



EFFECTS OF THE LOYALTY PROGRAM ON STORE LOYALTY - THE MODERATING ROLE OF MEMBERSHIP DURATION

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Abstract: Store loyalty is a key focus for companies that want to retain their customers. One strategy for building store loyalty is to develop a loyalty program. This study aims to examine the impact of economic and non-economic benefits of the program on store loyalty, with the mediating role of the number of years of membership (membership duration) in the loyalty program. The model is based on structural equation modeling (SEM), while the statistical software AMOS was used to measure SEM. The results of the research showed that the economic and non-economic benefits of the loyalty program significantly affect to store loyalty, and that the membership duration in the program has a significant impact on the consumer's perception of the previously stated benefits, and it was determined that with the increase in membership duration, the preference is given to non-economic benefits.

Keywords: loyalty program, effects, store loyalty, membership duration

JEL classification: D12, M30, M31

1. Introduction

Intense competition in the retail industry makes it difficult to maintain the acquired competitive advantage, especially in retaining customers by retailers. Customers

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have at their disposal a number of retailers, their increased number of stores of various formats, but also various incentives offered by retailers. In addition to price, size, structure and quality of the assortment, services provided, loyalty programs are the most important factors influencing the choice of stores by customers. A recent survey conducted showed that 79% of consumers claimed they were more likely to choose a retailer that offered a loyalty program over one that didn't by (eMarketer, 2023). Premium rewards and enhanced customer service were chosen as the main reasons for joining loyalty programs (eMarketer, 2023, <https://www.emarketer.com/products/reports/>).

Guided by such facts, loyalty programs are a key part of marketing strategies of retailers. They represent a set of incentives that reward and stimulate current and future consumer behavior (size and frequency of purchases). They provide numerous benefits to both retailers and customers. For retailers, loyalty programs are not only a means of increasing sales, but also a means of creating customer loyalty (Bridson et al., 2008; Omar, 2010; Emor, 2016), developing long-term relationships with customers (Yi & Jeon, 2003), creating stronger relationships with them (Uncles et al., 2003), but also a method of collecting information about customers and maintaining advantages in relation to competition (Dowling & Uncles, 1997; Kumar & Shah, 2004).

For customers, loyalty programs enable the realization of numerous benefits such as: receiving discounts and gifts, better service, frequent and meaningful communication, creating preferential treatment, improving status (Henderson et al., 2011; Palmatier et al., 2006; Bridson et al. al., 2008). They therefore contain a package of perceived benefits for the customer (Zakaria et al., 2014), which include tangible, i.e. monetary (so-called hard) benefits (Kopalle et al., 2012) and intangible (so-called soft) benefits, such as entertainment, research, social interactions, status (Liu, 2007).

In order for loyalty programs to influence changes in customer behavior in terms of increasing their satisfaction, loyalty to the program, store and/or company, customers should perceive the benefits obtained as superior to the benefits offered by competitors. Bolton et al. (2004) suggested that program benefits can explain why customers participate in loyalty programs, as well as how these benefits motivate them to stick with a particular company. In this context, it is important to look at the effectiveness of various incentives. The research has shown that economic benefits significantly influence customer satisfaction with a loyalty program, while non-economic benefits, such as personal recognition, do not have a significant impact (Mimouni-Chaabane & Volle, 2010). Conversely, Brashear-Alejandro et al. (2016) and Hwang & Choi (2020) discovered that personal customer recognition and social value, i.e. affiliation has a positive effect on customers' identification with the company and thereby strengthens ties with specific brands. A higher degree of

customers' identification means stronger emotional relationships between the consumer and the brand (Stanković & Đukić, 2022).

