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## PROMOTION, SWITCHING BARRIERS, AND LOYALTY

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### ABSTRACT

*This paper investigates the causal relationships among promotion effects, switching barriers, and loyalty in the department stores. The relationship between switching barriers and loyalty reveals partially the same results as the switching barriers theory of Jones et al. (2000). The reasons arise from “too often” and “too similar” sales promotion programs of competitive department stores in Taiwan, leading the promotion effects to not contribute to the attractiveness of competitors. The promotion effects have a positive and significant influence on loyalty, which is consistent with the prior literature. Promotion effects are also the most important weight to loyalty in our tested model but it reveals a seeming loyalty, because the loyalty depends on the reward of promotion. The negative relationship between promotion effects and attractiveness of alternative supports the promotion effects, which can lower the attractiveness of competitors, but these similar promotion plans are not attributed to interpersonal relationships.*

**Keywords:** *Promotion effects, Switching Barriers, Loyalty*

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### 1. INTRODUCTION:

In common with other countries of Asia, most of Taiwan's population gathers around a few cities. Leisure facilities are insufficient for the residents of major cities, leading people to go shopping in department stores as one of their top leisure activities. In Taiwan's major cities, people not only enjoy shopping, but also wander among comfortable multi-story department stores during the long, hot summer season. More people prefer to go shopping in department stores, and as such more department stores have entered the industry, which has contributed to a competitive local market. In 2006, there were 65 department stores with a total revenue of US\$7.05 billion which rose to a total number of 71 stores and US\$7.48 billion in revenue in 2009 (Taiwan Institute of Economic Research, 2010).

Most department stores provide the same types of service, such as free parking, membership cards, and a reward plan under the competitive structure. Customers who are members do not necessarily lead to customer loyalty. Heskett et al. (1994) indicated that if firms intensify customer satisfaction and loyalty, then this increases profitability. Therefore, there is a sizeable strand of literature on defining and measuring loyalty (Selnes, 1993; Jones and Sasser, 1995; Bowen and Chen, 2001; Fullerton, 2005), as well covering the effects of service on satisfaction (Berry et al., 1988; Boulding et al., 1993; Taylor and Baker, 1994; Fornell et al., 1996; Duffy and Ketchand, 1998; Sivadas and Baker-Prewitt, 2000; Jun et al., 2004; Lu and Seock, 2008) and loyalty (Reichheld and Sasser, 1990; Raphel, 1999; Sivadas and Baker-Prewitt, 2000; Siu and Cheung, 2001; Srinivasan et al., 2002; Lu and Seock, 2008).

Jackson (1985) recognized the connection between switching cost and customer retention. Ko de Ruyter et al. (1998) introduced the role of switching costs into loyalty. Jones et al. (2000) defined the switching barriers that make it difficult or costly for consumers to change their suppliers by three variables – the interpersonal relationships, perceived switching costs, and attractiveness of alternative – so as to examine the model of the core-service satisfaction for banking or hairstyling/barber industries. Jones et al. (2000)

revealed the switching barriers that became particularly important with the low satisfaction of core-service and which were positively influenced on the retention. Ranaweera and Prabhu (2003) found switching barriers to be impacted positively on customer retention and cost effectiveness when trying to retain customers. Chang and Chen (2007) also confirmed that the switching barriers of customers have a significantly positive effect on loyalty in airline companies. Han et al. (2009) showed that the relationship between satisfaction and revisit intention was relative to the degree of switching barriers. In sum, switching barriers are important and positive variables on loyalty based on these literature studies.

There are two reasons for this paper's investigation. First, competitive department stores often run similar promotion programs to reward customers in Taiwan, possibly decreasing the service quality for a considerable number of shoppers. In the past literature, sales promotion motivated the customers' desire for shopping (Aaker, 1973; Gilbert and Jackaria, 2002) and increased short-term sales (Banks and Moorthy, 1999; Smith and Sinha, 2000). Manning and Sprott (2007) also showed a positive promotion effects on the quantity of purchase intention. Does sales promotion attract customer repurchases under lower service quality?

