

Customers' disposition towards loyalty program engagement

European Journal
of Marketing

857

Stephen Skinner

Independent Researcher, Perth, Australia

Saalem Sadeque 

School of Business and Law, Edith Cowan University, Perth, Australia

Gaganpreet Singh 

Jindal Global Law School, O.P Jindal Global University, Sonipat, India

Sanjit K. Roy 

School of Business and Law, Edith Cowan University, Perth, Australia, and

Mohammed Quaddus

School of Management and Marketing, Curtin University, Perth, Australia

Received 2 August 2024

Revised 6 June 2025

7 December 2025

3 March 2026

Accepted 18 May 2026

Abstract

Purpose – This study aims to examine how customers' inherent tendencies and capacity to engage with loyalty programmes (LPs) shape their actual engagement, and how this subsequently influences their engagement with and loyalty to retailers.

Design/methodology/approach – In Study 1, the components of loyalty programme engagement (LPE) are validated using data collected from 250 Australian supermarket retail customers. In Study 2, using data from 820 Australian supermarket retail customers the proposed research model is tested. Both symmetrical partial least squares structural equation modelling and asymmetric fuzzy-set qualitative comparative analysis (fsQCA) are used to enhance the rigour of the findings.

Findings – Results show that customers' disposition towards LP engagement, in the form of internal tendencies and capacity, are important drivers of LP engagement. In addition, results also show that LP engagement leads to retailer engagement and customer loyalty (both attitudinal and behavioural loyalty). fsQCA results show that combination of trust, commitment and perceived benefits is the key configuration whose presence or absence determines the enhancement or impediment of LP engagement.

Research limitations/implications – These findings will help retailers design LPs based on a better understanding of the factors (i.e. trust, commitment, perceived benefits and temporal and spatial price searches) influencing customers' LPE.

Practical implications – Retailers should consider customers' internal tendencies and capacity to engage with LPs. Importantly, retailers must aim to focus on a combination of perceived benefits, trust and commitment towards LPs when designing these.

Originality/value – The central role played by customers' disposition towards LPE as a key driver of both LP engagement and customer loyalty represents an important contribution to the existing LP literature. In addition,



© Stephen Skinner, Saalem Sadeque, Gaganpreet Singh, Sanjit K. Roy and Mohammed Quaddus. Published by Emerald Publishing Limited. This article is published under the Creative Commons Attribution (CC BY 4.0) licence. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this licence may be seen at <http://creativecommons.org/licences/by/4.0/>

European Journal of Marketing
Vol. 60 No. 13, 2026
pp. 857-899
Emerald Publishing Limited
0309-0566
DOI 10.1108/EJM-08-2024-0633

providing the recipe for designing effective LPs provides another valuable and original contribution to the LP research.

Keywords Customer disposition, Loyalty programme, Trust, Customer loyalty, Customer engagement, fsQCA, Customer commitment

Paper type Research paper

Introduction

The number of loyalty programmes (LPs) offered by retailers is increasing. In Australia, the LP market grew by 17.5% between 2020 and 2024 and is expected to grow by 13% between 2025 and 2029 ([Australian Loyalty Association, 2025](#)). Globally, this market is expected to reach US\$6,452m by 2026, up from US\$3,691m in 2021 ([GlobeNewswire, 2022](#)). In the UK, 80% of adults belong to an LP ([Statista, 2023a](#)). The LP market is expected to continue expanding as cost-of-living pressures force households to seek discounts, coupons, gifts and vouchers to reduce their shopping expenditure. For instance, 60% of customers in the USA indicated that they would join an LP if it allowed them to earn points and receive rewards ([Statista, 2023b](#)).

Customers use LPs to obtain rewards that can be classified as abstract (e.g. convenience and social status) or concrete (e.g. monetary savings and frequent flyer miles) ([Meyer-Waarden, 2015](#)). Alternatively, [Belli et al. \(2022\)](#) classified the LP rewards as economic (hard), which include savings and discounts, and psychological (soft), which include receiving special or exclusive attention. However, joining an LP does not necessarily mean that customers will use it. For example, while customers in the USA belong to an average of 16.6 LPs, only about half of these LPs are actively used ([Statista, 2023b](#)). Similarly, although 90% of Australian customers report belonging to at least one LP, only about 45% say that they actively use their membership ([Statista, 2024](#)). This implies that loyalty programme engagement (LPE) is relatively low, meaning that LP members frequently miss out on potential savings and other benefits, while retailers lose opportunities to strengthen customer relationships and increase engagement through their LPs.

The poor performances of many LPs have been noted in past research ([Henderson et al., 2011](#)). This has made some retailers reluctant to introduce LPs due to their perceived lack of effectiveness ([Bombaj and Dekimpe, 2020](#)). [Li et al. \(2024\)](#) identified that LP members tend to stockpile their loyalty points rather than redeeming them. Prior studies contend that when customers stockpile loyalty points rather than redeeming these, many of the intended benefits of LPs (e.g. developing positive customer attitude towards the retailer and increased spending) are not realised by the retailers ([Danaher et al., 2020](#); [Smith and Sparks, 2009](#)). Moreover, firms face uncertainty regarding future cash flows because customers stockpiling loyalty points can redeem these points at any time in the future ([Breugelmans and Liu-Thompkins, 2017](#)). In addition, customers sacrifice the time value of money when they accumulate loyalty points instead of redeeming them promptly ([Stourm et al., 2015](#)). Consequently, it is important to investigate the drivers of LPE. Accordingly, this study offers a novel understanding of LPE through the lens of customers' disposition towards LP engagement.

The primary goal of LPs is to nurture long-term customer loyalty towards a retailer. This long-term loyalty is typically classified into attitudinal loyalty, which reflects customers' positive feelings and commitment towards the retailer, and behavioural loyalty, which refers to their repeated purchasing actions ([Bandyopadhyay and Martell, 2007](#); [Dowling and Uncles, 1997](#); [Evanschitzky et al., 2012](#)). Loyalty towards a company is influenced by customer's emotional state, while loyalty towards an LP is influenced by its benefits

(financial and non-financial). Nevertheless, retailers expect customers to become more loyal to them by engaging with their LPs (Meyer-Waarden, 2015).

Customer engagement is an essential driver of firm performance, competitive advantage and customer lifetime value (Fehr et al., 2018). Unsurprisingly, retailers recognise the important influence of customer engagement in building strong customer relationships and ensuring customer satisfaction and loyalty (Pansari and Kumar, 2017). To engender such engagement, retailers use a range of marketing tools, including LPs, to encourage continuous customer interaction and develop long-term customer relationships.

Prior researchers have explored LPE via the lens of behaviours reflected through engagement. For example, Bruneau et al. (2018) found that LPE comprises of six first-order behaviours: proactive use of the loyalty card, changing purchase behaviours, redeeming points, searching for information, sharing information and being receptive to information. However, these behaviours are the consequences of LP engagement and do not answer the question of what factors initially led customers to engage with the LPs. In a recent study, Sim et al. (2022) argue that customers' disposition is necessary to actualise customer engagement. Customer engagement disposition is conceptualised as an individual's inherent propensity and capacity to engage with a focal object, driven by underlying personality dimensions and psychological traits (Sim et al., 2022). In addition, customer engagement disposition is context-specific, meaning it depends on the nature of the focal object (Storbacka, 2019). According to Li et al. (2017), customer disposition is shaped by an individual's goals, desires and needs.

Based on the preceding discussion, it is hypothesised that the extent of customers' LPE will depend on their disposition towards LP engagement, which, in turn, depends on the context in which they use the LPs. This implies that customers will only engage with an LP (i.e. the focal object) if it fulfils their specific goals, desires and needs. A critical distinction between customer disposition engagement and actual engagement is that the former precedes the latter; that is, a customer's engagement disposition leads to actual customer engagement (Sim et al., 2022). Thus, it is expected that customer disposition towards LPE will determine whether customers will engage with LPs. Therefore, this research has the following objectives:

- To identify the components of customer disposition towards LPE.
- To explore the influence of customer disposition towards LPE on LPE.
- To examine the effect of LPE on customers' engagement with and loyalty to the retailer.
- To identify the configurations of factors affecting LPE and engagement with retailers.

To meet these objectives, two separate studies are conducted in this paper. In Study 1, the underlying dimensions of LPE are validated using data collected from 250 Australian supermarket retail customers. In Study 2, a multimethodological approach is used. First, data is collected from 820 Australian supermarket retail customers, then partial least squares structural equation modelling (PLS-SEM) is used to examine the influence of customers' disposition towards LPE on their engagement with the retailer's LP, as well as the subsequent effects of this engagement on customers' overall engagement with- and loyalty towards the retailer. Second, fuzzy-set qualitative comparative analysis (fsQCA) (Ragin, 2009) is used to complement and expand the findings of PLS-SEM. PLS-SEM is used to analyse the linear and symmetrical relationships between latent variables and estimate the average net effects of exogenous variables on endogenous variables (Hair et al., 2019a, 2019b, 2021). However,

scholars have raised concerns that this symmetrical net effect approach cannot provide a complete picture of the relationship between exogenous and endogenous variables (Woodside, 2013; Acquah *et al.*, 2023; Al-Emran *et al.*, 2023). In this case, the asymmetrical fsQCA approach can be used to identify configurations of conditions that are necessary and sufficient for an outcome to occur (Ragin, 2009; Woodside, 2013, 2014; Kumar *et al.*, 2022), providing a more comprehensive analysis of the relationship between exogenous and endogenous variables. Hence, in Study 2, fsQCA is used to complement PLS-SEM and identify the configurations of factors that influence customer engagement with LPs and retailers.

It is noted that fsQCA ultimately forms the principal foundation of analysis in this study. In this two-stage approach, fsQCA functions as both a validation mechanism for the PLS-SEM results (by demonstrating that antecedents identified in PLS-SEM reliably appear (or not appear) across robust configurations) and an expansion device, enabling the uncovering of asymmetrical causal paths that PLS-SEM alone cannot detect (e.g. where an antecedent may not matter in isolation but only as part of a specific combination). While PLS-SEM establishes the “what” of the relationships, fsQCA reveals the “how” and “under what configuration” those relationships lead to high customer engagement with LPs. Thus, fsQCA constitutes the dominant interpretive framework in this study.

The findings of this research contribute to the existing knowledge in multiple ways. First, the findings provide a theoretical underpinning of LPE through the lens of customer disposition towards LP engagement. Thereby, the underlying mechanism that impacts LP engagement is identified. Second, results demonstrate that internal tendencies (specifically, perceived benefits) and capacities (specifically, the temporal price search) drive LPE. fsQCA complements this finding, showing that a configuration of trust, commitment and perceived benefits is essential for enhancing customers’ engagement with LPs and retailers. In contrast, the absence of this combination can lead to a lack of engagement with LPs and retailers. Third, results also demonstrate that LPE is a crucial antecedent for retailer engagement, contributing to the existing LP literature. Furthermore, the more a customer engages with a retailer, the greater their attitudinal and behavioural loyalty. This implies that retailers should develop strategies that align with the components of customers’ disposition towards LP engagement, increasing LPE, and attitudinal and behavioural loyalty. Finally, this study also offers a methodological contribution through the combined use of PLS-SEM and fsQCA, showing the value of understanding the customer–retailer relationship based on both symmetrical and asymmetrical pathways (Kumar *et al.*, 2022).

The remainder of this article is organised as follows. The next section reviews the relevant literature on LPs; theoretical framework used in the study and customers’ disposition towards LPE. This is followed by the research hypotheses and research model. Next, the two studies conducted in this research are detailed. Finally, we outline the theoretical and managerial implications of the findings and suggest the avenues for future research.

Literature review: key concepts

Loyalty programmes

Kim *et al.* (2021, p. 73) defines LPs as “any institutionalised incentive system that attempts to enhance consumers’ consumption behaviour over time, which captures a broad span of types of programs”. Given its focus on consumption, this definition indicates that LPs are primarily intended to influence customers’ loyalty (Belli *et al.*, 2022). There is an emerging consensus in the literature that LPs are vital antecedents of attitudinal and behavioural customer loyalty (Bilgihan *et al.*, 2016; Leenheer *et al.*, 2007). Literature investigates the role of LP in enhancing customers’ perceived value (Kreis and Mafael, 2014; Yi and

Jeon, 2003). Specifically, past studies acknowledge the contribution of LP in offering tangible (e.g. reward points) and intangible benefits (e.g. community membership) that directly impact customers' purchase and repurchase behaviour (Haverila *et al.*, 2022). Apart from the transactional benefits, literature also underscores that LPs are strong enablers of promoting relational bonds with customers (Kim *et al.*, 2021). The customised reward mechanisms inherent in LPs foster stronger trust and relational commitment (Beck *et al.*, 2015). In addition, the tendency to repetitively engage with LPs, guided by automaticity and inertia, fosters customers' habit, thereby strengthening their engagement behaviour (Olsen *et al.*, 2013).

Table 1 provides an overview of selected LP studies, which can be divided into five broad themes. The first theme pertains to the factors influencing LP's points redemption, including mobile push messages (Bies *et al.*, 2021), customer relationship characteristics (Li *et al.*, 2024) and exchange rate stability (Chun and Hamilton, 2024). The second theme relates to LP effectiveness (Kim *et al.*, 2021). The third and fourth themes relate to LP design and LP entry methods, respectively (Bombaij and Dekimpe, 2020; Esmark *et al.*, 2016). The fifth theme relates to the antecedents of LPE (Meyer-Waarden *et al.*, 2023). The present research contributes to this fifth theme by investigating the antecedents of LPE through the lens of customers' disposition towards LP engagement. We find that a combination of trust, commitment and perceived benefits is essential for fostering customer engagement with both LPs and retailers.

Extant literature suggests that LPs show comparatively greater effects on behavioural loyalty than on attitudinal loyalty (Belli *et al.*, 2022). In addition, LPs' effectiveness is positively associated with reward contents, direct delivery of the rewards and closed (rather than open) LP enrolment structure (Belli *et al.*, 2022). However, there is a greater need to understand the underlying customer characteristics that encourages customers to engage with LPs (Meyer-Waarden *et al.*, 2023). This research focuses on the LPs that are managed by the retailers themselves, known as sole-proprietary LPs as opposed to the coalition or partnership LPs which are operated jointly by multiple companies (Dorotic *et al.*, 2021; Li *et al.*, 2025). Examining the sole-proprietary LPs allows us to more precisely investigate the role of customers' disposition towards LPs within a context where the retailer has full control over the programme's design and reward structure.

Social exchange theory and loyalty programmes

Social exchange theory (SET) has been used as the overarching theory supporting customer–retailer relationships concerning LPs (Chen *et al.*, 2021). Principles of equity and reciprocity forms the foundation of SET. According to this theory, when customers perceive that they have received a benefit from another entity, they feel a sense of obligation to reciprocate (Blau, 1964). As LP members obtain benefits by participating in the retailer's LP, the customers, in effect, give permission to the retailer to collect and use personal information (Lacey and Sneath, 2006). Retailers then use the collected data to provide desirable and valuable customised offerings (Schultz and Bailey, 2000). This allows the retailers to form long-term customer relationships and engender customer loyalty. Prior research suggests a connection between social exchange, the LPs' structure and the types of LP reward (Ma *et al.*, 2018; Septianto *et al.*, 2019).

