On linking socioeconomic status to consumer loyalty behaviour

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A B S T R A C T

This study provides novel insights into the way loyalty behaviour to the performing arts is formed. Research in this area has predominantly relied on either demographics or motives to understand audience behaviour and we have provided a theoretically robust explanation for the psychological processes that connect occupation, income and education (SES) to loyalty. Based on a sample of 196 concert attendees aged between 20 and 50, and using an adapted model of motivation, we showed that basic psychological need (BPN) satisfaction plays a pivotal role in transferring the effects of SES to loyalty for this important demographic through utilitarian and hedonic attitudes. These findings highlight the importance and potential application of a universal needs concept for expanding and deepening consumer behaviour theory. The implications of the findings for research and practice are addressed throughout and the study concludes with recommendation for further research.

1. Introduction

Attendance at classical music concerts has been declining (Allday, 2012) for well over a decade. Intense competition from more popular entertainment forms, coupled with economic uncertainty have influenced demand trends (Anning, 2016) and increased production costs and reduced public subsidies have put pressure on supply. Moreover, audiences are getting older, with a recent study in the United Kingdom reporting that 37% of patrons in that country are aged over 61, 42% between 41 and 60 and only 7% aged under 31 (Bradley, 2017).

Clearly, performing arts practitioners are facing challenging times and while retaining current audiences is important, strategic actions to energize younger audiences must be prioritized and central to this is understanding the factors that influence the next wave of classical music consumer behaviour. From a cultural sociological perspective (Bourdieu and Nice, 1984), preferences for the arts are posited to reframe and reinforce social class distinctions (Newman et al., 2013) and while the line between traditional highbrow/lowbrow positions has blurred (Peterson and Albert, 1992) a considerable amount of research supports an association between socioeconomic status (SES) and performing arts attendance patterns (Kraaykamp et al., 2010; NEA, 2015;Yaish and Katz-Gerro, 2012).

Others however believe that socioeconomic factors alone do not adequately account for audience participation and suggest that researchers broaden the focus to consider ‘lifestyle’ variables (Seaman, 2005). Gofman et al. (2011) for example found that young people on lower incomes were attracted to museums for fun and social interaction reasons and Manolika et al. (2015) reported that the ability of education, occupation and income levels to predict performing arts attendance was significantly increased when intrapersonal motives were included in their model.

Given the audience experience is relational and situational (Walmsley, 2013), researchers rely on both motives and socio-demographic variables (Snowball et al., 2010) however much of this work is descriptive or correlation (Swanson et al., 2008). Such information is valuable for consumer profiling purposes but not for theory building as it does not provide insights into underlying or intervening processes that connect socioeconomic and psychological constructs to behavioural outcomes (Hager and Winkler, 2011; Manolika et al., 2015).

Socioeconomic status (SES) is an attractive segmentation option because information on indicators such as occupation and education are easy to collect, and they remain relatively stable. This stability however is also a limitation because unlike attitudinal and or motivational constructs, education or occupation levels cannot be influenced by marketing tactics. The identification of suitable psychological mediating variable(s) is therefore crucial for creating deeper connections with audiences and attracting new participants.

The aim of this study is to explore the relationship between SES and loyalty behaviour. We begin with a multidisciplinary literature review and then develop and empirically test a model using a sample of classical music concert attendees born between 1968 and 1998. Depending on the source, these dates correspond to Gen X through to Millennials and understanding the behavioural patterns of this segment is of utmost importance given they will replace the largely Baby Boomers audiences...

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of today (Magazine, 2012). As such, the findings from this study will be of interest to both classical music researchers and practitioners and will also have important implications for the broader consumer behaviour research community.

2. Literature review

Since the 1960s (Kotler and Levy, 1969) the concept of human needs has played a major role in shaping marketing thought and practice, with Kimmel (2018) recently describing them as the root of consumer motivations and marketing decisions. While marketing textbooks have typically focused on Herzberg or Maslow (c.f. Kotler and Armstrong, 2015), a vast body of research from Self Determination Theory continues to provide support for three basic and innate psychological needs (BPN) (Ryan, 1995). These needs, autonomy (the need to be in control of one’s actions), competence (the need to feel capable of mastering meaningful tasks and challenges) and relatedness (the need to feel close to, and supported by significant others) (Ryan and Deci, 2003), are fundamental to understanding human behaviour because people pursue activities to satisfy them.

