

AN EXAMINATION OF CUSTOMER SATISFACTION AND LOYALTY WITH LOW INVOLVEMENT PRODUCTS AMONG THOSE WITH DECREASED INCOME

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ABSTRACT

Literature thoroughly examines the relationships among customer satisfaction, brand loyalty and trust over time. The concept of how marketers can influence customer relationship triggers including price and distribution has also been extensively explored. Customer loyalty, as evidenced by repeat purchases, has been examined in low involvement products, which do not require substantial out of pocket investment. Few studies have examined how dramatic decreases in income influence customer loyalty and satisfaction with low risk, low involvement products. The Social Security Administration in 2019 reported that 9 out of 10 people over 65 receive social security benefits. Over 63 million people, or more than one in six U.S. residents received social security benefits in June 2019. The number of people and the percentage of Americans on limited incomes (social security, social security disability, and/or limited pension amounting to less than income while working) is forecast to increase over the next decade. "Only 12% of Americans aged 65+ received 90% or more of their income from Social Security" (Biggs, 2020). There is a gap in the literature which fails to differentiate key factors in decision making and how and if brand loyalty is obtained as income falls for low involvement products. The purpose of this research is to explore whether this reduction of income at (often at age 65 or over) will force differences in brand choice and loyalty. A qualitative study is suggested to understand the differences in customer loyalty in low involvement purchases with a reduced disposable income. Both small and large businesses should benefit by understanding this growing population and the factors that impact satisfaction and loyalty for low risk, low involvement products.

Keywords: Consumer Satisfaction, Low Involvement Products, Decision-Making, Brand Loyalty, Decreased Income

1. INTRODUCTION

Literature investigates the associations among customer satisfaction, brand loyalty, and trust over time (Court, et al., 2009). The question of how marketers influence customer relationships including price and distribution has also been extensively explored (Boriboon, et al., 2010). Brand loyalty has been investigated in low involvement products, which do not require substantial out of pocket investment (Paridon, et al., 2006). Low involvement products are characterized by: little or no time spent considering choice, regular purchase and repurchase, and involve low risk for the consumer (Boriboon, et al., 2010). Brand loyalty is defined for the purpose of this paper as continued repeat purchase (Paridon, et al., 2006).

1.2 PROBLEM STATEMENT

Income impacts consumer purchasing decisions of the products and services, focusing specifically on low income consumers (Gbadamosi, 2009). Hamilton and Catterall (2005) define low income as only able to afford enough to live adequately. Other studies defined low income referring to those with low paying jobs or families below the poverty line (Gbadamosi, 2009). Low income individuals could experience a sudden