The second reason is that numerous paper published by scholars (Sivadas and Baker-Prewitt, 2000; **Hart and Ruseberger, 2004**; Lu and Seock, 2008) **propose an analysis framework of service quality, image, satisfaction, and loyalty in the department store sector. The connection between promotion effects, loyalty, and switching barriers is less discussed.** Blut et al. (2007) confirmed that switching costs, social benefits, and attractiveness of alternatives are important moderators to link cognitive, affective, conative, and action loyalty, but how do promotion effects and switching barriers contribute to customer loyalty directly? Can promotion effects and switching barriers positively intensify the influence on consumers' loyalty? Can switching barriers be erected on the loyalty of consumers as with previous empirical results under the frequent promotion programs? For these questions, we consider the switching barriers and promotion effects to be composed of a loyalty variable which differs from the previous framework of service, satisfaction, and loyalty. Relatively few studies mention the analysis framework of loyalty, promotion effects, and switching barriers in the retailing industry.

The remainder of this paper is organized as follows. Section 2 presents the relative literature referring to the following hypotheses. Section 3 describes the method and procedure. Section 4 presents the results. Section 5 contains conclusions and implications.

## 2. LITERATURE AND HYPOTHESES:

### 2.1 Loyalty

Over the past decades, a considerable number of studies have been made on customer loyalty, with many links spent on the definition (Newman, 1973; Tellis, 1988; Selnes, 1993; Griffin, 1996; Lee and Cunningham, 2001; Bowen and Shoemaker, 1998) and measurement (Selnes, 1993; Jones and Sasser, 1995; Oliver, 1997; Bowen and Chen, 2001) of loyalty. Based on Fornell and Wernerfelt (1987), there is well-known evidence to show the cost of retaining present customers is lower than that of obtaining new customers. Reichheld (1996) determined loyalty is the primary driver of profitability and an increase in customer retention rates of 5% increased profits by 25% to 95%. In a competitive market, the loyalty issue has been investigated by academic journals and the practical world for a long time. Shoemaker and Lewis (1999) offered a two-dimensional framework to compose attitudinal and behavioral loyalty. Chang and Chen (2007) adopted the concepts of Shoemaker and Lewis (1999) to measure the loyalty of airline customers. This paper uses the term of loyalty to refer to point of view from Shoemaker and Lewis (1999).

### 2.2 Switching barriers

Switching barriers have confirmed their roles in consumer loyalty in the above studies. Jones et al. (2000) defined the switching barriers as three barriers: interpersonal relationships, perceived switching costs, and attractiveness of alternative. Interpersonal relationships refer to the existence and strength of the personal relationship between a customer and a service employee. Perceived switching costs are the perceived cost

of time, money, and effort from customers associated with changing providers. The attractiveness of an alternative is with regards to the acceptable competing alternative providers. Patterson and Smith (2003) explored cross-culture service to categorize six switching barriers: search costs, loss of social bonds, set-up service costs, functional risk, attractiveness of alternatives, and loss of special treatment benefits. Patterson (2004) proposed psychological costs, economic costs, and set-up costs. Balabanis et al. (2006) viewed seven switching barriers for an online business: familiarity, convenience, parity, economic, speed, unawareness, and emotional. Kim et al. (2004) and Chang and Chen (2007) adopted the measurements of switching barriers from Jones et al. (2000) to apply them to the mobile telecommunications and airline industries.

White and Yanamandram (2007) referred to five switching costs: uncertainty costs, pre-switching costs, set-up costs, post-switching costs, and benefit/loss costs. Uncertainty cost is the psychological uncertainty for an untested service provider (Guiltinan, 1989). Pre-switching costs are the time and effort of search and evaluation costs, which are the same in Jones et al. (2000). Set-up costs are the time and effort for setting up the new service process associated with a new provider (Guiltinan, 1989). Post-switching refers to acquiring and adapting to the new procedures from Jones et al.(2000). Benefit/loss costs are the loss of benefit which is offered from an incumbent when the customers switch to the new provider (Guiltinan, 1989; Turnball and Wilson, 1989). In this paper, a combination of Jones et al. (2000) and White and Yanamandram (2007) appears most suitable for the context of department stores. In terms of switching barriers, the three categories are interpersonal relationships, perceived switching costs associated with White and Yanamandram (2007), and attractiveness of an alternative.

Guiltinan (1989) provided the empirical results of a positive relationship between loyalty and social, confidence, and special treatment benefits as proposed from the relational benefit by Rosario and Foxall (2006). Jones et al. (2000) confirmed that stronger interpersonal relationships are associated with higher repurchase intentions. Rosario and Foxall (2006) suggested a positive switching barrier (relational benefit) and negative barrier (switching cost) are directly and positively related to consumer retention. The other negative barrier (attractiveness of other providers) is directly and negatively related to retention. Higher perceived switching costs and lower attractiveness of competing alternatives are associated with higher repurchase intentions (Jones et al., 2000). In line with the previous literature, we therefore propose the following.