Research has consistently shown that when people perform tasks or activities in environments that support autonomy, competence and relatedness, they experience higher levels of motivation and well-being and (Soenens et al., 2005) and are more stable in their attitudes and behaviours (Koestner et al., 1992). Vallerand (1997a,b) formalised the relationship between these constructs by proposing a motivational sequence whereby conditions in the external environment were posited to predict need satisfaction, need satisfaction then predicted motivation that in turn predicted various cognitive, affective and behavioural outcomes. The motivational sequence has been supported in studies using cross-sectional, longitudinal and experimental designs across a variety of contexts (Barkokins et al., 2010; Sarrazin et al., 2002) and will serve as the conceptual framework for the present study.

A concept of universal psychological needs is appealing on several levels, but their role in linking external environmental factors to motives and behaviours has important implications for present study, given socioeconomic status (SES) reflects an individual’s social, physical and cultural environment (Willekens and Lievens, 2016). After an extensive search of academic databases, we found only two studies that provide insights into the relationship between SES and BPN. González, Swanson, Lynch and Williams (2016) tested a model where BPN were posited to mediate the effects of SES on perceptions of physical and mental health. SES was operationalized by forming an index based on occupation rank, income and education of employees in a large private organisation, and BPN satisfaction was assessed with a scale developed specifically for work contexts (Lynch et al., 2005). They reported that SES and BPN are statistically associated and needs partially mediated the relationship between SES and health perceptions.

Di Domenico and Fournier (2014) examined participants’ subjective view of their socioeconomic status, their household income and a global, rather than contextualised (work for example) measure of BPN satisfaction. Their results showed that higher levels of SES and income were positively associated with higher levels of need satisfaction, yet negatively associated with health complaining behaviour. BPN fully mediated the effects of SES and income on health, and the indirect effect of SES on health complaints was significant.

Although these findings appear consistent, there are important differences. First, the outcome variables in both were health related so that while the indirect effects of SES on the outcome variables were significant, they may not be in a classical music context. Second, each used different indicators of SES and third, BPN satisfaction was measured at different levels of specificity—in a work setting and generally in one’s life. Lastly, BPN were posited to directly predict the outcome variables despite widespread acceptance that the needs–outcome relationship is mediated by motivational or attitudinal constructs (Vallerand, 1997a,b). Considering these limitations and given the paucity of available research, we hypothesise that higher levels of SES will be significantly associated with higher levels of BPN satisfaction.

H1. SES will have a significant positive effect on BPN satisfaction.

2.1. Loyalty, attitudes and BPN

The dependant variable in this study is consumer loyalty, a widely accepted indicator of marketing and overall firm performance (Bloemer and Kasper, 1995; Watson et al., 2015). Loyalty is a complex construct that has attitudinal and behavioural components (Dick and Basu, 1994) and for decades considerable academic attention has been devoted to understanding how it is formed (Oliver, 1999). The resultant output has been substantial and while some antecedents, consumer satisfaction and trust (Nyadzayo and Khajehzadeh, 2016; Pan et al., 2012) for example, are common across multiple contexts, some believe the vast majority can be classified as either utilitarian or hedonic (Jones et al., 2006; Kesari and Atulkar, 2016; Voss et al., 2003). Consistent with research in marketing contexts (Chitturi et al., 2008) we define utilitarian attitudes as functional and practical dispositions regarding a consumption experience while hedonic attitudes have an affective, sensory and emotional tone.

It is generally accepted that both types of attitudes have a significant and positive impact on loyalty (Jones et al., 2006) however the type of product, consumer characteristics or consumption context have been shown to moderate the effects. To illustrate, Gursoy et al. (2006) reported that hedonic reasons such as fun and excitement were stronger predictors for attending music festivals, while Hume, Mort and Winzar (2007) found that utilitarian reasons such as service quality and value for money were more important than emotional attainment in a performing arts context. Despite these fluctuations, utilitarian and hedonic attitudes have been viewed as fundamental to understanding consumer behaviour “...because they maintain a basic underlying presence across consumption phenomena” (Childers et al., 2001, pp 513) and as such will used as predictors of loyalty in the present study. As we have been unable to find any research regarding utilitarian or hedonic attitudes and the loyalty behaviour of 20 to 50-year-old concert attendees we offer the following hypothesis.

