UHASSELT

KNOWLEDGE IN ACTION

Faculty of Business Economics

Master of Management

Master's thesis

The satisfaction trap: why are happy customers still switching?

Kayleigh Beertens

Thesis presented in fulfillment of the requirements for the degree of Master of Management, specialization International Marketing Strategy

SUPERVISOR :

Prof. dr. Allard VAN RIEL

2024
2025

Faculty of Business Economics
Master of Management

Master's thesis

The satisfaction trap: why are happy customers still switching?

Kayleigh Beertens
Thesis presented in fulfillment of the requirements for the degree of Master of Management, specialization International Marketing Strategy

SUPERVISOR :
Prof. dr. Allard VAN RIEL

Preface

The topic of service switching was one of the first interesting topics I learned about at Hasselt University during the course of Prof. Dr. Allard Van Riel. It was particularly interesting for me as I am the daughter of entrepreneurs who used to work in the construction industry but switched to the fashion industry after 20 years. The fashion industry was and still is fairly new to them and me, as they had to start from zero. After launching their first high-end multi-brand clothing store in 2019, they were hit hard by the worldwide COVID-19 pandemic in 2020, only one year after the opening. Like any other clothing store in the industry, they fought hard to keep their heads above water and not perish like many others unfortunately did. At present, the boutique still exists but is still having difficult times post-COVID-19. My parents and I noticed a remarkable switch from customers towards the online commerce of clothing. Especially during COVID-19, many people started buying online because going to physical stores was no longer an option. Moreover, that new way of shopping never really disappeared after the pandemic. Of course, online shopping existed long before the pandemic hit, but because of the pandemic, online shopping has become more popular. Besides that, the fashion industry is a highly competitive sector where you need to be a shark to survive. Peculiarly, when you are in the high-end multi-brand fashion boutique industry, having customers who are satisfied and remain loyal is difficult. It seems like true loyalty does not exist anymore. This is the main reason for my curiosity about service switching. I want to find out why customers still switch to different high-end multi-brand fashion boutiques even after they are satisfied when buying a piece of clothing in a certain high-end multi-brand fashion boutique, such as the one my parents have. This was also my biggest driver in finishing this thesis successfully, so I can provide my parents with an answer on how they can retain their already satisfied customers better.

Furthermore, I would like to show my gratitude towards my supervisor, Prof. Dr. Allard Van Riel. He supported me very well during this whole process, he was very patient with me, he brainstormed with me and gave insightful directions that helped me substantially during the writing of my thesis. I am grateful that Prof. Dr. Van Riel was allowed to be my supervisor during this stressful, but also exciting journey. I can honestly say that I was able to get the best out of myself thanks to his empathy, his support and of course, his knowledge. I would also like to thank my fellow student Khatereh Sheibani Tezerji. During the school year, we met up almost every week to work on our theses together, giving each other the much-needed support and willpower to stay on track and finish our theses successfully. Last but not least, I would also like to thank my parents for giving me the opportunity to study for my master's degree, being patient with me throughout all of my academic journeys and supporting me throughout anything that comes my way.

Table of contents

Abstract

This master's thesis explores service switching in the luxury multi-brand fashion market and aims to find out why satisfied customers still switch to other multi-brand fashion boutiques. This thesis studied many papers regarding the general topic and came to the conclusion that despite high levels of satisfaction, customers are prone to switch to other boutiques. The reasoning why these customers switch is heavily understudied. Therefore, this thesis explores how switching costs and variety-seeking behaviour influence boutique loyalty and service switching, and whether satisfaction mediates or moderates these relationships.

A qualitative research method was applied through two semi-structured focus groups, which consisted of boutique customers of varying ages, education levels and incomes. The data received from both focus groups were analysed via thematic analysis.

The findings of the study revealed that relational switching costs, such as trust, personal recognition, and emotional safety, have the strongest influence on boutique loyalty, and that variety-seeking often leads to switching even in the absence of dissatisfaction. This study also concluded that satisfaction acts more like a moderator between switching costs and boutique loyalty, and that satisfaction between variety-seeking and service switching acts more like a partial or conditional mediator, depending on the strength of emotional switching costs.

In summary, boutiques should focus on creating personalised experiences and building relational capital in order to retain their customers, instead of offering financial incentives that seem to have no significant impact in this particular market.

1. Introduction

The fashion industry observed a notable switch to online shopping during the worldwide COVID-19 pandemic. Going to physical stores was no longer allowed as social distancing was established. Therefore, people had no choice but to resort to online shopping, which led to increased online shopping and downloads of web shop applications during the pandemic (Anonymous, 2024). Online sales and digitalisation of the customer's shopping experience are completely reshaping the luxury sector. Luxury e-commerce is expected to increase online sales for personal luxury goods and to reach 25 per cent by 2025 (Sakhuja, 2022). Kearney, a global consulting firm, conducted a study investigating luxury customer purchasing behaviour during the pandemic in 2021 and 2022. Kearney focused solely on the United States, Germany, and China, where they surveyed 500 high-income consumers per country who had purchased at least one luxury item in the past twelve months. Focusing on four categories, luxury clothing, shoes, and accessories, was one of the categories they concentrated on. Their study revealed that Germany had spent the least on luxury goods, with only €1200 on clothing, shoes and accessories, which can be compared to Belgium, as Germany and Belgium are neighbouring countries with similar customer behaviour. Kearney also found that all three countries made half of their purchases online. According to Kearney, the online shift is here to stay as the lockdown accelerated online purchasing, and customers became accustomed to it. (Graf Dijon Von Monteton, 2022). As suspected, post-pandemic, online shopping still plays a significant role in the fashion industry and has, unfortunately, become a substitute for brick-and-mortar stores.

Besides the rise of online shopping, there is much competition between physical, high-end, multi-brand fashion boutiques that are not present in the online market. Multiple stores offer the same brands and/or the same design of clothing, shoes, bags or accessories of a particular brand, resulting in similarity between different boutiques. This leads to high competition because every boutique wants customers to visit their store and stay loyal to them. Nowadays, it is not easy to differentiate in this particular sector because, as said earlier, most high-end multi-brand boutiques offer the same brands and articles. The only way they can differentiate themselves is by offering a unique service to their customers while they are shopping in their boutique (Gonda et al., 2020). However, even if the service is excellent, customers still tend to switch to other boutiques and do not give their ultimate loyalty to just one boutique. Studies cited by Oliver (1999) and Reichheld (1996) show that between 65% and 85% of customers who say they are "satisfied" still defect to competitors. That makes this a very interesting topic to research because most businesses think that customer satisfaction is equal to retention. However, that assumption could not be more wrong. Furthermore, brand loyalty has been well-studied in luxury fashion, but service loyalty in multi-brand boutiques is underexplored. Therefore, expanding knowledge on service switching in high-end fashion retail is a relevant addition to the literature for understanding the interplay of satisfaction and loyalty in customer behaviour.

After finding gaps in the literature when reading multiple articles about service switching, (the decision to change from one service to another) switching costs (barriers that make it hard for customers to switch), variety-seeking behaviour (the urge to experience something new), customer loyalty (faithfulness) and customer satisfaction (contentment), the following research question was

formulated: **"How do customers of high-end multi-brand fashion boutiques perceive and experience service switching, and what underlying factors drive their decisions to change boutiques?".** To answer the main research question, a few sub-questions need to be answered, too, which are:

- How do switching costs (financial, emotional, social) impact boutique loyalty?
- How does variety-seeking behaviour influence service switching in luxury multi-brand boutiques?

In 2025, the global fashion industry is predicted to face economic uncertainties because of dynamic markets and shifts in customer behaviour. The McKinsey Global Fashion Index forecasts slow, continuous growth in the non-luxury fashion industry for 2025, sadly not in luxury fashion (Balchandani et al., 2024). Therefore, this paper aims to map service switching motivations and barriers of (previously) loyal customers in the high-end multi-brand fashion retailing industry in Europe, in a way that makes it possible for high-end multi-brand boutiques in Limburg to anticipate customers switching from one boutique to the other but also understand the reasons behind their switching behaviour so that these high-end clothing stores can get a better view of their loyal customers switching behaviour to adapt to their changing ways and retain them. The reasons customers switch services are also relatively understudied, creating a research gap. This study could reveal trends of service switching in this particular service industry. This makes it interesting for these boutiques because they can adapt their strategies accordingly.

Also, after reading multiple studies about loyalty (Jacoby & Chestnut, 1978; Oliver, 1997; Oliver, 1999), satisfaction (Bogue, 1969, 1977; Reichheld, 1996; Van Trijp et al., 1996; Oliver, 1980; Oliver, 1999; Bansal et al., 2005), and service switching (Dick & Basu, 1994; Keaveney, 1995; Bendapundi, 1997; Oliver, 1999; Roos, 1999, 2002; Sharma & Patterson, 2000; Jones et al., 2002; Burnham et al., 2003; Hess et al., 2003; Antón et al., 2007; Blut et al., 2007; Jensen, 2011; Lee & Neale, 2012; Bhattacharya, 2013; Kim et al., 2020; Mokofeng, 2020; Hidavat et al., 2021), one consistent finding reoccurs in every academic article: an indirect relationship between the independent (the cause) and dependent variables (the effect), where satisfaction acts as a mediator (bridge) in this relationship (Ajzen & Fishbein, 1977; Baron & Kenny, 1986; Oliver, 1991; Van Trijp et al., 1996; Antón et al., 2007).

This paper will question the theory of Ajzen & Fishbein (1977) by exploring whether satisfaction operates as a moderator (a dimmer switch) rather than a mediator between switching costs and loyalty, and this paper will investigate whether variety-seeking (Howard & Seth, 1969; Bass et al., 1972; Hirschman & Holbrook, 1982; McAlister & Pessemier, 1982; Van Trijp et al.,1996; Strahilevitz & Myers, 1998; Oliver, 1999; Hennessy et al., 2015) could also be mediated, instead of directly leading to service switching. To be more specific, this study investigates whether satisfaction enhances or reduces the impact of independent variables such as switching costs and variety-seeking on customer switching behaviour in luxury multi-brand boutiques.

The reason this thesis questions the theory of Ajzen and Fishbein (1977) is that they assume that satisfaction connects beliefs and behavioural intention. Whereas I question that this will not be true in the relationship between switching costs and loyalty. If this is true, this will mean that in some

cases, independent variables can be moderated; in other words, satisfaction will then determine the strength of the relationship between independent variables and dependent variables. This would make this a valuable contribution to the theory of Ajzen and Fishbein (1977). And if it is the case that satisfaction could be a mediator in the relationship between variety-seeking and service switching, this will mean that satisfaction can influence variety-seeking behaviour. However, quantitative research will be needed to actually confirm this.