The perceptions of loyalty program benefits are subjective, i.e., they are related to the individual customer (Steyn et al., 2010), but they are also influenced by economic, social, technological, and political factors (Robinson, 2013). Previous studies have shown that the perception of loyalty program benefits depends on the membership duration (Emor, 2016; Muhammad et al., 2021; Omar et al., 2010; Sutjipto & Santoso, 2013). In this sense, it is important to differentiate the customers based on the duration of their membership in a particular loyalty program, since their perceptions change over time depending on shifts in their needs and the incentives they want and expect from the retailer.

In this context, we need to ask the following questions: Is customer loyalty program use associated with store loyalty? Do economic and non-economic benefits of the program affect store loyalty? Does the length of loyalty program membership indirectly affect the impact of economic and non-economic benefits? In response to these research gaps, the research objectives of the paper are to examine how different program benefits – economic and non-economic – affect retailer loyalty and whether the membership duration indirectly affects this relationship. The results of this study contribute to the literature review on how different types of benefit programs affect store loyalty.

2. Literature review

2.1. Loyalty programs

Incentives that loyalty programs provide to customers are primarily related to money, i.e. financial benefits. These benefits are often part of a broader group called utilitarian or so-called hard benefits which, in addition to monetary savings, also include savings in time, mental and physical effort (Kreis & Mafael, 2014; Mägi, 2003). In contrast, there are also non-monetary incentives related to special services, communication and preferential treatment of customers, personal and social identification, entertainment, research, etc. These benefits are often smeared with the so-called soft incentives. Steyn et al. (2010) classified program benefits into two categories: financial and informational. Similarly, in their study on hotel loyalty programs, Berezan et al. (2013) divided the benefits of the program into standard, elite, promotional benefits and benefits below the so-called elite status. Leenheer et al. (2007) and Zhang and Breugelmans (2012) classified program benefits into economic, psychological and sociological. Evanschitzky et al. (2012) investigated the benefits of the program in terms of social benefits, special treatment and overall value of the program. Suh and Yi (2012) investigated the benefits of the loyalty program through hedonic and utilitarian benefits, while

Dorotic, Bijmolt and Verhoef (2012) and Mimouni-Chaabane and Volle (2010) investigated within the framework of utilitarian, hedonic and symbolic benefits.

Given that economic benefits are the primary driver of the relationship between a customer and a retailer (Bridson et al., 2008; Steyn et al., 2010), the research in this paper will be based on differentiating between economic and non-economic benefits.

Economic benefits primarily include monetary savings such as: price discounts, coupons, cashback, time savings, and savings in physical and psychological effort for the customer (Mimouni-Chaabane & Volle, 2010). These benefits are significant for the rational customers who choose programs where they can achieve the greatest financial savings (Suh & Yi, 2012). They are considered tangible due to their simplicity in being assessed and understood by customers (Bridson et al., 2008; Gable et al., 2008; Steyn et al., 2010; Verhoef, 2003). However, their effectiveness, particularly their impact on customer loyalty, may be questioned in situations where the more economically favorable loyalty programs emerge (Dorotic et al., 2012).

Non-economic benefits on the other hand include non-monetary benefits, such as: privileged customer treatment, exclusive reservations, fast payment counters, priority service. These uses are classified by some authors as hedonic (Mimouni-Chaabane & Volle, 2010). This is confirmed by research by Reinartz (2010), who argued that, for example, a free flight to an interesting destination is more attractive to loyalty program members than receiving a voucher for a purchase of the same value. Rocereto and Mosca (2012) claim that so-called hedonic products are emotionally colored because of the pleasure they provide, which is reflected in the strong emotional reactions of their customers. Therefore, it can be assumed that hedonic products evoke stronger emotional reactions compared to products that provide savings.

Non-economic benefits can also be associated with the so-called social benefits for customers if the incentives of the program are a source of personal identification of customers, association with something successful or desirable (Kwiatk et al., 2021; Đukić et al., 2023), belonging to a certain group of people or acquiring a certain status (Lam et al., 2010). Therefore, many authors believe that loyalty programs should integrate non-economic benefits with other, primarily economic benefits (Meyer-Waarden, 2015). Namely, collecting points should be experienced as fun for program members (Johnson, 1999; Mimouni-Chaabane & Volle, 2010), to generate a sense of pride and/or gratitude for receiving a certain incentive or different treatment from the so-called "average" customer.