H2a. Utilitarian attitudes will have a significant positive effect on loyalty behaviour

H2b. Hedonic attitudes will have a significant positive effect on loyalty behaviour

The role of basic psychological needs as the underlying mechanism for motivational, attitudinal and behavioural outcomes has been extensively documented in work, sport and education domains, however, with few exceptions (Gilal et al., 2019; Heihe and Chang, 2016; Siu et al., 2016), has been largely neglected by consumer marketing researchers. We have no guidance as to how BPN will impact on utilitarian or hedonic attitudes but there is enough indirect evidence available to hypothesise the relationship. For example Guacciardi and Jackson (2015) reported that overall need satisfaction was positively associated with intentions to continue with team sports. Walker and Kono (2018) found need satisfaction positively impacted on satisfaction with leisure time activities while (Chang et al., 2015) found that needs predicted hedonic wellbeing. Finally, higher levels of need satisfaction were also associated with higher levels of cognitive, affective and behavioural engagement in education (Saeki and Quirk, 2015). As such we posit that:

H3a. Basic psychological needs will have a significant positive effect on utilitarian attitudes.

H3b. Basic psychological needs will have a significant positive effect on hedonic attitudes.

Fig. 1 displays the relationships between the various constructs in
3. Methodology

An online survey was sent to 15 professional music organisations ranging from large symphony to community orchestras. The organisations agreed to participate and distributed a survey to their subscriber base. The sample consisted of 196 respondents between the age of 20 and 50 and 70% were female. Just over 70% of the sample had university qualifications, 65% held senior management or professional positions, 13% were in trade professions and 22% were students. In terms of annual income, 43% earned below AU$49,000, 30% between AU$50,000 and AU$89,000, and 27% earned above AU$90,000. Since the participating organisations were reluctant to provide details regarding their subscriber databases, formal tests of non-response bias cannot be provided. That said, the prevalence of higher SES characteristics in the present sample does conform to previously published large scale surveys on performing arts audiences (NEA, 2015; Yaish and Katz-Gerro, 2012).

3.1. Measures

To operationalize SES we computed an index of consumers’ educational, occupational and income levels and these indicators were chosen because they have been used as predictors of BPN (Di Domenico and Fournier, 2014; González et al., 2016), and across diverse samples and contexts (Calixto and Anaya, 2014; McMillan et al., 2009; Van Lenthe and Mackenbach, 2006).

The three SES indicators were subjected to a Categorical Principal Components Analysis (CATPCA). Only one component had an Eigenvalue that exceed recommended cut-off levels (> 1) and it accounted for a respectable 66% of the total scale variance. The loadings for education, occupation and income on the component were 0.730, 0.884 and 0.815 respectively and as these levels are considered excellent (Linting and van der Kooij, 2012), participants scores on this component were saved as a separate SES variable that formed the index (Sartipi et al., 2016).

Nine items were used to measure BPN satisfaction and these were drawn from reputable and reliable sources (Johnston and Finney, 2010; Sheldon and Hilpert, 2012). After a factor analysis, three distinct factors were produced that explained 66% of the total scale variance. The alpha coefficients for autonomy, relatedness and competence were 0.65, 0.75 and 0.80. Consistent with much of the literature on BPN (Lalande et al., 2017) and to reduce potential measurement and standard errors (Bagozzi and Heatherton, 1994), we aggregated the items for each need to create three indicator variables that were used to form a single latent need construct. The alpha coefficient for the three need indicators was 0.77.

Numerous frameworks have been developed to assess utilitarian and hedonic attitudes. Some of these are general (Voss et al., 2003) and others focus on specific activities such as shopping (Naletelich and Paswan, 2018). Items to capture these constructs were drawn from various sources and selected with a performing arts context in mind. The qualitative work of Hue et al. (2006) assisted this task. Hedonic attitude was measured with four items and these produced an alpha coefficient of 0.86 and three utilitarian attitude items had an alpha of 0.79. Loyalty was measured with three items capturing word of mouth, repurchase and voluntary participation behaviours that taken together form a robust conceptualisation of this construct (Zeithaml et al., 1996). These items had a coefficient alpha of 0.75. All scales were accompanied by 7-point interval scales and item statements can be found in appendix 1.

3.2. Data analysis

Data was analysed using Structural Equation Modelling (SEM) in AMOS 24. Bootstrapped confidence intervals were computed to test for indirect effects (MacKinnon et al., 2007). To minimise the presence of methods bias (Podsakoff et al., 2003) we reversed the scales on some items and shuffled items from the same scales randomly throughout the questionnaire. A latent common method technique (Podsakoff et al., 2003) determined whether post hoc method effects were present in the data. Convergent validity was assessed by computing the average variance extracted (AVE) for each construct, and the square root of the AVE would confirm discriminant validity (Fornell and Larcker, 1981).

