

Customer Loyalty, A Reality Or An Allegory: Exposing Dick And Basu (1994) Loyalty Segmentation Model In Bindura Fast-Food Industry

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Abstract

The purpose of the study was to expose the reality about customer loyalty in developing countries using a case of Bindura fast-food industry. Customer loyalty is a very popular subject in the field of marketing. The majority of researches on customer loyalty were carried out in developed economies. To bridge the geographical gap, this study was conducted in a 'third-world' economy of Zimbabwe. Descriptive, correlational research designs were adopted backed by both quantitative and qualitative research paradigms. The research used primary data collected from 80 final consumers and 10 employees selected through purposive sampling. The study indicated that, the majority of consumers in developing countries are not genuinely loyal to one supplier, but they continuously look for better alternatives basing on situational factors. It is therefore recommended that, new entrepreneurs must not hesitate to venture into new and existing industries assuming that customers belong to existing players.

Key Words: Customer loyalty, industry, alternatives, entrepreneurs

Introduction

The concept of Brand equity has attracted a lot of practitioner and academic attention since the early 1990's (Aaker 2014). Brand equity is defined as a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or a service to a firm and/or to that firm's customers Aaker (1991:15). Brand equity can be further categorised into two main paradigms namely customer-based brand equity (CBBE) and firm-based brand equity (FBBE) (Schivinski and Dabrowski 2014:3). Aaker (1991) went on to postulated the dimensions of CBBE namely, brand awareness, brand loyalty, brand associations, perceived quality and other proprietary brand assets. The paper delves into one of the dimensions of brand equity namely brand loyalty. Brand loyalty refers to the relationship between customer's personal attitudes (input) and customers repurchase (output) (Dick and Basu 1994). Consequently, repeat patronage and customer relative attitude are the 2 main sub-dimensions of brand loyalty (Kotler and Keller 2013). The main thrust of this paper is to examine the relationship between two major dimensions of brand loyalty i.e. customer relative attitude and repeat patronage in the fast foods industry of Bindura. The researcher was eager to determine the association between customer attitude and repeat patronage in developing countries. Chi square tests alongside the correlation analysis were the main analytical approaches adopted in order to expose the relationship between the above mentioned variables. Customer loyalty is a very popular variable in the marketing field. However, there is a lot of generalisation as far as this subject is concerned

heoretical Framework

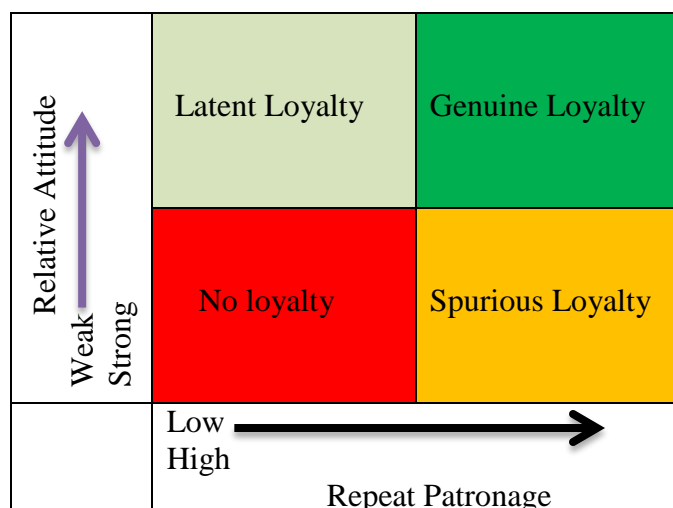


Fig 1:
Basu (1994)

Dick and Basu (1994) Loyalty Segmentation model: Source Dick and

Literature Review

Reynolds J. and Cuthbertson C. (2004:26) posit that, “Customer loyalty is not only difficult to gain; it is also difficult to define”. Loyalty refers to a commitment to rebuy or repeatedly patronize a preferred product or service (Kotler and Keller 2013). This implies that a customer can choose to be loyal to a certain brand. Customer Loyalty is the relationship between customer’s personal attitudes (input) and customers repurchase (output) (Dick and Basu 1994). Customer Loyalty is a behavior built on positive experiences and value. This behavior is buying our products, even when that may not appear to be the most rational decision (Kincaid 2003:9). The above definitions of loyalty concur on the two major elements of loyalty namely: attitude and repeat patronage. Rai and Srivastava (2014) posit that, “Customer loyalty is a psychological process that is largely realized and recognized through behavioural manifestation”.