2.2. Store loyalty

Store loyalty is an important part of a retailer's marketing strategy. Store loyalty refers to a high level of customer commitment to regularly repurchase or use the preferred products or services in the future, regardless of the existence of situational influences and marketing activities that could potentially lead to dissuasion from such behavior. Retailers who develop loyalty programs for their customers tend to tie them to themselves and thus create "barriers to exit" for customers that give them a competitive advantage. A higher customer retention rate ensures higher purchase frequency (Sharp & Sharp, 1997) and lower marketing costs (Knox & Denison, 2008). In addition, loyal consumers respond positively to cross-selling offered by retailers and are willing to spread positive recommendations or useful information about the store to others (Ginanjar et al., 2024; Hendrawan & Anggraeni, 2020).

Store loyalty is complex and should be viewed through different dimensions. The following dimensions of store loyalty are considered to be the key ones: behavior, recommendations (word of mouth) and commitment (Bridson et al., 2008). Behavior refers to the actions that customers show towards a particular product or service (Kumar & Reinartz, 2018). Recommendations are described as the act of sharing beliefs through recommendations based on personal experiences from friends, family or colleagues (Pearce, 2021). Loyal customers inform other potential customers and participate in free, word-of-mouth marketing (Berezan et al., 2013).

Based on previous research, the following hypotheses can be defined:

H1: The economic benefits of loyalty programs have a positive and significant impact on store loyalty;

H2: The non-economic benefits of loyalty programs have a positive and significant impact on store loyalty.

2.3. The effect of the customer's membership duration in the loyalty program on store loyalty

In order for customer loyalty programs to lead to store loyalty, it is necessary for customers to perceive the incentives of the program as superior to those offered by other companies. In order for the programs to have such effects, the company should offer incentives that are significant to customers and for customers to become aware of the benefits they receive from them. The failure of numerous loyalty programs lies precisely in insufficient understanding of customers and their expectations from loyalty programs. Identifying the incentives that are important to customers has a positive effect on loyalty to both the program and the store itself.

The customer perceptions of loyalty program benefits are determined by numerous factors. It is considered that the membership duration in loyalty programs (measured by the number of years of membership) is a significant

determinant that affects the perception of the benefits that a program provides. The research has shown that the length of a customer's membership in a loyalty program is an indicator of customer loyalty (Lacey, 2009; Meyer-Waarden, 2015). Namely, the perceptions of the program member can change over time, mainly due to a greater experience with the product category or brand (Day, 2002). Remaining in the program is the result of the customer's positive experience with the program retailer and the fulfillment of his expectations. Staying in the program means that the customer "rewards" the company that invests efforts in his loyalty (Omar et al., 2010; Emor, 2016). Therefore, one should make a difference in the perceptions of the benefits of the loyalty program between the members of the program depending on the length of engagement in a particular program. Starting from the previous one, this research conceptualizes the membership duration, that is, the number of years of membership as a mediating factor that affects the perception of economic and non-economic benefits of loyalty programs.

