

The Impact of Discounter Presence on Store Satisfaction and Store Loyalty

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Abstract

For retail managers, it is crucial to understand how the presence of a hard discounter affects the evaluations of their stores. This study investigates the role of HD presence in satisfaction and share of wallet formation using an extensive data set for all grocery chains in the Netherlands in the period 2008–2017. We find that conventional retailers may suffer from the presence of a HD because of several reasons. Attribute evaluations may drop because of changing reference points. In addition, the importance of attributes may change as a result of the presence of HDs. The resulting drop in satisfaction may translate into a reduced SOW for traditional retailers. Taken together, these findings suggest that the best way for traditional retailers to protect themselves from the presence of a HD, is to create satisfied consumers who are less likely to move their grocery budgets away from conventional retailers to HDs.

Keywords: *satisfaction; loyalty; discounter*

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