV) measurement"
Lourenço and Gijsbrechts (2013)	National brands (NBs), hard discounters (HDs) and share of wallet	Hard-discounters in Belgian market	Qualitative/ survey and quantitative/statistical	"the introduction of NBs impacts on HD image and HD assortment image and consequently on his SOW"
Anaza and Rutherford (2014)	Satisfaction, loyalty, SOP and word-of-mouth communication (WOMC)	b-t-b context	Quantitative/statistical	"satisfaction, loyalty and WOMC of salesperson directly impacts even on those of selling firm and consequently on SOP"
Hunneman, Verhoef, and Sloot (2015)	Share of wallet formation	Grocery chains in the Netherlands	Qualitative/ survey and quantitative/statistical	"store attributes impact on SOW through store satisfaction (SS) and is influenced by consumer confidence and store image"

In accordance with Macintosh and Lockshin (1997) and Reynolds and Beatty (1999), SOP is defined as the percentage of customers' purchases in a specific period of time. Literature research suggests that satisfaction (Zeithaml, Berry, & Parasuraman, 1996; Reynolds & Beatty, 1999) and attitudinal loyalty influences the SOP (Berry & Parasuraman, 1991; Fornell, 1992; Zeithaml et al., 1996; Macintosh & Lockshin, 1997; Reynolds & Arnold, 2000). Some authors suggest links between consumer satisfaction and SOP and underline the presence of a linear process between the concepts of satisfaction and product repurchase (Ngobo, 2000). The links between consumer satisfaction, consumer commitment, and purchase behavior in the retailing industry are identified in the service elements evaluated by the consumer (Clerfeuille & Poubanne, 2002). In the perspective of retailer, SOW has a great significance and underlines an important question: "How do the customers divide their purchases across competing stores and how can retail managers increase their share of purchase?" The customer satisfaction is a way for affecting the consumer behavior and its store's choice (Weir, 2001). The factors that determine where consumers make most of their purchases not always are that ones that determine which store they visit most frequently. Although SOP would be the dimension of ultimate interest from a managerial perspective, the possibility that some factors affect SOV other than SOP, warrants an examination of both dimensions. For example, a consumer who is highly satisfied of a store could spend all his/her budget for weekly purchases at this store, and consequently increase the visits to the store. The SOV is not capable, alone, to increasing the SOW of retailers. In fact, the customers that visit the shop could not be satisfied of store' service and then they buy only products with low margins. Another factor that has a positive effect on the SOW is the loyalty programs and consequently also impacts the customer lifetime duration[1] (Meyer-Waarden, 2007). Therefore, the use of loyalty programs within the same stores chain can create a positive effect on SOP and SOV but it is neutralized when the consumer compares several loyalty cards (Mägi, 2003). In this case it must come into play effects such as satisfaction and loyalty for create a lasting relationship with the store and these factors have a positive effect on SOW (Keiningham, Perkins-Munn, & Evans, 2003). There is a positive relationship between SOW and lifetime duration, which indicates that more the customers buy proportionally in a specific store, longer they will remain with that retailer. Furthermore, the impact of SOW on lifetime duration increases over time. However, results are in accordance with East et al. (1997; 2000) but they contrast with Reinartz and Kumar (1999). Different explanations are possible due to consumer heterogeneity. For example, SOW and lifetime may not be related when shoppers lack interest in stores and have a lifestyle that emphasizes activities unrelated to shopping. In these circumstances, people try to simplify their shopping problems by limiting the range of stores they use and continuing to use the same store for long period of time. Increased SOW also occurs when people ignore deals and simplify their shopping by consistently using the same stores (East et al., 1997). The percentage of SOW in terms of monthly expenditure that a household gives to a store chain also depends on its attraction to product-service system[2] (PSS) of a retailer compared to the attraction of the competitors. To analyze the effects of loyalty programs on SOW, we

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[1] In the same way, the Customer Lifetime Value (CLV) is a prediction of the net profit attributed to the entire future relationship with a customer. The present value of the future cash flows attributed to the customer during his/her entire relationship with the company. When margins and retention rates are constant, the following formula can be used to calculate the lifetime value of a customer relationship: Customer lifetime value ($) = Margin ($) * (Retention Rate (%) ÷ [1 + Discount Rate (%)]) * Retention Rate (%).