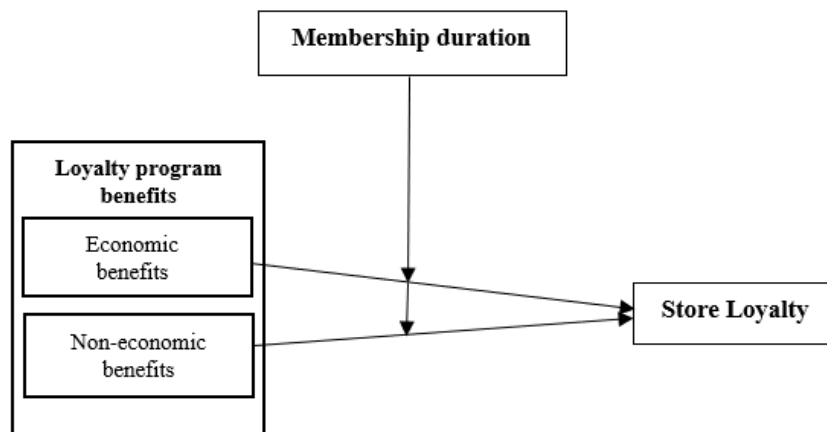
H3a: Consumer perception of economic benefits is greater with longer membership duration;

H3b: Consumer perception of non-economic benefits is greater with longer membership duration.

3. Research methodology

Consistent with the defined research hypotheses, Figure 1 illustrates the conceptual framework of the study.

Figure 1: Conceptual framework



Source: Authors' research

Testing of the research hypotheses was based on empirical research conducted using the survey methods. The questionnaire as a research instrument contained the dimensions of economic and non-economic benefits of loyalty programs. The economic benefits of loyalty programs were analyzed and adapted in accordance with So et al. (2015), while the non-economic benefits of loyalty programs were adapted in accordance with So et al. (2015) and Raab et al. (2016). The questionnaire also contained the statements related to store loyalty, and adjusted in accordance with Bridson et al. (2008). The respondents had the opportunity to express their level of agreement with each statement within the defined variables on a five-point Likert scale. At the start of the questionnaire, the respondents were informed that their responses would remain anonymous and that the data would be used solely for research purposes. The research was distributed on the territory of the Republic of Serbia. The number of distributed online questionnaires (Google forms) was 302, and all were completed and processed. Additionally, the research was conducted in the period between October and December 2024. Table 1 presents the demographic characteristics of the sample.

Table 1: Demographic characteristics of the respondents

| Element | Number of respondents | Percentage share (%) |
|------------------|-----------------------|----------------------|
| Gender | 302 | 100.0 |
| Male | 78 | 25.8 |
| Female | 224 | 74.2 |
| Age | 302 | 100.0 |
| up to 20 years | 117 | 38.7 |
| 21-30 years | 92 | 30.5 |
| 31 -40 years | 93 | 30.8 |
| Education | 302 | 100.0 |
| High School | 159 | 52.6 |
| Faculty/Master | 143 | 47.4 |
| Status | 302 | 100.0 |
| Employed | 224 | 74.2 |
| Unemployed | 15 | 4.9 |
| Student | 63 | 20.9 |

Source: Authors' research

Empirical research began with descriptive statistics, followed by exploratory factor analysis. Next, the internal consistency of the findings within the obtained factors was determined using the Cronbach alpha coefficient. Additionally, the model fit was assessed through confirmatory factor analysis by calculating the values of several important fit indices (χ^2/df ; CFI; TLI; IFI; GFI; NFI; RFI; RMSEA). To

examine the significance and strength of the relationships in the proposed model, The Structural Equation Modeling (SEM) was applied, and the moderating role of the set variable was assessed. Specifically, the strength of the tested relationships was evaluated by analyzing the values of the standardized regression coefficients. All of the above data analyses were conducted using SPSS and AMOS. Before that, the assumptions of the application of SEM analysis were examined, i.e. the properties of linearity, normality and multicollinearity were tested.

4. Research results

For all the variables in the research model, as well as the individual statements within each variable, the arithmetic mean and standard deviation values were calculated to examine the homogeneity of respondents' attitudes. The results of the descriptive analysis for all variables are presented in Table 2. Analysis of Table 2 shows that non-economic benefits have a slightly higher arithmetic mean value ($M = 4.30$) compared to economic benefits ($M = 4.03$). Additionally, the variable store loyalty shows an arithmetic mean value of 4.05. Interpreting the results of individual statements reveals that the highest mean value is for the statement "I maintain close relationships with the loyalty program members" ($M = 4.68$), while the lowest mean value was recorded for the statement "I am likely to continue purchasing from this store in the future" ($M = 3.68$).

