

## Chapter 5

# Drivers of Consumer Loyalty in the Wellness Sector

**Shivani Saini**

*Dr. B. R. Ambedkar National Institute of Technology, Jalandhar, India*

**Jagwinder Singh**

*Dr. B. R. Ambedkar National Institute of Technology, Jalandhar, India*

### ABSTRACT

*Facing a severely competitive environment and unique consumer expectations, cultivating consumer loyalty seems crucial for every firm. Rather than to cultivate, marketers find it more difficult to sustain a loyal consumer base. Understanding loyalty drivers is of utmost importance now, and it is the main concern of this study. Faced with lack of structural management approaches in reference to relationship practices, this chapter provides a cohesive understanding of loyalty drivers in application of acquisition, retention, and experience strategies. The study involved a survey of 200 consumers of wellness firms. A confirmatory factor analysis has been employed to evaluate consumers' priority among acquisition, retention, and experience-based marketing strategies. The study offers valuable insights to wellness firms to fine-tune their CRM programmes in view of traditional and modern practices. As experience is very complex while acquisition and retention are highly imitable, firms need to embrace it with clarity to select the right elements to gain consumer loyalty.*

### INTRODUCTION

Indian wellness industry witnesses vigorous presence of national and international firms across beauty, therapy, fitness, and slimming services. The industry has registered a strong growth and is expected to reach US\$220 billion by 2022 with a twelve percent compound annual growth rate (Ernst and Young wellness industry report 2018). The factors like larger youth population, rising consumer income, changing lifestyle, awareness about new products/services, high capital access, increasing expenditure on personal grooming, digitalization, and brand emergence are responsible to drive the growth of industry.

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## ***Drivers of Consumer Loyalty in the Wellness Sector***

Consumers' growing consciousness about physical and mental well-being potentially plays a bigger role in the service consumption. Additionally, the consumers' increasing interactions on digital social media networks such as Facebook, Instagram, Twitter, Pinterest, YouTube, and MySpace are making them aware about the new trends and practices. Consumers with different age-groups and personality types are not very easy to satisfy however, gaining their loyalty seems crucial. Loyalty states a consumer's commitment to the firm. The commitment indicates a consumer's readiness to make sacrifices in order to maintain mutually benefited long-term relationships (Oliver, 1999; Singh & Saini, 2016; Rather et al., 2018). In today's competitive markets, the business success depends upon its competency to recognize the factors that not just arouses consumers' buying interests but develops a higher level of commitment. Gaining the consumer loyalty helps a firm to maintain long-term, cost-effective interpersonal relationships. The technology has also fostered enhanced interactions between a firm and its stakeholders which in further develops the two-way relationships with valuable consumers. A consumer expresses his or her true loyalty both in attitudinal and behavioural forms (Dick & Basu, 1994). The attitudinal loyalty exhibits a consumer's psychological attachment and positive attitude towards the firm (Dick & Basu, 1994). While a consumer's consistent buy with a single firm ensures his or her behavioural loyalty (Cunningham, 1956). True loyalty benefits a firm in gaining the consumers who are willing to do word-of-mouth publicity (Gremler & Brown, 1996), ready to make additional buy and pay premium prices (Zeithaml et al., 1996), resist competitors' offers (Dick & Basu, 1994) and being adjustable in temporarily breakdowns of services (Narayandas, 1998). In order to achieve these loyalty benefits, a firm needs to focus on delivering the best value proposition. A firm's understanding about consumers' needs/preferences is significant to make right assessment about loyalty drivers. It is not just the focus on a single transaction but contacts across multiple touch-points (from initial to ongoing) need to be perfect. It largely depends on a firm's efficiency to perform with excellence in the customer's journey. Understanding consumer expectations need a deep consumer insight. It is very much necessary that a firm should perform an in-depth market study to have the right consumer inferences. Consumers' attitudinal strength and behavioral patterns display their connection to a brand. To understand a consumer's mindset about loyalty, marketers are always encouraged to explore the factors behind consumers' attitudinal strength and behavioural patterns. The acquisition, retention, and experience are the three strategic activities that can strengthen the firm-consumer relationships (Singh & Saini, 2016). The purpose of this study is to provide a managerial framework to design acquisition, retention, and experience strategies in order to gain the consumer loyalty.

Despite the large body of existing literature that focuses on the importance of consumer loyalty, very fewer attempts have been made to suggest the factors behind consumer loyalty in a specific industry. The purpose of this study is to emphasize the relative importance of various acquisition, retention, and experience-related factors to gain consumer loyalty in wellness industry. The chapter is organized as follows. Following this introduction, the literature review and methodology have been presented. Thereafter, results of empirical analysis have been presented. Finally, the discussion, implications, limitations, and future research directions have been suggested.

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