Customers' disposition towards loyalty programme engagement

Extant research considers customer engagement from four different perspectives (Ng *et al.*, 2020). For example, customer engagement is considered a *psychological* state that arises when customers engage in value co-creation activities with a focal object like the firm or the brand (Brodie *et al.*, 2011; Jaakkola and Alexander, 2014; Roy *et al.*, 2018). Others note that

Table 1. Selected past literature on LPs

Authors	Theme	Theory/framework	Methodology	Key findings
This research	LP engagement	• Social exchange theory • Customers' disposition towards engagement framework	Quantitative	• Customers' disposition towards engagement framework is used to understand LP engagement • Perceived benefits and temporal price search positively impact LP engagement which, in turn, influences engagement with retailer • A combination of trust, commitment and perceived benefit is the key configuration whose presence and absence determines the enhancement or impediment of LP engagement • LP engagement is the key condition, the presence and absence of which (in combination with other conditions) drives the enhancement or impediment of engagement with retailer • LP engagement is a multi-dimensional construct • LP engagement positively impacts company engagement • LP perceived value (Financial value, personalisation value, preferential treatment value, exploration/hedonistic) impacts LP engagement • Pricing of loyalty programme and denomination of accrual affect customer perception and engagement towards LP • Point redemptions in other stores of different chains positively (negatively) affect the focal store's point redemptions
Bruneau <i>et al.</i> (2018)	LP engagement		Mixed method	
Meyer-Waarden <i>et al.</i> (2023)	LP engagement	Relationship marketing	Quantitative	
Ashley <i>et al.</i> (2016)	LP engagement	Expectancy value theory	Quantitative	
Li <i>et al.</i> (2025)	LP redemption		Quantitative	

(continued)

Table 1. Continued

Authors	Theme	Theory/framework	Methodology	Key findings
Li <i>et al.</i> (2024)	LP redemption	Service management theory	Quantitative	• Customer relationship characteristics in loyalty programmes (i.e. purchase depth, purchase breadth, purchase recency, redemption depth, redemption breadth and redemption recency) impact customers' point redemption behaviour • Mobile push messages positively impact redemption behaviour • Stability of the exchange rate influences point redemption • Online channels increase redemption likelihood • Age is inversely related to redemption behaviour • LP design, retailer and country characteristics moderate the impact of LP on a retailer's sales productivity • Introducing an LP can increase sales and gross profits in the short term, and these positive effects are sustained in the long term • LP effectiveness consists of psychological, design and operational elements that account for differential effects across customer acquisition, onboarding, expansion and retention stages • Customer's purchase at the focal firm is affected by the customer's purchases and redemptions across competing firms • Tier level and goal distance jointly determine loyalty programme members' reaction to cognitive vs affective email appeals and the associated underlying process
Bies <i>et al.</i> (2021)	LP redemption		Quantitative	
Chun and Hamilton (2024)	LP redemption		Quantitative	
Hwang <i>et al.</i> (2016)	LP redemption		Quantitative	
Bombajli and Dekimpe (2020)	LP design		Quantitative	
Chaudhuri <i>et al.</i> (2019)	LP design	Social exchange and motivational mechanisms	Quantitative	
Kim <i>et al.</i> (2021)	LP effectiveness	Comprehensive theory of loyalty programme dynamics	Qualitative	
Khodakarami <i>et al.</i> (2024)	LP effectiveness	Goal shielding theory	Quantitative	
Zhang and Liu-Thompkins (2024)	LP effectiveness	Construal level theory	Quantitative	

(continued)

Table 1. Continued

Authors	Theme	Theory/framework	Methodology	Key findings
Steinhardt and Palmtier (2016)	LP effectiveness		Quantitative	• Loyalty programmes positively influence target customers by enhancing their sense of gratitude and perceived status, leading to increased loyalty and sales
Esmark et al. (2016)	LP entry method	• Social identity theory • Self-determination theory • Social exchange theory	Quantitative	• Bystander customers may experience feelings of unfairness and diminished status, potentially reduce their loyalty and purchasing behaviour • Open loyalty programmes lead to more in-group identification whereas selective programmes lead to more gratitude • Loyalty programmes that are visible lead to more in-group identification

customer engagement is the *behavioural* expression of customer engagement that goes beyond purchase (Abdul-Ghani *et al.*, 2019; Jaakkola and Alexander, 2014; van Doorn *et al.*, 2010). Vivek *et al.* (2012) also contend that customer engagement can manifest cognitively, affectively, behaviourally and socially. A third perspective is that customer engagement is a *process* (Bowden, 2009). Finally, customer engagement has been studied from the perspective of *disposition to act* (Li *et al.*, 2017; Storbacka *et al.*, 2016). Our research builds on this last perspective by examining customer engagement with LP from the perspective of disposition to act (Ng *et al.*, 2020).

Customer engagement disposition is a characteristic of an individual (Sim *et al.*, 2022) and refers to a customer's readiness and tendency to engage with a focal object (Fehrer *et al.*, 2018; Storbacka *et al.*, 2016). This notion differentiates customer engagement disposition from customer engagement behaviour because the latter represents an investment of customers' resources (i.e. cognitive, emotional and behavioural) to engage with the focal object (Sim *et al.*, 2022). In this research, we adopt Sim *et al.*'s (2022, p. 1927) definition of customer engagement disposition, which refers to "customers' capacity and tendency to invest resources in interacting with the focal object". In other words, customers' internal disposition influences their decision to engage with a focal object (Li *et al.*, 2017), leading to customer engagement behaviour. In this research, LPs are the focal object and customers' disposition towards LP engagement drives customers' decision to invest resources to engage with the LPs.

LPs are a vital marketing tool used by retailers, with the primary aim of engaging customers and enhancing their loyalty to the brand (Belli *et al.*, 2022). However, to develop brand loyalty, LP members must first engage with the LP. Therefore, understanding LPE is crucial for the successful implementation of an LP.

LPE is a relatively new concept and has received very limited research attention. Bruneau *et al.* (2018) criticised previous studies on LPE on the basis that they did not consider the specific behaviours induced by LPs. These authors conceptualised LPE as a combination of six hierarchical behavioural dimensions, organised according to the degree of effort required:

- (1) proactive use of the loyalty card;
- (2) adapting purchase behaviours;
- (3) redeeming points;
- (4) searching for information;
- (5) sharing information; and
- (6) being receptive to information.

However, and crucially, they did not address the conditions leading to LPE. Meyer-Waarden *et al.* (2023) found that the perceived value of LPs (comprising financial, personalisation, preferential treatment and exploration/hedonistic value) influences LPE. However, we argue that customers' disposition towards LP engagement in the form of internal tendencies and capacity also influences LPE. Accordingly, the aim of this research is to investigate how customers' disposition towards LPE leads to their engagement with the LP itself, as well as the consequential impacts of this engagement on customer loyalty.

Research model and hypotheses

As noted earlier, customers' disposition towards LP engagement comprises their internal tendencies and capacity to engage with an LP. In this research, internal tendencies include trust, commitment and perceived benefit, while capacity refers to temporal and spatial price search abilities. Figure 1 shows the proposed research model.

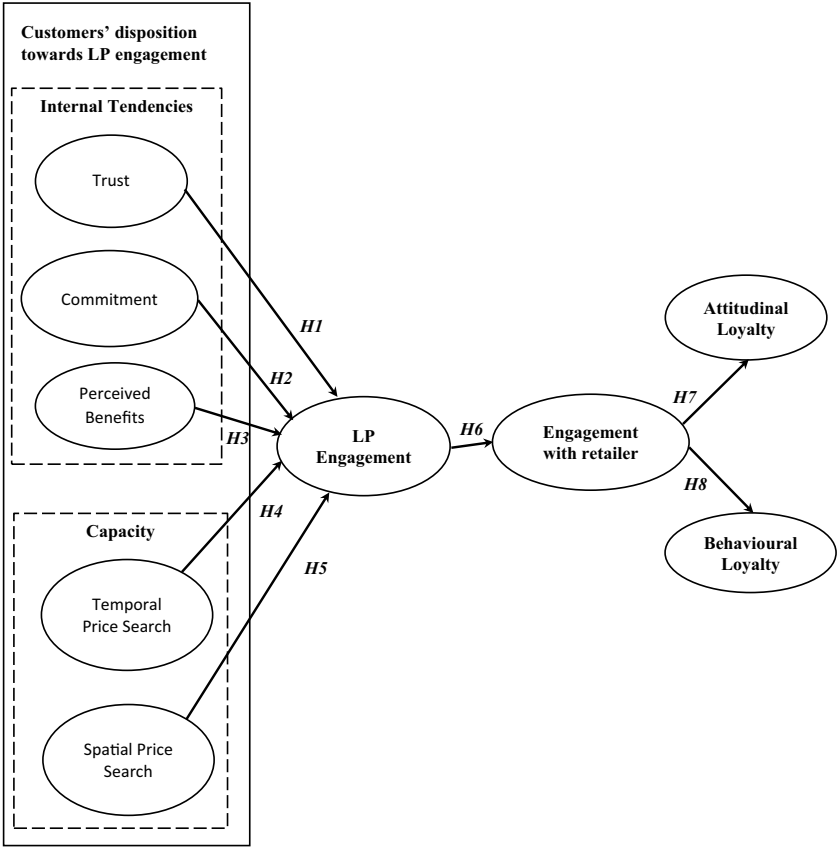


Figure 1. Research model

Customer disposition towards loyalty programme engagement: Internal tendencies

Trust. Trust refers to the confidence of one party in the reliability and integrity of another party (Morgan and Hunt, 1994). Prior research suggests that building trust of customers is critical to ensure their engagement with and loyalty to a brand (Sun and Lin, 2010; Pansari and Kumar, 2017; Kosiba et al., 2020). Trust in LPs differs from trust in LP providers (i.e. retailers) (Uncles et al., 2003). We expect that trust in the LP provider will shape members' engagement, as individuals typically become customers of the retailer before enrolling in the programme. Trust in the retailer represents a psychological state that predisposes customers to interact with the focal entity (Sim et al., 2022). Accordingly, we hypothesise (replication hypothesis):

H1. Trust in a retailer will positively impact loyalty programme engagement.

Commitment. Commitment is defined as an “enduring desire to maintain a valued relationship” (Moorman et al., 1992, p. 316). Customers with greater commitment will identify with and become emotionally attached to the focal object (Keiningham et al., 2015). Furthermore, commitment leads to a psychological dependence on the focal object

(Jones and Taylor, 2007). Thus, we argue that when customers are committed to a retailer, they are more likely to engage with the retailer's LP to continue the relationship.

Commitment has been conceptualised as both a unidimensional and a multidimensional construct (Morgan and Hunt, 1994). In this study, we adopt Keiningham *et al.*'s (2015) five-component model of consumer commitment, which consists of affective commitment (characterised by strong emotions), normative commitment (characterised by shared norms and values), economic commitment (based on cognitive appraisals of investments made in a retailer), forced commitment (based on the perceived lack of alternatives) and habitual commitment (based on consumption behaviours being enacted repetitively, automatically and with inertia). Fullerton (2003) conceptualises commitment in terms of an individual's feelings about engaging with an object such as an LP. Thus, in this study we consider that commitment is a psychological state which represents an internal tendency of customer disposition towards LP engagement and subsequently, leads to LP engagement. Thus, we hypothesise (replication hypothesis):

H2. Commitment to a retailer will positively impact loyalty programme engagement.

Perceived benefits. Customers compare the costs of joining an LP (e.g. membership fees, switching costs, the risks of providing personal information) against the rewards offered by that LP (Meyer-Waarden, 2015). In addition, LP members consider the perceived utilitarian, hedonic and symbolic benefits of the LP. Utilitarian benefits include financial and non-financial benefits (e.g. avoiding complex and time-consuming evaluation of options). Hedonic benefits refer to gratifying non-instrumental and experiential benefits (Hirschman and Holbrook, 1982), including exploratory and entertainment components. The exploratory component is activated when LP members are exclusively invited to trial new or innovative products, while the entertainment component is activated when LP members obtain pleasure from collecting and redeeming loyalty points (Mimouni-Chaabane and Volle, 2010). Symbolic benefits relate to an individual's social approval and self-esteem needs, and are met through recognition and social benefits (Mimouni-Chaabane and Volle, 2010). LP members may feel special or privileged when they receive customised offers (Gordon *et al.*, 1998), perceive that they are higher in status than non-members (Csikszentmihalyi, 2000) or believe that they belong to an exclusive consumer group (Muniz and O'Guinn, 2001). This research conceptualises the perceived benefits of LPs as a second-order construct comprising utilitarian, hedonic and symbolic benefits.

Extant research report that the perceived benefits of LPs are essential antecedents that lead to LP engagement (Keh and Lee, 2006). In this research, we consider that perceived benefit reflects the internal tendencies related to customer disposition towards LP engagement. Individuals will only consider engaging (i.e. investing resources) with the focal object (i.e. LP) if the perceived benefits are positive. Accordingly, we hypothesise (replication hypothesis):

H3. The perceived benefits of a loyalty programme will positively impact loyalty programme engagement.

Customer disposition towards loyalty programme engagement: Capacity

Temporal price search. Retailers use price promotions linked to LPs to entice customers to join and engage with these. Prior research considers temporal price search strategy as consumers' capacity to wait for a preferred retailer to offer the best deal (Gauri *et al.*, 2008; Sobel, 1984). Based on this, we define temporal price search as the capacity of consumers to intentionally time

their shopping activities to obtain lower prices, that may involve monitoring price specials and spreading purchases across multiple trips to capitalise on price fluctuations. In other words, price-sensitive customers who are LP members are prepared to wait for promotions before making purchases. According to SET, customers deepen their engagement in a relational exchange when they anticipate that they can derive more value from the relationship (Cropanzano and Mitchell, 2005). Consistent with this premise, we argue that customers with temporal price search capacity develop a transferable ability that extends naturally into LPE. This implies that rather than restricting their timing strategy solely to finding low prices, customers apply the same temporal reasoning to LPE by spreading their shopping across different time periods.

This carryover behaviour of customer reflects that, temporal price search capacity is not limited to low price market search, rather it evolves as a mechanism for making their engagement with the LP more rewarding and logical. Based on the preceding discussion we advance the following hypothesis:

H4. Temporal price search capacity will positively impact loyalty programme engagement.

Spatial price search. The capacity to engage in a spatial price search strategy refers to the ability to shop around for the best deals (Fox and Hoch, 2005; Gauri *et al.*, 2008). In this research, spatial price search is defined as the capacity of consumers to compare prices across multiple supermarkets and select shopping locations based on advertised specials, promotional information and inter-store price differences, often involving visits to more than one retailer to secure the best available deals. According to SET, relational commitment between exchange parties is governed by an individual's dependence on others for resources (Richard and Emerson, 1976). When the dependence is low because of availability of alternative sources, the relational commitment drops (Richard and Emerson, 1976).

Accordingly, we propose that spatial price search enables customers to compare prices across multiple retailers, exposing them to a broader set of alternatives. This pursuit of alternatives weakens consumers' engagement with any single retailer's LP. This is in contrary to the LPs' function as commitment devices that reward concentrated patronage with a single retailer. This implies that comparing offers across different retailers makes the LP appear relatively less attractive, thereby diminishing customers' motivation to stay engaged with a particular retailer's LP.

The capacity to engage in spatial price search shifts the orientation of customers from relational to transactional, thereby making them spread their shopping to multiple retailers and weakening their retailer-specific patronage. Eventually, customers start to disengage with LP offered by a specific retailer because the spatial price search capability is incompatible with the reciprocal commitment that LPs demand. Thus, we propose that although LP members with strong spatial price search capacity possess characteristics typically associated with higher engagement, the same capacity ultimately reduces their engagement with retailer's LP. Based on the preceding discussion, we propose the following hypothesis:

H5. Spatial price search capacity will negatively impact loyalty programme engagement.