Table 2: Values of the descriptive statistics

| Statements | Sample Mean (M) | Standard Deviation (SD) | N of Items/Source |
|---|-----------------|-------------------------|-----------------------|
| Economic benefits | 4.03 | 1.101 | 3 |
| Membership in this loyalty program helps me save money | 3.85 | 1.120 | So et al. (2015) |
| I gain additional benefits with my purchases, by joining this loyalty program | 4.05 | 1.043 | So et al. (2015) |
| This loyalty program offers significant value for the money spent | 4.18 | 1.140 | So et al. (2015) |
| Non-economic benefits | 4.30 | 1.015 | 3 |
| I maintain close relationships with the loyalty program members | 4.68 | 0.839 | Raab et al. (2016) |
| Being a member of this loyalty program is like being part of a social club | 4.06 | 1.142 | So et al. (2015) |
| I feel special as a member of the loyalty program | 4.16 | 1.065 | Raab et al. (2016) |
| Store Loyalty | 4.05 | 1.187 | 3 |
| I am likely to continue purchasing from this store in the future | 3.68 | 1.342 | Bridson et al. (2008) |
| I would suggest this store to anyone who asks for my recommendation. | 4.31 | 1.191 | Bridson et al. (2008) |

| | | | |
|---|------|-------|-----------------------|
| I would advise my friends and family to make purchases from this store. | 3.96 | 1.227 | Bridson et al. (2008) |
| I consider this store my top choice for purchasing the right products | 4.25 | 0.987 | Bridson et al. (2008) |

Source: Authors' research

The standard deviation value is lower for the variable non-economic benefits of the loyalty program (SD = 1.015) compared to the variable economic benefits of the loyalty program (SD = 1.101), while the standard deviation for the store loyalty variable is 1.187. Specifically, analyzing the results of individual statements shows that the highest level of agreement among respondents is with the statement "*I maintain close relationships with the loyalty program members*" (SD = 0.839), while the lowest level of agreement, or the highest standard deviation, was recorded for the statement "*I am likely to continue purchasing from this store in the future*" (SD = 1.342).

Before testing the research hypotheses, a reliability analysis was conducted. Based on the value of the Cronbach's alpha coefficient, the consistency of the dimensions was checked, that is, it was determined whether the statements within the given dimensions are reliable. All dimensions of the loyalty program (economic and non-economic benefits) and store loyalty had a coefficient greater than 0.7, indicating that the internal consistency was achieved. Then, an exploratory factor analysis was conducted in order to evaluate the need to assess the fit and validity of the model. The results are shown in Table 3.

Table 3: Results of Cronbach's Alpha coefficient and exploratory factor analysis

| Variables | Cronbach's Alpha | N of Items | KMO and Bartlett's Test | Sig. | Total variance explained |
|-----------------------|------------------|------------|-------------------------|------|--------------------------|
| Economics benefits | 0.920 | 3 | 0.812 | .000 | 76.23 |
| Non-economic benefits | 0.906 | 3 | 0.788 | .000 | 84.12 |
| Store loyalty | 0.912 | 4 | 0.796 | .000 | 86.51 |