Figure 1: Logical model where satisfaction is the mediator and variety-seeking leads directly to service switching
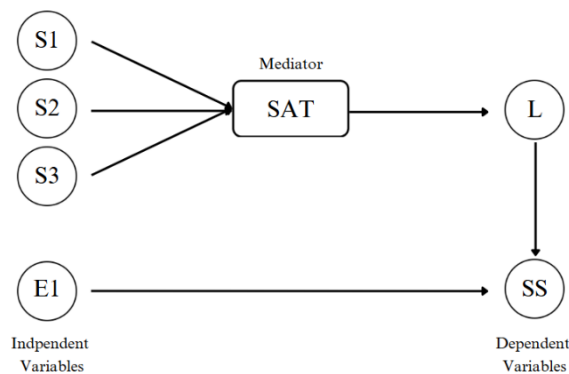
On the left, a model illustrates how satisfaction mediates the switching costs, leading to loyalty.

Figure 2: Logic model where satisfaction is the moderator between switching costs and loyalty, and where satisfaction is the mediator between variety-seeking and service switching

The model on the right shows what will be investigated in this study, as was also thoroughly explained before.
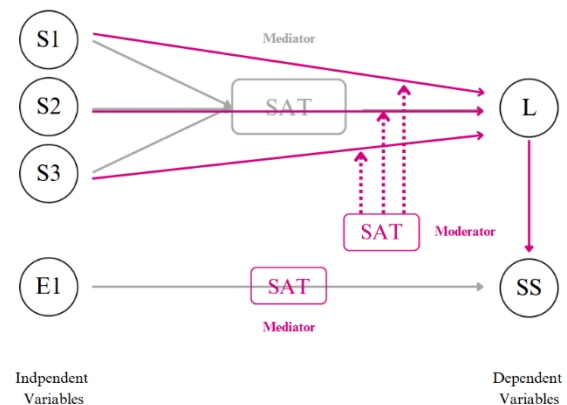
This paper contributes to the understanding of consumer behaviour in the context of service switching. It delivers insights into customer perceptions towards service switching. By understanding why satisfied customers still leave, businesses can develop strategies that not only retain customers but also foster long-term brand commitment. By shifting the focus from satisfaction as a mediator to a moderator in the relationship between switching costs and loyalty, this thesis also contributes to a more nuanced understanding of the role of satisfaction in service-switching decisions.

Service switching is not a new topic in customer behaviour, but it is new in researching service switching in the high-end fashion industry. Therefore, a qualitative research approach is used to explore service switching in luxury multi-brand fashion boutiques. The research will be conducted in

an exploratory research design, the goal of which is to understand the underlying reasons behind service switching in this sector despite customer satisfaction.

This thesis is, therefore, structured as follows:

- Chapter 1 provides an introduction to the main topic of this paper and the research problem, where its academic and business relevance is explained.
- Chapter 2 gives an overview of relevant literature, including key theoretical concepts that provide information about customer switching influencing factors such as the expectation-disconfirmation theory (Oliver, 1980), variety-seeking behaviour (Van Trijp et al., 1996), and push-pull-mooring theory (Bansal et al., 2005).
- Chapter 3 presents the methodology for the qualitative research design, including semi-structured interviews with two different focus groups.
- Chapter 4 presents the study's results, where common themes and patterns are identified in service switching in high-end multi-brand boutiques.
- Chapter 5 discusses the study's findings with existing literature and provides theoretical and managerial implications.
- Chapter 6 concludes the final thesis, where the main insights are summarised and where future research directions are suggested.

2. Literature review

2.1 Customer loyalty

Before diving into the subject of service switching, let us first take a closer look at loyalty. Because a change in loyalty is the starting point for service switching. A paper called 'Whence Customer Loyalty', written in 1999 by Richard L. Oliver, explains what customer loyalty entails. According to him, customer loyalty begins with the customer being satisfied. Customer loyalty is intrinsically linked to customer satisfaction, yet their relationship is asymmetrical. This means that loyal customers are typically satisfied, but satisfied customers are not necessarily loyal. Too many businesses rely solely on customer satisfaction surveys and assume high satisfaction leads to customer loyalty. Studies cited by Oliver (1999) and Reichheld (1996) show that of customers reported to be 'satisfied', between 65% and 85% still defect to competitors. Thus, satisfaction alone will not lead to long-term loyalty. Reichheld (1996) cautions against the "satisfaction illusion", where businesses become content with high satisfaction ratings but neglect to foster true loyalty. He also highlights the importance of investing in long-term relationships with customers and personnel because businesses that do so have stronger financial performance.

However, what is loyalty exactly? Oliver (1997) defined loyalty as "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour" (p. 34). Satisfaction can be defined as fulfilling a desire, goal, need, etc. When a particular need is fulfilled, one will feel enjoyment and contentment. Thus, satisfaction is the outcome that occurs after successfully accomplishing one's aspirations (Oliver, 1997). To put it in a simple example, you may go to the grocery store to buy toothpaste because yours is empty and brush your teeth with it at some point in the day. After fulfilling the need to brush your teeth before going to bed, you will be satisfied. For satisfaction to have an impact on loyalty, persistent or incremental satisfaction is needed. However, more will be needed to achieve committed loyalty than that.

2.2 The relationship between loyalty and satisfaction

Oliver (1999) demonstrates six representations of satisfaction and loyalty as six different panels in his paper, each explaining a different relationship between satisfaction and loyalty, of which panel six comes closest to the truth.

Figure 3: Panel six of the six representations of satisfaction and loyalty.

This panel suggests that satisfaction, on its own, is not enough to grow into loyalty, but that there are additional factors needed for satisfaction to transform into loyalty. These factors are personal willpower and social support. If these nurturing factors are absent, the customer will be satisfied but not loyal. This clarifies why a content customer does not always return or become more loyal to a brand or service. A fleeting period of pleasure may bring the customer momentarily joy, but it will not be sufficient to turn satisfaction into loyalty. Building lasting loyalty or commitment requires

more than fleeting pleasure or enjoyment. Satisfaction can sprout and expand once it receives the proper amount of care (personal willpower and social support), which depicts the customer turning into a devoted customer. In other words, loyalty is the fully grown version of satisfaction, indicating a steadier and complicated state. A loyal customer is tenacious and may persist in using a brand or service despite difficulties. In summary, this panel shows how satisfaction only initiates the process, and true loyalty can only happen if additional elements, such as personal dedication and social support, are available to foster it (Oliver, 1999).

2.3 The four phases of loyalty

Jacoby and Chestnut (1978) researched whether repeat purchases could be an indicator of loyalty, but concluded that consistent purchasing could be an invalid indicator because of happenstance buying or convenience buying, where the consumer is loyal to multiple brands.

Therefore, further analysis is necessary to discover true brand loyalty. This obliges researchers to assess the three components of the traditional consumer attitude structure: beliefs, feelings and intentions. Oliver (1997) created four loyalty phases, following the framework of Jacoby and Chestnut (1978), but argues that customers can become loyal at each phase of the framework, not only at the last stage. His model illustrates the different stages a customer passes through as they cultivate brand loyalty and explains how the customer's relationship with the brand progresses after the first interaction.

The initial phase is cognitive loyalty, where emotional attachment is not yet developed, but the customer has awareness and knowledge about the product or brand. Loyalty is driven here by logical factors like product quality, performance, or value. Customers might purchase a particular product or brand because they know it works, is convenient, or is a necessity. If satisfaction is processed in this stage, it becomes part of the consumer's experience and starts to develop affective traits. This brings us to the second phase, affective loyalty. In this stage, the customer's loyalty is mainly formed thanks to positive emotions, such as how a particular brand makes them feel. In other words, the customer has an emotional attachment to the brand. For example, a customer prefers a particular shoe brand because they love how comfortable and pretty they are. Conative loyalty is the third phase. Loyalty is characterised here by the behavioural intent to repurchase a product or service. In this phase, the customer is committed to a particular brand and will most likely keep choosing this brand even if a competing product is on the market. However, they might still be open to alternatives if something better than the original brand arises. For example, an IT guy keeps buying his laptops from the same brand because he is satisfied with the previous models. The last and most important phase is action loyalty or true loyalty. Customers not only intend to repurchase from the same brand, but they actually do. They demonstrate their loyalty through their actions. This is the highest form of loyalty. It is so high that a customer may recommend the brand to others, defend it, and even overlook mistakes or issues with the product or service. For example, suppose a customer is committed to a specific hotel chain. In that case, they always stay in that particular hotel chain even

if there are cheaper options, and they will openly recommend that hotel chain to family and friends (Oliver, 1999).

In conclusion, this section highlights that satisfaction and loyalty are indeed related, but their relationship is asymmetrical, as demonstrated by Oliver (1997, 1999) and Reichheld (1996). Satisfaction is needed to turn into loyalty, but it is not enough to secure long-term loyalty. Relying solely on customer satisfaction metrics, therefore, results in a "satisfaction illusion". To reach true loyalty, additional psychological and social elements such as personal willpower, emotional connection, and social reinforcement are needed. The four loyalty phases of Oliver (1999) show how brand relationships change over time, from reasonable preference to emotional dedication and ultimately to consistent behaviour. This framework is especially significant in luxury fashion, where customer loyalty is highly emotional and sensorial. In this scenario, even very delighted consumers may switch stores if the emotional or social reinforcement required for deeper commitment is missing. Thus, understanding how loyalty develops—and when it fails—is critical for assessing service-switching behaviour in high-end multi-brand fashion settings.

2.4 Customer satisfaction

Many studies suggest that customer satisfaction automatically leads to customer loyalty, but the satisfaction-loyalty paradox contradicts these ideas. Although satisfaction is a crucial element, it is insufficient by itself to guarantee enduring loyalty to a brand or service (Oliver, 1999). According to the expectation-disconfirmation theory, satisfaction is influenced by the actual performance of a product or service and by comparing expectations and the perceived experience. This comparison can lead to three possible outcomes: positive, negative or neutral. When the customer experience exceeds expectations, satisfaction is high. If the customer's experience falls short of expectations, the customer becomes dissatisfied, and when the experience matches the expectations, satisfaction is neutral or acceptable (Oliver, 1980).