**H1:** There is a positive relationship between interpersonal relationships and customer loyalty.

**H2:** There is a positive relationship between switching cost and customer loyalty.

**H3:** There is a positive relationship between attractiveness of alternatives and customer loyalty.

### **2.3 Promotion**

Many formal conceptual efforts have been directed toward defining sales promotion as an effort to increase sales in short-term (Bawa and Shoemaker, 1987; Gupta and Cooper, 1992; Diamond, 1992; Kopalle and Mela, 1999; Banks and Moorthy, 1999; Smith and Sinha, 2000). There is also a sizeable strand of the literature that examines consumers' response tools of sales promotion, such as coupons (Bawa and Shoemaker, 1987; Huff and Alden, 1998; Krishna and Zhang, 1999; Gilbert and Jackaria, 2002), price discount, and samples (Mela et al., 1997; Gilbert and Jackaria, 2002). The effects of sales promotion were developed by the variables of perceived acquisition value and purchase intention (Thaler, 1985; Monroe, 1990; Dodds et al., 1991; Grewal et al., 1998; Zeithaml, 1988). Understanding consumers' perceived value and purchasing willingness help in further exploring the effects from sales promotion. This development leads to a consideration of the relationship between sales promotion effects and switching barriers.

According to Keaveney (1995), customers switch from a service provider when the prices are relatively high. In other words, if the customers could benefit from the sales promotion of their original providers, then the competitive providers will be less attractive to the customers. Based on Keaveney (1995) and

Shaffer and Zhang (2002), the sales promotion of original providers decrease their competitors' attractiveness to customers. In hypothesis form, we have the following.

**H4:** There is a negative relationship between sales promotion effects and attractiveness of an alternative.

Klemperer (1987) found customers' switch cost comes from losing an obligation to exchange prizes and discount coupons after many repeated purchases. Gultinan (1989) and Turnbull and Wilson (1989) also targeted the switch cost, which refers to losing the benefit that was offered from an incumbent when the customers switch to the new provider. Customers gain more from the original providers, the more loss they give up in the trade with the original providers. Therefore, customers' switching cost will increase with the promotion program.

**H5:** There is a positive relationship between sales promotion effects and switching cost.

Airline companies' frequent flier programs, which reward customers to repurchase their tickets by accumulating bonus miles, can effectively maintain a relational connection (Dwyer et al., 1987). Mulhern and Padgett (1995) pointed out that retailers used promotion effects on products to constitute a strong relationship with their suppliers. These findings suggest that promotion effects can build a good relationship between upstream suppliers and their downstream retailers, or downstream retailers and their customers. It has been argued, by Dwyer et al. (1987) and Mulhern and Padgett (1995), that such empirical results can lead further to a positive personal relationship between the customer and service employee in the promotion process.

**H6:** There is a positive relationship between sales promotion and interpersonal relationship.

The loyalty program as a kind of economic incentive (Verhoef, 2003) has been confirmed to have a positive effect on repeat-purchase rates (Verhoef, 2003; Lewis, 2004), customer evaluations, behavior, and repeat purchase intentions (Bolton et al., 2000). People are keen on gaining petty advantages and this likely refers to providers favoring their customers, making it an easy incentive for consumers' repurchase and recommendation. The effects of satisfaction on loyalty have been discussed enough in several literature studies (Engle et al., 1995; Kotler et al., 1998; Homburg and Giering, 2001; Han et al., 2009). However, this paper tries to clarify the roles of promotion effects and switch barrier to loyalty, which seems to be lacking in the literature. The satisfaction variable is not mentioned here.

**H7:** There is a positive relationship between sales promotion effects and loyalty.

Figure 1 indicates the conceptual framework and hypotheses proposed and tested herein.

[Figure 1 Here]

### 3. METHOD AND PROCEDURE:

#### 3.1 Measures

This paper tests five dimensions, loyalty, interpersonal relationships, switching cost, attractiveness of alternative, and promotion effects. The questionnaire was originally written in English, so-called back translation into Chinese by the researchers along with professional translators. Then, the translated version was pre-tested and modified to ensure the conciseness. The questionnaire is composed of two sectors. The first part includes the main measurement for the five dimensions. All constructed questions are measured using five-point Likert-type scale with "strong agree" and "strong disagree". The second part is demographic data of respondents.