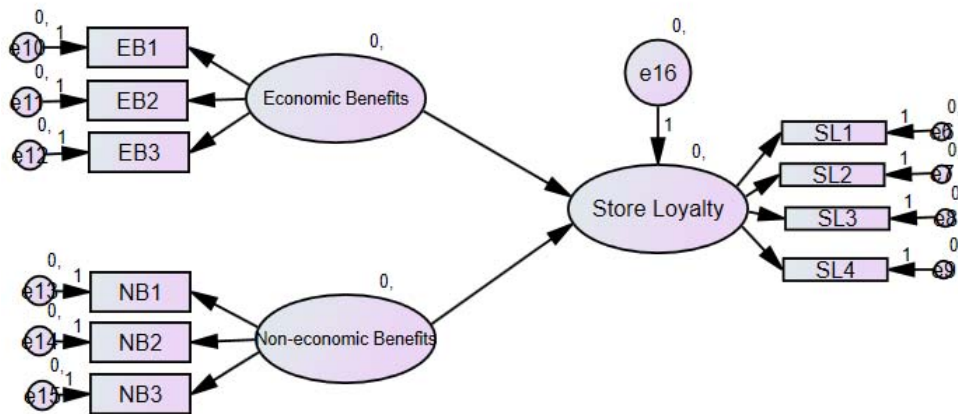
Source: Authors' research

The results of the exploratory factor analysis indicate that all the variables in the research model meet the criteria, with KMO test values above the 0.5 threshold and a statistically significant p-value of 0.000 (Harrington, 2009). Specifically, for the economic benefit dimension of the loyalty program, which consists of 3 items, the KMO value was 0.812, while the KMO value for the non-economic benefit dimension was 0.788. The store loyalty variable, which includes 3 items, has a KMO value of 0.796. All the variables analyzed are explained by one factor, suggesting that the statements within each variable are consistent, and the

proportion of variance explained is shown in the *total variance explained* column. Higher percentages of explained variance indicate better results from the analysis.

Based on the reliability analysis and confirmatory factor analysis conducted, the resulting research model is presented in Figure 2.

Figure 2: Research model



Source: Authors' research

The model as a set requires an analysis of relevant SEM indicators that confirm or reject the proposed variables. To begin with, the χ^2/df indicator was applied, and its value should be less than 5 (Marsh & Hocevar, 1985). Following this, the NFI, IFI, TLI, and CFI indicators reflect better model validity as their values approach 1. In the current research model, these values are as follows: NFI (.947), IFI (.935), TLI (.945), and CFI (.956). Lastly, the RMSEA indicator does not fall within the recommended range, but the analysis can still proceed, as deviations of one or two are deemed acceptable. Based on these parameters, all of which meet the recommended ranges, we conclude that the research model is acceptable, and the validity conditions have been satisfied.

Table 4: SEM analysis results

| Hypotheses | Observed relationship | Estimate | Statistical significance (p) | Result | R ² |
|--------------|-----------------------|----------|------------------------------|----------|----------------|
| Hypothesis 1 | EB → Store Loyalty | 0.792 | .000 | Accepted | 0.875 |
| Hypothesis 2 | NB → Store Loyalty | 0.965 | .000 | Accepted | |

Source: Authors' research

The results of the tested relationships between the variables, concerning the analysis of the hypotheses set in the paper, are shown in Table 4. Testing the first hypothesis, which examines the relationship between the economic benefits of the loyalty program and store loyalty, indicates that the economic benefits of the loyalty program have a statistically significant effect on store loyalty ($B = 0.792$, $p < .000$). The second hypothesis aimed to investigate the influence between the non-economic benefits of loyalty programs and store loyalty. The analysis shows that the non-economic benefits of the loyalty program significantly affect store loyalty ($B = 0.965$, $p < .000$). Based on the results, it can be concluded that the first and second hypotheses are *accepted*.

The coefficient of determination R^2 in this research model indicates that 87.5% of the variability in the dependent variable of loyalty is explained by the applied model, while 12.5% of the variability remains influenced by other external factors not included in the model.