In case of negative disconfirmation or dissatisfaction, a customer can behave more strongly, leading to complaints or switching behaviour. Dissatisfaction tends to have a more substantial impact than satisfaction, creating a switching trigger for customers. In other words, the dissatisfaction results in a push to a competitor, which makes the customer prone to experience other businesses (Bansal et al., 2005). On the other hand, positive disconfirmation can increase satisfaction, but that does not always mean it leads to long-term loyalty, as customers may constantly increase their expectations. Suppose another business offers a superior experience that exceeds the customer's ongoing expectations. In that case, the customer may still decide to switch, even though they were initially satisfied (Oliver, 1980), creating a pull towards competing businesses (Bansal et al., 2005). However, sometimes customers are just curious human beings who actively seek change because they long for novelty and new experiences (Van Trijp et al., 1996). To elaborate on the pull and push factors mentioned before, customers can be 'pulled' to the attractive features of alternative services, which drives switching behaviour. Pull factors can be higher quality, better service, a more substantial reputation, and better value, to name a few. Push factors "push" customers away from the current

service and towards alternative services or competitors. Push factors can be low satisfaction, lack of trust, high prices, and poor service quality, to name a few (Bogue 1969, 1977). Bansal et al. (2005) added a third factor to the framework of Bogue (1969) called 'mooring'. Mooring factors are personal, social or situational influences that prevent or stimulate switching. Examples of mooring factors are habits, emotional attachment, convenience, variety-seeking and more.

Numerous studies argue that satisfaction leads directly to loyalty; however, the satisfaction loyalty paradox of Oliver (1999) demonstrated that satisfaction on its own cannot prevent service switching. Using the expectation-disconfirmation theory (Oliver, 1980) and the Push-Pull-Mooring model (Bansal et al., 2005), this part highlights that dissatisfaction pushes customers to switch to another product or service, and superior alternatives or a desire for novelty can pull customers towards another product or service even if they were previously satisfied. In the context of high-end multi-brand fashion boutiques, this is highly relevant because, especially in this market, customers are prone to seek novelty, exclusivity and emotional connection. Therefore, understanding these dynamics is critical for assessing service switching behaviour in this highly competitive and experience-driven industry.

2.5 Variety-seeking behaviour

McAlister and Pessemier (1982) were the first to define variety seeking as an individual's proclivity to seek variety in their options, even when satisfied with their existing decision. Van Trijp et al. (1996) elaborated on that theory but defined it as true variety-seeking. This means that variety seeking is an intrinsic motivation where the customer actively seeks novelty and new experiences and switches due to curiosity, not out of dissatisfaction. When customers switch because of situational factors, such as high pricing or unavailability of a product, they switch due to extrinsic motivations, also called derived varied behaviour (Hennessey et al., 2015). In other words, high satisfaction does not guarantee loyalty (Oliver, 1999). Some customers want novelty and new experiences, even if they are satisfied with their current service company.

Four different key factors were derived from the study of Van Trijp et al. (1996) that influence whether customers stay loyal or switch. The first factor, the need for variety, is well-known as the innate desire for novelty and new experiences. For example, in the fashion industry, a customer may switch boutiques just to experience something new. The second factor is the perceived differences between alternatives. If differences between brands are narrow, variety-seeking increases. When one or more brands are seen to be greater in quality or need fulfilment than others, they are more likely to be picked consistently over time (Bass et al., 1972). Thus, significant perceived differences across brands exert a controlling influence on choice behaviour in the sense that the extrinsic motivator of appropriate need fulfilment compels choice toward a specific brand. When distinctions between brands are believed to be minimal, brands may be perceived as substitutable, reducing extrinsic pressure and, therefore, leading to variety-seeking. For example, if competing clothing stores offer similar product selections, customers are more likely to switch. The third factor is purchase frequency. If a customer repurchases the same product in the same store at a high frequency, the customer

might get bored due to repetitive decision processes and, therefore, stimulate variety-seeking behaviour (Howard & Sheth, 1969). For example, regular shoppers from a particular multi-brand store may switch due to boredom. The last key factor is hedonic consumption vs. utilitarian consumption. Hedonic consumption refers to buying goods and services that appeal to emotions and are for pleasure and enjoyment, which are motivated by pleasure-seeking (Hirschman & Holbrook, 1982) rather than utilitarian goods or services that aim at fulfilling practical needs (Strahilevitz & Myers, 1998). Because hedonic consumption is more emotional than practical, it has become a popular consumption method because people seek meaningfulness and pleasurableness in their purchases. Therefore, luxury shopping in fashion is an excellent example of hedonic consumption. When someone is shopping for luxury, they do it out of enjoyment, not out of obligation to meet an end-goal consideration. Hedonic products, such as luxurious handbags, for example, are strongly associated with intrinsic motivations (Hirschman & Holbrook, 1982).

To conclude, variety-seeking is a key reason for satisfied customers to switch services. True variety-seeking is characterised as an internal motive that is driven by curiosity, novelty, and enjoyment rather than discontent, based on the foundational work of McAlister and Pessemier (1982) and expanded by Van Trijp et al. (1996). This is especially important in the luxury fashion industry, where hedonic consumption (Hirschman & Holbrook, 1982) is fundamental. Customers in high-end multi-brand shops frequently shop not to meet practical necessities but rather to have a fun and emotionally engaging experience. When items or services feel repetitive, brands appear too similar, or purchasing frequency leads to boredom, even satisfied customers may switch just to experience something new. Understanding these dynamics is crucial because it highlights the fact that service switching in luxury retail is not just rational, but also highly psychological and experiential.

2.6 Service switching

Considering the journey a customer goes through to reach true loyalty (Oliver, 1999), we can start researching the behavioural phenomenon of service switching in a consumer context. Service switching refers to the transition where customers switch from one service provider to another (Blut et al., 2007). Service switching starts with an intention to switch; in other words, a switching intention refers to a consumer's intention to switch from using one type of product or service to another (Hidavat et al., 2021). Service switching can be caused by predisposed factors or precipitated factors. Predisposed factors are long-term dissatisfaction drivers that make customers leave over time, but not immediately. For example, when a customer finds the service quality poor or the staff unhelpful, this can lead to dissatisfaction in the long run and therefore lead to service switching (Hess et al., 2003). In other words, it makes the customer unhappy over time. On the other hand, precipitated factors are short-term triggers that make customers leave immediately. Examples of such triggers are price unfairness or rude treatment by staff, pushing them to switch directly (Keaveney, 1995; Roos, 1999, 2002). Customer satisfaction plays a crucial role here. When customers are happy, they are less likely to switch, but when they are unhappy, the chance of them switching to another service increases. Antón et al. (2007) explored the mediating effect of satisfaction on the decision to switch services and concluded that satisfaction has a stronger

mediation on predisposed factors, meaning dissatisfaction develops over time, eventually leading to service switching. While satisfaction has a weaker mediation on precipitated factors, triggering immediate switching.

However, even if there is a switching intention, it does not always lead to actual switching behaviour, as barriers may prevent the customer from following through with their intention. Switching barriers or switching costs are hurdles or costs that make it inconvenient for the consumer to switch from one product or service to another (Jones et al., 2002). Businesses use these barriers to strengthen customer retention and loyalty by making it costly for them to switch (Kim et al., 2020). Customer loyalty can be increased, and churn rates can be reduced by enhancing switching barriers. However, businesses should be aware not to increase these switching barriers too much because this can lead to customer dissatisfaction. It is important to find a balance between retaining customers and offering a positive customer experience so that, ultimately, profitability can be improved (Mokofeng, 2020). Customers have to deal with several types of switching barriers when transitioning to another product or service provider, such as financial, procedural, relational, learning, uncertainty, and inertia barriers (Jones et al., 2002). The inertia barrier (Lee & Neale, 2012) means that the customer created a habit of using a particular product or service, making switching harder, even if the customer is unsatisfied. Implementing switching barriers reduces the chances of customers switching services (Kim et al., 2020). However, businesses should be careful when implementing switching barriers because there is a difference between positive and negative switching costs (Burnham et al., 2003). If customers perceive switching costs as negative, this can lead to resentment. In this case, customers will stay due to penalties or lack of better alternatives (Sharma & Patterson, 2000). An example of a negative switching barrier is financial switching costs, meaning customers are compelled to stay because if they leave a particular service, they might have to pay a contract termination fee. This can lead to spurious loyalty, where the customer is superficially loyal or, in other words, the customer only stays with the particular company out of necessity, but as soon as the negative switching barrier is removed, he or she is likelier to switch (Jensen, 2011). If they perceive switching costs as positive, this can create strong customer loyalty (Bhattacharya, 2013). In this case, customers stay thanks to emotional connections and perceived value. An example of a positive switching barrier is a relational switching cost, meaning the customer stays at a particular company because they are emotionally attached to the company (Bendapudi, 1997). This might be due to the very helpful and friendly staff. True loyalty can be the result of positive switching barriers. When true loyalty exists, this is more sustainable and will result in continuous purchases over time (Dick & Basu, 1994).

After researching service-switching behaviour in existing literature, important research gaps were identified. The first obvious gap is that it is known that people switch services due to switching costs; however, the reasoning behind switching is understudied. The second gap is that many papers assume there is a relationship between switching costs and loyalty, where satisfaction (Baron & Kenny, 1986) acts as a mediator (Ajzen & Fishbein, 1977). The last gap is that variety-seeking always leads to service switching, according to previous research.

To summarise the second and third gap: in the existing literature about satisfaction, loyalty and variety-seeking in the context of service switching, there were two findings that were constantly concluded multiple times:

- There is an indirect relationship between the independent (switching costs) and dependent variables (loyalty) whereby satisfaction mediates this relationship.
- Variety-seeking behaviour has a direct relationship with service switching.

Figure 4 illustrates these relationships:

Figure 4: Logical model where satisfaction is the mediator and variety-seeking leads directly to service switching
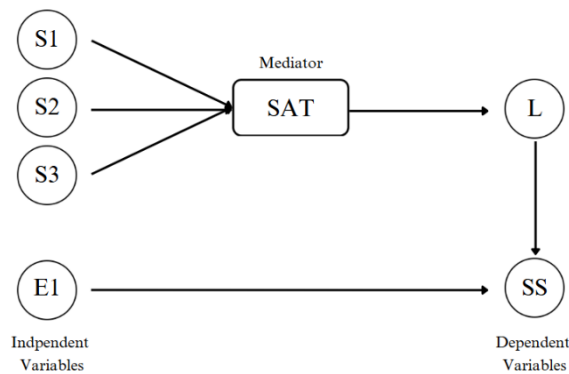
However, this paper will investigate whether the relationship between switching costs and loyalty could also be moderated by satisfaction instead of being mediated (gap 2). Moreover, this paper will examine whether satisfaction could mediate the relationship between variety-seeking behaviour and service switching (gap 3). To find the underlying motivations for customers to switch services, interviews will be conducted with two different focus groups (gap 1).