[2] Product Service Systems, are when a firm offers a mix of both products and services, in comparison to the traditional focus on products. As defined by Van Halen, te Riele, Goedkoop, and Rommens (1999) a marketable set of products and services capable of jointly fulfilling a user's needs.

need to understand what drives customers to become loyalty program members. The basic idea is that the SOW of a store depends on its relative attraction for a consumer (Leenheer, Bijmolt, Van Heerde, & Smidts, 2004)[3]. Empirical studies (Wirtz, Mattila, & Lwin, 2007) show that the SOW of a firm customer base is positively related to presence of a loyalty program. For all supermarket chains, the customer's average predicted SOW is higher when a loyalty program is available. Several studies (Cooil, Keiningham, Aksoy, & Hsu, 2007) indicate that changes in satisfaction are positively but not linearly, related to the SOW that a customer allocates to a product-service category over time. The relationship between satisfaction and SOW is moderated by both demographic and situational customer's characteristics (Anderson, Pearo, & Widener, 2008). Income and length of relationship are significant predictors. This two latters, negatively moderate the same relationship between satisfaction and SOW changes (Cooil, Keiningham, Aksoy, & Hsu, 2007). Similar findings regard the relationships between satisfaction and repurchase intention, and between satisfaction and retention (Mittal & Kamakura, 2001). Recent studies (Babakus & Yavas, 2008) suggest other variables, as the quality of interaction and quality of goods, which exert significant influences on SOW. The strengths of these effects vary according to gender. For male customers, the total effect of good's quality on SOW is stronger than the total effect of interaction quality. In accordance with Iacobucci and Ostrom (1993), male customers give more importance to core service (or goods) respect to the relational quality. According to Mittal and Kamakura (2001), female customers give the same importance to interaction and goods quality. Finally, the customer's gender influences the SOW (Babakus & Yavas, 2008). The purchases' characteristics of consumers have been deeply debated in the literature. A significant factor is related to purchases' motivations of customers in retail industry. The purchase assumes a hedonistic and utilitarian value, the consumers' choice between hedonic and utilitarian goods (Dhar & Wertenbroch, 2000) and they are influenced by the nature of the decision task. Greater the utilitarian and hedonic shopping value is, higher satisfaction is and this latter, also affects positively the attitudinal loyalty (Chaudhuri & Holbrook, 2001). The attitudinal loyalty demonstrates positive relationships with consumers' behavioral outcomes, such as word of mouth communication and SOP (Carpenter, 2008). Kim, Ok, and Canter (2010) give an important contribution to the definition of SOV in the restaurant industry, where there is a high level of service. The authors assume there are three types of switching costs in the choice of the restaurant:

- social switching costs;
- lost benefits costs;
- procedural cost.

    Also, there are two intrinsic variables on customers:

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[3] $SOW_{ist} = \frac{A_{ist}}{\sum_{s=1}^{s} A_{ist}}$ The attraction of a store (A_{ist}) is a function of loyalty program membership and store characteristics. We specify the attraction function as a Multi Nominal Logit Model, so that it becomes: $A_{ist} = \exp{(\beta_1 + \beta_{2s}LP_{ist} + \beta_{3it}DENS_{ist} + \beta_{4it}PH_{st} + \beta_{5it}PL_{st} + \beta_6SOWI_{is} + v_{ist}}$ with: $\beta_{mit} = \gamma_{m1} + \gamma_{m2}HHSIZE_{it} + \gamma_{m3}HHINC_{it}, m = 3, 4, 5$
In sum, below the set of store characteristics:
DENSist = Number of outlets of supermarket chain s as a fraction of the total number of supermarket outlets, in the province of residence of household i in year t;
PHst = 1 if supermarket chain s is high-priced during year t; 0 otherwise;
PLst = 1 if supermarket chain s is low-priced during year t; 0 otherwise.
And variables on household heterogeneity:
HHSIZEit = Number of persons in household i in year t minus average number of persons in a household;
HHINCit = Monthly net income in 1,000 Euros of household i in year t, minus average monthly household income;
SOWIis = Share-of-wallet of household i in store s during the initialization period.