**Loyalty.** In order to operate loyalty, we adopt the concepts from Shoemaker and Lewis (1999). The measurement of loyalty is formed by the two concepts of attitudinal and behavioral loyalty with 3 items.

The behavioral loyalty items are “continue to shop,” and “spend more time to stay”. “Recommend my friends to shop” is referred to the attitudinal loyalty. .

**Interpersonal relationships.** Switching barriers are measured with the scales proposed by Jones et al. (2000) and White and Yanamandram (2007). The interpersonal relationships are measured with 3 items associated with the relationship between customers and employers, such as “good friendship with employees”, “my friends are employees” and “personal familiar employees”.

**Switching cost.** The switching cost is composed by Jones et al. (2000) and White and Yanamandram (2007). The 5 items measure the associated “uncertainty feeling”, “time and effort to search and evaluate”, “adapting time”, “unfamiliarity” and “loss of original accumulated reward”.

**Attractiveness of an alternative.** The attractiveness of an alternative concerns the acceptable competing alternative providers, including “the purchase place”, “social status”, and “satisfaction of the service of the competitive providers”, which are also based on Jones et al with 3 items (2000).

**Promotion effects.** The promotion dimension refers to the effects of sales promotion instead of the measurement of sales promotion tools. The effects from sales promotion are measured by 4 items, including attractiveness, purchase willingness, perceived acquisition value developed by Grewal et al. (1998) and purchase behavior item adopted from Chandon et al. (2000).

### 3.2 Data collection procedure and sample

The population of this study is comprised of shoppers in the department stores of Kaoshiung City, Taiwan. There are 7 department stores totally as listed in the Table 1 during the surveyed period and we test our model for surveying those shoppers in the 7 department stores. From June to September in 2009, we selected 452 respondents by choice-based sampling. We adjust the sample ratio of samples, consisting of that of the population market share ratio almost being reduced to the bias of estimated parameters. The population is stratified by the market share ratio detailed in Table 1. The 374 usable questionnaires result in a response rate of 82.14%. Table 1 shows the distributions of market share ratio and sample ratio for our population. While 75.4% of respondents are female, the major age is between 21 to 30 years old (35.8%). Most respondents (60.2%) have a bachelor degree and are unmarried (58.3%). The five-point Likert scales method (1 = strongly disagree, 5 = strongly agree) is used to assess consumers' perception on the above five dimensions.

[Table 1 here]

## 4. EMPIRICAL RESULTS:

We use Confirmatory Factor Analyses (CFA) to test our hypotheses. The data are tested by SPSS15.0 and Amos 5.0. All reliability Cronbach's alphas coefficients exceed 0.6 by the suggestion of Cuieford (1965). Two items are eliminated from the promotion effects dimension, one item from switching cost and one from attractiveness individually. The high composite reliability (CR) exceeds 0.6 and the average variance extracted (AVE) of converged validity exceeds 0.5, as suggested by Fornell and Larcker (1981). The high standardized loading and the squared multiple correlations (greater than 0.5) confirm good converged validity as in Fornell and Larcker (1981). Table 2 shows the measured items and their coefficients of reliability and converged validity. The discriminant validity is assessed by the squared root of AVE being greater than the correlation value (Fornell and Larcker, 1981), as shown in Table 3.

The model reveals a good overall fit. The Normed Chi-Square Index (NCI) is less than 3 as suggested by Bagozzi and Yi (1988) ( $\chi^2 = 114.82$ ,  $df = 62$ ,  $\chi^2/df = 1.852$ ). CFI (0.976), GFI (0.960), and AGFI (0.932) are greater than 0.9 (Bollen, 1989). RMR (0.046) is less than 0.05, as recommended in Hu and Bentler (1999). Based on the suggestion of greater standardized loading value (greater than 0.5) from Fornell and Larcker's paper (1981), there are two items, “I always go shopping no matter what is on sale” and “I will

go shopping at the sales department store instead of going to the non-sale stores” are eliminated from the promotion dimension. In the competitive department store market, the service providers often offer a variety of free souvenirs to their shoppers no matter how much they spent during the non-price discount promotion sales. Therefore, it is possible to show that the two eliminated items yield limited information about the promotion effects dimension.