The following figure illustrates a preliminary logical model suggesting the potential relationships that will be explored in this thesis:

Figure 5: Logic model where satisfaction is the moderator between switching costs and loyalty, and where satisfaction is the mediator between variety-seeking and service switching.
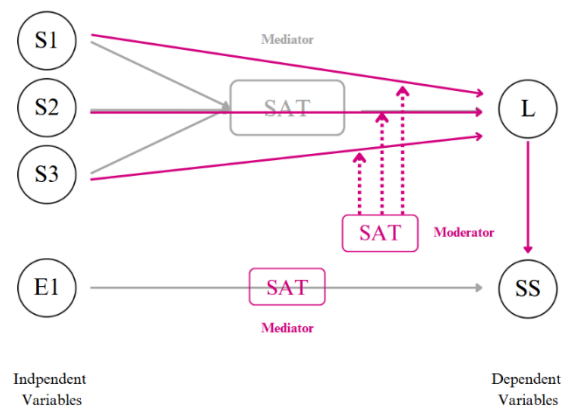
In summary, customers can switch because of gradual discontent or immediate negative experiences, with satisfaction playing a crucial part in this process. Switching intentions are common, but actual switching behaviour is mostly influenced by multiple switching costs, which can be perceived positively or negatively. However, existing research seems to oversimplify these relationships, representing satisfaction as a mediator (Ajzen & Fishbein, 1977; Baron & Kenny, 1986) between switching costs and loyalty, and implying that variety-seeking always leads to switching. This study is going to challenge those assumptions and investigate whether satisfaction could instead moderate the relationship between switching costs and loyalty, and also, whether satisfaction could mediate the relationship between variety-seeking and service switching. Moreover, this paper's goal is to unravel the motivations behind service switching through qualitative research.

3. Research design

3.1 The luxury multi-brand fashion industry

The sector in which the investigation will take place is the higher-end multi-brand fashion industry in Limburg, Belgium. This sector has had difficult times because of substitutes such as online shopping, as well as the aftermath of the worldwide pandemic that happened from 2020 until 2022. There was a massive rise in online shopping and an increase in downloading mobile applications because of social distancing during the pandemic (anonymous, 2024). Hence, many people choose to buy their clothing online via web shops or applications such as Zalando. Therefore, the pandemic only increased the phenomenon of online shopping, making it even harder for high-end fashion boutiques that are not selling online to survive. According to Kearney, the online shift is here to stay as the lockdown accelerated online purchasing, and customers became accustomed to it (Graf Dijon Von Monteton, 2022).

Fashion retail is one of the most competitive sectors; rapid trend cycles, demanding customers and increasing globalisation characterise this industry (Barauskaite & Streimikiene, 2023). Therefore, it is insufficient to differentiate only through product offerings. Retailers must also differentiate through strategic service innovation, customer experience, and integrated technology. Time-based competition where firms proficiently minimise lead times and swiftly convert trends into retail products (e.g., Zara, H&M) has emerged as a pivotal element; they exert market pressure on conventional or luxury shops to match their agility (Gonda et al., 2020).

As the daughter of a fashion boutique owner, I see firsthand what kinds of issues arise and what the daily struggles are. This makes the topic of service switching in high-end fashion boutiques all the more interesting, not only for me but also for the whole high-end multi-brand fashion sector. As mentioned before, this sector is very competitive because higher-end multi-brand fashion stores often have multiple brands in common, and sometimes, even have the exact same blouse, pants, jacket or something else of that in common brand. If the differences between competing high-end multi-brand boutiques are minor, customers are likelier to switch (Van Trijp et al., 1996). As product differentiation shrinks, competition in luxury apparel retail heats up around intangibles such as customised experiences, emotional branding, and exclusivity. For high-end multi-brand boutiques, these qualities are critical to preserving customer loyalty and avoiding service switching, especially in surroundings where consumers are exposed to frequent and appealing alternatives (Gonda et al., 2020). This highlights the fact that it is a highly competitive market because which store will the customer choose if competing boutiques have the exact same article? What drives a customer to go to a particular store to buy, for example, that exact same dress of the exact same brand that another boutique also sells? These higher-end multi-brand clothing stores are literally boxing up to each other to get customers to come to their stores and stay loyal to them. No one knows the winning strategy to pull or push that customer towards their own higher-end multi-brand fashion boutique, and that is why this is such an interesting sector to research service switching in.

According to Balchandani et al. (2024), the worldwide fashion industry will face economic uncertainty in 2025 due to changing markets and consumer behaviour shifts. The McKinsey Global Fashion Index

forecasts slow, continuous growth in the non-luxury fashion industry, sadly not in luxury fashion. All the more reason to investigate the topic of service switching in the higher-end multi-brand fashion industry.

3.2 Research approach

3.2.1 Method and sample choice

This research will be conducted through a qualitative study where expert witnesses will be interviewed in two focus groups. These expert witnesses will be chosen by convenience sampling. Fortunately, I have access to the customer database of my mother's higher-end multi-brand clothing store, which makes it convenient to sample the audience that will take part in this study. This will make the study not representative; however, obtaining expert witnesses to interview is more important. Each focus group will consist of seven middle-aged women with the financial freedom to spend their income as they please. These expert witnesses will, of course, be customers who are not biased. To ensure that my focus groups are as honest and trustworthy as possible, I will interview them semi-structured, which means they will be asked open questions and they can discuss the questions openly with each other without intervention from me. I will listen to them and only moderate the group discussion. The interview questions will be derived from gaps in the existing literature and from my own experience, as I am a part of my parents' luxurious multi-brand fashion store. The answers I receive from the first focus group will be recorded and afterwards transcribed into a coherent text. I will gather new questions from that text to ask the second focus group to dive deeper into the topics. The women who are going to take part in the study will be sent an email if they would like to participate in the study. To convince them to take part in the study, I mentioned in the email that there would be beverages and bites present during the interview to make it a bit more fun. Each interviewee will receive a little gift out of gratitude for their participation. At the beginning of the interview, I will explain each topic that will be discussed in detail.

The goal is to obtain interesting results to formulate an answer to the main research question and its two sub-questions: "How do customers of high-end multi-brand fashion boutiques perceive and experience service switching, and what underlying factors drive their decisions to change boutiques?".

- How do switching costs (financial, emotional, social) impact boutique loyalty?
- How does variety-seeking behaviour influence service switching in luxury multi-brand boutiques?

3.2.2 Participant demographics

In Table 1, the demographics (age, gender, income, marital status, work status and education level) of the first focus group are displayed:

Table 1: Demographics Focus Group 1

Participant	Age	Gender	Income	Marital Status	Work Status	Education Level
1	65	Female	€ 2400.00	Married	Early retirement	Secondary education
2	52	Female	€ 1850.00	Married	Employee	Secondary education
3	59	Female	€ 2500.00	Married	Employee	No education
4	56	Female	€ 4000.00	Legal cohabitation	Employee	Higher education
5	70	Female	€ 2000.00	Single	Pension + Flexi[1]	Secondary education
6	67	Female	€ 3200.00	Married	Pension + Flexi	Secondary education
7	50	Female	€ 2500.00	Married	Self-employed	Secondary education

The participants of the first focus group range in age from 50 years old to 70 years old. Four out of seven are in the age category 50-60, and three out of seven are in the age category 65- 70. All the participants are female. Their income varies between € 1850.00 and € 3200.00. Most of them have a secondary degree, are married and are employed, where two out of seven are retired but have a flexi-job to keep them busy. In Table 2, the demographics of the second focus group are displayed.

Table 2: Demographics Focus Group 2

Participant	Age	Gender	Income	Marital Status	Work Status	Education level
8	65	Female	Prefers not to say	Married	Sickness fund	Secondary education
9	55	Female	Prefers not to say	Married	Unemployed	Higher education
10	57	Female	Prefers not to say	Married	Self-employed	Secondary education
11	56	Female	€ 3500.00	Married	Employee	Higher education
12	50	Female	Prefers not to say	Married	Public Servant	Higher education
13	56	Female	€ 3000.00	Legal cohabitation	Widow's pension + flexi	Higher education
14	66	Female	€ 2400.00	Married	Pension + Flexi	Secondary education

---

[1] A part-time job, mostly for employees who already have a job or for people who are retired and still want to earn a little extra on top of their pension.

The participants of the second focus group also range in age from 50 years old to 70 years old. Two out of seven are in the age category 65-70, and four out of seven are in the age category 50-60. All the participants are female. Only three participants felt comfortable sharing their income, which ranges from € 2400.00 to € 3500.00. All of them are married, and four out of seven have a higher education level.

3.2.3 Research execution

The first focus group was asked forty questions in total. The interview consisted of four sections discussing different focus areas: customer experience and boutique expectations, switching costs, variety-seeking behaviour and loyalty formation and boutique commitment. In Table 3, an overview is provided of the interview questions with their focus area.

Table 3: Interview questions linked to research questions

Research Question	Linked Questions	Focus Area
Main RQ: Why do customers switch between high-end multi-brand fashion boutiques, even when they are satisfied?	Q1–10, Q21–30, Q31–40	Expectations, variety-seeking, loyalty formation
Sub RQ1: How do switching costs (financial, emotional, social) impact boutique loyalty?	Q11–20	Switching costs
Sub RQ2: How does variety-seeking behaviour influence service switching?	Q21–30	Variety-seeking motivations

The second focus group answered sixty-seven questions in total. As mentioned earlier, these questions were derived from the answers of focus group one. These questions consisted of the same questions as focus group one, however, I rephrased them and added twenty-eight questions to be able to dive deeper into each focus area. For example, I divided the focus area 'expectations' into three parts: before the visit, during the visit and after the visit. Then, instead of asking questions regarding the switching costs interchangeably, I decided to divide those into three sections: financial, relational and social switching costs. And, I divided the focus area 'loyalty formation' into three parts according to the four loyalty stages model of Oliver (1999): cognitive & affective loyalty, conative loyalty and action loyalty. In Table 4, an overview is provided of the interview questions with their focus area.

Table 4: Interview questions linked to research questions

Research Question	Linked Questions	Focus Area
Main RQ: Why do customers switch between high-end multi-brand fashion boutiques, even when they are satisfied?	Q1–15, Q39–53, Q54–67	Expectations, variety-seeking, loyalty formation
Sub RQ1: How do switching costs (financial, emotional, social) impact boutique loyalty?	Q16–38	Switching costs
Sub RQ2: How does variety-seeking behaviour influence service switching?	Q39–53	Variety-seeking motivations

4. Results

4.2 Focus group 1

4.2.1 Customer experience and expectations

There were a few participants who frequently mentioned that interior design, cleanliness and the scent in the boutique contribute as positive loyalty drivers. Especially when visiting the boutique for the first time, these are factors customers look for. Participant 2 mentioned that one of the first things she noticed in her favourite store was the pleasant fruity, flowery scent, and participant 7 noticed immediately that everything was clean and tidy, as it should be in the more luxurious fashion boutiques. Being recognised by name after being a customer for a while is also a very significant loyalty driver that was often mentioned, as this makes them feel more than just a sale. Offering something to drink during the fitting of clothes is seen as a pleasant surplus and makes them feel appreciated. For instance, participant 3 said that "being given something to drink during fitting clothes is very thoughtful and makes you feel valued, that you are more than just a sale. They expect the staff to be customer-friendly and helpful, but not pushy. For example, participant 4 said, "I expect the staff to be customer-friendly, helpful and honest" and participant 2 said: "I expect the staff not to be pushy, friendly, helpful and honest if something does not suit well". The know-how of the personnel was also stated several times to be an essential part of a positive boutique experience and contributes to customer satisfaction. With know-how of the staff is meant knowing which colours suit a particular skin tone or which pieces of clothing fit a certain body shape well.