Customer loyalty is a complex subject in marketing, since it comprises of both a behavioural and an attitudinal dimension, (Kandampully and Suhartanto 2000). Customer loyalty is a fruit of two major factors, namely: psychological attachment and behavioural consistence (Dick and Basu 1994). However, using only one loyalty dimension can lead to an overestimation or an underestimation. This calls for the need to take loyalty as a whole. The relationship between a customer’s relative attitude (psychological attachment) and repeat patronage (behavioural element) determines his/her loyalty (Dick and Basu 1994:101). The major loyalty segments of Dick and Basu (1994) are reviewed below in conjunction with the views of various scholars and authorities.

Genuine Loyalty

Real loyalty involves a strong attitudinal attachment and high repeat patronage intentions (Rai and Srivastava 2014:57). Genuine Loyalty is the most favourable position which is denoted by repeat patronage based on strong relative attitude towards a brand or outlet (Dick and Basu 1994:102). A strong relative attitude in conjunction with high repeat patronage implies genuine loyalty. However, loyalty does not solely depend on positive attitude of a customer towards a brand or Outlet, but also on differential attitudes towards alternatives (Evans, O’Malley and Patterson 2004:180). This implies that if a customer have positive attitude towards more than one brand or outlet, then repeat patronage will be influenced by other factors like convenience. In that case there is no assurance that the customer is genuinely loyal to the brand (Evans, O’Malley and Patterson 2004:180).

Latent Loyalty

Latent loyalty is found when a customer has a genuine positive preference for a brand, but with no consistent repurchase history (Crouch, Perdue, Timmermans and Uysal 2004:277). Latent loyalty can happen with the expensive brands that attract admiration from all segments of the society regardless of the limited opportunities to purchase such items. Latent loyalty denotes the event of infrequent purchases despite a strong emotional/psychological connection with the product (Rai and Srivastava 2014:57).

Existence of a strong positive attitude does not necessarily translate into high repeat patronage, and in this case latent loyalty is portrayed (Zentes, Morschett, and Schramm-Klein 2011:301). Situational factors usually act as barriers between attitude and behaviour.

Spurious Loyalty

Spurious loyalty happens with those customers with a high behavioural consistency associated with a low psychological attachment to the brand (Crouch et-al 2004:277). Zentes, Morschett, and Schramm-Klein (2011:301) define Spurious loyalty as "... a situation where repeat patronage is observed, but is not based on a strong positive attitude towards a brand". This can be due to lack of alternatives and is highly risky to the marketing organisation (Zentes, Morschett and Schramm-Klein 2011:301). In some cases customers decide not to shift to other brands due to higher switching costs or unavailability of alternatives, and these are classified as trapped customers (Rai and Srivastava 2014:74). This is a misleading situation to the marketer.

No Loyalty

This is a situation whereby a customer has a weak attitude towards a brand and also not buying it regularly. This is a difficult situation to deal with and this concurs with Reynolds and Cuthbertson (2004:26) who indicated that customer loyalty is not only difficult to gain but also difficult to define. This implies that achieving something which is complicated in terms of explanation is a mammoth task. No loyalty can easily be realised as a trapped customer gets access to new alternatives (Rai and Srivastava 2014:74).

Research Methodology

Both quantitative and qualitative research paradigms were adopted. The paper was however, dominantly quantitative and less qualitative. Due to an endeavor to unveil associations between customer attitude and repeat patronage, the researcher decided to use more of quantitative data. Quantitative data is data that can be measured numerically. Qualitative data is data that cannot be numerically measured, but can be classified into single or several non-numerical categories (Muchengetwa 2005:25).

The research triangulated, correlational, descriptive and explanatory research designs were adopted. Correlational research refers to the systematic investigation or statistical study of relationships among two or more variables, without necessarily determining the cause and effect (Williams and Wilkins 2010). The objective of descriptive research was to portray an accurate profile of persons, events or situations (Robson, 2002:59). An exploratory approach was considered to be valuable means of finding out what is happening; to seek new insights; to ask questions and to assess phenomena in a new light (Sanders *et al.*, 2010; Robson, 2002:59). Such a complex research design was chosen in order to properly examine customer loyalty dimensions and relationships among them in the fast-food industry of Bindura Zimbabwe a developing economy.