- intrinsic inertia;
- intrinsic variety seeking.

The latter factors directly impact customer SOV (namely CSOV) and influence the consumer involvement and perceived brand heterogeneity in retail industry. According to Table 1, there are other scholars that examine the key factors influencing SOW in a B2B markets. Customer satisfaction is the most important factor influencing SOW in B2B market. In the B2B it is crucial to know the customer's needs, develop new products, and optimize the services to firms. These aspects are the foundation to increase SOW. Giving the real and full information to customers, maintaining integrity and honesty in all dealings with customers, and striving to increase the rate of customer's retention are also important measures to increase SOW. These conclusions provide suggestions to develop an effective CRM's system, and have positive impact on upgrading the CLV (Cheng, Han, & Cao, 2011). Other areas of interest, discussed in literature in the last 10 years, regard the sales in hard discount stores. The turnovers of the top 10 discounters over the world are expected to grow by 50% from 2010 to 2015. The characteristics of the store (service, price, and convenience) have a direct impact on store satisfaction (SS) which is in turn influenced by the consumer confidence (CC), such as by socio-demographic variables (age, income, and family size) and the service's quality in store chain. Therefore, the store's SOW (SSOW) is determined directly by the SS and indirectly by the CC (Hunneman, Verhoef, & Sloot, 2015).

Method

To identify a conceptual model to measure the marketing performance (MP) in retailing industry, our research's design provides the following stages: 1) Qualitative exploratory analysis (Gummesson, 2005; Spanjaard & Freeman, 2006; Cantone & Testa, 2011) of key managers (sales director, category manager, chief executive, and marketing office of leading consumer goods retailing chain operating in Italy), to identify the variables of an emergent conceptual model on MPM, under a managerial perspective. The technique adopted is key informants (Tremblay, 1957) in depth interviews to some managers of "Superò" (a master franchisee of SMA Spa, Auchan Group, operating in Campania Region with a chain of 27 supermarkets), "Decò" (the outlets label of Multicedi Group, a multi-channel company ,operating mainly in southern Italy, based on network of five Ad Hoc cash & carry centers, 253 Decò outlets and three Ayoka pet shops), and "U2" (the outlets label of Unes Spa, Finiper Group, operating mostly in northern Italy, with a chain of more than 190 direct and franchise supermarkets). The focus of individual interviews was on the determinants of performance metrics that lead and control the marketing activities; 2) Assessing the emergent conceptual model to measure MPM in FMCGs. We are currently completing an administer's a quantitative (Lefébure & Venturi, 2001; Agresti, 2002; Larose, 2005; Tufféry, 2011) survey on key sample of high-spending clients of Superò and Decò (emerged from loyalty cards) to test the conceptual measurement model. However, now, this phase of research isn't completed yet. In the retailing industry, consumers typically attend multiple stores. Crucial point is to understand how to gain a greater part of consumer's expenditures in the store. Therefore, one way to increase consumer lifetime duration (and consequently SOV and SOP) is leveraging on the quality and variety of products offered, not forgetting the contribution of loyalty program and fidelity cards. In the initial phase of this study, it has been conducted an individual interview to the CEO, General Manager, and Marketing Manager of Superò, Decò, and U2 supermarkets. The focus of the interviews was on the determinants of performance metrics that lead and control the marketing activities. A focus with interviews leads to the factors that convey the customers to visit the supermarkets of the company.