Loyalty programme engagement and retailer engagement. Prior studies have investigated LPE in terms of LP-related behaviours. However, Bruneau *et al.* (2018) argue that this fails to take into account the specific behaviours which reflects LPE. These authors further argue that LPE is a second-order hierarchical construct constituting several first-order behavioural constructs which are "proactively using a loyalty card", "adapting purchase behaviours",

“redeeming points” and “searching for, sharing and being receptive to information”. We adopt this conceptualisation of LPE in our research.

Past studies note that customer engagement is a multi-dimensional construct consisting of cognitive, affective and behavioural dimensions (Hollebeek, 2011). Research indicates that attitudinal engagement is necessary for behavioural engagement (Barari *et al.*, 2021). Similarly, Lim *et al.* (2022) contend that cognitive and affective engagements lead to behavioural engagement which subsequently lead to cognitive, affective and behavioural engagement with another entity. In addition, empirical evidence suggests that LPE positively influences engagement with the retailer (Bruneau *et al.*, 2018). Thus, we infer that engagement with the LP will lead to engagement with the retailer. Consistent with the propositions of SET and preceding discussion, we expect that highly engaged LP members will be more engaged with the retailer because they expect something in return. Thus, we advance the following hypothesis:

- H6. Loyalty programme engagement will positively impact engagement with the retailer.

Engagement with retailer and customer loyalty. Customer loyalty is critical for retailers to boost their customer retention, competitiveness, profits and brand equity (Karanaratna and Kumara, 2018). Customer loyalty has been classified into attitudinal and behavioural loyalty (Kandampully *et al.*, 2015; Zhang *et al.*, 2020). Attitudinal loyalty refers to customers’ favourable attitudes towards retailers based on their positive experiences and satisfaction and contributes to enduring relationships (Oliver, 1996; Yuksel *et al.*, 2010). However, attitudinal loyalty may not necessarily lead to future purchases (Dick and Basu, 1994). In contrast, behavioural loyalty is evidenced through actual purchases (Oliver, 1999).

Research shows that customer engagement is a key determinant of customer loyalty (Bowden, 2009; Zhang *et al.*, 2020) and demonstrates customers’ interest in continuing their relationship with the retailers (Brodie *et al.*, 2011). Highly engaged customers exhibit greater customer loyalty (Vivek *et al.*, 2012). Thus, it is posited that LP members who show greater LPE will also be highly engaged with retailers, and display attitudinal and behavioural loyalty:

- H7. Engaging with a retailer will positively impact loyalty programme members’ attitudinal loyalty.
- H8. Engaging with a retailer will positively impact loyalty programme members’ behavioural loyalty.

Research context: Australian retail supermarkets

This research focuses on supermarkets in Australia. In 2023–2024, the nation’s four largest retailers: Woolworths, Coles, ALDI and Metcash accounted for over 80% of the industry revenue (GourmetPro, 2025). These retailers are classified as supermarkets and grocery stores (Martin, 2025). Woolworths and Coles are increasingly relying on LPs (Kahla, 2024). However, Australian supermarket customers are failing to adequately engage with them (Statista, 2024). Therefore, Australian supermarkets offer an appropriate research context in which to test our hypotheses. The following sections outline the two studies.

Study 1: structure of loyalty programme engagement

Rationale

Schultz *et al.* (2022) lamented that scholarly rigour is lost because of lack of replication studies in marketing and consumer behaviour. Uncles and Kwok (2013) contend that

findings that are not replicated may not hold empirical generalisations and therefore, can lack practical importance. [Evanschitzky et al. \(2007\)](#) went as far as to suggest that practitioners should be cautious of the results published in marketing journals because the results are not replicated. LPE is a relatively new concept that needed to be replicated in the Australian supermarket context before proceeding with Study 2 which examined customers' disposition towards LP engagement. Accordingly, the objective of Study 1 was to empirically validate the components of LPE developed by [Bruneau et al. \(2018\)](#) in the Australian supermarket context. By conducting this study, we adopted an inter-study replication approach, as recommended by [Kwon et al. \(2017\)](#), that seeks to reproduce the results of a previous study through an independent investigation by different researchers in a separate setting ([Park et al., 2015](#); [Phua et al., 2023](#)).

Measures and data collection

An online questionnaire was distributed Australia-wide via Pureprofile, an Australian survey panel provider that was selected for its national reach, ensuring that data were collected from supermarket customers across the country. Our target population was supermarket LP cardholders aged 21–80 years. We used a quota sampling technique, where the sample was matched to the Australian population (according to the most recent Australian census) in terms of age, gender and location. All questionnaire items (see [Appendix 1](#)) were measured using a seven-point Likert-type scale. To avoid biased responses, the items were randomly distributed within the questionnaire.

Data were collected over a 30-day period. Any questionnaire completed in less than 10 min was not considered during the data analysis stage. Prior studies contend that longer surveys can suffer from several drawbacks. For example, longer surveys can lead to lower response rates, greater chances of choosing “don’t know” answers, higher dropout rates during the survey completion and higher non-responses to the end of the survey questions ([Revilla and Höhne, 2020](#)). In a series of studies conducted by [Revilla and Ochoa \(2017\)](#) and [Revilla and Höhne \(2020\)](#) across two countries (Mexico and Germany), using both probabilistic and non-probabilistic panel respondents, the authors conclude that the ideal survey duration is between 10 and 15 min. In addition, [Revilla and Höhne \(2020\)](#) reported that perceived survey ease is associated with shorter ideal completion times, suggesting that lower cognitive effort facilitate more efficient responding. In a similar vein, [Kato and Miura \(2021\)](#) demonstrate that respondents who completed online surveys in less than 10 s per question had significantly lower accuracy rate. Accordingly, surveys completed in less than 10 min were considered inappropriate for the current research. In total, 250 completed questionnaires were returned (86% response rate), which is more than the minimum of 45 required for models with a maximum of five arrows pointing at a construct, with a significance level of 5%, statistical power of 80% and a minimum R^2 of 50% ([Cohen, 1992](#); [Hair et al., 2017](#)).

Data analysis

We initially used exploratory factor analysis to examine the correlations between dimensions. As suggested by [Hair et al. \(2019a\)](#), we followed an iterative process to eliminate items with communalities < 0.5, factor loadings < 0.5 or cross-factor loadings > 0.3. We also examined construct reliability and validity.

Results

[Table 2](#) shows that the factor loadings were higher than the cut-off value of 0.70. The measurement item *PRO1* had a loading of 0.472 and was removed from the subsequent

Table 2. Measurement properties of LP engagement (Study 1)

Constructs and measurement items	Loadings	α	rho_A	CR	AVE
Proactively using card (PRO)		0.712	0.752	0.838	0.635
PRO2	0.882				
PRO3	0.696				
PRO4	0.802				
Redeeming points (RED)		0.72	0.723	0.842	0.640
RED1	0.813				
RED2	0.796				
RED3	0.790				
Adapting purchasing behaviour (APB)		0.87	0.874	0.920	0.794
APB1	0.930				
APB2	0.862				
APB3	0.880				
Being receptive to information (REC)		0.872	0.901	0.922	0.798
REC1	0.796				
REC2	0.931				
REC3	0.944				
Searching for information (SER)		0.835	0.838	0.890	0.670
SER1	0.816				
SER2	0.815				
SER3	0.777				
SER4	0.862				
Sharing information (SHA)		0.833	0.852	0.889	0.667
SHA1	0.703				
SHA2	0.847				
SHA3	0.876				
SHA4	0.832				

Note(s): α = Cronbach's alpha; rho_A = Dijkstra–Henseler's composite reliability; CR = composite reliability; AVE = average variance extracted

analysis. While the loading of *PRO3* (0.696) was slightly lower than the cut-off of 0.70, given the reliability indicators, we decided to retain it for subsequent analysis. The results also show that Cronbach's alpha, composite reliability and rho_A (Dijkstra–Henseler's composite reliability) values for all constructs were greater than 0.70. The average variance extracted (AVE) of all constructs was greater than 0.50, indicating convergent validity (see Table 2). We assessed discriminant validity using both the Fornell–Larcker criterion and the heterotrait–monotrait (HTMT) ratio (Hair *et al.*, 2019b). The square root values of AVEs were greater than the bivariate correlations between each variable, supporting discriminant validity. In addition, the HTMT values were below 0.85.

Discussion

Answering the calls for replication studies in different contexts to generalise the findings of the marketing literature (Easley *et al.*, 2000), we retested the LPE scale established by Bruneau *et al.* (2018) in the context of Australian supermarkets. Like the results obtained by Bruneau *et al.* (2018), we found that the coefficients of the paths from the second-order constructs to the first-order constructs for LP engagement were all greater than 0.70 except for proactive use of the loyalty card (see Figure 2). The highest coefficient was for information searching (0.917) and the lowest coefficient was for proactive use of the loyalty card (0.408). Bruneau *et al.* (2018) also reported the highest coefficient for searching for

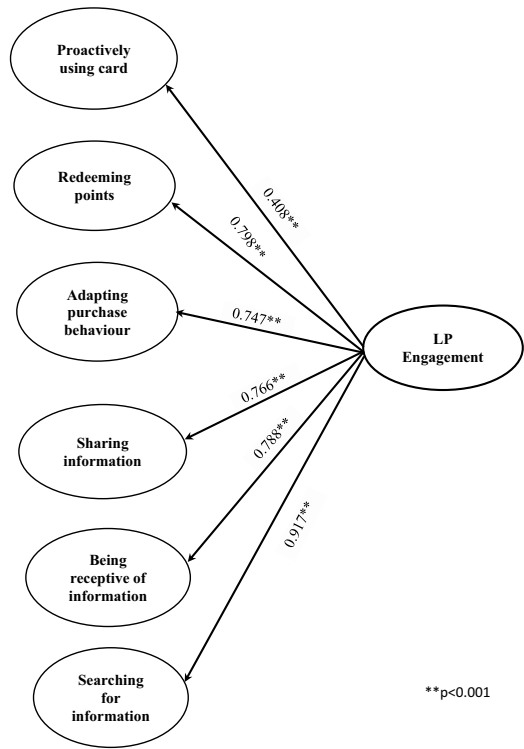


Figure 2. Results of Study1

information (0.944) and the lowest coefficient for proactively using card (0.390). These contrast with the findings of [Meyer-Waarden et al. \(2023\)](#), who report a high correlation for the proactive use of the loyalty card (0.753). Overall, the results from Study 1 validate the findings of [Bruneau et al. \(2018\)](#) on LPE.

Study 2: outcomes of customer disposition towards loyalty programme engagement

In line with our second and third research objectives, Study 2 empirically tested the influence of customer LPE disposition on LPE based on SET ([Blau, 1964](#)). According to SET, customers will engage with retailers if the perceived benefits exceed the perceived costs ([Yan et al., 2016](#)), meaning that they will proactively contribute to their relationship with retailers by investing their personal resources ([Higgins and Scholer, 2009](#)). The cost–benefit perspective inherent in SET accounts for the interactional feature of LPE ([Hollebeek, 2011](#)). [Figure 1](#) presents the research model.

Measures and data collection

We adapted the measurement items for all constructs from the existing literature (see [Appendix 2](#)). The items corresponding to LPE (see [Appendix 1](#)) validated in Study 1 were used in Study 2.

The minimum sample size required was computed using G*Power software. Based on a medium effect size of 0.15, an error probability of 0.05 and a power of 0.80, the minimum sample size was 92. Pureprofile was again used in Study 2 to obtain the required sample. The data for Study 2 were collected using the same procedure as in Study 1. The final sample size obtained by Pureprofile was 820 (response rate of 84%).

Data analysis

PLS-SEM was used to analyse the relationships between the multiple variables in the proposed model for Study 2 (Hair *et al.*, 2019b). The analysis was conducted using SmartPLS 4.0 (Ringle *et al.*, 2024). PLS-SEM was ideal for data analysis because it can predict models using small sample sizes (Sarstedt *et al.*, 2022). In addition, PLS-SEM requires fewer distributional assumptions and is robust to non-normal data, which are common in behavioural and consumer research contexts. In addition, PLS-SEM focuses on maximising the explained variance (R^2) of endogenous constructs, making it an ideal method for exploratory studies and emerging research areas where theoretical foundations are continuing to develop (Hair *et al.*, 2021).

Results

Common method bias. To assess for common method bias, we applied the procedural and statistical approaches suggested by Podsakoff *et al.* (2024). To ensure participant anonymity, the questionnaire was designed to minimise evidence of causal relationships between the dependent and independent constructs (MacKenzie and Podsakoff, 2012). To assess for common method bias, we used both Harman's single-factor test and the marker variable approach. In Harman's single-factor test, the percentage of variance was 31.807% (less than the cut-off value of 50%), indicating that common method bias was not an issue. Given the criticisms of Harman's single-factor test (Baumgartner and Weijters, 2021), we also used a three-item marker variable technique, where we surveyed respondents' mobile phone usage intensity (Valenzuela *et al.*, 2009). The analysis showed that this marker variable did not significantly increase the variance of the dependent variable, with the average correlation between this and the marker variable being 0.026 ($p > 0.05$). Thus, we concluded that common method bias was not a critical issue in this study.

Partial least squares structural equation modelling with higher-order constructs

Higher-order constructs represent the multi-dimensional and abstract nature of a concept which are based on the first-order factors (Crocetta *et al.*, 2021). The higher-order construct effectively represents the core of a given concept, as the residual variance left unexplained in each first-order construct is minimal (Hagger and Chatzisarantis, 2005). In PLS-SEM, the specification of a higher-order factor is justified when first-order factors are empirically distinct but demonstrate significant covariance, indicating a common underlying source (Hair *et al.*, 2012). Sarstedt *et al.* (2019) noted the advantages of using higher-order constructs which include achieving parsimony (by reducing the number of individual path model relationships) and overcoming bandwidth-fidelity dilemma.

The research model proposed in this study consists of four higher-order constructs: commitment, perceived benefits, LPE and retailer engagement. We used the disjoint two-stage approach to estimate the structural model comprising the higher-order constructs (Sarstedt *et al.*, 2019). In the first stage, the lower-order constructs were directly linked to each other without creating the higher-order constructs. The latent scores from the first stage

were then used in the second stage to form the higher-order constructs, and the structural model was assessed based on the outputs from the second stage.

Stage 1 results: Based on the results of Stage 1, one item each was removed from proactively using card (PRO3), sharing information (SHA1) and temporal price search (TPS5) and two items were removed from economic commitment (EC3 and EC4) because of their low factor loadings (<0.70). In addition, forced commitment and habitual commitment were removed from the higher-order construct of commitment because of their low loading values. The low factor loadings for these constructs imply that customers do not feel compelled to choose a particular retailer or repeatedly purchase from a specific retailer. This suggests that a split loyalty pattern may exist among Australian consumers (Ehrenberg *et al.*, 2004). Table 3 presents the Stage 1 results.

The Stage 1 results show that the factor loadings of all constructs were equal to or greater than 0.70. Cronbach's alpha and rho_A (Dijkstra–Henseler's composite reliability) values of all constructs (apart from redeeming points) were greater than 0.70. However, we decided to retain the redeeming points construct because its composite reliability was greater than the cut-off of 0.70 and it is theoretically supported by prior research (Bruneau *et al.*, 2018). The AVE for all constructs was greater than the threshold value of 0.50, implying convergent validity. Discriminant validity was met based on the Fornell–Larcker criterion (i.e. the square root of AVE was greater than the bivariate correlations between each of the variables) and the HTMT ratio, the values of which were less than 0.85.