Data was collected through questionnaires and interviews. Only primary data was collected towards this research (Muchengetwa, 2005:30). Questionnaires were prepared and administered to individual customers. The following advantages were realized through the use of questionnaires: Firstly, the respondent feels free to express him/herself in writing. Secondly the respondents were able to respond better to sensitive questions due to anonymity (Kotler and Keller 2006).

An interview guide was used to conduct face-to-face interviews with the employees of the fast-food industry in Bindura, Zimbabwe. Face-to-face interviews boosted response rate, enabled the researcher to capture the interviewee's verbal and non-verbal behaviour which entail posture, facial expressions and gestures (Muchengetwa 2005:47).

The research targeted the customers of the fast-food industry and the employees of the fast-foods industry regardless of age. Eighty (80) individual customers and ten (10) employees were selected using purposive sampling.

Before administering the research instruments to the targeted respondents, the researcher conducted a pilot study. A pilot study serves to avoid unnecessary wastage of time and financial resources on a research that is unsatisfactorily designed (Ary, Jacobs, and Sorensen 2009).

The researcher collected the required data using questionnaires and. The use of these diverse data gathering instruments was adopted in an endeavor to boost the validity and reliability of the research design, (Chisaka and Vakalisa 2003). This was also backed by Nyawaranda (2003) who claims that triangulation is the use of various sources of data, usually enhances the reliability of the research design.

Questionnaires were administered to customers through using purposive sampling. The questionnaire was short and precise hence the researcher had to wait for the respondent to fill it in and collect immediately after completion. As customers had left the fast-food outlet, they were stopped for a few minutes to fill in the questionnaire. A lot of them were patient and they accepted to fill-in the questionnaire, however, just a few had to excuse themselves. Appointments were also used for the interviews with the employees in the fast-food industry.

The questionnaire data were to be captured through (SPSS) computer application. Interview responses were categorized in different themes. The results were presented using figures and tables of different characteristics and subthemes. Names of either customers or fast-food outlets were not used in this research. In case of specifications being necessary, only pseudo names were used for example, 'Outlet A, Outlet B'. Furthermore, calculations were also displayed wherever necessary for clarity enhancement.

Findings and Discussion

The researcher managed to find 100% response rate for both interviews and questionnaires. Furthermore, all the customers who responded to questionnaires were aware of the two major fast-food outlets in Bindura.

The customers who responded to questionnaires had the following gender distributions.