Empirical Analysis

Managing the levers which reinforce the customer retention in the retailing industry is difficult for many reasons. First, for the economic crisis, which has increased the competition and therefore, the consumer gives to the convenience more importance and in a broader sense (not only in economic terms) includes both the value for money and time saving. These last two factors directly affect the following three metrics: the repurchase (SOP), the frequency of visits (SOV), and the share of expenditure (SOW) that a household is destined to weekly or monthly purchase. For example, it's important to save time in making purchases at the store and there are several factors that influence this feature: payment at the cashier, ease of parking and availability of products. The time has become a crucial factor and consequently, also the store's location increases the competition among different supermarkets, in the same geographic area. Superò and Decò operate a selective reduction of the price on a number of products in a limited period, in order to increase the total value of sales and stimulate the purchase of products without promotions (HILO *pricing strategy*[4]). U2 ensures low and stable prices on the entire product's assortment, this pricing strategy considers that the strong sales promotions have negative effects on consumers (EDLP *pricing strategy*[5]). Superò and Decò maintain a high level of service's quality by the sale of fresh products (for example, short life foods). This approach creates a trust relationship with the consumers. The consumer's loyalty, for retailers, is determined by three components of offering system: 1) fruit and vegetable corner (refers to the importance of product's exhibition in supermarket and grocery store); 2) deli corner (the product's quality is critical to build over time trust relationships with the consumers); 3) the butcher and fishmonger corner (the trust in sales people is significant). There are products which are critical to retain the consumers and for create cross-selling. These products are: 1) fresh milk (essential for retailer's competitiveness is the best price); 2) bread (price competitiveness and an efficient supply chain are strategic); 3) mozzarella (the product's quality is guaranteed by an excellence of the supply chain); 4) ham (quality is related to product's selection). The private label is a key factor for creating customer loyalty in the EDLP model, in U2's offering system it has an own identity compared to the leader brand (for Unes/U2 Group, private label affects 40% of total turnover). For Superò and Decò, the 70% of total sales are given by fresh corners, and the remaining 30% derived from other goods. Analyzing the conceptual model (Figure 2), we can identify the four determinant blocks of SOW. In our empirical case, the retailer's SOW corresponds to SOWft2 (share of wallet final). The positive effect of consumer satisfaction in terms of SOV and SOP creates SOWct1, adding the residual SOWit0 (present at the beginning period considered).

(1) The supermarkets characteristics (SC) influence directly SOP and then SOV, and these are:

- quality of fresh products (refers to supplier' selection);
- re-assortment (to ensuring a continue availability);
- private label (especially in EDLP model);
- low price on primary products (a distinctive factor in hi-low pricing strategy);
- informed purchase (assure everyday low price to consumer);
- store's proximity (important for choose nearest supermarket);
- employee's skills (supermarket' sales people) useful for creating a trust relationship with customers.

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[4] Lugli, 2002.
[5] Bolton, Shankar, 2003.

(2) The competitive attraction of stores (CAS) chain has an impact in the same way on SOP and SOV. The key factors of the CAS are:
- price and perceived convenience (customer's value for money);
- discounts (the incidence of retail's leaflet is strong in hi-low pricing strategy);
- innovation (driven mainly by the store's service);
- time saving (make shopping easy);
- exposure shelf (shopping experience).

(3) The household's characteristics (HC) have an impact mainly on SOP and are referred both in their spending power and in number of family's members. The SOV's influence on HC is limited and is more related to purchasing's characteristics and by lifestyle patterns. Typical factor of Campania's retail, are the fractionated purchases (not stocking products) which enhances the frequency of visits (SOV) to the supermarket. The retailers have increased the number of sales points to direct in its supermarkets the largest number of consumers.

(4) The model analyzes the purchases behaviors (PB) affecting in equal mode SOV and SOP, and they are:
- biologic foods (the consumer is more careful and informed, and buys better products);
- reduced dose (the single-dose consumption and in small quantities, takes more importance);
- H24 times (new lifestyles and different working shifts, open to new opportunities for consumption);
- take away (meals or other food, purchased at supermarket, ready to eat);
- repeated purchases (people make more visits in supermarkets for weekly purchases);
- online shopping (lately Unes-Amazon did a partnership in the e-commerce channel).