Table 5: Testing the relationship in the model (SEM) - Moderation effects

| Dependent | Moderators | Economics benefits | | Non-economic benefits | |
|---------------|---------------------|--------------------|------------------------------|-----------------------|------------------------------|
| | | Estimate | Statistical significance (p) | Estimate | Statistical significance (p) |
| Store loyalty | Membership duration | 0.246 | .000*** | 0.497 | .000*** |

Notes: $p < .000$ ***, $p < .001$ ** $p < .005$ *

Source: Author's research

The third hypothesis examined the moderating role of the number of years of membership in a loyalty program in relation to economic and non-economic benefits and store loyalty. The aim of the final hypothesis was to test whether the consumer perception of the economic and non-economic benefits of the loyalty program increases with the growth in the number of years of membership, which leads to a stronger loyalty toward the store. The research results show that the membership duration in the loyalty program has a statistically significant impact on consumer perception of economic and non-economic benefits, which in turn influences store loyalty. Specifically, the length of membership in the loyalty program significantly affects store loyalty by strengthening the consumer perception of the economic benefits of the loyalty program ($B = 0.246$, $p < .000$) and the non-economic benefits of the loyalty program ($B = 0.497$, $p < .000$). In other words, with each additional year of membership in the loyalty program, consumer loyalty to economic benefits increases by 0.246 units, while the loyalty to non-economic benefits increases by 0.497 units.

5. Discussion

Theoretical considerations of the economic and non-economic benefits of loyalty programs and store loyalty, as well as the implemented empirical research, allow the formation of certain conclusions that are significant for academic and business practice. The analysis of the results began with checking the internal consistency of the variable, but also the degree of explanatory of the factors. Then, the fit of the model was examined through confirmatory factor analysis, calculating the values of important fit indices. Specifically, a structural equation model was applied to examine the significance and strength of the relationships of the hypotheses, and then the moderating role of the variable was determined.

Within the framework of the structural equation model, the first hypothesis was first analyzed, which aimed to examine the impact of the economic benefits of the loyalty program on store loyalty. The research results show that there is a significant influence between the economic benefits of the loyalty program and store loyalty ($B = .792, p < .000$). Muhammad et al., (2021) explain that the value provided to loyalty program members plays a significant role in shaping customer loyalty to a brand. Similar results were interpreted in other relevant studies (Mimouni-Chaabane & Volle, 2010; Fathy & Zidan, 2017; Bridson et al., 2008; Ramadan et al., 2017). In addition, Demoulin & Zidda (2008) suggest that loyal behavior of consumers towards a brand significantly influences store loyalty, which is in agreement with other researches (Demoulin & Zidda, 2008; Ginanjar et al., 2024).

The second defined hypothesis aimed to examine the impact of non-economic benefits on consumer loyalty towards the store. The research results show that there is a significant influence between non-economic benefits and store loyalty, and in accordance with the obtained statistically significant value (Sig. 0.000). Specifically, the results show that non-economic benefits have a statistically significant effect on store loyalty ($B = .610, p < .000$). The results obtained in this way agree with previous scientific research that implies that non-economic benefits lead to stronger consumer loyalty compared to tangible, i.e. monetary benefits (Kwiatek et al., 2021; Đukić et al., 2023). Also, research by Omar et al. (2010) indicates that non-economic benefits for members have a higher value than economic benefits, such as invitations to exclusive sales, special benefits or special insurance for members. This further means that modern consumers value the intangible benefits that create emotional relationships between the consumer and the brand, as well as a sense of belonging and acceptance within the loyalty program by other members (Hwang & Choi, 2020).

Overall, a review of the literature on the research of economic and non-economic benefits of loyalty programs indicates that the evaluation of economic and non-economic benefits of loyalty programs also leads to store loyalty (Bridson et al., 2008; Meyer-Waarden, 2015; Ramadan et al., 2017; Fathy & Zidan, 2017; Hendrawan & Anggraeni, 2020). Mimouni-Chaabane and Volle (2010) indicate that consumers perceive utilitarian, hedonic and symbolic benefits as an indicator

of companies' commitment in terms of resources, effort and attention they invest to maintain or improve the relationship with consumers.