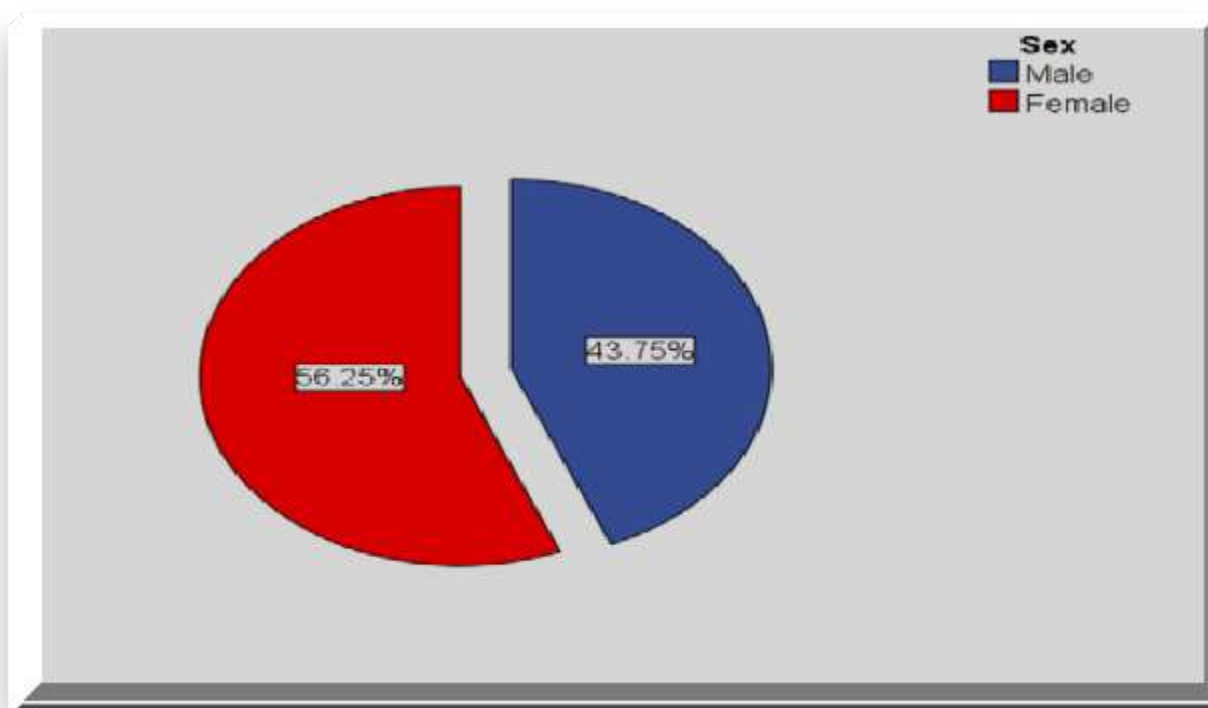


Figure 2: Gender distribution of the customers who responded to questionnaires

The majority of the customers were females constituting 56.25% and the males only constituted 43.75%. This implied that females are more interested in fast-foods than males.

The customers who responded to questionnaires were categorised in various age groups as shown in the following figure.