Stage 2 results: In Stage 2, the higher-order constructs were created based on the latent scores of the associated lower-order constructs in Stage 1. Stage 2 began by assessing the measurement properties of the higher-order constructs and the structural model (Sarstedt *et al.*, 2019). Table 4 shows the factor loadings of the four higher-order constructs. All the lower-order constructs had factor loadings of greater than 0.70. The AVE for all constructs was greater than 0.50, demonstrating convergent validity. Discriminant validity was met according to the Fornell–Larcker criterion (i.e. the square root of AVEs were greater than the bivariate correlations between each of the variables) and the HTMT ratio, the values of which were less than 0.85.

Next, we examined the structural model using bootstrapping, where 5,000 resamples were analysed based on 820 cases. The R^2 values were 0.72 for LPE, 0.58 for retailer engagement, 0.34 for attitudinal loyalty and 0.11 for behavioural loyalty. Table 5 shows the results of the path analysis. Both perceived benefit ($\beta = 0.68$, $p < 0.01$) and temporal price search ($\beta = 0.23$, $p < 0.01$) had a positive and significant effect on LPE, supporting H3 and H4. However, trust ($\beta = 0.00$, $p > 0.01$), commitment ($\beta = 0.01$, $p > 0.01$) and spatial price search ($\beta = 0.023$, $p > 0.01$) had no significant effect on LPE, rejecting H1, H2 and H5. LPE positively and significantly affected retailer engagement ($\beta = 0.76$, $p < 0.01$), supporting H6. Finally, retailer engagement had a positive and significant effect on both attitudinal loyalty ($\beta = 0.58$, $p < 0.01$) and behavioural loyalty ($\beta = 0.34$, $p < 0.01$), supporting H7 and H8.

Data analysis using fuzzy-set qualitative comparative analysis

Symmetric and mean-centred approaches to examining the effect of independent variables on the dependent variable fail to provide a complete picture (Rasoolimanesh *et al.*, 2021). In contrast, investigating configurations of independent variables can provide a more holistic exploration of the dependent variable (Misangyi *et al.*, 2017; Singh *et al.*, 2025). Therefore, in line with the last research objective, we used fsQCA to further investigate the effects of the independent variables.

Table 3. Measurement properties of Stage 1 (Study 2)

Constructs and measurement items	Loadings	α	rho_A	CR	AVE
Trust (TR)		0.867	0.87	0.910	0.716
TR1	0.871				
TR2	0.825				
TR3	0.849				
TR4	0.838				
<i>Commitment</i>					
Affective commitment (AC)		0.720	0.733	0.842	0.640
AC1	0.846				
AC2	0.778				
AC3	0.775				
Normative commitment (NC)		0.833	0.833	0.900	0.750
NC1	0.878				
NC2	0.847				
NC3	0.873				
Economic commitment (EC)		0.739	0.746	0.851	0.655
EC1	0.807				
EC2	0.831				
EC5	0.790				
<i>Perceived benefits</i>					
Utilitarian – saving money (US)		0.780	0.825	0.870	0.692
US1	0.889				
US2	0.719				
US3	0.878				
Hedonic – exploration (HEX)		0.885	0.885	0.929	0.814
HEX1	0.909				
HEX2	0.895				
HEX3	0.902				
Hedonic – entertainment (HEN)		0.815	0.815	0.890	0.730
HEN1	0.845				
HEN2	0.874				
HEN3	0.843				
Symbolic – recognition (SR)		0.907	0.909	0.935	0.782
SR1	0.874				
SR2	0.879				
SR3	0.888				
SR4	0.857				
Symbolic – social (SS)		0.831	0.835	0.898	0.747
SS1	0.857				
SS2	0.870				
SS3	0.865				
Temporal price search (TPS)		0.818	0.831	0.879	0.645
TPS1	0.803				
TPS2	0.825				
TPS3	0.757				
TPS4	0.825				

(continued)

Table 3. Continued

Constructs and measurement items	Loadings	α	rho_A	CR	AVE
Spatial price search (SPS)		0.874	0.918	0.905	0.657
SPS1	0.853				
SPS2	0.867				
SPS3	0.828				
SPS4	0.722				
SPS5	0.774				
<i>LP engagement</i>					
Proactively using card (PRO)		0.725	0.742	0.878	0.783
PRO2	0.908				
PRO4	0.861				
Redeeming points (RED)		0.667	0.668	0.819	0.601
RED1	0.790				
RED2	0.742				
RED3	0.793				
Adapting purchasing behaviour (APB)		0.869	0.872	0.920	0.793
APB1	0.907				
APB2	0.879				
APB3	0.885				
Being receptive to information (REC)		0.836	0.859	0.902	0.755
REC1	0.780				
REC2	0.906				
REC3	0.914				
Searching for information (SER)		0.898	0.901	0.929	0.765
SER1	0.818				
SER2	0.788				
SER3	0.790				
SER4	0.833				
Sharing information (SHA)		0.816	0.817	0.891	0.731
SHA2	0.847				
SHA3	0.855				
SHA4	0.862				
<i>Engagement with retailer</i>					
Conscious attention (CA)		0.829	0.840	0.897	0.745
CA1	0.871				
CA2	0.818				
CA3	0.898				
Enthusied participation (EP)		0.814	0.834	0.878	0.643
EP1	0.699				
EP2	0.850				
EP3	0.868				
EP4	0.781				
Social connection (SC)		0.833	0.833	0.900	0.750
SC1	0.872				
SC2	0.866				
SC3	0.859				

(continued)

Table 3. Continued

Constructs and measurement items	Loadings	α	rho_A	CR	AVE
Attitudinal loyalty (AL)		0.849	0.878	0.889	0.617
AL1	0.754				
AL2	0.821				
AL3	0.818				
AL4	0.788				
AL5	0.741				
Behavioural loyalty (BL)		0.872	0.885	0.912	0.722
BL1	0.862				
BL2	0.875				
BL3	0.811				
BL4	0.851				

Note(s): α = Cronbach's alpha; rho_A = Dijkstra–Henseler's composite reliability; CR = composite reliability; AVE = average variance extracted

fsQCA is one of the most effective methodological procedures to investigate different combinations of independent variables to effectively explain the absence or presence of an outcome (Kumar *et al.*, 2022). fsQCA has steadily gained popularity in strategic management because it is designed to analyse causal complexity, equifinality (multiple routes to the same outcome) and asymmetry (Greckhamer *et al.*, 2008, 2018; Kumar *et al.*, 2022; Ruiz *et al.*, 2023). In marketing research, scholars have used fsQCA to expose multiple configurations of customer and firm side conditions that produce desirable outcomes (for example, brand loyalty, purchase intention and e-loyalty among others) (Zhang and Huang, 2024; Elshaer *et al.*, 2024). Several empirical papers show that fsQCA often uncovers two or more “recipes” for loyalty that PLS-SEM does not reveal. The configurational view by fsQCA, therefore, complements the variable-centric estimates common in marketing (Pekovic and Rolland, 2020; Latif and Bashir, 2024; Arias-Oliva *et al.*, 2024).

Based on extant literature we argue that fsQCA is a perfect analytical tool for LP problems for the following reasons:

- *Loyalty is configurational:* loyalty outcomes often arise from combinations of programme attributes (rewards structure and personalisation), relational factors (trust and commitment) and customer traits (involvement and tenure). fsQCA explicitly models such combinations (recipes), rather than assuming linear additivity (Pekovic and Rolland, 2020).
- *Loyalty exhibits equifinality:* fsQCA identifies multiple distinct strategies that can achieve the same loyalty outcomes, which gives managers concrete, actionable ‘paths’ to follow. This is repeatedly shown in marketing studies using fsQCA (Zhang and Huang, 2024; Elshaer *et al.*, 2024; Pekovic and Rolland, 2020).
- *Loyalty is heterogeneous:* LPs operate in diverse customer segments. fsQCA can reveal why some antecedents of loyalty outcome matters in some cases but not in others.

We used fsQCA (Ragin, 2009; Pappas and Woodside, 2021) to analyse the data from Study 2 to gain additional insights into the effect of customers’ disposition towards LP engagement on LPE and the consequential effects of LPE on customer engagement with and loyalty to retailers. We executed two fsQCA models as follows:

Table 4. Measurement properties of Stage 2 (Study 2)

Constructs and measurement items	Loadings	α	rho_A	CR	AVE
Trust (TR)		0.867	0.87	0.91	0.716
TR1	0.872				
TR2	0.823				
TR3	0.849				
TR4	0.839				
Commitment _HOC		0.837	0.841	0.902	0.754
AC	0.911				
NC	0.858				
EC	0.835				
Perceived benefits_HOC		0.85	0.857	0.893	0.626
UB	0.718				
HEX	0.810				
HEN	0.770				
SR	0.791				
SS	0.862				
Temporal price search (TPS)		0.818	0.829	0.879	0.645
TPS1	0.803				
TPS2	0.827				
TPS3	0.759				
TPS4	0.822				
Spatial price search (SPS)		0.874	0.916	0.905	0.657
SPS1	0.852				
SPS2	0.866				
SPS3	0.828				
SPS4	0.724				
SPS5	0.773				
LP engagement_HOC		0.812	0.859	0.864	0.531
PRO	0.321				
RED	0.779				
APB	0.762				
REC	0.713				
SER	0.894				
SHA	0.767				
Engagement with retailer_HOC		0.849	0.88	0.908	0.767
CA	0.897				
EP	0.922				
SC	0.805				
Attitudinal loyalty (AL)		0.849	0.892	0.888	0.614
AL1	0.745				
AL2	0.815				
AL3	0.809				
AL4	0.799				
AL5	0.746				

(continued)

Table 4. Continued

Constructs and measurement items	Loadings	α	rho_A	CR	AVE
Behavioural loyalty (BL)		0.872	0.885	0.912	0.722
BL1	0.852				
BL2	0.877				
BL3	0.819				
BL4	0.850				

Note(s): AC = affective commitment; NC = normative commitment; EC = economic commitment; UB = utilitarian benefits; HEX = hedonic exploratory; HEN = hedonic entertainment; HOC = higher order construct; SR = symbolic – recognition; SS = symbolic – social; PRO = proactively using card; RED = redeeming points; APB = adapting purchasing behaviour; SHA = sharing information; REC = being receptive to information; SER = searching for information; CA = conscious attention; EP = enthused participation; SC = social connection; α = Cronbach's alpha; rho_A = Dijkstra–Henseler's composite reliability; CR = composite reliability; AVE = average variance extracted

Table 5. Hypothesis tests results

Hypotheses	β	SD	t-value	Sig.	Inference
H1. Trust $\rightarrow$ LPE	0.001	0.034	0.037	0.971	Not supported
H2. Commitment $\rightarrow$ LPE	0.011	0.048	0.24	0.811	Not supported
H3. Perceived benefit $\rightarrow$ LPE	0.683	0.039	17.442*	0	Supported
H4. Temporal PS $\rightarrow$ LPE	0.227	0.032	7.074*	0	Supported
H5. Spatial PS $\rightarrow$ LPE	0.023	0.026	1.010	0.156	Not supported
H6. LPE $\rightarrow$ Engagement with retailer	0.758	0.016	48.178*	0	Supported
H7. Engagement with retailer $\rightarrow$ AL	0.584	0.022	26.333*	0	Supported
H8. Engagement with retailer $\rightarrow$ BL	0.335	0.031	10.739*	0	Supported

Note(s): *t-values are significant at 0.01 level; LPE = loyalty programme engagement; AL = attitudinal loyalty; BL = behavioural loyalty

$$LP\ engagement = f(Trust, Commitment, Perceived\ Benefits, Temporal\ price\ search, Spatial\ price\ search) \quad (1)$$

$$Engagement\ with\ retailer = f(LP\ engagement, Trust, Commitment, Perceived\ Benefits, Temporal\ price\ search, Spatial\ price\ search) \quad (2)$$

Table 6 provides a full description of the variables. We also explored how the lack of antecedent combinations might negate (impede) LPE and retailer engagement.

Following the extant literature (Greckhamer *et al.*, 2018; Lewellyn and Muller-Kahle, 2021; Pappas and Woodside, 2021), we used the following steps to perform fsQCA:

- transform data into fuzzy variables (full fuzzy membership, full fuzzy non-membership and crossover point);
- perform the necessary analysis;

Table 6. Necessary analysis of antecedent conditions leading to enhancing or hindering LP engagement

Enhancing LP engagement			Hindering LP engagement		
Conditions	Consistency	Coverage	Conditions	Consistency	Coverage
Trust	0.84	0.84	~Commit	0.88	0.87
Commit	0.87	0.87	~PBenefit	0.91	0.88
PBenefit	0.90	0.90	~Spatial PS	0.81	0.81
Temporal PS	0.86	0.85	~Temporal PS	0.85	0.85
Spatial PS	0.81	0.81	~Trust	0.84	0.83

- develop a truth table; and
- conduct a sufficiency analysis based on the truth table solutions (configurations).

Decisions regarding necessary and sufficient conditions are based on two important fsQCA concepts: consistency and coverage. Consistency (0–1) refers to the degree to which a condition (or configuration) leads to the outcome (Lewellyn and Muller-Kahle, 2021; Ragin, 2009). This is equivalent to statistical significance. Coverage (0–1) assesses the degree to which a condition (or configuration) accounts for instances of an outcome (Ragin, 2009), thus gauges the empirical relevance or importance of a condition (or configuration).

Data transformation: In the first step of fsQCA, data are transformed into fuzzy variables. In this study, we collected data using a seven-point Likert scale. While the literature suggests how to transform Likert-scale data into fuzzy variables (Ordanini *et al.*, 2014; Pappas and Woodside, 2021), we followed Rasoolimanesh *et al.* (2021) and transformed the standardised latent variable scores from PLS-SEM into fuzzy variables. This is superior to the former technique, which “ignores the effect of measurement error inherent in the indicators” (Rasoolimanesh *et al.*, 2021, p. 1572). The latent variable scores procedure has also been used in other recent studies (Wang *et al.*, 2024; Chanda *et al.*, 2025). Standardised latent variable scores have a mean of zero and a standard deviation of one. As per Rasoolimanesh *et al.* (2021), we used a latent variable score of –3 for no set membership (i.e. 0), + 3 for full set membership (i.e. 1) and 0 as the crossover point (i.e. 0.5). These produced fuzzy values between 0 and 1.

Necessary analysis: We used fsQCA 4.1 [1] to conduct the necessary analysis to explore the conditions necessary to enhance or hinder LP engagement as per equation (1). Table 6 shows the results.

A condition is necessary if it is always present whenever the outcome occurs (LPE in this case) (Lewellyn and Muller-Kahle, 2021). In fsQCA, a condition is necessary when its consistency value is greater than 0.9 (Pappas and Woodside, 2021; Ragin, 2009). Table 6 (left hand side) reveals that PBenefit (Perceived Benefit) has a consistency of 0.90 and a coverage of 0.90. Hence, perceived benefit is the only necessary condition to enhance LPE. The right-hand side of Table 6 shows that ~PBenefit (i.e. negation or lack of perceived benefit) is also the only necessary condition to hinder LPE. Thus, perceived benefit was identified as pivotal in explaining the enhancement or impediment of LPE.