Finally, the third hypothesis indicated the moderating effect of years of membership on store loyalty. First, the research results indicate that the number of years of membership has a statistically significant influence on the acceptance of economic and non-economic benefits of loyalty programs. The results obtained in this way strengthen the relationship between the economic and non-economic benefits of loyalty programs and store loyalty. In general, based on the research conducted by Jaramillo and Spector (2015) and Li (2018) on the behavior of consumers within the loyalty program, their positive attitude towards the benefits provided by the loyalty program was indicated. Santoso and Sutjipto (2013) state in their research that gifts and other benefits that are realized based on the length of membership in loyalty programs influence their loyalty.

6. Conclusion

The empirical research conducted allows the development of theoretical and practical conclusions. Namely, based on the conducted research, through a set of statistical methods, the results showed that the economic and non-economic benefits of the loyalty program significantly affect store loyalty. In this way, the first and the second hypotheses were confirmed. This further means that consumers recognize and value the benefits of loyalty programs that connect them with the company and create loyalty to the store. The moderation effect was applied to test the third hypothesis. Based on the analysis, it was found that the duration of membership in the program has a significant impact on consumers' perception of economic and non-economic benefits, which also strengthens store loyalty. The research shows that consumers value both economic and non-economic benefits of loyalty programs, with the increasing years of membership giving preference to non-economic benefits.

The findings of this research provide significant practical contributions to businesses, helping them design the benefits of their loyalty programs effectively in line with the specific characteristics of their target consumer groups. First, the study confirms the importance of loyalty programs and the various benefits recognized by the consumers, indicating that implementing these programs should be a priority for all stores. Furthermore, a well-designed structure of benefits within a loyalty program can become a powerful marketing tool for building stronger relationships with consumers, thereby strengthening their emotional connection with the brand or business. Such a relationship, in turn, contributes to higher profitability and improved consumer retention rates. Based on the research results, when designing loyalty programs, it is important to balance between the economic benefits (such as efficient point systems where consumers can redeem points for vouchers and products) and the non-economic benefits (such as rewards for

collecting points through gamification, exclusive sales invitations, special conveniences and other types of rewards).

Despite the valuable findings of this research, there are certain limitations that should be acknowledged, primarily related to the sample size and the exclusion of additional factors from the analysis. To improve future research, it would be important to include variables such as WOM communication, consumer trust, and consumer satisfaction, as these are the key predictors of store loyalty and offer a more comprehensive view of the factors that shape the relationship between program loyalty and store loyalty. Additionally, incorporating other moderating variables, such as gender, age, and education level of respondents, would provide a deeper understanding of consumer perceptions regarding the benefits structure of loyalty programs and highlight how the personal characteristics influence the evaluation of these benefits.

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EFEKTI PROGRAMA LOJALNOSTI NA LOJALNOST PREMA PRODAVNICI - MODERATORSKA ULOGA BROJA GODINA ČLANSTVA

Rezime: Lojalnost prema prodavnici predstavlja ključni fokus za kompanije koje žele da zadrže svoje kupce. Jedna od strategija za izgradnju lojalnosti prema prodavnici je razvoj programa lojalnosti. Ova studija ima za cilj da ispita uticaj ekonomskih i neekonomskih benefita programa na lojalnost prema prodavnici, sa posredničkom ulogom broja godina članstva (dužine trajanja članstva) u programu lojalnosti. Model se zasniva na modeliranju strukturnih jednačina (SEM), dok je statistički softver AMOS korišćen za merenje SEM-a. Rezultati istraživanja su pokazali da ekonomske i neekonomske koristi programa lojalnosti značajno utiču na lojalnost prodavnicama, a da trajanje članstva u programu ima značajan uticaj na percepciju potrošača navedenih koristi, pri čemu je utvrđeno da se sa povećanjem dužine članstva daje prednost neekonomskim pogodnostima.

Ključne reči: program lojalnosti, efekti, lojalnosti prodavnici, trajanje članstva

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