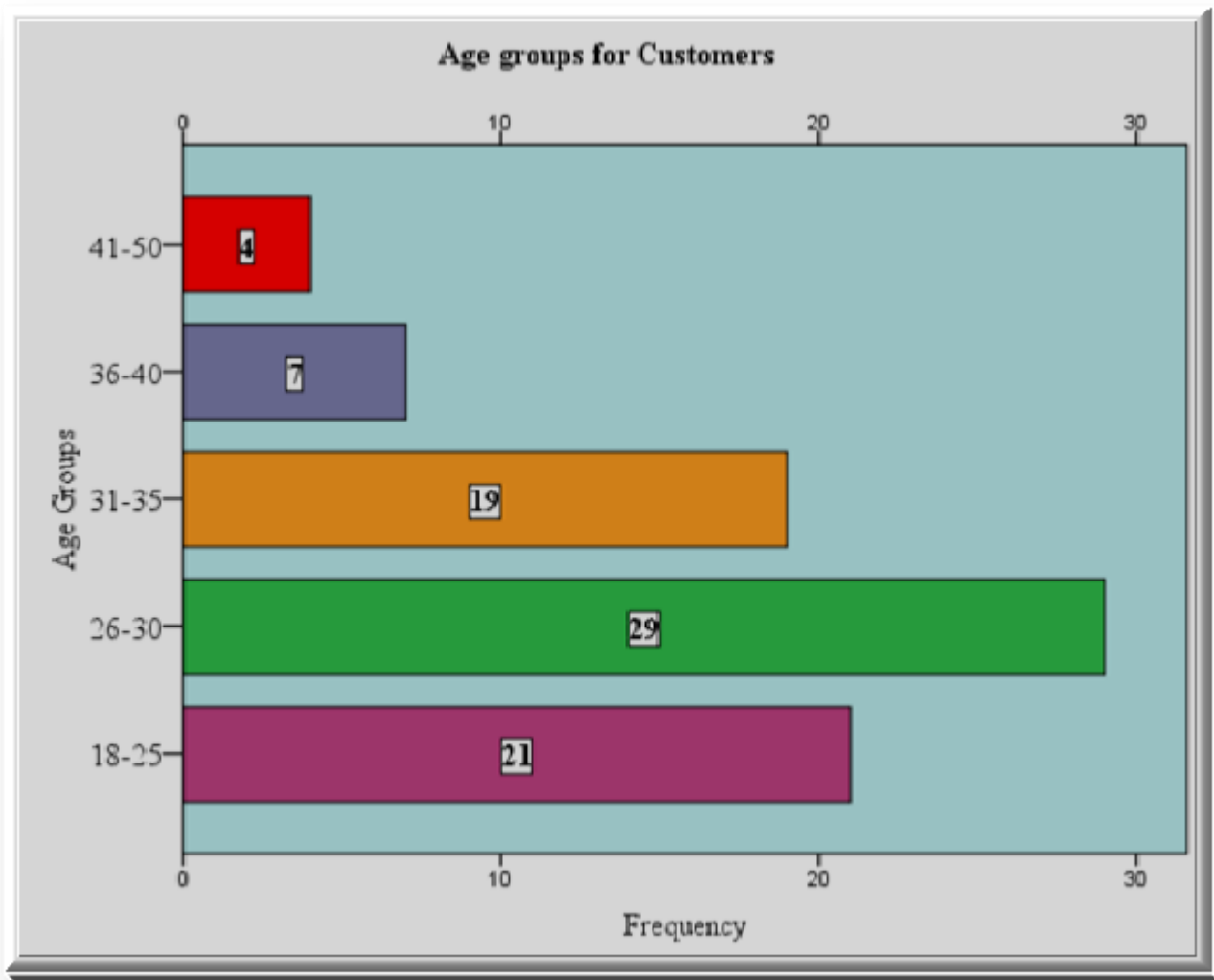


Figure 3: Age groups for the customers who responded to questionnaires

From the figure above, only 4 customers aged between 41 and 50; seven (7) aged between 36 and 40; nineteen (19) aged between 31 and 35; twenty-nine (29) aged between 26 and 30, and finally were aged between 18 and 25. This implies that the majority of customers in the fast-food industry are between the age of 18 and 35 years.

All the customers who responded to questionnaires managed to indicate their attitude and repeat purchase ratings towards the two major fast-food outlets in Bindura. The customers' responses towards fast-food Outlet A were tabulated as follows:

Table 1: Customer's responses towards Fast-food Outlet A: N = 80

Relative Attitude	Repeat Patronage	
	Low (Rated 1 – 3)	High (Rated 4 – 6)
Strong (Rated 4 – 6)	36	15
Weak (Rated 1 – 3)	19	10

From the table above, only 15 customers were genuinely loyal to Outlet A, 36 had latent loyalty, 10 had spurious loyalty and 19 were not loyal to Outlet A at all. This shows that Dick and Basu (1994) loyalty segmentation model is applicable in segmenting customer loyalty. However, the majority of the fast-food industry customers were not genuinely loyal to one outlet. This concurs with Reynolds and Cuthbertson (2004:26) who indicate that customer loyalty is difficult to gain and to define as well.

Using the above tabulated data the researcher had to test for the existence of an association between customer's relative attitude and repeat patronage in the fast-food industry using the Chi square test at 5% level of significance ($\chi^2_{(5\%:df=1)}$). Below is the test which was premised on the following hypotheses.

H_0 : There is no association between customer's relative attitude and repeat patronage in the fast-food industry of Bindura

H_1 : There is an association between customer's relative attitude and repeat patronage in the fast-food industry of Bindura

A Chi square test at 5% level of significance on a 2x2 contingency table:

Degrees of freedom = $(r - 1)(c - 1)$, where $r = 2$ (total number of rows) and $c = 2$ (total number of columns)

Therefore: $(r - 1)(c - 1) = (2 - 1)(2 - 1) = 1 \times 1 = \underline{1}$

Rejection criterion

Reject H_0 if $\chi^2_{(calc)} \geq \chi^2_{(tab)}$

$\chi^2_{(5\%:df=1)} = \chi^2_{(tab)} = 3.841$

Reject H_0 if $\chi^2_{(calc)} \geq 3.841$

Table 2: Summations of the relative attitude and repeat patronage ratings

Relative Attitude	Repeat Patronage		
	Low (Rated 1 – 3)	High (Rated 4 – 6)	Total
Strong (Rated 4 – 6)	36	15	51
Weak (Rated 1 – 3)	19	10	29
Total	55	25	80
			Grand Total

Expected frequencies

$$\text{Expected Frequency} = \frac{\text{row total} * \text{column total}}{\text{grand total}}$$

$$E_{36} = \frac{51 * 55}{80} = 35.0625$$

$$E_{15} = \frac{51 * 25}{80} = 15.9375$$

$$E_{19} = \frac{29 * 55}{80} = 19.9375$$

$$E_{10} = \frac{29 * 25}{80} = 9.0625$$

$$\chi^2_{(calc)} = \frac{(\text{Observed frequency} - \text{Expected Frequency})^2}{\text{Expected Frequency}}$$