4.2.2 Customer loyalty and switching

After interviewing focus group one, it was notable that their loyalty is often based on emotional factors such as customer friendliness, honesty of the staff and emotional ties with the staff. It was often mentioned by the interviewees of the first focus group that after a while, they obtained emotional bonds with the staff or boutique owner after shopping there for quite some time. Participant 2 admitted to feeling a sense of belonging, a familiar feeling, in her favourite boutique, and so did participants 1 and 7. With honesty, the interviewees mean that the staff are honest if a piece of clothing does not suit well, e.g., the wrong size or an unflattering colour. Participant 4 mentioned that one time when she was shopping and tried on a dress, she immediately saw the size was wrong, yet the saleslady who helped said, "She looked great in the dress" when she came out of the fitting room. In the participant's eyes, the saleslady was either lying or did not have any idea what she was talking about. They all attach great importance to feeling "at home" in a boutique, e.g. being known by name and experiencing familiarity and comfort. For example, participant 3 stated, "If they call me with my first name, I feel at home", and so did participants 1, 2, 4, 5, 6 and 7 nod when hearing that statement. The latter supports loyalty formation; however, it is not always strong enough to prevent switching. Multiple positive experiences do result in customer loyalty over time. However, poor customer service is definitely a switching trigger, e.g. condescending or prejudiced staff. Participant 4 of the first focus group described that they were once talked to in a very condescending manner as if they did not belong in such an expensive store. For instance, interviewee 4 said: 'I asked if I could try on a dress that the mannequin in the shop window was wearing, and the saleswoman said to me, ' that is quite an expensive dress" that made me feel judged and as if I did not belong there, so I never went back there again'.

When discussing service failures, it was clear that one negative encounter may not be enough to switch, unless it is emotionally significant, like interviewee 4 mentioned above. Most of them will forgive mistakes if the staff handles them correctly, e.g. offering alternatives. For example, when a customer comes to pick up their tailored trousers, they find out the boutique forgot to bring the trousers to the seamstress. If the boutique handles this mistake correctly, the mistake will be forgiven, and the customer will remain satisfied after all. For instance, participant 3 noted that "everything is negotiable, unless they are very unfriendly". All of the interviewees in focus group one agreed with this statement.

4.2.3 Variety-seeking and switching behaviour

An interesting finding is that service switching increases due to seasonal interest or out of curiosity. This especially occurs when exploring different cities like Antwerp or Maastricht, or when on vacation. Four out of seven participants (participants 1, 2, 4 and 5) admitted to doing so, particularly in summer. Interviewee 1 especially notices an increase in her curiosity during spring and summer, as she visits more cities and goes out more, thanks to the nice weather. And participant 4, for example, is someone who is a very curious person in nature; she loves discovering new cities and all the shops in them. She is drawn to stores in beautiful buildings or shopping windows from afar. And interviewee

2 mentioned she likes to explore different stores on holiday. Drivers for curiosity or novelty seeking behaviour are store windows, new collections (participant 5 noted that she loves it when the seasons change because that means new collections are coming) and store layout (participant 1 said she hates it when the clothing is pushed together in the racks with barely any space between them). E.g. when walking around in a city like Antwerp, the window displays can be very alluring to customers, making them curious to go take a look inside, despite being satisfied with their favourite multi-brand boutique.

Social media and word-of-mouth can act as a pull towards switching, as they influence awareness of alternatives. Attractive pictures or videos capture the attention, making customers prone to visit the boutique "online", often leading to curiosity and eventually visiting the boutique in reality. Participants 2, 3, and 4 admitted to being influenced through social media channels, for instance, when a picture or a reel passes by on Instagram from clothing boutiques, it can draw their attention and influence them to click through to the Instagram page of that particular store that happened to pass by on their feed. If a boutique seems exciting or is recommended by family and friends, customers are more likely to visit the boutique. Participant 2 mentioned that she is easily influenced by friends or family if they recommend her to go take a look at a different clothing store, but that does not necessarily mean she will buy something, as she is very satisfied with her current favourite boutique.

4.2.4 Loyalty and switching incentives

The responses regarding financial costs showed that financial incentives such as discount programs or loyalty cards are motivating for some, but not decisive for all. Participants with more disposable income seem to be less influenced by financial incentives. However, some customers will remain with a boutique to redeem their loyalty discount. Two out of seven participants (participants 3 and 5) admitted that financial incentives do motivate them to stay with a particular boutique, and they will choose that boutique over another one, if it means they can keep redeeming financial awards. For example, participant 5 stated that having loyalty points or loyalty discounts encourages her to visit the same boutique as she already has points or discounts saved up. Participant 3 stated that she goes shopping at stores where she has a loyalty card. On the other hand, participants 1, 6 and 7 noted they do not care about financial incentives. I quote participant 6: "If I like something, I buy it, even if I have a loyalty card somewhere else". As a follow-up question, I asked the participants what they would do if a competing multi-brand boutique gave 20% off on the same handbag that their favourite boutique also has. Two of the participants said they would ask the owner of their favourite boutique if they could get the same discount from her because they would rather buy it there than at the competition (participants 1 and 7). One of them said they would go to the competitor, and I quote participant 3: "I would go where the discount is, then I think of my wallet". The other four participants did not know how they would react. Participant 4, for instance, said she would not dare to ask for the same discount at her favourite boutique.

To summarise the results of the first focus group, it was obvious that their loyalty is emotionally driven, yet fragile if their expectations are not met. Curiosity is often a driver for service switching,

which means dissatisfaction is not the only cause. Key relational switching barriers are friendship with salespersons, recognition such as being known by name, the atmosphere of the boutique and feeling welcome. Seasonality and novelty serve as important pull factors, positioning variety-seeking as a central theme in the context of luxury service switching.

4.3 Focus group 2

4.3.1 Customer experience and expectations

The participants of the second focus group expect to be handled with respect and honesty. Participant 10 once experienced a dishonest saleslady, she said, "There was a time I came out of the fitting room with a feeling I didn't like the clothing on me, and the saleslady kept saying how beautiful I looked and that the size was right, but I could feel it was not". They also expect know-how of the staff, helpful service, product quality, cleanliness of the boutique and ambience. With ambience, they mean good lighting, nice scent and enough space in the boutique and in the fitting rooms. As participant 8 noted, "I need to see that the staff know their collections, what would fit me well and which colours would suit me; they need to be able to advise me" and participant 14 explained "the know-how of the staff is crucial, they need to know what would fit me colour wise and silhouette wise". It is important for them to feel welcome and relaxed in such a boutique, and that the staff is not pushy. Participant 13 explained 'If the lighting is bad or if the shop feels crowded, I cannot relax, I get frustrated", and participants 9,10 and 13 mentioned they expect a boutique to be tidy, with no dust and that the fitting rooms are spacious. Many participants reported they value being treated as individuals, not just customers. Being recognised by name and the staff knowing their preferences adds to the feeling of being more than just a sale. The participants perceive being offered a drink and/or a bite during fitting clothes as an extra touch. For instance, participant 13 mentioned that being offered a drink is not necessary, but it does give that extra touch to the overall experience. All factors contribute to customer satisfaction.

4.3.2 Loyalty and switching costs (financial, relational and social)

In this focus group, it was remarkable that the participants were not influenced by financial incentives such as loyalty cards or loyalty discounts. However, they did note that it can serve as a nice "extra" but is definitely not essential. Participant 10 noted, "It gives an extra incentive to go, besides my normal routine", and participant 11 mentioned, "A slight price difference will not take me over the edge". The participants are also not prone to switch for price alone, because a better price does not mean better service or quality, which was literally stated by participant 12, "better pricing does not mean better quality". It was obvious that all participants had enough disposable income to spend how they liked, without the need to worry about the price or financial incentives. This supports the idea that customers who shop at multi-brand boutiques are less influenced by financial costs.

Emotional ties with staff or boutique owners were mentioned often by nearly all participants. The decision to switch is heavily influenced by the relationship with the staff; if there is no "click" or no trust, customers will switch. She also stated, "If there is no click, no honesty, I will switch". Therefore, the people working in the boutique can definitely serve as a positive relational switching cost. One of the participants (participant 14) mentioned she has developed an emotional attachment to their favourite boutique, because the boutique receives her as a friend, not just a customer. The staff knows her name, her style, and she feels like she can be. Participant 13, for example, explained that "even if a competitor would offer the same product at a lower price, I would still choose my current favourite boutique, because I not only love their collection, but I also love the people who work there. However, loyalty can be broken here by negative staff experiences, e.g. discrimination or repeated mistakes. Participant 13 commented that she had a very negative boutique experience a few years ago. She went to one of her favourite boutiques with her son, who happens to be in love with the same sex. Her son's boyfriend was also with them at that time. One of the salespeople of the boutique asked her son, "So who is the woman in this relationship?". This was, of course, very shocking, and the participant immediately left and never went back. Emotional triggers, such as those that participant 13 described, call for immediate switching behaviour.

Loyalty seems to be linked to the participants' identity. They expressed feeling more loyal towards boutiques that make them feel part of an exclusive group. However, this was not consciously recognised until it was discussed. For instance, participant 10 noted she never saw it like being part of an exclusive group or community, but then she realised she is treated so well at her favourite boutique compared to other stores, that yes, she does feel exclusive. The participants also said they are more likely to stay loyal to a boutique that aligns with their personal image. Apparel from a particular boutique serves as a reflection of who they are and how they want to be perceived by others, as was mentioned by participant 11, "the boutique has to align with my personal image, because the clothing I wear represents who I am". Peer pressure from friends or family is something that does not influence the participants to switch. When the participants were asked the question if they are more likely to switch if people from their inner circle start recommending different boutiques to shop at, all participants said "no".