Therefore, supermarkets characteristics, purchases behaviors, competitive attraction of stores and household's characteristics play an important role in creating customers traffic in the store, in terms of visit and more purchases. The retailer managers preside these factors through a high level of innovation to ensure the best service quality for the customers. Loyalty programs and fidelity cards contribute to the creation of SOWf, both in old customers (existing in portfolio), and in new customers. Empirically the loyalty card is used in hi-low model (Superò and Decò), while for EDLP (Unes/U2) it is an unnecessary cost and often to be eliminated.

Findings and Discussion

The paper presents the first evidences of an ongoing research project arranged in: phase 1, related to the points sub: a) qualitative exploratory analysis of key managers to identify the variables of an emergent conceptual model on MPM; and b) assessing the emergent conceptual model to measure MPM in FMCGs; phase 2, in a forthcoming study, related to the point sub: c) administering a quantitative survey on key sample of high spending clients of Superò, Decò, and U2 in order to test the conceptual measurement model. The originality of this paper is to explore the MPM in terms of conceptual and measurement model, under a managerial perspective, in FMCGs provided of key informants and data useful for such an aim. The contribution of this paper is to explain from the point of view of the retailer the most appropriate decisions to increase the total supermarket's turnover. Even in the choice of the characteristics of the store and the type of products sold, in a second phase we will analyze the perspective of the consumer. Finally, we link the three interviews to create a holistic tool for measuring these phenomena and supporting the management. The dynamics of customer loyalty has significant value in relation to the customer's choices and product's

assortment. In the retail industry, there are product categories that retain the customers and others not, for example industrial goods do not trigger this process as fresh products. Industrial brands fail to enhance customer loyalty, because the level of pressure that is on retailers' chains is very high. Indeed, the frequency of promotional programs for industrial products is very high, so the retailers cannot create loyalty on these products. Finally, the retailers suffer a price positioning on these products, by industry. Then on industrial products also the promotional programs of the supplier are very strong, so the retailer cannot create loyalty through its products, suffering a price by industry. This determines that the other levers to compete, for retailers, are: the store's proximity, the value for money, the shopping experience, and the increase of private label. Then, the innovation of retailers in product assortment becomes successful for success of retailers' strategies. The new purchasing behavior increases traffic's stores in terms of visits and in terms of purchases (lower value purchases but repeated over time). The innovation in service's quality must be induced by retailers and not passively incorporated by the market. In retail industry, the contractual power of suppliers on packaged food products is strong. Some products are pushed in the distribution channels but do not generate a high traffic both in terms of SOP and SOV. Different matter regards the fresh food products because the consumer's behavior is constantly monitored by the retailer. The marketing strategies for Superò are focused on service innovation and product quality and the product assortment is essential to ensure product quality in fresh foods. The evidence that emerged, from data collected on Superò store's chain, shows that there are shops, where the incidence of the fidelity card is greater than 50%, compared to an average incidence company of 42%, with peaks of 60% and relates to those supermarkets typically service in certain areas than others less virtuous in this aspect because they are covered by a high foot traffic, here we will have also a decrease of the share receipt for the customer (SOW) but we have a high number of transactions (SOP). The consumers, usually, use more loyalty cards and in Superò there are types of customers defined "high-spending" (for example, 5% of card holders on 50,000 fidelity, active representing 30% of total revenue), with interesting insights.