The item “I feel the same satisfaction and social position for shopping at this department store and other ones” is eliminated from the attractiveness of alternative. This item does not contribute to the dimension of the attractiveness of alternative resulted from similar, less distinctive products in the department stores which guides the shoppers not to realize the different satisfaction and social position among these department stores.

[Table 2 here]

[Table 3 here]

*The influence of switching barriers on loyalty.* As expected in H1 and H2, the interpersonal relationships and switching cost have positive and significant influences on loyalty (Figure 2). There is also partial support for H3, because the attractiveness of an alternative negative relationship is negatively associated with loyalty. However, the relationship between the attractiveness of alternative and loyalty is not significant.

*The influence of promotion effects on loyalty.* As shown in Figure 2, the relationship between promotion effects and loyalty (H7) as being positive and significant is also supported by the previous literature (Thaler, 1985; Monroe, 1990; Dodds et al., 1991; Grewal et al., 1998; Zeithaml, 1988). The highest standardized parameter of promotion effects on loyalty shown in Table 4 indicates that “promotion effects” is an important factor to loyalty.

*The influence of promotion effects on switching barriers.* As predicted in H4, the relationship between promotion effects and attractiveness of competitors is negative and significant (H4, Figure 2). The result of H5 as expected reveals the positive relationship between promotion effects and perceived switching costs. However, the relationship between promotion effects and interpersonal relationships (H7) is partially supported by the negative sign as expected, but is insignificant.

[Table 4 here]

[Figure 2 here]

## 5. CONCLUSION AND IMPLICATION:

This paper aims to investigate the connection among promotion effects, **loyalty**, and **switching barriers**. This model developed herein tries to understand how and why it works. We show a new finding on the influence of loyalty comprised of **promotion** effects and switching barriers. Traditionally, the previous literature explored the influence of loyalty based on switching barriers (Jones et al., 2000; Rosario and Foxall, 2006; Chang and Chen, 2007) and promotion effects (Verhoef, 2003; Lewis, 2004; Bolton et al., 2000; Manning and Spratt, 2007) independently. Comparatively few studies in the literature examined and compared the two scales (promotion effects and switching barriers) and how they work on loyalty. This paper provides an integrative framework for **promotion** effects and switching barriers to loyalty.

The relationship between switching barriers and loyalty reveals partially the same results as the switching barriers theory of Jones et al. (2000). The interpersonal relationships and switching cost have positive and significant influences on loyalty. However, the attractiveness of an alternative does not support the negative relationship to loyalty significantly. The evidence possibly arises from the sales promotion of competitive department stores in Taiwan being “too often”. A similar promotion reward plan, which leads the attractiveness of an alternative, does not contribute to the switching barrier (attractiveness of competitors) since the customers change their shopping place easily based on similar promotion plans. In other words, the managers of department stores need to pay more promotion costs to build customer loyalty, such as more favorable reward plans that increase the customer switching cost. On the other hand, managers pay more effort to maintain an interpersonal relationship with their customers. To maintain a good interpersonal relationship with customers, a refined and customized service is needed.

The **promotion** effects have a positive and significant influence on loyalty, which is consistent with the prior literature. Interestingly, **promotion** effects have the most important weight to loyalty in our tested model. One explanation is there was the global financial crisis during the time of the survey. At that time, most customers cared how much they would pay and ignored low service quality and an uncomfortable shopping environment during the period of sales promotions. In Taiwan, department stores usually keep a uniform price except for annual ceremony sales. This leads customers to not go shopping until the annual sales commence. The important weight of promotion effects reveals loyalty somewhat, as loyalty depends on the reward of a promotion. That means department stores need to keep their annual sales to build customer loyalty. This kind of promotion may benefit their customers, but the providers pay more cost for the reward plan, thus decreasing their profit.

A positive and significant relationship exists between **promotion** effects and perceived switching cost. The influence of promotion effects on the switching cost is stronger than the other two barriers. The accumulated benefit, such as coupons, bonuses, and free gifts from the original providers, will be lost when customers switch to another provider. Therefore, the promotion effects can erect customers’ switching barrier. The negative relationship between the **promotion** effects and attractiveness of an alternative supports the promotion effects, which can lower the attractiveness of competitors. These similar promotion plans are not attributed to interpersonal relationships.