4.3.3 Variety-seeking and switching behaviour

Some participants admitted they enjoy trying out new boutiques out of curiosity, even if they are satisfied with their current boutique. Participant 1 explained she loves fitting clothes as it is kind of a hobby. Seasonality and special occasions often came up as a reason for their curiosity. In the springtime or summertime, people are more outside, exploring and walking around in cities. Participant 1 admitted she is more prone to explore during summertime because, according to her, most boutiques have the same designs/fabrics, which is far less during wintertime. Boutique exterior and window display trigger curiosity and are inviting to go take a look inside other boutiques. Social media presence also contributes to perceived novelty. Variety-seeking is, however, not deliberate, but spontaneous according to the participants. Unfortunately, they did not elaborate on that statement. If two boutiques were to carry similar collections, the respondents 1, 11 and 12 explained

they would decide on where to go on the basis of how the building looks, what the store window looks like, and which boutique has the most helpful and friendly staff. It is important that boutiques regularly change their store layout and store windows. Otherwise, boredom arises. Boredom can also occur when a boutique has repetitive styles season after season, triggering variety-seeking and eventually leading to switching. Participant 11 gave the example that a boutique is boring if it offers the same blouse in five different colours, as it is plain and uninspiring. The participants 1, 10, and 13 also mentioned feeling more inclined to seek novelty when the seasons change or when they need something for special occasions like a wedding.

4.3.4 Loyalty formation

Respondents developed loyalty through consistent positive boutique experiences over time, and that it "just happens". Loyalty is not a deliberate decision. Some stated that loyalty began as soon as the first visit, when emotional comfort and trust were felt. For example, participant 14 shared that she feels like she can be herself at her favourite boutique, that she is able to share personal stuff. She mentioned she went through a difficult time a while back and that she felt comfortable telling what was going on there. The salespeople who knew one's name, style, and did not push a sale were loyalty drivers. When the participants were asked "which specific aspects contribute to feeling at home in a boutique", participant 12 said 'feeling welcome', participant 10 noted 'freedom, not feeling pushed', participant 11 mentioned "when they know my name, my style", and participant 9 said "trust and honesty". All the respondents agreed that if their trust were to be broken because of negative emotional experiences or repeated mistakes, they would certainly switch. Another example of a negative emotional experience was described by participant 14, she said, and I quote: "I recall a few years back when I was trying something on from the new collection in my then favourite boutique. The boutique owner came up to me and the salesperson that was helping me, and she said that what I was trying on was not supposed to be sold yet in the store and that it is supposed to be sold next week in a very impolite manner. So, I left immediately, the boutique owner then ran after me to apologise, but I never went back again."

To summarise the results of the second focus group, it is obvious that relational switching costs have a bigger impact than financial switching costs or price in luxury service switching. Boutique encounters that turn out to be emotionally negative experiences are powerful switching triggers, even when strong loyalty existed. Customers expect honesty, respect and personalisation in multi-brand boutiques, and these are central for creating boutique loyalty. Customer satisfaction can be overridden by variety-seeking in switching decisions.

4.4 Focus group demographic analysis

After analysing the demographics, age, education level, income and work status, it became clear that there is a difference between the participants who are older, have a lower income and are less educated (participants, 1, 2, 3, 5, 8 and 14) versus the participants who are middle-aged, have a

higher income and are more educated (participants 4, 11, 12, 13) in how they perceive and respond to boutique experiences.

The first notable distinction is that the participants who are older, often retired and with lower financial means, view emotional ties with the staff, personal recognition, and feeling at home as most important in a luxurious multi-brand boutique. Their loyalty is frequently founded on relational warmth, such as being addressed by name and treated with sincerity. They are especially sensitive to judgmental staff or feeling excluded. Financial incentives, such as loyalty cards or loyalty discounts, are viewed as a nice bonus, but not a necessity, and are therefore never decisive. Whereas the middle-aged, higher-income, and more educated participants, on the other hand, emphasised the importance of professionalism of the staff, receiving a more personalised service and how well their personal image aligns with the boutique. These participants were more inclined to see boutique choices as a reflection of their lifestyle.

The second notable difference is that variety-seeking was more common amongst the middle-aged and actively working participants, where variety-seeking was often consciously pursued, mostly driven by curiosity or seasonal novelty, while the older participants showed to be more stable in their variety-seeking behaviours. However, regardless of the differences, both groups are resistant to switching for financial incentives, and both groups highlighted the importance of emotional connection with the personnel as the most crucial part of boutique loyalty.

5. Discussion

5.1 Similarities between focus groups

Both focus groups stressed the importance of feeling valued when shopping in a multi-brand boutique. Being recognised by name, staff knowing style preferences, staff honesty and feeling welcome were highlighted by participants of both focus groups. This supports the idea that customer experience is an essential part of loyalty formation. Therefore, emotional engagement and customer connection are significant factors that contribute to sustained loyalty, as described by Oliver (1999), as satisfaction alone is not enough. The expectation-disconfirmation theory of Oliver (1980) was also confirmed, when boutique experiences align or exceed the customer's expectations, this contributes to customer satisfaction. However, if expectations are not met, this can serve as a push factor (Bansal et al., 2005), and service switching can be triggered.

Hedonic features such as the exterior of the boutique building, the cleanliness, the lighting, the scent, the space, and the collections themselves are experiential drivers of loyalty that have a substantial impact on customer loyalty formation and add to emotional value (Hirschman & Holbrook, 1982).

Participant in both focus groups admitted to sometimes switching boutiques out of curiosity or out of desire for something new, even when they are satisfied with their current multi-brand boutique. This supports the study of variety-seeking by Van Trijp et al. (1996), showing that satisfaction is not equal to loyalty, as some customers are intrinsically motivated to seek out novelty, especially in multi-brand fashion retail. It also supports the satisfaction-loyalty paradox of Oliver (1999), as boutique switching can occur even if customer satisfaction is high. Social media presence and word-of-mouth

enhance awareness of alternative boutiques, functioning as a pull toward switching behaviour (Bansal et al., 2005).

5.1.1 Similarities in switching costs (financial, relational, and social)

Financial switching costs seem to have a lesser impact on customers who have enough disposable income. Price is still relevant for some, but it is not the only deciding factor. The participants from both focus groups are willing to pay more if it means they will get better service or if they feel connected to the boutique in question. This confirms that financial switching costs, such as better prices elsewhere or loss of financial benefits, can be overridden by emotional motivations, which aligns with Oliver's theory (1999) that true loyalty surpasses financial considerations. Moreover, it supports the idea that financial switching costs are weak mooring factors for multi-brand boutique customers (Bogue, 1969; Bansal et al., 2005).

A recurring theme with both focus groups was having emotional bonds with salespeople or boutique owners. Both groups attach enormous importance to feeling emotionally safe, familiarity, trust, honesty, and even becoming friends with staff or boutique owners over time, making switching more difficult. This is directly linked to relational mooring factors that hinder or slow down switching, even when other options are available (Bendapudi, 1997). This reflects that Oliver's affective and conative loyalty stages (1997) are tied to loyalty and not only to repeated behaviour. Therefore, positive relational switching costs can create strong customer loyalty in a luxury service context (Bhattacharya, 2013), resulting in continuous purchases over time (Dick & Basu, 1994).

Both focus groups mentioned that the boutique they shop at and thus the clothes they wear are directly linked to their social identity. Which makes switching boutiques risky, as switching may lead to a loss of perceived social belonging, aligning with Bogue (1969,1977) and Bansal et al. (2005) who defined social norms and relations as aspects of switching cost dynamics. Therefore, in luxury fashion boutiques, loyalty is connected to the customer's self-image and personal branding. Also, the feeling of belonging to a community, being treated as an individual (VIP) and not as a sale, strengthens loyalty. Social switching costs lead to inertia or unwillingness to change, particularly when customers perceive boutique communities as exclusive or familiar (Jones et al., 2002; Lee & Neale, 2012).

In summary, the participants from both focus groups show that even though satisfaction does play a significant role in loyalty and switching behaviour, it is not enough on its own, agreeing with Oliver's satisfaction-loyalty paradox (1999). Positive relational and social switching costs of a multi-brand boutique often bind customers to the boutique. On the other hand, variety-seeking behaviour and experience failures serve as push or pull factors, in other words, leading to switching boutiques. Thus, implementing relational and social switching barriers reduces the chances of customers switching services (Kim et al., 2020).

6. Conclusion

6.1 Satisfaction as a mediator or moderator

6.1.1 between switching costs and loyalty

In the existing literature about satisfaction and loyalty in the context of service switching, it was concluded multiple times that there is an indirect relationship between the independent (switching costs) and dependent variables (loyalty), whereby satisfaction mediates this relationship. Figure 6 illustrates this relationship:

*Figure 6: Satisfaction as a mediator between switching costs and loyalty*
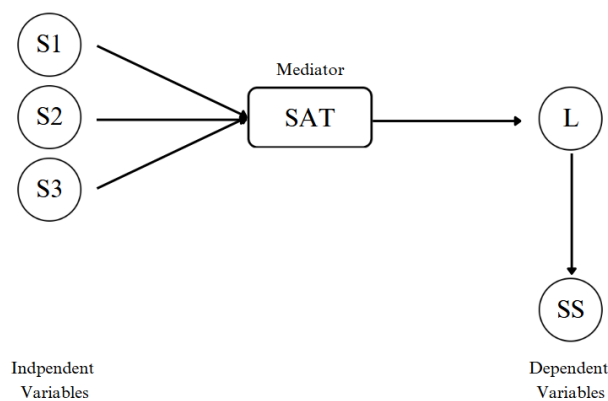
However, after thoroughly analysing the responses from both focus groups, this study contradicts the existing literature that satisfaction serves as a mediator between switching costs and loyalty. Meaning that satisfaction acts more as a *moderator* between switching costs and loyalty than as a mediator. It is assumed by certain researchers that satisfaction is a driver between beliefs and behavioural intentions, which I agree is the case in some cases. However, in this study, it does not seem to be. Therefore, it could be that the role of satisfaction depends on the behavioural pathway of the customer.

This finding resulted in the following figure:

Figure 7: Satisfaction as a moderator between switching costs and loyalty
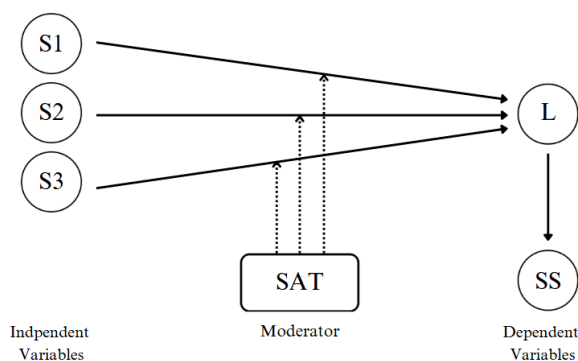

In this case, high switching costs, particularly relational switching costs, do not assure loyalty unless satisfaction is consistent. For example, participants from both focus groups mentioned they would forgive sporadic service mistakes, but only if the staff or the boutique owner handled the mistake accordingly. Implying that satisfaction changes the strength of the relationship between switching costs and loyalty. Therefore, (dis)satisfaction can diminish loyalty and prompt switching, even if relational costs are high. To conclude, if satisfaction is high, switching costs will strengthen loyalty, and when satisfaction is low, switching costs will lose their strength. This challenges the theory of Ajzen and Fishbein (1977), where satisfaction mostly acts as a mediator, as this study shows that satisfaction functions better as a moderator between switching costs and loyalty.