Under these shopping dynamics, like the ones of Decò supermarkets, while in U2 we cannot determine the high-spending customers. Even for Decò it is possible to determine, in the same mode seen before, the high-spending customers. For U2 manager these spending trends are entrusted to the observation of the customers when they are in the store by the employees (e.g. the cashier's workers). An important performance metrics to be implemented for Unes group is measuring the level of customer loyalty and the number of goods by product category (basket analysis), buying at U2 shops. All the investigated retailers now are unable to do this type of analysis (either for data or for an adequate ICT infrastructure). The reading of this information is limited to the receipt line where is indicated the expenditure amount. The market data confirm the growth of the EDLP/U2 model (on average 60% annually) also supported by the high incidence of private label. The Deco-Multicedi company structure is composed of three subsets: 1) affiliates; 2) members; and 3) direct ownership of the CEDI. The first measurement of performance is doing on VAT taxable purchases (at the aggregate level) and then with other metrics on the results for each business units. For performance on affiliates there's an analysis of the income statement and then calculate the royalties received under the services offered by Multicedi. An important metric to monitor the affiliates is the percentage of fidelity. Primarily it's measured through incidental indicators (inspections, product notes) and by the annex scheme of customer/supplier where for each year the estimated percentage is analyzed in the three food departments that are not directly managed by Multicedi, such as: 1) meat; 2) bread; and 3) dairy products. These analyses, integrated with the revenue registry of customer/supplier, are required to quantify the price margin attributable to the affiliate on the final

consumer's price. The economic results related to the affiliate weighs about 50% of total company turnover. The information on business performance for the Unes/U2 group is based on information derived from weekly/monthly reports. The first four metrics to check are: trend % in customers and sales, % margins and productivity of working hours. The assortments and the rationalization of the references are fundamental decisions that are to expand the offering in terms of products and not of brands. The Multicedi group also makes a report for each geographical area (Avellino, Caserta, Naples, etc.) where there is the analysis of the acquired references and the frequency of visits in different types of retail outlets (superette, hypermarket, maxistore, etc.).
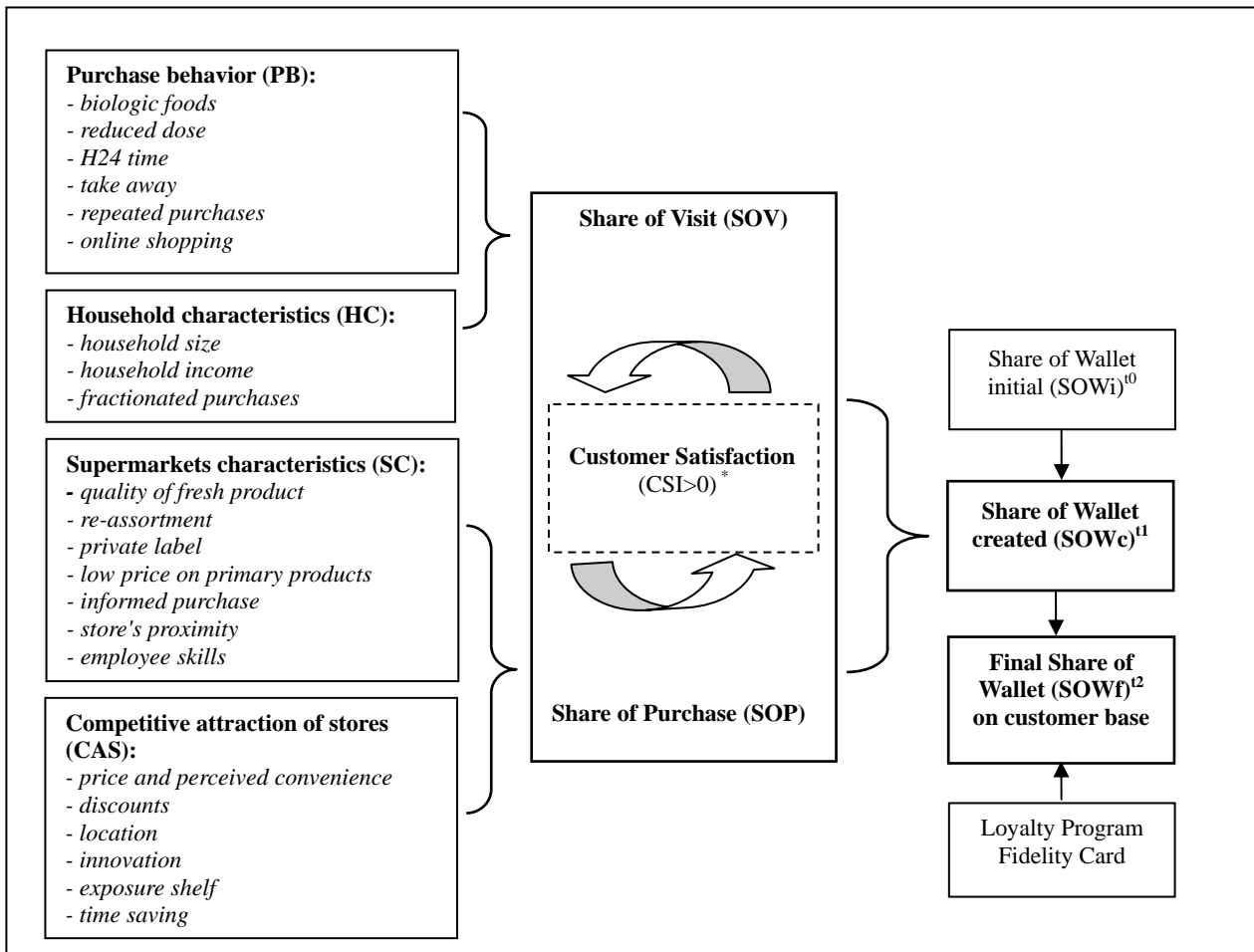