In terms of practice, our results support the important role of promotion effects, especially during the present economic recession around the world. The severity and duration of the recession highlight an interesting puzzle. Consumers prefer luxury goods in a department store, but they are not willing to pay the regular price, even when they experience bad service quality during the time of promotion. However, the expected promotion seemingly builds loyalty. Customers go shopping only during the promotion period and they change their providers easily. In the long term, the providers do not achieve more profit from customers’ seemingly loyalty. In fact, in the absence of market segmentation and target position, a similar service and brand do not form attractiveness of providers and do not build real loyalty. It seems likely that a unique product and clear position is better for loyalty. In addition, the young female are the major customers who spent more time and money to be engaged into high quality lives and fashion trends in the department stores (Taiwan Institute of Economic Research, 2010). The providers can offer more detail, considerate services, such as VIP rooms especially for female, distinct brands and free delivery to gain more profit.

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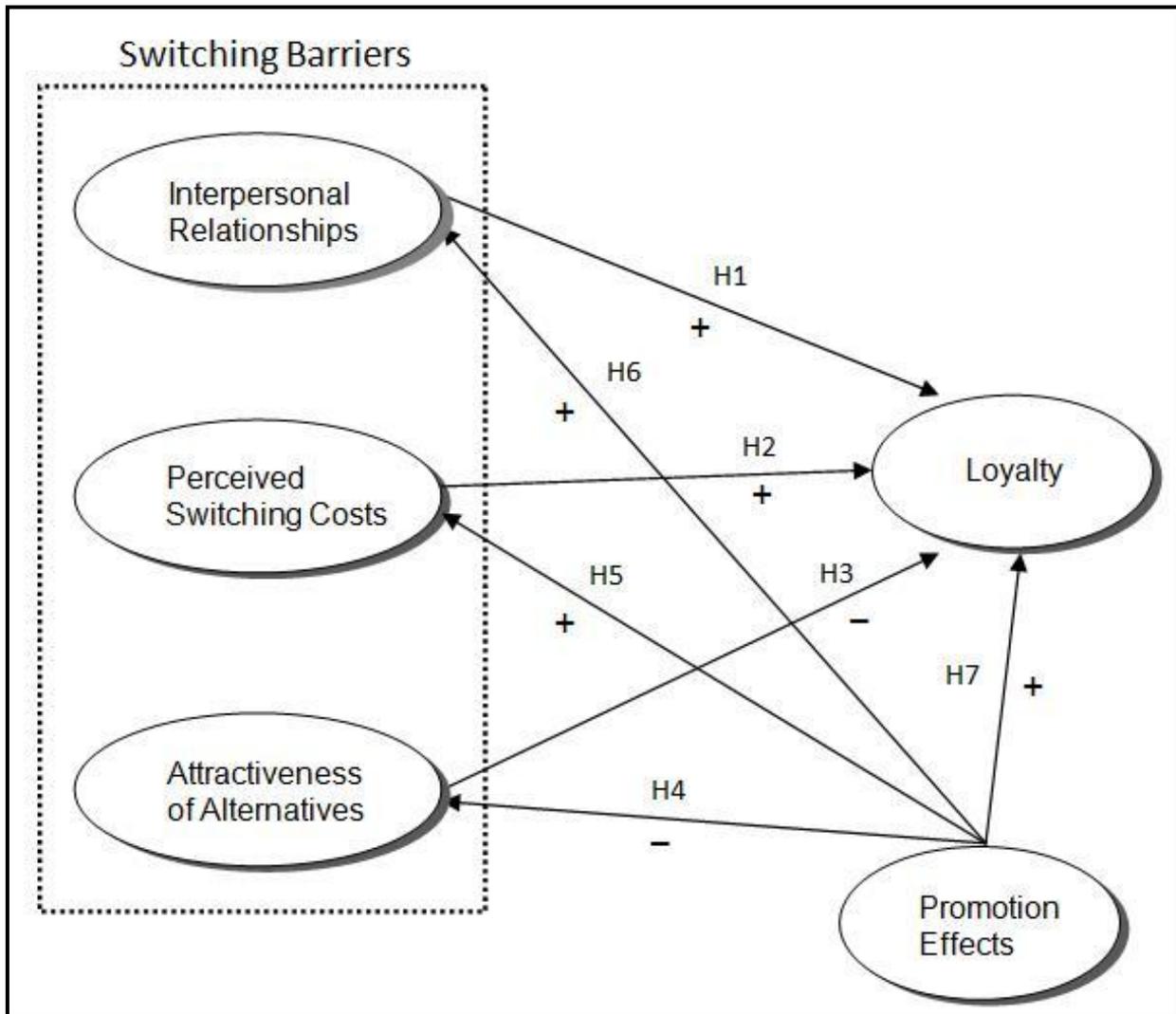
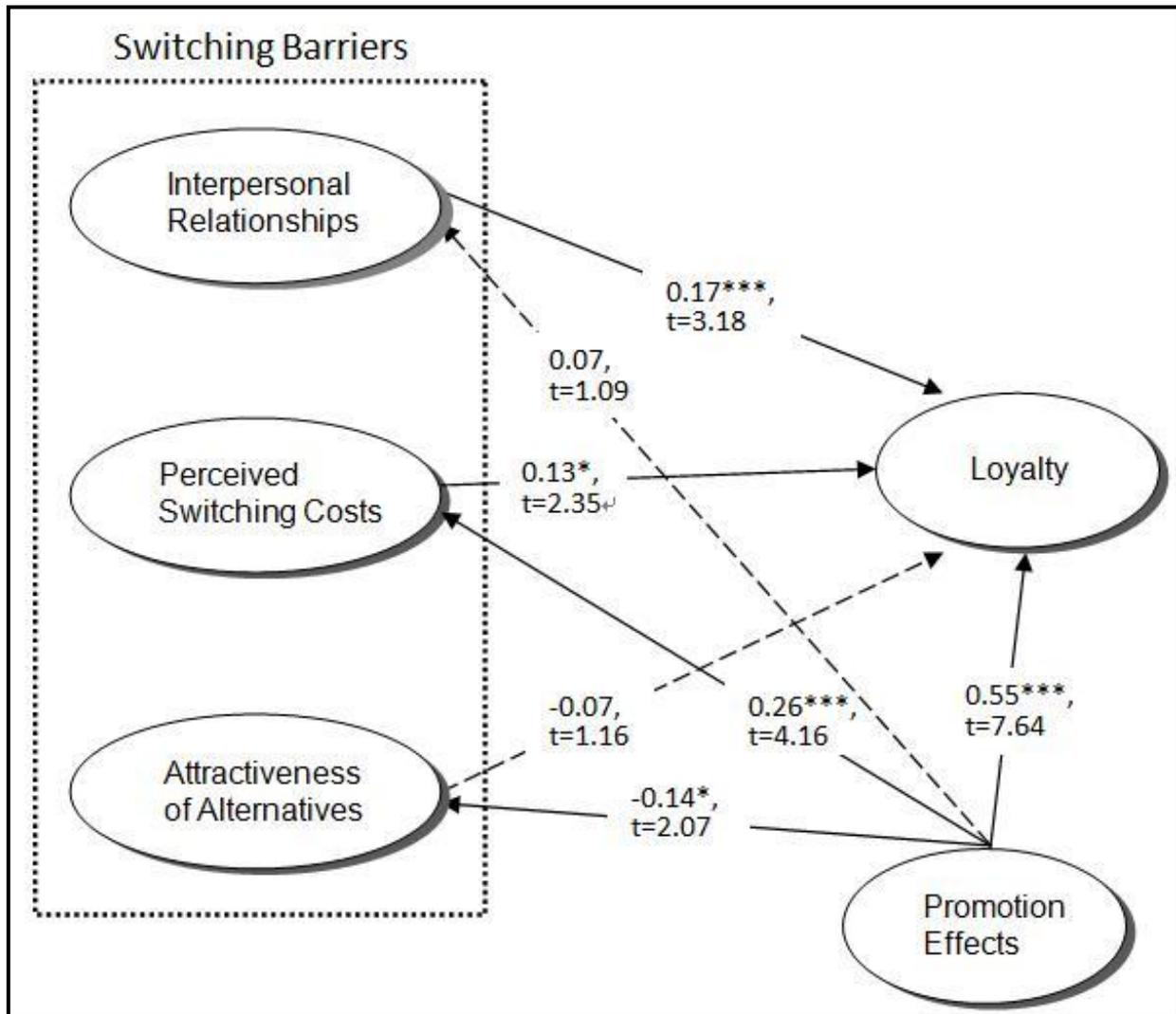


Figure 1. Conceptual Model and Hypotheses



Note: 1. The number is the path coefficients. The significant influences are solid lines and insignificant influences are dash line.