6.1.2   between variety-seeking and service switching

In the existing literature about variety-seeking and loyalty in the context of service switching, it was concluded multiple times that there is a direct relationship between the independent (variety-seeking) and dependent variable (service switching). Figure 8 illustrates this relationship.

Figure 8: A direct relationship between variety-seeking and service switching
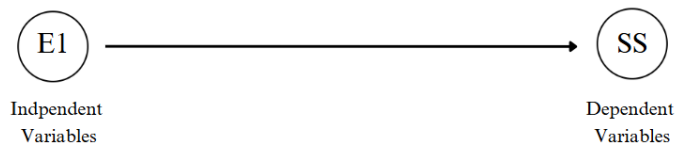
However, the results of this study do not agree with that statement. Participants of this study admitted to switching boutiques out of curiosity, even when satisfied with their current boutique. It was also noted that when emotional ties with the staff are high, it makes it harder for them to switch boutiques. In other words, satisfaction seems to play a bigger emotional role in shaping their switching decision.

It appears that satisfaction influences the intrinsic motivation process, which in turn influences whether the urge for novelty turns into service switching behaviour. In cases where satisfaction was "neutral", the desire for variety-seeking strengthened, leading to service switching. However, in cases where emotional switching costs are high, where customers are strongly "emotionally" satisfied, the urge to switch seems to be withheld. Therefore, satisfaction seems to act more as a *partial mediator* between variety-seeking and service switching. With partial mediation, some of the effects are explained, in this case, satisfaction. However, direct effects still exist, as some participants explained they will switch out of curiosity.

Figure 9: Satisfaction as a mediator between variety-seeking and service switching
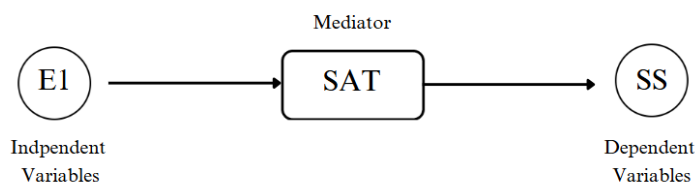
Although it can also be proposed that there might be a conditional mediation in play between the independent variable (variety-seeking) and the dependent variable (service switching). This study supports the theory of Ajzen and Fishbein (1977), where satisfaction mostly acts as a mediator between variety-seeking and service switching, however, the mediator satisfaction seems to be conditional here when emotional switching costs, such as emotional ties with the staff are high, meaning that this mediated relationship can be influenced by moderators, in this case, the strength of relational switching costs.

In summary, I propose that the relationship between variety-seeking and service switching is conditionally or partially mediated, depending on the strength of relational/emotional switching costs.

6.2 Answering the research questions

After extensive research, an answer to the sub-research questions can be formulated, resulting in an overall answer to the main research questions.

6.2.1 Sub-research questions

Sub-research question 1: How do switching costs (financial, emotional, social) impact boutique loyalty?

This study revealed that emotional and social switching costs have a significant impact on boutique loyalty in the context of luxury multi-brand retail. While financial switching costs have a weak influence on boutique loyalty.

Emotional switching costs turned out to be the strongest loyalty drivers. The data show that customers place enormous importance on forming relational bonds with the staff or boutique owner, with trust, honesty, recognition and personalisation being the underlying foundations. Making switching boutiques emotionally costly for them, as they might lose the connection they value so deeply. This leads to an increase in customer inertia even when alternative boutiques are accessible. However, negative emotional experiences such as discrimination or disrespect can immediately break loyalty. It can therefore be implied that emotionally anchored relationships are of a fragile nature.

Social switching costs are also crucial in boutique loyalty formation. Multiple participants from both focus groups stated that their favourite boutique is a reflection of their personal image. Therefore, disrupting this connection by switching to another boutique may lead to disrupting how they perceive themselves. Furthermore, the sense of belonging to an exclusive boutique community helps to maintain loyalty and creates a psychological obstacle to switching.

Financial switching costs are weak switching barriers for customers in this sector, as these customers seem to have sufficient disposable income. Price or financial incentives such as loyalty cards or discounts are seen as a nice "extra" but do not outweigh service quality or personal connection.

In conclusion, emotional and social switching costs act as strong mooring factors that sustain long-term boutique loyalty, with emotional switching costs having the strongest impact on boutique loyalty. Financial switching costs, on the other hand, can serve as supporting factors, but are definitely not essential. Therefore, boutique loyalty is about emotional alignment and identity reinforcement, not economic considerations.

Sub-research question 2: How does variety-seeking behaviour influence service switching in luxury multi-brand boutiques?

Variety-seeking behaviour has a substantial influential role in the setting of service switching in luxury multi-brand boutiques, even if customer satisfaction is high. Service switching is not always powered by discontent or unmet expectations. Instead, it is triggered by intrinsic curiosity, seasonal changes and a desire to experience something new.

Variety-seeking is not deliberate; it is rather spontaneous and situational, often prompted by factors such as the aesthetics of the boutique (e.g. visually appealing store windows, new collections, scent…). Exploring new boutiques increases during the summer months, mostly in other cities or on vacation, when people are more active thanks to the good weather. Social media presence and word-of-mouth also seem to support variety-seeking by making customers aware of alternative boutiques. Participants from both focus groups admitted to being intrigued by what is new and different elsewhere.

In conclusion, variety-seeking is a key driver of boutique switching, strengthened or diminished by satisfaction, while being independent of dissatisfaction.

6.2.2 Main research question

RQ1: "How do customers of high-end multi-brand fashion boutiques perceive and experience service switching, and what underlying factors drive their decisions to change boutiques?".

Customers of high-end multi-brand fashion boutiques perceive service switching as a multifaceted and emotionally driven decision. Their underlying decision to change boutiques is driven by different push (evolving needs, emotional discomfort, poor service) and pull factors (curiosity, seasonal changes, novelty appeal), and is influenced by experiential, emotional and social barriers. Positive emotional experiences, such as acquiring trusting relationships with the staff, feeling welcome and known by name, often make customers remain loyal. Customers attach value to a boutique that aligns with their personal image, as what they wear reflects who they are, also making them stay loyal. However, when emotional or relational negative experiences (discrimination, dishonesty…) occur, customers are prompted to switch, regardless of strong loyalty before, as these factors push them to switch.

Moreover, service switching is not always a deliberate decision, but a spontaneous one. Spontaneous service switching is pull-driven and happens when customers are seeking new experiences (variety-seeking) or are drawn to novelties. This highlights that even satisfied customers may switch out of curiosity or to discover new experiences.

Finally, service switching in this setting is best characterised as a dynamic interaction of emotional loyalty, identity alignment, curiosity, and social influence.

6.2 Future research, managerial implications and limitations

6.2.1 Managerial implications

Luxury multi-brand boutiques should actively manage customer relationships by going beyond offering quality products. Boutiques need to continuously improve complaint handling and commitment-building behaviours over time. Service failures should be treated with empathy and accountability. If mistakes occur, it is wise to offer a personal apology and search for an easy fix for the problem. Minor gestures, such as a follow-up call, for example, can result in renewed satisfaction and restored loyalty.

They should create personalised experiences and focus on building relational capital instead of focusing on building economic capital, because strong emotional ties are what keep them loyal. This can be done by training the staff to recognise returning customers, and train them to give sincere advice and read subtle customer cues, as customers in this study attached great value to sincerity and friendliness. Instead of discounts, offer exclusive experiences such as private shopping events, in-store fashion shows, new collection previews… This enhances the feeling of belonging and reinforces a boutique's exclusivity. A customer relationship management tool is worth investing in, as the staff can use all the information it provides to offer personalised suggestions. This way, the staff have access to previous purchase records, visit history, birthdays, and so on that can be used for remembering clients, which significantly enhances the customer's feeling of being valued and more than just a sale.

Boutiques should invest in maintaining loyalty not only by avoiding service failures, but by actively triggering the customer experience through updated collections, changing layouts and developing a strong social media presence to prevent customers from becoming curious about other boutiques and to prevent boredom. If luxurious boutiques take this advice to heart, they most certainly will see improvements in sustained customer satisfaction and customer loyalty.

6.2.2 Limitations and future research

This study was conducted in Limburg, Belgium, which makes this study unrepresentative. The method used for selecting participants was convenience sampling, which also makes this study not representative, as convenience sampling falls short in terms of selection bias, lack of generalizability, non-randomness and potential for homogeneity. However, convenience sampling was practical and cost-effective to use for this study. This study was also conducted in a qualitative manner, meaning this study cannot be generalised to a larger population. However, the primary aim of this research was to explore service switching in a multi-brand fashion context in order to obtain a deeper understanding.

Therefore, future research should be conducted through quantitative research in different cities and/or countries in Europe with a different sampling method, such as a probability sampling method,

as they minimise bias and accurately represent the population. For instance, simple random sampling, stratified sampling, systematic sampling or cluster sampling are efficient.

Linking the results of the study to the demographics of the participants also fell short, as five out of seven participants from the second focus group preferred not to say their average monthly income. Therefore, only observations regarding their age and education level could be made. For future research, it might be better to ask upfront if the participants would agree to giving personal information such as their average income per month.

For future research, it would also be interesting to research emotional loyalty formation in different age groups (e.g. boomers, millennials…) as each group has different needs and opinions, which can be insightful to further understand how luxury consumers make switching decisions. Diving deeper into the topic of online shopping and how this affects service switching behaviour in the luxury multi-brand fashion market could also be an intriguing study for the future.

References

Ajzen, I., & Fishbein, M. (1977). Belief, attitude, intention, and behaviour: An introduction to theory and research.

Balchandani, A., Rölkens, F., & D'Auria, G. (2024, 11 November). The State of Fashion 2025: Challenges at every turn. McKinsey & Company. https://www.mckinsey.com/industries/retail/our-insights/state-of-fashion

Baron, R. M., & Kenny, D. A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of personality and social psychology*, *51*(6), 1173.

Bartkutė, R., Streimikiene, D., & Kačerauskas, T. (2023). Between fast and sustainable fashion: The attitude of young Lithuanian designers to the circular economy. Sustainability, 15(13), 9986.

Bass, F. M., Pessemier, E. A., & Lehmann, D. R. (1972). An experimental study of relationships between attitudes, brand preference, and choice. Behavioural Science, 17(6), 532-541.

Bendapudi, N., and Berry, L.L. (1997). Customers' motivations for maintaining relationships with service providers, Journal of Retailing, 73 (1), 15-37.

Bhattacharya, A. (2013). Switching costs and sustained competitive advantage. International journal of business and management invention, 2(9), 101–111.