Figure 2. Conceptual model on share of wallet (SOW) determination. *Note.* * as assumptions in the model, customer satisfaction index has positive effect.

Managerial Implications

The paper contributes to the debate on MPM and its possible evolution. Furthermore, it contributes to the FMCGs marketing literature. The work, finally, provides a tool for managerial use, to support the management of the companies operating in the FMCGs business and in the implementation of a dashboard[6] to report

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[6] The dashboard is a tool where all data and metrics are collected and shown as useful information for the organization. Marketing professionals create these dashboards from metrics and KPIs. The firms can use this information to proceed with their marketing activities.

marketing performance. Essentially, a dashboard is a multi-layered performance management tool that enables organizations to measure, monitor, and manage business activity by using both financial and non-financial measures. The dashboard provides analysis into the progress of the organization toward achieving each defined objective. The results of this study could help managers to improve their decisions concerning characteristics of the shops and loyalty programs. A firm reconsidering the use of such a program should realize that loyalty programs are generally effective in enhancing SOW, but not for each store chain; then the other variables that must come into play are the ability to attract consumers and impact SOV and increase the number of purchases, that is SOP. Loyalty programs aim to enhance consumers' purchasing, but the firm's best customers are most likely to subscribe as member. This leads to causality problems, which invalidate a simple comparison of purchasing behavior of loyalty program members versus non-members. Valid assessments can be obtained only through studies using market wide data and extensive customer background information. Because individual firms possess mainly company specific data, cooperation with market research companies that hold consumer panels is an option. Further, a firm should pay careful attention to loyalty program design, as this is proven to influence effectiveness. When focusing on the trade-off between direct and delayed rewards, managers are advised to invest rewarding money predominantly in delayed rewards, such as a saving feature. The loyalty program designs studied here are basic and similar, and companies could gain through differentiation of their design. Finally, our analyses show that privacy fears still prevent some customers from loyalty program participation. This implies that part of the customer base is not exposed to loyalty programs that could enhance customer loyalty. Current privacy legislation protects customer privacy, and some of their fears might be irrational. To reduce customers' privacy fears, a retail company should invest in proper communication to customers about privacy protection guarantees and the constraints on data usage (Phelps, Nowak, & Ferrell, 2000). The key implication is that managers should not simply strive to improve reported satisfaction levels without an understanding of the relationship to customers' SOW allocations. Given that both the initial satisfaction level and the conditional percentile of change in satisfaction are significantly associated with changes in SOW, it is critical that managers design their efforts to improve satisfaction so that customers reach the satisfaction levels that correspond to higher SOW levels. This may require a reevaluation of the means with which managers currently measure the potential return on investment from improvement efforts, aimed to change customer behavior through improved customer satisfaction, particularly if cross-sectional analyses are currently used. Cross-sectional (as opposed to longitudinal) examinations of the relationship between store satisfaction and customer behavior may be unable to identify adequately the roles of both baseline satisfaction levels and change in satisfaction on customers' SOW allocations.