Figure 2. The Tested Results

Table 1

Sample Ratio Distribution in 2009

Department stores in Kaohsiung	Total revenue (US billion)	Market share ratio (%)	Sample ratio	Observations
Hanshin	0.33	41.48%	38.51%	144
Shin Kong Mitsukoshi	0.098	12.16%	10.96%	41
Talees	0.084	10.46%	10.43%	39
President	0.082	10.09%	10.16%	38
Far Eastern	0.085	10.59%	14.17%	53
Pacific Sogo	0.076	9.47%	9.09%	34
Hankyu	0.046	5.75%	6.68%	25
<b>Total</b>	<b>0.801</b>	<b>100.00%</b>	<b>100.00%</b>	<b>374</b>

Note: 1. The total revenue is provided by the Department Store Association in Kaohsiung (2008).

2. The market share ratio is calculated by the ratio of individual department store's revenue to total revenue, shown as a percentag .

**Table 2**  
**Description of and the Results of Measured Items**

Construct	Items	Standardized loading	Cronbach's $\alpha$	Composite reliability	Average variance extracted
<i>promotion effects</i>	It is well worth going shopping during the period of a sales promotion.	0.76***	0.76	0.79	0.65
	My purchasing willingness arises from the promotion activities.	0.79***			
<i>Interpersonal Relationships</i>	I have developed a good friendship with employees at this department store.	0.62***	0.84	0.93	0.82
	My friends are employees of the department store.	0.97***			
	The employees at the department store are familiar with me personally.	0.92***			
<i>Switching Cost</i>	An uncertainty feeling is relative to the untested service department store.	0.69***	0.86	0.92	0.74
	Search and evaluate the untested service department store costs you time and effort.	0.75***			
	You need time to adapt to the new department store.	0.88***			
	You are unfamiliar with the new department store.	0.81***			
<i>Attractiveness of Alternative</i>	If I needed to change the place for shopping, there are other good department stores to choose from.	0.56***	0.64	0.68	0.51
	I would be more satisfied with the products and services of other department stores.	0.69***			
<i>Loyalty</i>	I will continue to shop in the department store.	0.74***	0.82	0.90	0.74
	I will recommend my friends to shop in the department store.	0.91***			
	I will spend more time to stay at my favorite department store.	0.70***			

\*\*\*P<0.001

Note: 1. In the promotion effects scale, there are two items eliminated. One is "I always go shopping no matter what is on sale". The other one is "I will go shopping at the sales department store instead of going to the non-sale stores".

2. In the switching cost, the eliminated item is "I don't change shopping at another department stores for the reward provided from the original department store".

3. The item "I feel the same satisfaction and social position for shopping at this department store and other ones" is eliminated from the attractiveness of alternative.

**Table 3**  
**Means, Standard Deviations, and Correlations**

	Mean	Standard deviation	1	2	3	4	5
<i>1.Promotion Effects</i>	3.59	0.59					
<i>2. Interpersonal Relationships</i>	2.72	0.99	0.218(0.91)				
<i>3. Switching Cost</i>	3.43	0.74	0.326	0.289(0.86)			
<i>4. Attractiveness of Alternative</i>	3.54	0.60	0.317	0.278	0.345(0.71)		
<i>5. Loyalty</i>	3.70	0.68	0.546	0.274	0.321	0.296(0.86)	

Note: 1. The diagonal elements correspond to the correlations and their significant level at the 0.01 level.

2. The number of parentheses is the squared root value of the AVE.

3. The standardized estimates for our model paths and t-value are shown in Table 4. All causal relationships are based on the past literature.

**Table 4**  
**The Tested Results of the Model Paths**

Relationship	Standardized parameter	t-value
<i>Dependent variable: Loyalty</i>		
Interpersonal Relationships → Loyalty (H1,+)	0.17***	3.18
Perceived Switching Costs → Loyalty (H2,+)	0.13*	2.35
Attractiveness of Alternatives → Loyalty (H3,)	-0.07	1.16
Promotion Effects → Loyalty (H7,+)	0.55***	7.64
<i>Dependent variable: Attractiveness of Alternatives</i>		
Promotion Effects → Attractiveness of Alternatives(H4,)	-0.14*	2.07
<i>Dependent variable: Perceived Switching Costs</i>		
Promotion Effects → Perceived Switching Costs (H5,+)	0.26***	4.16
<i>Dependent variable: Interpersonal Relationships</i>		
Promotion Effects → Interpersonal Relationships (H6,+)	0.07	1.09

\*P<0.05 \*\*P<0.01 \*\*\*P<0.00