Table 3: Chi square results for Outlet A: N = 80

Observed	Expected	Observed - Expected	$\frac{(O - E)^2}{E}$
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36	35.0625	0.9375	0.025066844
15	15.9375	-0.9375	0.055147058
19	19.9375	-0.9375	0.044083072
10	9.0625	0.9375	0.096982758
∑ Observed =80	∑ Expected =80	∑ (0-e=0)	$\chi^2_{(calc)} = 0.22128038$

Judgement and Conclusion

Since $\chi^2_{(calc)} = 0.22128038 < 3.841$, we accept H_0 and conclude that there is no association between customer attitude and repeat patronage in the fast-food industry of Bindura at 5% level of significance. This implies that a strong or weak relative attitude towards a product does not directly relate to of repeat patronage in either positive or negative way. This concurs with (Zentes, Morschett, and Schramm-Klein 2011:301) who indicate that, the existence of a strong positive attitude does not necessarily translate into high repeat patronage, and in this case latent loyalty is portrayed. Furthermore, this can also depict spurious loyalty in which repeat patronage will be high but misaligned to customer relative attitude (Dick and Basu 1994).

Since the results of Chi square can only show the existence of an association, but not the direction of that association, the researcher went on further to derive the correlation coefficients between relative attitude and repeat patronage using the customer's responses towards Outlet A. The table below indicates the correlational relationships between customer attitudes and their repeat patronage for Outlet A.

			Attitude towards Outlet A	Repeat Patronage Outlet A
Kendall's tau_b	Attitude towards Outlet A	Correlation Coefficient	1.000	-.017
		Sig. (2-tailed)	.	.880
		N	80	80
	Repeat Patronage Outlet A	Correlation Coefficient	-.017	1.000
		Sig. (2-tailed)	.880	.
		N	80	80
Spearman's rho	Attitude towards Outlet A	Correlation Coefficient	1.000	-.017
		Sig. (2-tailed)	.	.881
		N	80	80
	Repeat Patronage Outlet A	Correlation Coefficient	-.017	1.000
		Sig. (2-tailed)	.881	.
		N	80	80

The research found out that there is a weak negative correlation between customer attitude and repeat patronage towards fast-food outlet A. As shown above, both the Kendall's tau_b and Spearman's rho where -0.017 signifying a very weak negative correlation between customer attitude and repeat patronage in the fast-food industry of Bindura Zimbabwe. This implies that customer's attitude is not a dominant factor influencing the resultant purchase. This implies that there are other factors apart from relative attitude which are interfering with repeat patronage. This conflicts with Dick and Basu (1994) as they regard relative attitude to be the dominant factor influencing customer repeat patronage. However, this concurs with

(Evans, O'Malley and Patterson 2004:180) who indicate that, loyalty does not solely depend on positive attitude of a customer towards a brand or outlet, but also on differential attitudes towards alternatives. All the customers who responded to questionnaires managed to indicate their attitude and repeat purchase ratings towards the two major fast-food outlets in Bindura. The customers' responses towards fast-food Outlet B were tabulated as follows:

Table 5: Customer's responses towards Fast-food outlet B

Relative Attitude	Repeat Patronage	
	Low (Rated 1 – 3)	High (Rated 4 – 6)
Strong (Rated 4 – 6)	11	25
Weak (Rated 1 – 3)	13	31

From the table above, only 25 customers were genuinely loyal to Outlet B, 11 had latent loyalty, 31 had spurious loyalty and 13 had no loyalty towards Outlet B. This shows that Dick and Basu (1994) loyalty segmentation model is applicable in segmenting customer loyalty. However, the model did not indicate the possible proportions in each segment. Furthermore, the majority of the fast-food industry customers were not genuinely loyal to one outlet. This concurs with Reynolds and Cuthbertson (2004:26) who indicate that customer loyalty is difficult to gain and to define as well.

Using the data presented on Table 5 above the researcher had to test for the existence of an association between customer's relative attitude and repeat patronage in the fast-food industry using the Chi square test at 5% level of significance ($\chi^2_{(5\%:df=1)}$). Below is the test which was premised on the following hypotheses.