The ratio of chi-square to the degrees of freedom and the root mean square error of approximation (RMSEA) were used as absolute fit measures and the comparative fit index (CFI) was used as an incremental fit indicator (Hair et al., 2006). To confirm the mediation sequence, we estimated the model depicted in Fig. 1 and this produced a χ² (61) = 103.98, p = 0.000, RMSEA = 0.061 and CFI = 0.957. We then estimated a full model that specified all possible direct effects, and this produced a χ² (57) = 98.45, p = 0.000. As the χ² difference between the full and mediating models was not significant (χ² (4) = 5.53) the mediation model is considered superior (Perugini and Conner, 2000). Table 2 displays the path coefficients between the constructs and all hypotheses except H2b can be accepted. Additionally, the data to hypothesised model fit statistics were good and the model explained a respectable 76% of the variance in loyalty behaviour.

As we were unable to formally specify hypotheses for the relationship between SES, utilitarian and hedonic attitudes and loyalty, due to a lack of research in this area, we took an opportunity to conduct additional analysis before discussing the results. Bootstrapped confidence interval levels showed that there were significant indirect effects from

![Fig. 1. The proposed model.](image-url)
Table 2
Parameter estimates and p values for direct paths between constructs.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Estimate</th>
<th>p</th>
<th>Hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>SES – Needs</td>
<td>.187</td>
<td>.007</td>
<td>H1 accept</td>
</tr>
<tr>
<td>SES - Utilitarian</td>
<td>.080</td>
<td>.266</td>
<td></td>
</tr>
<tr>
<td>SES - Hedonic</td>
<td>.001</td>
<td>.993</td>
<td></td>
</tr>
<tr>
<td>SES - Loyalty</td>
<td>.054</td>
<td>.177</td>
<td></td>
</tr>
<tr>
<td>Needs – Utilitarian</td>
<td>.434</td>
<td>.005</td>
<td>H2a accept</td>
</tr>
<tr>
<td>Needs – Hedonic</td>
<td>.434</td>
<td>.009</td>
<td>H2b accept</td>
</tr>
<tr>
<td>Needs – Loyalty</td>
<td>.077</td>
<td>.292</td>
<td></td>
</tr>
<tr>
<td>Utilitarian – Loyalty</td>
<td>.679</td>
<td>.000</td>
<td>H2a accept</td>
</tr>
<tr>
<td>Hedonic – Loyalty</td>
<td>.031</td>
<td>.477</td>
<td>H2b reject</td>
</tr>
</tbody>
</table>

p = 0.05.
Non-significant paths in italics.

SES through BPN to utilitarian (95%, CI 0.020; 0.137), hedonic (95%, CI 0.019; 0.139) and on to loyalty (95%, CI 0.019; 0.123). There were also significant indirect effects from BPN to loyalty (95%, CI 0.067; 0.303). We can now confirm that SES does influence attitudes and consumer loyalty and show that BPN are the mechanism that transfer the effects.

5. Discussion

The aim of this study was to explore the relationship between SES and loyalty and after adapting a motivational sequence, we applied it to a sample of 20 to 50-year-old classical music concert attendees. The results from this study make significant practical and theoretical contributions to the performing arts and consumer behaviour research in general. The sample in this study represents the next wave of classical music audiences and we have provided unique insights into the psychological processes that link their socioeconomic background to loyalty behaviour. SES has been used to contrast differences in populations across many domains (Sirin, 2005), including performing arts (Kraaykamp et al., 2010; Newman et al., 2013), however inconsistent findings have cautioned against using socioeconomic data for understanding audience participation (Hager and Winkler, 2011). We are the first show, in a consumer context, that SES connects with mental processes at an innate psychological need level, rather than attitudinal or behavioural. This raises the possibility that inconsistencies in prior studies could reflect fluctuating need satisfaction, rather than a fundamental problem with SES per se. Our results confirm that SES plays a significant indirect role influencing utilitarian and hedonic attitudes and consumer loyalty and is a valuable resource for industry practitioners when used in conjunction with psychological constructs.

Basic psychological needs played an integral role in this study and they can potential provide a vehicle for linking a broader range of external factors to other outcome variables and contexts. For example, need satisfaction could provide insights into how the effects of the consumer experience in digital environments are transferred to decision-making processes (Rosario et al., 2016), and since BPN are invariant across cultures (Chen et al., 2015) they could play a role in explaining individual consumer differences in cross cultural studies (Patterson, Brady and McColl-Kennedy, 2016). An attractive feature of the BPN need concept, is that researchers and practitioners have a limited, yet universal set of requirements to satisfy. As we have shown, they energised two types of attitudes, indirectly influence loyalty and provide a robust platform, that spans all demographic boundaries, to frame marketing activities.