Table 7 shows the results of necessary analysis to explore the conditions necessary to enhance or hinder engagement with retailer, as per equation (2). The left-hand side of Table 7 reveals that commitment, perceived benefit and LPE are necessary for engagement with the retailer (with consistency > 0.90 and coverage > 0.80). The right-hand side of Table 7 shows that negation (or lack of) commitment, perceived benefit and LPE are also the necessary

Table 7. Necessary analysis of antecedent conditions leading to enhancing or hindering engagement with retailer

Enhancing engagement with retailer			Hindering engagement with retailer		
Conditions	Consistency	Coverage	Conditions	Consistency	Coverage
Trust	0.86	0.85	~Commit	0.91	0.91
Commit	0.91	0.91	~PBenefit	0.91	0.91
PBenefit	0.91	0.91	~Spatial PS	0.79	0.80
Temporal PS	0.83	0.82	~Temporal PS	0.82	0.83
Spatial PS	0.80	0.79	~Trust	0.85	0.86
LP engagement	0.90	0.88	~LP engagement	0.90	0.89

conditions to hinder engagement with retailer (all consistency values > 0.90). Thus, commitment, perceived benefit and LP engagement are identified as pivotal conditions in explaining customer engagement with the retailer.

Sufficiency analysis: A condition or a combination of conditions (i.e. configurations) is considered sufficient when its presence consistently results in the occurrence of the outcome (Ragin, 2009; Lewellyn and Muller-Kahle, 2021). Accordingly, the analysis of sufficient conditions reveals multiple configurations that can produce the desired outcome.

Following the guidelines of Pappas and Woodside (2021), the sufficiency analysis used threshold values of 0.8 for solution consistency and 0.5 for coverage. The analysis, based on equations (1) and (2), began with the construction of a truth table informed by prior literature (Ragin, 2009; Pappas and Woodside, 2021). A frequency threshold of 3 was set to capture at least 80% of cases, and a consistency threshold of 0.75 was applied to exclude low-consistency solutions. The minimum proportional reduction in inconsistency measure was set at 0.5 to eliminate significant inconsistency in the solution (Pappas and Woodside, 2021). These thresholds yielded multiple configurations through the truth table algorithm in the fsQCA software.

Sufficient configurations that enhance or impede LP engagement: Table 8 presents various configurations obtained from the truth table analysis as per Model 1 (i.e. prediction of high and low scores of LPE). As per extant literature, a consistency and coverage thresholds of 0.80 and 0.75 respectively have been used to select the best configurations. Overall solution consistency and coverage exceeded the thresholds for both the solutions. From the left-hand side of Table 8, we observe that configuration (ii) (CTrust*CCommit*CPBnefit) has a consistency and coverage measures of 0.94 and 0.78 respectively, which exceeds the threshold values. Thus, this is the best configuration contributing to the enhancement of LPE. It is noted that this configuration contains the necessary condition “perceived benefit” to enhance LPE (see Table 6). It is interesting to note that as per PLS-SEM analysis, trust and commitment do not have any significant impact on the advancement of LPE. However, the fsQCA results indicate that the combined presence of trust, commitment and perceived benefit significantly enhances LPE.

The right-hand side of Table 8 presents the configurations to impede LPE. It is observed that configurations (i) (~CPBnefit*~CTemporalPS) and (v) (~CTrust*~CCommit*~CPBnefit) exceed the threshold values and thus they are the most effective configurations to impede LPE. The configuration ~CTrust*~CCommit*~CPBnefit indicates that lack of trust, commitment and perceived benefit would decrease LPE. This configuration is just the inverse of the configuration CTrust*CCommit*CPBnefit which enhances LPE. Thus, fsQCA results identify *trust, commitment and perceived benefit* as the key conditions whose combined presence or absence determines the enhancement or impediment of LPE.



Table 8. Configurations as per equation (1) for high and low scores of LP engagement

Configurations of the antecedents for predicting high score of LP engagement	RC	UC	C	Configurations of the antecedents for predicting low score of LP engagement	RC	UC	C
(1) ~CTrust*CPBnefit*CTemporalPS	0.60	0.005	0.96	(1) ~CPBnefit*~CTemporalPS	0.79	0.03	0.95
(2) CTrust*CCommit*CPBnefit	0.78	0.09	0.94	(2) ~CCommit*~CTemporalPS*~CSpatialPS	0.71	0.005	0.95
(3) CCommit*CPBnefit*CSpatialPS	0.71	0.006	0.96	(3) ~CTrust*~CTemporalPS*~CSpatialPS	0.69	0.007	0.96
(4) CCommit*CTemporalPS*CSpatialPS	0.69	0.014	0.96	(4) ~CTrust*~CCommit*~CTemporalPS	0.72	0.003	0.96
(5) CPBnefit*CTemporalPS*CSpatialPS	0.71	0.006	0.96	(5) ~CTrust*~CCommit*~CPBnefit	0.78	0.014	0.93
Solution coverage: 0.884				(6) ~CCommit*~CPBnefit*CSpatialPS	0.65	0.01	0.93
Solution consistency: 0.92				Solution coverage: 0.90			
				Solution consistency: 0.90			
Note(s): RC = raw coverage; UC = unique coverage; C = consistency; CTrust = trust; CCommit = commitment; CPBnefit = perceived benefit; CTemporalPS = temporal price search; CSpatialPS = spatial price search							

Sufficient configurations that enhance or impede engagement with retailer: Table 9 presents various configurations obtained from the truth table analysis as per Model 2 (i.e. prediction of high and low scores of engagements with retailer). From the left-hand side of Table 9, we observe that the overall solution consistency and coverage to enhance engagement with retailer are 0.938 and 0.889 respectively, which exceed the threshold values. Seven configurations are found. Among them the configuration (iv) (CLPEngage*CTrust*CCommit*CPBnefit) satisfies the minimum threshold values of consistency and coverage. Thus, a combination of LPE along with trust, commitment and perceived benefit helps to increase the engagement with retailer. As shown in Table 9 (left-hand side), LPE appears in four of the seven configurations and is also identified as a necessary condition for enhancing engagement with retailer (Table 7), underscoring its critical role in driving such engagement.

The right-hand side of Table 9 presents the configurations to impede engagement with retailer. Six configurations have been found. Among them configurations (i) ($\sim$ CTrust* $\sim$ CCommit* $\sim$ CPBnefit) and (iii) ($\sim$ CLPEngage* $\sim$ CPBnefit* $\sim$ CTemporalPS* $\sim$ CSpatialPS) exceed the threshold values and thus they are the most effective configurations to impede engagement with retailer. It is thus observed that impediment of engagement with retailer is associated with two negated configurations. However, $\sim$ LP engagement (i.e. lack of LPE), emerges as a key condition as it appears in four of the six configurations (right hand side of Table 9), highlighting its central role in diminishing engagement with retailer.

Discussion

Study 2 was conducted using a combination of PLS-SEM and fsQCA. This study yielded important findings regarding customers' disposition towards LPE. First, the PLS-SEM results show that of the three internal tendencies investigated in this study (trust, commitment and perceived benefit), only perceived benefit influences LPE, suggesting that monetary and non-monetary benefits influence LPE. However, the fsQCA results show that a combination of trust, commitment and perceived benefit is necessary to enhance LPE. Second, of the two capacities examined in this study, PLS-SEM analysis found that only temporal price search (not spatial price search) influenced LPE. Third, the PLS-SEM findings show that LPE is a significant antecedent of retailer engagement, and ultimately engenders attitudinal and behavioural loyalty, suggesting the importance of LPs in building customer loyalty to retailers. Further analysis using fsQCA revealed that a combination of trust, commitment, perceived benefit and LPE is needed to enhance retailer engagement.

Conclusion and implications

Despite the proliferation of retailer LPs, customers often do not engage with these (Statista, 2024). There is also a need for a deeper understanding of the antecedents of LPE, with only one study to date investigating the effect of the perceived value of LPs on LPE (Meyer-Waarden *et al.*, 2023). The present research contributes to the literature by examining the role of customer disposition towards LPE as an important antecedent of LPE. Specifically, we investigated the role of two customer engagement disposition dimensions, internal tendencies and capacity, on LPE. Furthermore, the findings show that LPE can contribute to both attitudinal and behavioural loyalty towards retailers.

Theoretical implications

Given that LPE is a relatively new concept (Meyer-Waarden *et al.*, 2023), Study 1 validated Bruneau *et al.*'s (2018) conceptualisation of LPE in the Australian retail context. Results confirm the existence of Bruneau *et al.*'s (2018) six first-order behavioural constructs.

Table 9. Configurations as per equation (2) for high and low scores of engagements with retailer

Configurations of the antecedents for predicting high score of engagement with retailer				Configurations of the antecedents for predicting low score of engagement with retailer			
	RC	UC	C		RC	UC	C
(1) CCommit*CPBnefit*CSpatialPS	0.72	0.008	0.96	(1) ~CTrust*~CCommit*~CPBnefit	0.79	0.093	0.96
(2) CLPEngage*CCommit*CPBnefit*~CTemporalPS	0.61	0.003	0.97	(2) ~CTrust*~CCommit*~CTemporalPS*~CSpatialPS	0.66	0.002	0.97
(3) CTrust*~CCommit*CPBnefit*~CTemporalPS	0.61	0.01	0.97	(3) ~CLPEngage*~CPBnefit*~CTemporalPS*~CSpatialPS	0.76	0.03	0.97
(4) CLPEngage*CTrust*~CCommit*CPBnefit	0.76	0.05	0.97	(4) CLPEngage*~CCommit*~CTemporalPS*~CSpatialPS	0.54	0.03	0.97
(5) CTrust*~CCommit*CTemporalPS*CSpatialPS	0.65	0.008	0.97	(5) CLPEngage*~CTrust*~CCommit*~CSpatialPS	0.54	0.006	0.96
(6) CLPEngage*CPBnefit*CTemporalPS*CSpatialPS	0.69	0.02	0.96	(6) ~CLPEngage*CTrust*~CPBnefit*CSpatialPS	0.54	0.003	0.97
(7) CLPEngage*CTrust*~CCommit*~CTemporalPS*~CSpatialPS	0.55	0.003	0.97	Solution coverage: 0.88	0.01	0.97	0.97
Solution coverage: 0.889				Solution consistency: 0.93			
Solution consistency: 0.938							
Note(s): RC = raw coverage; UC = unique coverage; C = consistency; CTrust = trust; CCommit = commitment; CPBnefit = perceived benefit; CTemporalPS = temporal price search; CSpatialPS = spatial price search; CLPEngage = LP engagement							

Moreover, like [Bruneau et al. \(2018\)](#), this research found that the proactive use of a loyalty card has the lowest correlation and searching for information has the highest correlation with LPE.

Study 2 investigated how customers' disposition towards LPE engender LPE and retailer engagement, and subsequently, leads to attitudinal and behavioural loyalty towards the retailers, making several contributions to the literature. First, this study is the first to investigate the role of customer dispositions towards LPE as an antecedent of LPE. The concept of customer engagement disposition is based on the notion that a customer's incentive to engage with a focal object depends on their capacity and internal tendencies to invest resources into interacting with that focal object ([Sim et al., 2022](#)). In this research, the focal object was the LPs offered by the retailers. Results show that the capacity to engage in a temporal price search (i.e. to wait until there is an LP promotion) influences LPE. In other words, these customers are willing to wait for price discounts linked to the LP, leading them to engage with the LP.

Consistent with [Meyer-Waarden et al. \(2023\)](#), Study 2 also demonstrated that the perceived benefits of LPs had the greatest influence on LPE, followed by temporal price search. Spatial price search was not an essential antecedent of LPE, implying that customers' capacity to shop around for the best deals does not influence their engagement with a specific LP.

Second, the PLS-SEM analysis in Study 2 showed that neither trust in nor commitment to a retailer influences LPE, suggesting that customers differentiate between the retailer and the LP. In other words, simply because customer exhibits trust in and commitment to a retailer, this does not mean that they will be willing to engage with that retailer's LP. This supports an earlier study indicating that a customer's engagement with an LP may differ from their interaction with the LP's provider (i.e. the retailer) ([Uncles et al., 2003](#)).

PLS-SEM analysis was complemented using fsQCA to reinforce and refine the results. Contrary to the PLS-SEM finding that only perceived benefit impacted LPE, the fsQCA results show that a combination of trust, commitment and perceived benefits (rather than these constructs individually) contribute to LPE. This finding demonstrates the importance of causal combinations and highlights the nonlinear, asymmetric nature of LPE mechanisms.

Third, this research contributes to the customer engagement literature by demonstrating that LPE enhances engagement with retailer, ultimately building attitudinal and behavioural loyalty to the retailer. Importantly, the fsQCA results show that LPE is a necessary condition for retailer engagement, positioning it as a key antecedent in the customer engagement framework. Furthermore, a lack of trust, commitment, perceived benefits and LPE consistently impedes retailer engagement. By identifying multiple equifinal paths to customer outcomes, the study contributes theoretically by shifting the focus from variable-centric to configuration-centric explanations, offering a more nuanced understanding of how customers' dispositions towards LPE interact to shape customer loyalty and engagement behaviours.

In summary, this research is related to the fifth research theme as outlined in [Table 1](#) which considered the antecedents of LPE. Specifically, this research contributes to this fifth theme by examining customers' disposition towards LP engagement as an antecedent for LPE in the form of internal tendencies and capacity. A critical finding of this research is that customers must be disposed towards LPE for LPE to occur (in other words, for LPs to be an effective tool for retailers). Specifically, LPE is likely to be enhanced when a combination of trust, commitment and perceived benefits is present and when customers are willing to wait for various incentives linked to the LP. This research also suggests that engagement with LPs can enhance customer engagement with and loyalty towards the retailer ([Hollebeek et al.,](#)

2014). Methodologically, the use of both PLS-SEM and fsQCA advances the understanding of relationship marketing and customer engagement by uncovering configurational pathways that lead to both the enhancement and impediment of loyalty behaviours.

Managerial implications

Bombaij and Dekimpe (2020) argue that companies are reluctant to introduce LPs because of their associated costs and complexities. A recent report found that 50% of customers would switch retailers if they were offered better rewards (Theocharous, 2024). Therefore, it is vital that customers find LPs appealing and engage with them. The results of this research provide managers with a clear understanding of the areas on which to focus to successfully implement an LP.

Monetary incentives are an obvious strategy for enhancing LPE. This is supported by the finding that a temporal price search capacity influences LPE. However, if all retailers were to offer monetary incentives, this could lead to a price war, ultimately undermining profits and making LPs unattractive to retailers. Our research findings show that a combination of trust, commitment and perceived benefits also play a significant role in enhancing both LP and retailer engagement, and engendering customer loyalty. To avoid a potential LP-related price war, retailers should focus on the internal tendency dimensions of customers' disposition towards LP engagement.

To engender customer trust, retailers should strive to be transparent about their prices and business practices, provide exceptional customer service and send out consistent brand image messages. Transparency is an important issue for retail customers. For example, in a recent report, the Australian Competition and Consumer Commission advised Australian supermarkets to be more transparent about their pricing, promotions and LPs (Fogden, 2025). Retailers can enhance customer commitment by conducting market research to ensure that their values are aligned with those of their customers. In addition, retailers may cultivate customer commitment by creating personalised offerings, increasing the likelihood of customer engagement with LPs.

