



**FACULTEIT ECONOMIE
EN BEDRIJFSKUNDE**

**TWEEKERKENSTRAAT 2
B-9000 GENT**

**Tel. : 32 - (0)9 - 264.34.61
Fax. : 32 - (0)9 - 264.35.92**

WORKING PAPER

Does Satisfaction Matter More if a Multichannel Customer

Is also a Multicompany Customer?

Bart Larivière

Bruce Cooil

Lerzan Aksoy

Timothy L. Keiningham*

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* **Bart Larivière** is Assistant Professor of Service Management, Department of Management, Innovation and Entrepreneurship, Ghent University, Tweeckerkenstraat 2, 9000 Ghent, Belgium & Visiting Scholar, Erasmus School of Economics, Erasmus University Rotterdam, Burgemeester Oudlaan 50, 3062 Rotterdam, the Netherlands, Phone +32 9 264 35 36, Fax: +32 9 264 42 79, E-mail: bart.lariviere@UGent.be; **Bruce Cooil** is Dean Samuel B. and Evelyn R. Richmond Professor of Management Owen Graduate School of Management, Vanderbilt University, Nashville, TN 37203, Phone: (615) 322 3336, Fax: (615) 343 7177, E-mail: bruce.cooil@owen.vanderbilt.edu; **Lerzan Aksoy** is Associate Professor of Marketing, Fordham University Graduate School of Business, 1790 Broadway Avenue, 11th Floor, Office #1129, New York, NY 10023, Phone: (862) 221-0105, Fax: (212) 636-7076, Email: aksoy@fordham.edu; **Timothy L. Keiningham** is Global Chief Strategy Officer and EVP IPSOS Loyalty, Morris Corporate Center 2, 1 Upper Pond Rd, Bldg D., Parsippany, NJ 07054, Phone: 973.658.1719, Fax: 973.658.1701, E-mail: tim.keiningham@ipsos.com;

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Research Summary:

Purpose – Although the influence of using multiple channels on customer behavior has been investigated, most of this research has focused on channel behavior within a single company. Customers however frequently have access to multiple providers amongst which they can choose to allocate their spending in a category. Prior research therefore has neglected to understand what happens when a multichannel customer also chooses to conduct business with multiple companies. This research investigates the moderating influence of both multichannel and multicompany usage on the impact that customer satisfaction has on share of wallet (SOW).

Design/methodology/approach - The data used in the analyses was collected as part of both survey and transactional data of 802 households of a large financial services provider. Within class regression models were employed to test the moderating effects of different segments that were identified based on multichannel-multicompany customer differences.

Findings – The findings confirm that using multiple channels has an overall positive moderating impact on the satisfaction – SOW link and that customer satisfaction matters more when the customer adopts multiple channels; online channel usage in addition to offline usage. Furthermore, this effect is even more pronounced for customers that transact with multiple providers. That is, the group of customers that use both the company’s and competitors’ offline and online channels reveal a higher satisfaction - SOW association than the group of customers that only adopted the offline channel with the company and competitor.

Research limitations/implications – The limitation is that this research examines a single industry. The results however clearly show the need for future research to account for both multichannel and multicompany differences to fully understand the effect of customer satisfaction on share of wallet.

Originality/value – There are two major differences of the paper compared to what has already been done in the literature: (1) It examines the impact of both multichannel and multicompany usage, which has never been investigated before; (2) It examines the moderating impact of these variables on the satisfaction - behavior link / relationship as opposed to the direct effect on satisfaction or behavior separately or in isolation. This research also provides important managerial guidance on the need to capture customers’ multicompany preferences and how to more efficiently allocate budgets in creating satisfaction with the goal of ensuring higher share of spending by taking on a more targeted approach.

Keywords Multichannel, Multicompany, Customer Satisfaction, Share of Wallet, Financial Services