As hypothesised, higher levels of BPN satisfaction were associated with higher levels of utilitarian and hedonic attitudes as for every increment of BPN, utilitarian and hedonic attitudes increase by 0.34 and 0.43 respectively. The association between BPN and intrinsic and extrinsic motivation is well documented (Dysvik et al., 2013), and we are the first to report a significant relationship between BPN and an attitudinal framework that is widely used in consumer contexts. This finding should encourage consumer researchers to consider BPN when seeking to deepen or broaden theory. Our findings related to hedonic attitudes and loyalty were unexpected. Despite being significantly correlated, when nested within our model, and with a sample of 20 to 50-year-old's, hedonic did not predict loyalty behaviours. While Hume et al. (2007) noted that cognitive evaluations of a concert experience were stronger than emotive, they recognised the latter played an important role, however our findings clearly show that more functional outcomes such as learning new things and benefiting from the experience are the key drivers of loyalty.

5.1. Practical implications

We have shown that higher levels of SES are associated with higher levels of BPN satisfaction, and to encourage repeat patronage or attract new audiences, marketing promotional and relationship building efforts should be directed at 20 to 50-year-old consumers with high SES characteristics. More specifically, marketing activities should be focused on facilitating BPN satisfaction. Relatedness is a need to belong and be connected to others and there are virtual and physical ways to facilitate this. For example, personalising communication to acknowledge anniversary’s or birthdays and providing opportunities for consumers to meet and interact with other consumers and performers can help create a sense of connection. Offering seating upgrades, discounting tickets in periods of low demand or bundling with other services like hotels and restaurants (Hall et al., 2016) are other ways managers can facilitate a sense of embeddedness.

Competence refers to a need to learn and master new challenges that are enjoyable and meaningful. Competence is facilitated through education and disseminating information via mobile apps and sound bites could stimulate interest and curiosity with relatively new audiences. Sponsoring Q & A talks with experts, providing webinars or posting information on composers or symphonies to a company’s website may suit more experiences concert attendees. Autonomy involves a sense of being in control and expanding choice options through non-traditional programming such as performing at non-concert venues, inviting guest soloists from different genres, and distributing live concert performances on multi-media may prove effective in facilitating autonomy needs. As 22% of the current sample identified as students, pop-up concerts with limited ensembles on or near university or college campuses could be considered a logical venue extension option.

The overarching message from our findings is that any form of promotion or relationship building strategy for this segment should be considered primarily in utilitarian terms, as for every increment of utilitarian attitudes loyalty increases by 0.68. Emphasising benefits such as learning new things and opportunities to build personal networks will assist in reinforcing re-patronage decisions, increase positive word of mouth and encourage go the extra mile behaviours.

5.2. Limitations and future research

The aim of this study was to explore the relationship between SES and loyalty. Following a multidisciplinary literature review we developed and empirically tested a motivational sequence using a sample of classical music concert attendees born between 1968 and 1998. These findings will benefit researchers and practitioners interested in the performing arts and broader consumer behaviour domain. We have shown how the direct effects of a consumer’s socioeconomic background first occur at a basic psychological need level and then flow indirectly through attitudes to influence loyalty behaviour. Additionally, we found that for 20 to 50-year-old concert attendees, utilitarian attitudes were the strongest direct predictors of loyalty.

There are ample opportunities to improve on and advance the current study. Experimental or longitudinal designs based on representative samples would supplement the cross-sectional approach.
used here. We focused on performing arts and future research could examine the relationship between different services or retail outlets and BPN satisfaction. For example, do customised/standardised services, satisfy different psychological needs? What is the relationship between the SES, Service Profit Chain and need satisfaction (Hong et al., 2013)? And how do Servicescape (Morin et al., 2007) elements interact with the various needs? Finally, qualitative research into the effectiveness of existing, and identification of new marketing activities that facilitate BPN satisfaction is extremely important work that has yet to done.

Appendix 1

Loyalty

- I make constructive suggestions to the employees of venues that host classical music concerts on how to improve the service they provide
- I would consider attending a classical music concert in the future
- I have only good things to say about attending classical music concerts

Basic Psychological Needs

Autonomy

- I feel like I can pretty much be myself in my daily situations.
- I feel like I am free to decide for myself how to live my life.
- I generally do not feel free to express my ideas and opinions*

Competence

- Often, I do not feel very competent*.
- In my life I do not get much of a chance to show how capable I am*.
- I often feel very capable

Relatedness

- I get along with people I meet
- People are generally friendly towards me
- I consider the people I regularly interact with to be my friends

Hedonic

- Excited
- Glad
- Satisfied
- Happy

Utilitarian

- Wise
- Beneficial
- Important to me
- Learn new things
- Reversed worded

References