Retailers should design LPs in such a way that it improves their perceived benefits. For example, retailers can highlight how the LPs have resulted in lower spending as recommended by ACC (Fogden, 2025). Furthermore, they could offer new products exclusively to LP members, creating a sense of privilege and prestige; design gamified LPs to promote the entertainment aspect of perceived benefits (Hwang and Choi, 2020); and use proximity marketing or digital push notifications to encourage the exploration of new products. These actions are likely to increase the perceived benefits of the LP, enhancing LPE and engagement with the retailer and engendering customer loyalty.

The finding that customers are willing to wait to take advantage of LP benefits (i.e. temporal price search) implies that retailers should carefully consider the timing of LP benefits. Given that retailers now have access to customers' buying behaviours, it is possible to identify which customers and products are associated with a temporal price search strategy. Retailers can personalise product offering timings to each customer and link them to the LP to boost LPE. As our study shows, this will result in greater attitudinal and behavioural loyalty.

Given that LPE is crucial for fostering deeper customer engagement, retailers should design LPs that deliver clear, consistent value and build an emotional connection by focusing on a combination of trust, commitment and perceived benefits. It is important to note that the absence of these conditions significantly hinders engagement with LPs and retailers, highlighting the risks of poorly designed LPs. A tailored, integrated strategy that aligns a

Limitations and future research directions

This study is not without limitations, which provide several avenues for future research. First, the sample comprised only Australian residents aged 21–80 who were members of Australian retailer LPs. Given that LP outcomes are often context specific, the findings may not readily generalise to other countries or industries (Beck *et al.*, 2015). Future studies can test the research model across different national, cultural and industry contexts to assess its broader applicability. Second, the study focused on two categories of customers' engagement disposition, namely, internal tendencies (trust, commitment and perceived benefits) and capacities (temporal and spatial price search). While these constructs are important, other psychological and personality-based factors known to influence engagement were not examined (Sim *et al.*, 2022). Incorporating such factors in future research could further enhance our understanding of how customers' disposition towards LPs influence engagement. Third, the study relied exclusively on survey data, which limits the ability to capture actual behavioural patterns. Future research can combine survey measures, that capture unobserved psychological constructs, with transaction-level loyalty data (Hair and Sarstedt, 2021) and adopt longitudinal or panel designs to examine how customers' disposition towards LPE and LP engagement evolve across different stages of the customer–retailer relationship (i.e. acquisition, expansion or retention) (Kim *et al.*, 2021). Fourth, several contextual and competitive factors were beyond the scope of this research. These include customer engagement dispositions within coalition or multi-vendor LPs (Dorotic *et al.*, 2011; Dorotic *et al.*, 2021; Li *et al.*, 2025; Shirai, 2023), the influence of competing LPs (Khodakarami *et al.*, 2024), variations in incentive structures (Haverila *et al.*, 2022) and the possibility that LP participation reduces customers' price sensitivity (Sayman and Hoch, 2014). Exploring these aspects could enhance understanding of how broader market and structural conditions shape customers' disposition towards LP engagement. Finally, the study did not investigate potential reverse causality (i.e. whether LP engagement itself strengthens trust and commitment) nor did it account for cross-channel variation in customers' disposition towards LP engagement. Future research can investigate these alternative causal pathways and explore whether disposition differs across online and offline contexts (Hwang *et al.*, 2016).

Note

[1.] <https://sites.socsci.uci.edu/~cragin/fsQCA/software.shtml>

References

- Abdul-Ghani, E., Hyde, K.F. and Marshall, R. (2019), "Conceptualising engagement in a consumer-to-consumer context", *Australasian Marketing Journal*, Vol. 27 No. 1, pp. 2-13.
- Acquah, I.S.K., Quaicoe, J. and Arhin, M. (2023), "How to invest in total quality management practices for enhanced operational performance: findings from PLS-SEM and fsQCA", *The TQM Journal*, Vol. 35 No. 7, pp. 1830-1859.
- Al-Emran, M., AlQudah, A.A., Abbasi, G.A., Al-Sharafi, M.A. and Iranmanesh, M. (2023), "Determinants of using AI-based chatbots for knowledge sharing: evidence from PLS-SEM and fuzzy sets (fsQCA)", *IEEE Transactions on Engineering Management*, Vol. 71, pp. 4985-4999.

- Arias-Oliva, M., Gene-Albesa, J., Andrés-Sánchez, J.D. and Llorens-Marin, M. (2024), "Fuzzy set qualitative comparative analysis of loyalty programmes powered with blockchain via an UTAUT2 framework", *Information*, Vol. 15 No. 12.
- Ashley, C., Gillespie, E.A. and Noble, S.M. (2016), "The effect of loyalty program fees on program perceptions and engagement", *Journal of Business Research*, Vol. 69 No. 2, pp. 964-973.
- Australian Loyalty Association (2025), "Australia loyalty programs market report 2025", available at: <https://australianloyaltyassociation.com/australia-loyalty-programs-market-report-2025/> (accessed 19 June 2026).
- Bandyopadhyay, S. and Martell, M. (2007), "Does attitudinal loyalty influence behavioral loyalty? A theoretical and empirical study", *Journal of Retailing and Consumer Services*, Vol. 14 No. 1, pp. 35-44.
- Barari, M., Ross, M., Thaichon, S. and Surachartkumtonkun, J. (2021), "A meta-analysis of customer engagement behaviour", *International Journal of Consumer Studies*, Vol. 45 No. 4, pp. 457-477.
- Baumgartner, H. and Weijters, B. (2021), "Dealing with common method variance in international marketing research", *Journal of International Marketing*, Vol. 29 No. 3, pp. 7-22.
- Beck, J., Chapman, K. and Palmatier, R. (2015), "Understanding relationship marketing and loyalty program effectiveness in global markets", *Journal of International Marketing*, Vol. 23 No. 3, pp. 1-21.
- Belli, A., O'Rourke, A., Carrillat, F., Pupovac, L., Melnyk, V. and Napolova, E. (2022), "40 Years of loyalty programs: how effective are they? Generalizations from a Meta-Analysis", *Journal of the Academy of Marketing Science*, Vol. 50 No. 1, pp. 147-173.
- Bies, S.M., Bronnenberg, B.J. and Gijsbrechts, E. (2021), "How push messaging impacts consumer spending and reward redemption in store-loyalty programs", *International Journal of Research in Marketing*, Vol. 38 No. 4, pp. 877-899.
- Bilgihan, A., Madanoglu, M. and Ricci, P. (2016), "Service attributes as drivers of behavioral loyalty in casinos: the mediating effect of attitudinal loyalty", *Journal of Retailing and Consumer Services*, Vol. 31, pp. 14-21.
- Blau, P.M. (1964), *Exchange and Power in Social Life*, Wiley, New York, NY.
- Bombaij, N. and Dekimpe, M. (2020), "When do loyalty programs work? The moderating role of design, Retailer-Strategy, and country characteristics", *International Journal of Research in Marketing*, Vol. 37 No. 1, pp. 195-175.
- Bowden, J. (2009), "The process of customer engagement: a conceptual framework", *Journal of Marketing Theory and Practice*, Vol. 17 No. 1, pp. 63-74.
- Breugelmans, E. and Liu-Thompkins, Y. (2017), "The effect of loyalty program expiration policy on consumer behavior", *Marketing Letters*, Vol. 28 No. 4, pp. 537-550.
- Brodie, R., Hollebeek, L., Jurić, B. and Ilić, A. (2011), "Customer engagement: conceptual domain, fundamental propositions, and implications for research", *Journal of Service Research*, Vol. 14 No. 3, pp. 252-271.
- Bruneau, V., Swaen, V. and Zidda, P. (2018), "Are loyalty program members really engaged? Measuring customer engagement with loyalty programs", *Journal of Business Research*, Vol. 91, pp. 144-158.
- Chanda, R.C., Vafaei-Zadeh, A., Hanifah, H., Nikbin, D. and Chang, R. (2025), "Modelling telemedicine continuance usage: findings from PLS-SEM and fsQCA", *Journal of Health Organization and Management*.
- Chaudhuri, M., Voorhees, C.M. and Beck, J.M. (2019), "The effects of loyalty program introduction and design on short-and long-term sales and gross profits", *Journal of the Academy of Marketing Science*, Vol. 47 No. 4, pp. 640-658.
- Chen, Y., Mandler, T. and Meyer-Waarden, L. (2021), "Three decades of research on loyalty programs: a literature review and future research agenda", *Journal of Business Research*, Vol. 124, pp. 179-197.

- Chun, S.Y. and Hamilton, R.W. (2024), "Paying with money or paying with points: how variable versus fixed exchange rates influence loyalty point redemption", *Journal of Marketing Research*, Vol. 61 No. 5, pp. 858-871.
- Cohen, J. (1992), "A power primer", *Psychological Bulletin*, Vol. 112 No. 1, pp. 155-159.
- Crocetta, C., Antonucci, L., Cataldo, R., Galasso, R., Grassia, M.G., Lauro, C.N. and Marino, M. (2021), "Higher-order PLS-PM approach for different types of constructs", *Social Indicators Research*, Vol. 154 No. 2, pp. 725-754.
- Cropanzano, R. and Mitchell, M.S. (2005), "Social exchange theory: an interdisciplinary review", *Journal of Management*, Vol. 31 No. 6, pp. 874-900.
- Csikszentmihalyi, M. (2000), "The costs and benefits of consuming", *Journal of Consumer Research*, Vol. 27 No. 2, pp. 267-272.
- Danaher, P.J., Sajtos, L. and Danaher, T.S. (2020), "Tactical use of rewards to enhance loyalty program effectiveness", *International Journal of Research in Marketing*, Vol. 37 No. 3, pp. 505-520.
- Darke, P.R., Brady, M.K., Benedicktus, R.L. and Wilson, A.E. (2016), "Feeling close from afar: the role of psychological distance in offsetting distrust in unfamiliar online retailers", *Journal of Retailing*, Vol. 92 No. 3, pp. 287-299.
- Dick, A. and Basu, K. (1994), "Customer loyalty: towards an integrated conceptual framework", *Journal of Academy of Marketing Science*, Vol. 22 No. 2, pp. 99-113.
- Dorotic, M., Fok, D., Verhoef, P.C. and Bijmolt, T.H. (2011), "Do vendors benefit from promotions in a multi-vendor loyalty program?", *Marketing Letters*, Vol. 22 No. 4, pp. 341-356.
- Dorotic, M., Fok, D., Verhoef, P.C. and Bijmolt, T.H.A. (2021), "Synergistic and cannibalization effects in a partnership loyalty program", *Journal of the Academy of Marketing Science*, Vol. 49 No. 5, pp. 1021-1042.
- Dowling, G. and Uncles, M. (1997), "Do customer loyalty programs really work?", *Sloan Management Review*, Vol. 38, pp. 71-82.
- Easley, R.W., Madden, C.S. and Dunn, M.G. (2000), "Conducting marketing science: the role of replication in the research process", *Journal of Business Research*, Vol. 48 No. 1, pp. 83-92.
- Ehrenberg, A.S., Uncles, M.D. and Goodhardt, G.J. (2004), "Understanding brand performance measures: using dirichlet benchmarks", *Journal of Business Research*, Vol. 57 No. 12, pp. 1307-1325.
- Elshaer, I.A., Alrawad, M., Lutfi, A. and Azazz, A.M. (2024), "Social commerce and buying intention post COVID-19: evidence from a hybrid approach based on SEM-fsQCA", *Journal of Retailing and Consumer Services*, Vol. 76, p. 103548.
- Esmark, C.L., Noble, S.M. and Bell, J.E. (2016), "Open versus selective customer loyalty programmes", *European Journal of Marketing*, Vol. 50 Nos 5-6, pp. 770-795.
- Evanschitzky, H., Baumgarth, C., Hubbard, R. and Armstrong, J.S. (2007), "Replication research's disturbing trend", *Journal of Business Research*, Vol. 60 No. 4, pp. 411-415.
- Evanschitzky, H., Ramaseshan, B., Woisetschlager, D., Richelsen, V., Blut, M. and Backhaus, C. (2012), "Consequences of customer loyalty to the loyalty program and to the company", *Journal of the Academy of Marketing Science*, Vol. 40 No. 5, pp. 625-638.
- Fehrer, J.A., Woratschek, H., Germelmann, C.C. and Brodie, R.J. (2018), "Dynamics and drivers of customer engagement: within the dyad and beyond", *Journal of Service Management*, Vol. 29 No. 3, pp. 443-467.
- Fogden, T. (2025), "ACCC: grocers need to be transparent on pricing, discounts, loyalty programs, retail media", B&T, 21 March 2025, available at: www.bandt.com.au/accc-grocers-need-transparency-on-pricing-discounts-loyalty-programs-retail-media/ (accessed 6 May 2025).
- Fox, E. and Hoch, S. (2005), "Cherry-Picking", *Journal of Marketing*, Vol. 69 No. 1, pp. 46-62.
- Fullerton, G. (2003), "When does commitment lead to loyalty?", *Journal of Service Research*, Vol. 5 No. 4, pp. 333-344.

- Gauri, D., Sudhir, K. and Talukdar, D. (2008), "The temporal and spatial dimensions of price search: insights from matching household survey and purchase data", *Journal of Marketing Research*, Vol. 45 No. 2, pp. 226-240.
- GlobeNewswire (2022), "Australia loyalty programs market report 2022-2026 - Digital banks are forging strategic alliances to launch differentiated loyalty programs", available at: <https://tinyurl.com/yzchfj67> (accessed 21 January 2024).
- Gordon, M., McKeage, K. and Fox, M. (1998), "Relationship marketing effectiveness: the role of involvement", *Psychology and Marketing*, Vol. 15 No. 5, pp. 443-459.
- GourmetPro (2025), "The 17 top supermarkets in Australia in 2025", available at: www.gourmetpro.co/blog/biggest-supermarkets-australia (accessed 23 May 2025).
- Greckhamer, T., Furnari, S., Fiss, P.C. and Aguilera, R.V. (2018), "Studying configurations with qualitative comparative analysis: best practices in strategy and organization research", *Strategic Organization*, Vol. 16 No. 4, pp. 482-495.
- Greckhamer, T., Misangyi, V.F., Elms, H. and Lacey, R. (2008), "Using qualitative comparative analysis in strategic management research: an examination of combinations of industry, corporate, and business-unit effects", *Organizational Research Methods*, Vol. 11 No. 4, pp. 695-726.
- Gustafsson, A., Johnson, M. and Ross, I. (2005), "The effects of customer satisfaction, relationship commitment dimensions, and triggers on customer retention", *Journal of Marketing*, Vol. 69 No. 4, pp. 210-218.
- Hagger, M.S. and Chatzisarantis, N.L. (2005), "First-and higher-order models of attitudes, normative influence, and perceived behavioural control in the theory of planned behaviour", *British Journal of Social Psychology*, Vol. 44 No. 4, pp. 513-535.
- Hair, J.F., Jr. and Sarstedt, M. (2021), "Data, measurement, and causal inferences in machine learning: opportunities and challenges for marketing", *Journal of Marketing Theory and Practice*, Vol. 29 No. 1, pp. 65-77.
- Hair, J.F., Babin, B.J., Anderson, R. and Black, W.C. (2019a), *Multivariate Data Analysis*, 8th edition, Cengage Learning EMEA, Hampshire.
- Hair, J., Hult, G., Ringle, C. and Sarstedt, M. (2017), *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*, 2nd ed., Sage, Thousand Oaks, CA.
- Hair, J.F., Hult, G.T.M., Ringle, C.M. and Sarstedt, M. (2021), *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*, 3rd ed., Sage, Thousand Oaks, CA.
- Hair, J.F., Risher, J.J., Sarstedt, M. and Ringle, C.M. (2019b), "When to use and how to report the results of PLS-SEM", *European Business Review*, Vol. 31 No. 1, pp. 2-24.
- Hair, J.F., Sarstedt, M., Ringle, C.M. and Mena, J.A. (2012), "An assessment of the use of partial least squares structural equation modeling in marketing research", *Journal of the Academy of Marketing Science*, Vol. 40 No. 3, pp. 414-433.
- Haverila, M.J., Haverila, K., McLaughlin, C. and Tran, H. (2022), "The impact of tangible and intangible rewards on online loyalty program, brand engagement, and attitudinal loyalty", *Journal of Marketing Analytics*, Vol. 10 No. 1, pp. 64-81.
- Henderson, C.M., Beck, J.T. and Palmatier, R.W. (2011), "Review of the theoretical underpinnings of loyalty programs", *Journal of Consumer Psychology*, Vol. 21 No. 3, pp. 256-276.
- Higgins, E.T. and Scholer, A.A. (2009), "Engaging the consumer: the science and art of the value creation process", *Journal of Consumer Psychology*, Vol. 19 No. 2, pp. 100-114.
- Hirschman, E. and Holbrook, M. (1982), "Hedonic consumption: emerging concepts, methods and propositions", *Journal of Marketing*, Vol. 46 No. 3, pp. 92-101.
- Hollebeek, L. (2011), "Exploring customer brand engagement: definition and themes", *Journal of Strategic Marketing*, Vol. 19 No. 7, pp. 555-573.