H_0 : There is no association between customer's relative attitude and repeat patronage in the fast-food industry of Bindura

H_1 : There is an association between customer's relative attitude and repeat patronage in the fast-food industry of Bindura

A Chi square test at 5% level of significance on a 2x2 contingency table:

Degrees of freedom = $(r - 1)(c - 1)$, where $r = 2$ (total number of rows) and $c = 2$ (total number of columns)

Therefore: $(r - 1)(c - 1) = (2 - 1)(2 - 1) = 1 \times 1 = \underline{1}$

Rejection criterion

Reject H_0 if $\chi^2_{(calc)} \geq \chi^2_{(tab)}$

$\chi^2_{(5\%:df=1)} = \chi^2_{(tab)} = 3.841$

Reject H_0 if $\chi^2_{(calc)} \geq 3.841$

Table 6: Summations of Relative attitude and repeat patronage ratings for outlet B: N = 80

Relative Attitude	Repeat Patronage		
	Low (Rated 1 – 3)	High (Rated 4 – 6)	Total
Strong (Rated 4 – 6)	11	25	36
Weak (Rated 1 – 3)	13	31	44
Total	24	56	80
			Grand Total

Expected frequencies

$$\text{Expected Frequency} = \frac{\text{row total} * \text{column total}}{\text{grand total}}$$

$$E_{11} = \frac{36 * 24}{80} = 10.80$$

$$E_{25} = \frac{36 * 56}{80} = 25.20$$

$$E_{13} = \frac{44 * 24}{80} = 13.20$$

$$E_{31} = \frac{44 * 56}{80} = 30.80$$

$$\chi^2_{(calc)} = \frac{(\text{Observed frequency} - \text{Expected Frequency})^2}{\text{Expected Frequency}}$$

Table 7: Chi square results for Outlet B: N = 80

Observed (O)	Expected (E)	Observed - Expected	$\frac{(O - E)^2}{E}$
11	10.8	0.2	0.003703703
25	25.2	-0.2	0.001587301
13	13.2	-0.2	0.003030303
31	30.8	0.2	0.001298701
$\sum \text{Observed} = 80$	$\sum \text{Expected} = 80$	$\sum (O - E) = 0$	$\chi^2_{(calc)} = 0.00962001$

Judgement and Conclusion

Since $\chi^2_{(calc)} = 0.00962001 < 3.841$ we accept H_0 and conclude that there is no association between customer attitude and repeat patronage in the fast-food industry of Bindura at 5% level of significance. This implies that a strong or weak customer attitude towards a fast-food brand from a certain outlet will signify the frequency of intended future purchases. This is in line with Zentes, Morschett, and Schramm-Klein (2011:301) who maintain that, the existence of a strong positive attitude does not necessarily translate into high repeat patronage, and in this case latent loyalty is portrayed hence situational factors usually act as barriers between attitude and behaviour.

Since the results of Chi square can only show the existence of an association, but not the direction of such an association, the researcher went on further to derive the correlation coefficients between relative attitude and repeat patronage using the customer's responses towards Outlet B. The table below indicates the correlational relationships between customer attitudes and their repeat patronage for Outlet B.

		Attitude towards Outlet B	Repeat Patronage Outlet B
Attitude towards Outlet B	Pearson Correlation	1	-.011
	Sig. (2-tailed)		.923
	N	80	80
Repeat Patronage Outlet B	Pearson Correlation	-.011	1
	Sig. (2-tailed)	.923	

	N	80	80
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The table above shows the Pearson's product moment correlation coefficient of -0.011 which implies a weak negative correlation between customer attitude and repeat patronage towards fast-food Outlet B. This implies that repeat patronage is not solely influenced by customer attitude. Furthermore, genuine loyalty is difficult to establish in the fast-food industry. This is backed by Evans, O'Malley and Patterson (2004:180) who put forward that, loyalty does not solely depend on positive attitude of a customer towards a brand or Outlet, but also on differential attitudes towards alternatives.

The customers in their questionnaire responses put forward some comments on the other factors influencing their repeat patronage decisions apart from relative attitude. Their comments were categorised under major themes and were discussed below:

Thirty-five percent (35%) of the customers had high relative attitudes towards both fast-food outlets in Bindura. This signifies a point of parity point of parity hence relative attitude in this context ceases to be the dominant factor influencing the resultant repeat buying behaviour. This implied the existence of other factors influencing repeat patronage. This concurs with Evans, O'Malley and Patterson (2004:180) who indicate that, if a customer have positive attitude towards more than one brand or outlet, then repeat patronage will be influenced by other factors like convenience. In that case there is no assurance that the customer is genuinely loyal to the brand.