Research Limitations and Directions for Future Research

The main research limitations are related to a case study approach (Eisenhardt, 1989; Feagin, Anthony, & Gideon, 1991; Yin, 2013) and qualitative methods during the first explorative step. The studies on loyalty programs remain rare and incomplete, one restriction of our investigation is the difficulty of getting the mixed data on which our analysis is based (store intern scanner data and single-source panel data). Thus, applying our approach to other industry (e.g., airlines, restaurants) is difficult, because single-source panel data usually exist only for FMCGs, as in this work. More replications in other industry are needed to enhance the generalizability of our findings, from retailing to other industry. Our study does not integrate financial data, though the success of a loyalty program should be measured by its financial contribution (Kopalle & Neslin, 2003). The impact of

customer lifetime on retailers' SOW should be expanded in terms of potential value, resulting from customers. The customers engage in long-term relationships with retailers because their expenses are high, or spend their money in stores because they have high lifetime durations. The relationships between loyalty programs and behavioral outcomes are probably more complex than have been assumed. How consumer characteristics (e.g., consumer behavior and shopping orientations) moderate the relationship between schemas and repurchase behavior, likely is contingent on the product category. Finally, experimental approaches analyzing how loyalty programs[7] influence purchase behavior are highly recommended (Kivetz & Simonson, 2003; Roehm, Pullins, & Roehm Jr, 2002; Yi & Jeon 2003; Keh & Lee, 2006; Meyer-Waarden & Benavent, 2007). These questions are only partially solved, and additional research therefore should contribute to better theoretical and empirical knowledge about the way that rewards influence value perceptions of loyalty schemes, because rewards determine program adoption and use. The current study extends the developing stream of literature on the relationships between shopping value, satisfaction and loyalty in retailing, but several limitations should be acknowledged. The study focuses only on the retail, so the conceptual model could be tested on other industries. Additional research is needed to examine these relationships within and across additional industry. For example, research in other industries produces different results given from higher levels of customer service provided and the differences in the store environments. Future research could investigate additional types of shopping value across retail industry and should include additional outcome variables that may be linked to shopping value. For example, the inclusion of variables such as competitive resistance (e.g., Reynolds & Arnold, 2000) could be useful for understanding the strength of attitudinal and behavioral loyalty in terms of insulating a retailer's SOP. Further examination of interactions between shopping value and satisfaction are also needed. Future research could explore changes in the interactions within and across retail industry. Finally, our analysis identified the presence of a significant relationship between changes in SOW and concomitant changes in satisfaction, along with the other effects of moderating variables (characteristics of the store, household and the influence of loyalty programs). Therefore, to examine better the robustness of these findings, additional research should be conducted regarding both the longitudinal relationship between satisfaction and SOW but also for the moderating influence across several customers' characteristics in various industries and countries. In a next step of our research, we compare with DECO' Group and other important national labels (e.g. Carrefour, Coop, and Conad). The study will be integrated with a quantitative approach on food retail and FMCGs and will be implemented the customer perspective through the questionnaire on high spending consumers. In a next step of our research, we compare our research with other important national labels (e.g. Carrefour, Coop, and Conad). The study will be integrated with a quantitative approach on food retail and FMCGs and will be implemented the customer perspective through the questionnaire on high-spending consumers of Superò and Decò.

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[7] In marketing, generally and in retailing more specifically, a loyalty card, rewards card, points card, advantage card, or club card.

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