- Hollebeek, L., Glynn, M. and Brodie, R. (2014), "Consumer brand engagement in social media: conceptualization, scale development, and validation", *Journal of Interactive Marketing*, Vol. 28 No. 2, pp. 149-165.
- Hwang, J. and Choi, L. (2020), "Having fun while receiving rewards?: Exploration of gamification in loyalty programs for consumer loyalty", *Journal of Business Research*, Vol. 106, pp. 365-376.
- Hwang, J.H., Chung, J., Kim, J.W., Lee, D. and Yoo, W.S. (2016), "Antecedents to loyalty point redemption: implications for customer equity management", *Journal of Business Research*, Vol. 69 No. 9, pp. 3731-3739.
- Jaakkola, E. and Alexander, M. (2014), "The role of customer engagement behavior in value co-creation: a service system perspective", *Journal of Service Research*, Vol. 17 No. 3, pp. 247-261.
- Jones, T. and Taylor, S. (2007), "The conceptual domain of service loyalty: how many dimensions?", *Journal of Services Marketing*, Vol. 21 No. 1, pp. 36-51.
- Kahla, C. (2024), "Rise of loyalty programs: coles, woolworths navigate challenges", available at: www.locate2u.com/ecommerce/loyalty-programs-coles-woolworths-challenges/ (accessed 27 May 2025).
- Kandampully, J., Zhang, T. and Bilgihan, A. (2015), "Customer loyalty: a review and future directions with a special focus on the hospitality industry", *International Journal of Contemporary Hospitality Management*, Vol. 27 No. 3, pp. 379-414.
- Karunaratna, A.C. and Kumara, P.A.P.S. (2018), "Determinants of customer loyalty: a literature review", *Journal of Customer Behaviour*, Vol. 17 No. 1, pp. 49-73.
- Kato, T. and Miura, T. (2021), "The impact of questionnaire length on the accuracy rate of online surveys", *Journal of Marketing Analytics*, Vol. 9 No. 2, pp. 83-98.
- Keh, H. and Lee, Y. (2006), "Do reward programs build loyalty for services?" The moderating effect of satisfaction on type and timing of rewards", *Journal of Retailing*, Vol. 82 No. 2, pp. 127-136.
- Keiningham, T., Frennea, C., Aksoy, L., Buoye, A. and Vikas, M. (2015), "A Five-Component commitment model: implications for repurchase intentions in goods and services industries", *Journal of Service Research*, Vol. 18 No. 4, pp. 433-450.
- Khodakarami, F., Andrew Petersen, J. and Venkatesan, R. (2024), "Customer behavior across competitive loyalty programs", *Journal of the Academy of Marketing Science*, Vol. 52 No. 3, pp. 892-913.
- Kim, J., Steinhoff, L. and Palmatier, R. (2021), "An emerging theory of loyalty program dynamics", *Journal of the Academy of Marketing Science*, Vol. 49 No. 1, pp. 71-95.
- Kosiba, J.P., Boateng, H., Okoe, A.F. and Hinson, R. (2020), "Trust and customer engagement in the banking sector in Ghana", *The Service Industries Journal*, Vol. 40 Nos 13-14, pp. 960-973.
- Kreis, H. and Mafael, A. (2014), "The influence of customer loyalty program design on the relationship between customer motives and value perception", *Journal of Retailing and Consumer Services*, Vol. 21 No. 4, pp. 590-600.
- Kumar, S., Sahoo, S., Lim, W.M., Kraus, S. and Bamel, U. (2022), "Fuzzy-set qualitative comparative analysis (fsQCA) in business and management research: a contemporary overview", *Technological Forecasting and Social Change*, Vol. 178, p. 121599, doi: [10.1016/j.techfore.2022.121599](https://doi.org/10.1016/j.techfore.2022.121599).
- Kwon, E.S., Shan, Y., Lee, J.S. and Reid, L.N. (2017), "Inter-study and intra-study replications in leading marketing journals: a longitudinal analysis", *European Journal of Marketing*, Vol. 51 No. 1, pp. 257-278.
- Lacey, R. and Sneath, J. (2006), "Loyalty programs: are they fair to consumers", *Journal of Consumer Marketing*, Vol. 26, pp. 392-402.
- Latif, K.F. and Bashir, S. (2024), "Achieving customer loyalty during post-pandemic: an asymmetric approach", *Future Business Journal*, Vol. 10 No. 1, p. 14.

- Leenheer, J., Van Heerde, H.J., Bijmolt, T.H. and Smidts, A. (2007), "Do loyalty programs really enhance behavioral loyalty? An empirical analysis accounting for self-selecting members", *International Journal of Research in Marketing*, Vol. 24 No. 1, pp. 31-47.
- Lewellyn, K.B. and Muller-Kahle, M.I. (2021), "A configurational exploration of how female and male CEOs influence their compensation", *Journal of Management*, Vol. 48 No. 7, pp. 2031-2074.
- Li, C., Swaminathan, S. and Kim, J. (2024), "Point redemption in loyalty programs: the role of customer relationship characteristics and their implications for service providers", *Journal of Service Research*, Vol. 28 No. 4, pp. 652-668, doi: [10.1177/10946705241246341](https://doi.org/10.1177/10946705241246341).
- Li, C., Swaminathan, S. and Kim, J. (2025), "Cross-partner effects in coalition loyalty programs: the interaction of point redemptions with program sales", *European Journal of Marketing*, Vol. 59 No. 3, pp. 645-668.
- Li, L.P., Juric, B. and Brodie, R.J. (2017), "Dynamic multi-actor engagement in networks: the case of united breaks guitars", *Journal of Service Theory and Practice*, Vol. 27 No. 4, pp. 738-760.
- Lim, W.M., Rasul, T., Kumar, S. and Ala, M. (2022), "Past, present, and future of customer engagement", *Journal of Business Research*, Vol. 140, pp. 439-458.
- Ma, B., Li, X. and Zhang, L. (2018), "The effects of loyalty programs in services – a double-edged sword?", *Journal of Services Marketing*, Vol. 32 No. 3, pp. 300-310.
- MacKenzie, S.B. and Podsakoff, P.M. (2012), "Common method bias in marketing: causes, mechanisms, and procedural remedies", *Journal of Retailing*, Vol. 88 No. 4, pp. 542-555.
- Martin, D. (2025), "Supermarkets and grocery stores in Australia - Market research report (2015-2030)", available at: www.ibisworld.com/australia/industry/supermarkets-and-grocery-stores/1834/ (accessed 16 April 2025).
- Meyer-Waarden, L. (2015), "Effects of loyalty program rewards on store loyalty", *Journal of Retailing and Consumer Services*, Vol. 24, pp. 22-32.
- Meyer-Waarden, L., Bruwer, J. and Galan, J.-P. (2023), "Loyalty programs, loyalty engagement and customer engagement with the company brand: consumer-centric behavioral psychology insights from three industries", *Journal of Retailing and Consumer Services*, Vol. 71, p. 103212.
- Mimouni-Chaabane, A. and Volle, P. (2010), "Perceived benefits of loyalty programs: scale development and implications for relational strategies", *Journal of Business Research*, Vol. 63 No. 1, pp. 32-37.
- Misangyi, V.F., Greckhamer, T., Furnari, S., Fiss, P.C., Crilly, D. and Aguilera, R. (2017), "Embracing causal complexity: the emergence of a neo-configurational perspective", *Journal of Management*, Vol. 43 No. 1, pp. 255-282.
- Moorman, C., Zaltman, G. and Deshpandé, R. (1992), "Relationship between providers and users of marketing research: the dynamics of trust within and between organizations", *Journal of Marketing Research*, Vol. 29 No. 3, pp. 314-328.
- Morgan, R. and Hunt, S. (1994), "The Commitment-Trust theory of relationship marketing", *Journal of Marketing*, Vol. 58 No. 3, pp. 20-38.
- Muniz, A. and O'Guinn, T. (2001), "Brand community", *Journal of Consumer Research*, Vol. 27 No. 4, pp. 412-432.
- Ng, S.C., Sweeney, J.C. and Plewa, C. (2020), "Customer engagement: a systematic review and future research priorities", *Australasian Marketing Journal*, Vol. 28 No. 4, pp. 235-252.
- Oliver, R. (1996), *Satisfaction: A Behavioral Perspective on the Consumer*, Routledge, New York, NY, McGraw-Hill.
- Oliver, R. (1999), "Whence consumer loyalty", *Journal of Marketing*, Vol. 83 No. Special Issue 1999, pp. 33-44.
- Olsen, S.O., Tudoran, A.A., Brunso, K. and Verbeke, W. (2013), "Extending the prevalent consumer loyalty modelling: the role of habit strength", *European Journal of Marketing*, Vol. 47 Nos 1-2, pp. 303-323.

- Ordanini, A., Parasuraman, A. and Rubera, G. (2014), "When the recipe is more important than the ingredients: a qualitative comparative analysis (QCA) of service innovation configurations", *Journal of Service Research*, Vol. 17 No. 2, pp. 134-149.
- Pansari, A. and Kumar, V. (2017), "Customer engagement: the construct, antecedents, and consequences", *Journal of the Academy of Marketing Science*, Vol. 45 No. 3, pp. 294-311.
- Pappas, I.O. and Woodside, A.G. (2021), "Fuzzy-set qualitative comparative analysis (fsQCA): guidelines for research practice in information systems and marketing", *International Journal of Information Management*, Vol. 58, p. 102310.
- Park, J.H., Venger, O., Park, D.Y. and Reid, L.N. (2015), "Replication in advertising research, 1980–2012: a longitudinal analysis of leading advertising journals", *Journal of Current Issues and Research in Advertising*, Vol. 36 No. 2, pp. 115-135.
- Pekovic, S. and Rolland, S. (2020), "Recipes for achieving customer loyalty: a qualitative comparative analysis of the dimensions of customer experience", *Journal of Retailing and Consumer Services*, Vol. 56, p. 102171.
- Phua, P., Hartnett, N., Beal, V., Trinh, G. and Kennedy, R. (2023), "When brands go dark: a replication and extension: examining market share of brands that stop advertising for a year or longer", *Journal of Advertising Research*, Vol. 63 No. 2, pp. 172-184.
- Podsakoff, P.M., Podsakoff, N.P., Williams, L.J., Huang, C. and Yang, J. (2024), "Common method bias: it's bad, it's complex, it's widespread, and it's not easy to fix", *Annual Review of Organizational Psychology and Organizational Behavior*, Vol. 11 No. 1, pp. 17-61.
- Ragin, C.C. (2009), *Redesigning Social Inquiry: Fuzzy Sets and Beyond*, University of Chicago Press, : Chicago, IL.
- Rasoolimanesh, S.M., Ringle, C.M., Sarstedt, M. and Olya, H. (2021), "The combined use of symmetric and asymmetric approaches: partial least squares-structural equation modeling and fuzzy-set qualitative comparative analysis", *International Journal of Contemporary Hospitality Management*, Vol. 33 No. 5, pp. 1571-1592.
- Revilla, M. and Höhne, J.K. (2020), "How long do respondents think online surveys should be? New evidence from two online panels in Germany", *International Journal of Market Research*, Vol. 62 No. 5, pp. 538-545.
- Revilla, M. and Ochoa, C. (2017), "Ideal and maximum length for a web survey", *International Journal of Market Research*, Vol. 59 No. 5, pp. 557-565.
- Richard, E. and Emerson, R.M. (1976), "Social exchange theory", *Annual Review of Sociology*, Vol. 2 No. 1, pp. 335-362.
- Ringle, C.M., Wende, S. and Becker, J.-M. (2024), "SmartPLS 4", SmartPLS, Bönningstedt, available at: www.smartpls.com
- Roy, S.K., Balaji, M.S., Soutar, G., Lassar, W.M. and Roy, R. (2018), "Customer engagement behavior in individualistic and collectivistic markets", *Journal of Business Research*, Vol. 86, pp. 281-290.
- Ruiz, E., de, D., Almodóvar, P. and del Valle, I.D. (2023), "What drives strategic agility? Evidence from a fuzzy-set qualitative comparative analysis (FsQCA)", *International Entrepreneurship and Management Journal*, Vol. 19 No. 2, pp. 599-627.
- Sarstedt, M., Hair, J.F., Jr, Cheah, J.H., Becker, J.M. and Ringle, C.M. (2019), "How to specify, estimate, and validate higher-order constructs in PLS-SEM", *Australasian Marketing Journal*, Vol. 27 No. 3, pp. 197-211.
- Sarstedt, M., Ringle, C.M. and Hair, J.F. (2022), "Partial least squares structural equation modeling", In: Homburg, C., Klarmann, M., and Vomberg, A. (Eds), *Handbook of Market Research*, Springer, Cham.
- Sayman, S. and Hoch, S.J. (2014), "Dynamics of price premiums in loyalty programs", *European Journal of Marketing*, Vol. 48 Nos 3-4, pp. 617-640.