Twenty-seven percent (27%) of the customers indicate that their repeat patronage decisions are significantly influenced by price rather than relative attitude. They indicated that they regularly patronise outlets with low priced regardless of attitude/preference rating. This concurs with Rai and Srivastava (2014:74) who argue that, in some cases customers decide not to shift to other brands due to higher switching costs. Furthermore, Zentes, Morschett, and Schramm-Klein (2011:301) concur that, the existence of a strong positive attitude does not necessarily translate into high repeat patronage, and in this case latent loyalty is portrayed.

Ten percent (10%) of the customers commented on the unavailability of preferred alternatives as another factor interfering with their repeat patronage decisions. They indicated that their preferred alternative outlets are not yet Bindura and they decide to patronise those which are available locally. According to Dick and Basu (1994) these customers have spurious loyalty towards Bindura fast-food outlets and latent loyalty towards their preferred outlets outside Bindura. Rai and Srivastava (2014:57) also share the same sentiments. Customer services and proximity were also indicated to be the other factors interfering with repeat patronage.

13% of the customers indicated that they do not commit themselves completely turning a blind eye to new and oncoming products. They argued that focusing on the existing products can deprive them of the better alternatives to come. This implies that customer attitude are not fixed on existing products, but they remain with a tendency to try new alternatives. This was not accounted for by Dick and Basu (1994). Furthermore, 5% of customers commented on the quality of services and long queues as a factor interfering with their repeat patronage behaviour.

Twelve percent (12%) of the customers also commented on the capriciousness of their attitudes. They indicated that their attitudes are not static; they vary on temporal and spatial basis (from time-to-time and from place-to-place). This however, was not accounted for by Dick and Basu (1994) loyalty segmentation model.

Since the customer attitudes are capricious, then there possible direction/s of flow in the loyalty were discovered to be necessary in describing customer loyalty. However, the Loyalty segmentation model by Dick and Basu (1994) does not show any direction of flow and timeframes as far as possible changes in loyalty are concerned.

Also to comment on Dick and Basu (1994) loyalty segmentation model. The model operates with extremes only leaving out the central (average variables). Only low and high repeat patronage and weak and strong

attitudes are accounted for. This implies that the intermediate ratings are overlooked. Instead of being a 2X2 matrix it was supposed to be a 3X3 matrix.

The employees also responded from their point of view in relation to customer loyalty. 40% of them indicated that customers are mainly concerned with the brand. However, this was a misalignment since the majority of customers indicated their sensitivity to price and other situational factors rather than brand.

Thirty percent (30%) of the employees were of the view that, customers are not static in mind the continuously seek for better alternatives. This was also shown by the customers by the capriciousness of their attitudes. This was also unaccounted for in the Dick and Basu (1994) loyalty segmentation.

20% of the interviewed employees assumed that customers require delicious food and that it is the core of their decision-making influences. However, this was not aligned to customers' responses and they indicated prices to be the major determinant of their repeat patronage.

Conclusions

- The majority of customers are not genuinely loyal to one outlet in the fast-food industry of Bindura.
- Customer attitude towards a certain brand does not totally imply the resultant purchase behaviour always
- There are other factors which interfere with customer repeat purchase behaviour apart from relative attitude. These include: prices, proximity, and divisibility of products, customer services, long queues, and the zeal to explore new alternatives.
- Firms with favourable images from the customers' view point are not necessarily profitable and successful in the short-run in developing economies.
- The four (4) cells of Dick and Basu (1994) loyalty segmentation model insufficiently describe the nature of customer loyalty since it works with extremes.

Recommendations

- The research therefore recommends that, new entrepreneurs must not hesitate to venture into new and existing industries assuming that customers belong to existing players.
- Existing players, on the other hand must try and monitor their businesses in a more alert manner and not assuming that they own customers.
- There is a need to properly monitor other factors like customer service speed, prices, divisibility of products among other things so as to boost repeat patronage.
- It is also recommended that if a service provider is realising high sales, he/she must not assume that all those customers have got a strong relative attitude towards his/her brand. Repeat purchases can also be due to other situational factors hence there is a need to explore customer behaviour continuously.
- Further researches are recommended in order to close the existing knowledge gaps which include the direction of flow, along the Dick and Basu (1994) model, customer loyalty cycle, the duration of customer attitudes and various transitions.

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