- Schultz, D. and Bailey, S. (2000), "Customer/brand loyalty in an interactive marketplace", *Journal of Advertising Research*, Vol. 40 No. 3, pp. 41-52.
- Schultz, D.E., Kerr, G. and Kitchen, P. (2022), "Replication and George the Galapagos tortoise", *Journal of Marketing Communications*, Vol. 28 No. 3, pp. 313-328.
- Septianto, F., An, J., Chiew, T., Paramita, W. and Tanudharma, I. (2019), "The similar versus divergent effects of pride and happiness on the effectiveness of loyalty programs", *Journal of Business Research*, Vol. 99, pp. 12-22.
- Shirai, M. (2023), "Which loyalty program do customers prefer: a coalition program or a single-firm program?", *Journal of Services Marketing*, Vol. 37 No. 5, pp. 563-573.
- Sim, M., Conduit, J., Plewa, C. and Hentzen, J.K. (2022), "Customer engagement with service providers: an empirical investigation of customer engagement dispositions", *European Journal of Marketing*, Vol. 56 No. 7, pp. 1926-1955.
- Singh, G., Roy, S.K., Apostolidis, C., Quaddus, M. and Sadeque, S. (2025), "Identifying the metaverse value recipe (s) affecting customer engagement and well-being in retailing", *Technological Forecasting and Social Change*, Vol. 210, p. 123870, doi: [10.1016/j.techfore.2024.123870](https://doi.org/10.1016/j.techfore.2024.123870).
- Smith, A. and Sparks, L. (2009), "It's nice to get a wee treat if you've had a bad week": consumer motivations in retail loyalty scheme points redemption", *Journal of Business Research*, Vol. 62 No. 5, pp. 542-547.
- Sobel, J. (1984), "The timing of sales", *The Review of Economic Studies*, Vol. 51 No. 3, pp. 353-368.
- Statista (2023a), "Loyalty programs & marketing in the United Kingdom – statistics & facts", available at: www.statista.com/topics/3961/coupons-and-loyalty-schemes-united-kingdom-uk/#topicOverview (accessed 21 February 2024)
- Statista (2023b), "Loyalty programs and marketing in the U.S. – statistics & facts", available at: www.statista.com/topics/7986/loyalty-programs-in-the-us/ (accessed 21 February 2024)
- Statista (2024), "Loyalty programs in Australia – statistics & facts", available at: www.statista.com/topics/11206/loyalty-programs-in-australia/#topicOverview (accessed 21 February 2024).
- Steinboff, L. and Palmatier, R.W. (2016), "Understanding loyalty program effectiveness: managing target and bystander effects", *Journal of the Academy of Marketing Science*, Vol. 44 No. 1, pp. 88-107.
- Storbacka, K. (2019), "Actor engagement, value creation and market innovation", *Industrial Marketing Management*, Vol. 80, pp. 4-10.
- Storbacka, K., Brodie, R.J., Böhmman, T., Maglio, P.P. and Nenonen, S. (2016), "Actor engagement as a microfoundation for value co-creation", *Journal of Business Research*, Vol. 69 No. 8, pp. 3008-3017.
- Stourm, V., Bradlow, E.T. and Fader, P.S. (2015), "Stockpiling points in linear loyalty programs", *Journal of Marketing Research*, Vol. 52 No. 2, pp. 253-267.
- Sun, P.-C. and Lin, C.-M. (2010), "Building customer trust and loyalty: an empirical study in a retailing context", *The Service Industries Journal*, Vol. 30 No. 9, pp. 1439-1455.
- Theocharous, M. (2024), "Loyalty programs influence shoppers more than individual prices, survey finds", available at: www.9news.com.au/national/loyalty-programs-influence-shoppers-more-than-individual-prices-survey-finds/6d2d23bc-941e-458d-9220-9a0779bc4840 (accessed 19 March 2024).
- Uncles, M.D. and Kwok, S. (2013), "Designing research with in-built differentiated replication", *Journal of Business Research*, Vol. 66 No. 9, pp. 1398-1405.
- Uncles, M.D., Dowling, G.R. and Hammond, K. (2003), "Customer loyalty and customer loyalty programs", *Journal of Consumer Marketing*, Vol. 20 No. 4, pp. 294-316.
- Valenzuela, S., Park, N. and Kee, K.F. (2009), "Is there social capital in a social network site? Facebook use and college students' life satisfaction, trust, and participation", *Journal of Computer-Mediated Communication*, Vol. 14 No. 4, pp. 875-901.

- van Doorn, J., Lemon, K., Mittal, V., Nass, S., Pick, D., Pirner, P. and Verhoef, P. (2010), "Customer engagement behavior: theoretical foundations and research directions", *Journal of Service Research*, Vol. 13 No. 3, pp. 253-266.
- Vivek, S.D., Beatty, S.E. and Morgan, R.M. (2012), "Customer engagement: exploring customer relationships beyond purchase", *Journal of Marketing Theory and Practice*, Vol. 20 No. 2, pp. 122-146.
- Wang, D., Wu, X. and Zhang, X. (2024), "Understanding Chinese tourists' future travel intention to Thailand: a hybrid approach using PLS-Sem and fsQCA", *Tourism Review International*, Vol. 28 No. 1, pp. 65-83.
- Wierich, R. and Zielke, S. (2014), "How retailer coupons increase attitudinal loyalty—the impact of three coupon design elements", *European Journal of Marketing*, Vol. 48 Nos 3-4, pp. 699-721.
- Woodside, A.G. (2014), "Embrace• perform• model: complexity theory, contrarian case analysis, and multiple realities", *Journal of Business Research*, Vol. 67 No. 12, pp. 2495-2503.
- Woodside, A.G. (2013), "Moving beyond multiple regression analysis to algorithms: calling for adoption of a paradigm shift from symmetric to asymmetric thinking in data analysis and crafting theory", *Journal of Business Research*, Vol. 66 No. 4, pp. 463-472.
- Yan, Z., Wang, T., Chen, Y. and Zhang, H. (2016), "Knowledge sharing in online health communities: a social exchange theory perspective", *Information and Management*, Vol. 53 No. 5, pp. 643-653.
- Yi, Y. and Jeon, H. (2003), "The effects of loyalty programs on value perception, program loyalty, and brand loyalty", *Journal of the Academy of Marketing Science*, Vol. 31 No. 3, pp. 229-240.
- Yuksel, A., Yuksel, F. and Bilim, Y. (2010), "Destination attachment: effects on customer satisfaction and cognitive, affective and conative loyalty", *Tourism Management*, Vol. 31 No. 2, pp. 274-284.
- Zhang, Y. and Huang, S. (2024), "The influence of visual marketing on consumers' purchase intention of fast fashion brands in China – an exploration based on fsQCA method", *Frontiers in Psychology*, Vol. 15, p. 1407665, doi: [10.3389/fpsyg.2024.1190571](https://doi.org/10.3389/fpsyg.2024.1190571).
- Zhang, J. and Liu-Thompkins, Y. (2024), "Personalized email marketing in loyalty programs: the role of multidimensional construal levels", *Journal of the Academy of Marketing Science*, Vol. 52 No. 1, pp. 196-216.
- Zhang, C., Ma, S., Li, S. and Singh, A. (2020), "Effects of customer engagement behaviors on action loyalty: moderating roles of service failure and customization", *International Journal of Contemporary Hospitality Management*, Vol. 33 No. 1, pp. 286-304.

Further reading

- Becker, J.M., Klein, K. and Wetzels, M. (2012), "Hierarchical latent variable models in PLS-SEM: guidelines for using reflective-formative type models", *Long Range Planning*, Vol. 45 Nos 5-6, pp. 359-394.
- Cifci, I., Kahraman, O.C., Tiwari, S. and Rasoolimanesh, S.M. (2023), "Demystifying meal-sharing experiences through a combination of PLS-SEM and fsQCA", *Journal of Hospitality Marketing and Management*, Vol. 32 No. 7, pp. 843-869.
- Conlisk, J., Eitan, G. and Sobel, J. (1984), "Cyclic pricing by a durable goods monopolist", *The Quarterly Journal of Economics*, Vol. 99 No. 3, pp. 489-505.
- Macé, S. and Neslin, S. (2004), "The determinants of pre- and post-promotion dips in sales of frequently purchased goods", *Journal of Marketing Research*, Vol. 41 No. 3, pp. 339-350.
- Tenenhaus, M., Vinzi, V.E., Chatelin, Y.M. and Lauro, C. (2005), "PLS path modelling", *Computational Statistics and Data Analysis*, Vol. 48 No. 1, pp. 159-205.

Appendix 1

Table A1. Customer LP engagement items used in Study 1

<i>Proactively using card (PRO)</i>	
PRO1	I present my loyalty card at the cashier when he/she asks for it (reverse coded)
PRO2	I present my loyalty card at the cashier, even when he/she does not ask for it
PRO3	I wait for the cashier to ask for my card before presenting it to him/her (reverse coded)
PRO4	I forget to take out my loyalty card when I make my purchases in this store (reverse coded)
<i>Redeeming points (RED)</i>	
RED1	When I receive a reward to use with my next purchase, I make an effort to return to this store to benefit from it
RED2	I do what I need to do to redeem my loyalty points and receive the reward
RED3	When I reach a certain point threshold, I go specifically to this store to get my reward
<i>Adapting purchase behaviour (APB)</i>	
APB1	I am ready to buy other products than I have planned to get more advantages offered by the programme
APB2	I am ready to buy other brands than I have planned to get more advantages offered by the programme
APB3	I am ready to buy more products to get more advantages offered by the programme
<i>Sharing information (SHA)</i>	
SHA1	When I am disappointed by the programme, I talk about it with my close friends and relatives
SHA2	If I'm satisfied with the programme, I recommend it to my close friends and relatives
SHA3	Whatever the experience (positive or negative) with the loyalty programme, I talk about it with my close friends and relatives
SHA4	I try to convince my close friends and relatives to become members of this programme when there is an interesting offer
<i>Being receptive to information (REC)</i>	
REC1	When I receive communication linked to the programme (email, brochure, flyer...), I throw it straight in the bin (reverse)
REC2	When I receive communication linked to the programme (email, brochure, flyer...), I open it
REC3	When I receive communication linked to the programme (email, brochure, flyer...), I take some time to read it
<i>Searching for information (SER)</i>	
SER1	I look for information about the loyalty programme (on internet or in the store)
SER2	I keep informed about the offers of this programme
SER3	When I receive an offer as a programme member, I am curious and I look for more information
SER4	I closely follow the evolution of my loyalty points

Note(s): All items adapted from [Bruneau et al. \(2018\)](#)

Table A2. Constructs and measurement items used in Study 2

<i>Trust</i>	
Scale adapted from Darke et al. (2016)	TR1: I trust my preferred retailer TR2: I can depend on my preferred retailer TR3: I think my preferred retailer is reliable in meeting its promises TR4: My preferred retailer probably has high integrity
<i>Commitment</i>	
<i>Affective commitment</i>	
Scale adapted from Keiningham et al. (2015)	AC1: I take pleasure in being a customer of my preferred retailer AC2: My preferred retailer is the provider that takes the best care of its customers AC3: I get back what I put into my relationship with my preferred retailer
<i>Nominative commitment</i>	
Scale adapted from Keiningham et al. (2015)	NC1: My attachment to my preferred retailer is mainly based on the similarity of our values NC2: Because of the values my preferred retailer stands for, being a customer feels like the right thing to do NC3: I prefer my preferred retailer to others because it stands for values that are important to me
<i>Economic commitment</i>	
Scale adapted from Keiningham et al. (2015) , Gustafsson et al. (2005) and Fullerton (2003)	EC1: It pays off economically to be a customer of my preferred retailer EC2: I would suffer economically if the relationship with my preferred retailer was broken EC3: The economic benefit of dealing with my preferred retailer is more than the cost EC4: My preferred retailer has location advantages versus other supermarket retailers EC5: My life would be disrupted if I switched away from my preferred retailer
<i>Temporal price search</i>	
Scale was adapted from Gauri et al. (2008)	TPS1: I usually plan the timing of my shopping trip to my preferred retailer in such a way so as to get the best price deals offered at that supermarket TPS2: There are times when I delay my shopping trip to wait for a better price deal TPS3: Although planned before making a shopping trip, I often do not buy some items if I think they will shortly be offered on special at a lower price TPS4: I keep track of price specials offered for the grocery items I purchase at my preferred retailer TPS5: To get the best price deals for my groceries I often purchase the items I need over two or three trips
<i>Spatial price search</i>	
Scale was adapted from Gauri et al. (2008)	SPS1: I often compare the prices of grocery items at two or more supermarkets SPS2: I decide each week where to shop for my groceries based on supermarket advertisements, brochures and DMCs SPS3: I regularly shop the price specials at One supermarket and then the price specials at another supermarket SPS4: Before going grocery shopping, I check the newspapers for advertisements by various supermarkets SPS5: To get the best price deals for my groceries I often shop at two or three different supermarkets

(continued)

Table A2. Continued

<i>Perceived benefits of the LP</i>	
Utilitarian benefits – saving money	
Scale was adapted from Mimouni-Chaabane and Volle (2010)	US1: The loyalty programme of my preferred retailer enables me to shop at a lower financial cost US2: Because I use the loyalty card of my preferred retailer I spend less US3: Because I use the loyalty card of my preferred retailer I save money
<i>Hedonic – exploration</i>	
Scale was adapted from Mimouni-Chaabane and Volle (2010)	HEX1: Because I use the loyalty card of my preferred retailer, I discover new products HEX2: Because I use the loyalty card of my preferred retailer, I discover products I would not have discovered otherwise HEX3: Because I use the loyalty card of my preferred retailer, I try new products
<i>Hedonic – entertainment</i>	
Scale was adapted from Mimouni-Chaabane and Volle (2010)	HEN1: Collecting points under my preferred retailer’s loyalty programme is entertaining HEN2: Redeeming points collected under my preferred retailer’s loyalty programme is enjoyable HEN3: When I redeem points under the loyalty programme of my preferred retailer, I feel good about myself
<i>Symbolic – recognition</i>	
Scale was adapted from Mimouni-Chaabane and Volle (2010)	SR1: Because I am a member of my preferred retailer’s loyalty programme, my preferred retailer takes better care of me SR2: Because I am a member of my preferred retailer’s loyalty programme, I’m treated better than other customers SR3: Because I am a member of my preferred retailer’s loyalty programme, I’m treated with more respect SR4: Because I am a member of my preferred retailer’s loyalty programme, I feel I am more distinguished than other customers
<i>Symbolic – social</i>	
Scale was adapted from Mimouni-Chaabane and Volle (2010)	SS1: As a member of my preferred retailer’s loyalty programme, I belong to a community of people who share the same values SS2: As a member of my preferred retailer’s loyalty programme, I feel close to my preferred retailer SS3: As a member of my preferred retailer’s loyalty programme, I feel I share the same values as my preferred retailer
<i>Engagement with preferred retailer</i>	
Conscious attention	
Scale adapted from Vivek et al. (2012)	CA1: Anything related to my preferred retailer grabs my attention CA2: I like to learn more about my preferred retailer CA3: I pay a lot of attention to anything about my preferred retailer
<i>Enthusied participation</i>	
Scale adapted from Vivek et al. (2012)	EP1: I spend a lot of my discretionary time shopping at my preferred retailer EP2: I am heavily into my preferred retailer EP3: I am passionate about my preferred retailer EP4: My days would not be the same without my preferred retailer
(continued)	

*Social connection*Scale adapted from
[Vivek et al. \(2012\)](#)

- SC1: I love shopping at my preferred retailer with my friends
- SC2: I enjoy my preferred retailer when I am with others
- SC3: Shopping at my preferred retailer is more fun when other people around me do it too

*Attitudinal loyalty*Scale adapted from
[Wierich and Zielke \(2014\)](#)

- AL1: I usually shop at my preferred retailer rather than at its competitors
- AL2: I will do most of my future shopping at my preferred retailer
- AL3: My preferred retailer is my first choice when I buy groceries
- AL4: I am committed to my preferred retailer
- AL5: I would give prior consideration to my preferred retailer for my grocery shopping

*Behavioural loyalty*Scale adapted from
[Roy et al. \(2018\)](#)

- BL1: I purchase more from my preferred retailer than other supermarket retailers
 - BL2: I spend more time at my preferred retailer than other supermarket retailers
 - BL3: I visit my preferred retailer more frequently than other supermarket retailers
 - BL4: I spend more money at my preferred retailer than other supermarket retailers
-

Corresponding authorSaalem Sadeque can be contacted at: s.sadeque@ecu.edu.au