Blut, M., Evanschitzky, H., Vogel, V., & Ahlert, D. (2007). Switching barriers in the four-stage loyalty model. Advances in Consumer Research, 34.

Bogue, D. J. (1969). Principles of Demography. New York: John Wiley. 9 1977. "A Migrant's-Eye View of the Costs and Benefits of Migration to a Metropolis?' In Internal Migration: A Comparative Perspective. New York: Academic Press, 167–182.

Burnham, T.A., Frels J.K., and Mahajan, V. (2003). Consumer switching costs: a typology, antecedents, and consequences, Journal of the Academy of Marketing Science, 31(2), 2003, 109-126.

Dick, A.S. and Basu, K. (1994). Customer loyalty: toward an integrated conceptual framework, Journal of Academy of Marketing Science, 22, 99–113

Graf Dijon Von Monteton, V. (07 March, 2022). How the pandemic changed the luxury industry. Kearney.com. https://www.kearney.com/industry/consumer-retail/article/how-the-pandemic-changed-the-luxury-industry

Ha, M. T., Nguyen, G. D., & Doan, B. S. (2023). Understanding the mediating effect of switching costs on service value, quality, satisfaction, and loyalty. Humanities and Social Sciences Communications, 10(1), 1-14.

Hayes, A. F. (2013). Introduction to mediation, moderation, and conditional process analysis: A regression-based approach. New York, NY: The Guilford Press.

Hennessey, B., Moran, S., Altringer, B., & Amabile, T. M. (2015). Extrinsic and intrinsic motivation. Wiley encyclopedia of management, 1-4.

Hess, R. L., Ganesan, S., & Klein, N. M. (2003). Service failure and recovery:The impact of relationship factor on customer satisfaction. Journal of the Academy of Marketing Science, 31, 127–147.

Hidayat, A., Wijaya, T., Ishak, A., Rejeki Ekasasi, S., & Zalzalah, G. G. (2021). Model of the consumer switching behaviour related to healthy food products. Sustainability, 13(6), 3555.

Hirschman, E. C., & Holbrook, M. B. (1982). Hedonic consumption: emerging concepts, methods and propositions. Journal of marketing, 46(3), 92-101.

Howard, J. A., & Sheth, J. N. (1969). The theory of buyer behaviour. New York, 63(331), 145.

Jacoby, J. & Robert W. Chestnut (1978). Brand Loyalty. New York: John Wiley & Sons.

Jensen, J.M. (2011). Consumer loyalty on the grocery product market: an empirical application of Dick and Basu's framework, Journal of Consumer Marketing, 28(5), 2011, 333–343.

Journal, F. L. (2024, 25 July). Post pandemic changes in fashion - Fashion Law Journal. Fashion Law Journal. https://fashionlawjournal.com/post-pandemic-changes-in-fashion/

Keaveney, S. M. (1995). Customer switching behaviour in service industries: An exploratory study. Journal of Marketing, 59, 71–82.

Kim, K., Byon, K. K., & Choi, H. (2020). A conceptual analysis of switching costs: Implications for fitness centres. Sustainability, 12(9), 3891.

Lee, R. & Neale, L. (2012). Interactions and consequences of inertia and switching costs, Journal of Services Marketing, 26(5), 365-374

McAlister, L., & Pessemier, E. (1982). Variety seeking behaviour: An interdisciplinary review. Journal of Consumer Research, 9(3), 311-322

Mofokeng, T. E. (2020). Switching costs, customer satisfaction, and their impact on marketing ethics of medical schemes in South Africa: An enlightened marketing perspective. Cogent Business & Management, 7(1), 1811000.

Oliver, R. L. (1980). A cognitive model of the antecedents and consequences of satisfaction decisions. Journal of marketing research, 17(4), 460-469.

Oliver, R. L. (1997). Satisfaction: A behavioural perspective on the consumer: A behavioural perspective on the consumer. Routledge.

Oliver, R. L. (1999). Whence consumer loyalty? Journal of Marketing, 63(4_suppl1), 33-44.

Reichheld, F. F. (1996). The loyalty effect: The hidden force behind growth, profits and lasting. Harvard Business School Publications, Boston.

Roos, I. (1999). Switching processes in customer relationships. Journal of Service Research, 2, 68–85.

Roos, I. (2002). Methods of investigating critical incidents. Journal of Service Research, 4, 193–204.

Sakhuja, A. (2022, 10 November). The future of luxury retail post-pandemic - Luxebook India. Luxebook India. https://luxebook.in/the-future-of-luxury-retail-post-pandemic/

Sharma, N. & Patterson, P.G., Switching costs, alternative attractiveness and experience as moderators of relationship commitment in professional consumer services, International Journal of Service Industry Management, 11(5), 2000, 470-490.

Strahilevitz, M., & Myers, J. G. (1998). Donations to charity as purchase incentives: How well they work may depend on what you are trying to sell. Journal of consumer research, 24(4), 434-446.

Van Trijp, H. C. M., Hoyer, W. D., & Inman, J. J. (1996). Why switch? Product category–level explanations for true variety-seekin2g behaviour. Journal of Marketing Research, 33(3), 281–292.

Appendix

Interview questions of focus group 1

Customer experience and boutique expectations:

1. Can you describe what you usually expect when you are shopping at a luxurious boutique with multiple brands?
2. Think of a boutique where you were satisfied at first. What eventually led you to change to another boutique?
3. Did you ever feel that your expectations weren't met during a boutique visit? And what happened after that?
4. When a boutique exceeds your expectations, how does this influence your intention to go back to that boutique and stay loyal?
5. Do you think that your expectations change after a while? If so, how?
6. How do you define a "disappointing" experience in a boutique, and how do you normally react?
7. Can one negative experience make you switch to a different boutique, or does it take multiple bad experiences for that to happen?
8. How important is consistency in your experiences with boutiques?
9. Which factors made you feel "overwhelmed" or pleasantly surprised in the past?
10. Would you ever return to a boutique that at first did not meet your expectations?

Switching costs (financial, emotional, social)

11. How important are loyalty programs, personal stylists or exclusive services to keep you loyal at a particular boutique?
12. Have you ever hesitated to switch boutiques because it felt like too much effort?
13. Which emotional connection do you feel with the boutique you regularly shop at?
14. Would recommendations from friends or family influence your decision to stay with a boutique or switch to another boutique?
15. Did you ever pay more or accept a lower incentive, just so you could shop at your favourite boutique? And why?
16. Do you feel a sense of belonging when you shop at particular boutiques?
17. Did you ever stay longer with a boutique out of guilt, habit or comfort than planned?
18. How do you feel when you try out a new boutique for the first time? Hesitant or excited?
19. Do relationships with the staff at your favourite boutique make it harder for you to switch to another boutique?
20. Would you be more prone to stay at a boutique if you lost your built-up advantages or status if you switched to another boutique?

Variety-seeking behaviour

21. Do you consider yourself someone who likes to explore new boutiques or new fashion experiences?

22. What motivated you to try out different boutiques, even if you are satisfied with your current boutique?

23. Did you ever switch to another boutique because you were curious or because you were looking for something new?

24. How often do you switch or try out new boutiques, and what drives you to act this way?

25. How different should boutiques be to catch your attention and make you switch?

26. If you switch, do you switch for the product, the atmosphere or the overall experience?

27. Are you more inclined to search for novelty during certain periods, for example, a new season, events…?

28. Have you ever felt "bored" when shopping at a boutique? And what did you do after?

29. Do you feel more attracted to boutiques where the layout, collection or sphere often changes?

30. How would you describe boutique shopping? Exciting or habitual?

<u>Loyalty formation and boutique commitment</u>

31. What makes you feel really loyal to a boutique instead of temporarily satisfied?

32. Can you recall a boutique you have been loyal to for a long time? What has kept you devoted to that boutique?

33. How important are emotions and personal service for you to return to a boutique?

34. If a boutique makes a mistake or does not meet its promises, would you still give it a chance? Why or why not?

35. Which role do habits and routine play in your loyalty to a particular boutique?

36. Can you recall a moment when you defended your favourite boutique or recommended it to others? And why?

37. If you try out a competing boutique, do you ever feel "guilty" after?

38. When did a boutique earn your long-term devotion?

39. Have you ever felt like a boutique did not value you anymore as a loyal customer? What did you do?

40. According to you, what does a boutique need to do to turn your satisfaction into lasting loyalty?

Interview questions of focus group 2

<u>Customer experience and boutique expectations</u>

Before the visit:

1. What are the first expectations that come to mind when you are about to visit a multi-brand boutique for the first time?

2. How do you usually find out about boutiques you would like to visit? And does that shape your expectations?

3. What do you think a luxurious boutique should offer that regular stores don't?

4. Do you shape your expectations based on social media, websites, or word-of-mouth?

5. How important is exclusivity for your experience? Do you expect that a visit to a multi-brand boutique should feel special or tailored?

During the visit:

6. Which details give you the feeling that a boutique offers a luxurious experience?
7. Can you describe a moment when a visit to a certain boutique exceeded your expectations?
8. Did you ever leave a boutique feeling disappointed, and what was it that did not meet your expectations?
9. Do you expect the staff to be helpful? How would you describe the perfect degree of attention?
10. How does the boutique atmosphere, interior design, or even scent influence how you feel during the visit?

After the visit:

11. What makes you want to go back to a boutique after your first visit?
12. Do you ever reflect on your experience? Which factors stick with you the most?
13. If you are satisfied, but not surprised, is that enough for you to return?
14. What is the most important for you when deciding to stay loyal to a boutique: the emotional experience (e.g. emotional ties with the staff) or the product quality?
15. Have you ever stayed loyal to a boutique just because they consequently met your expectations, even if they were never exceeded?

Switching costs (financial, emotional, social)

Financial switching costs

16. Did you ever avoid switching boutiques because you did not want to lose your built-up loyalty points or discounts?
17. Would you pay slightly more to stay with a boutique you trust, even if the competitor offers the same product cheaper?
18. To what extent do financial incentives (loyalty cards, gift cards, discounts…) influence your boutique choice?
19. Would you ever leave a boutique you love for another, if the other boutique would give you 20% off on your purchases every visit? Why or why not?
20. Did you ever revisit a boutique just because there was a promotion or sale, even after you were disappointed?

Relational switching costs

21. To what extent do relationships with certain staff of the boutique influence your decision to stay or switch?
22. Do you feel guilty or uncomfortable if you switch to another boutique after you have built emotional ties with the staff?
23. Can you describe a time when a boutique won you back by making a service feel personal or thoughtful?

24. Did you ever have the feeling that "starting over" at a new boutique would be too much effort or too impersonal?

25. If your favourite stylist of your favourite boutique were to work at another boutique, would you follow or stay loyal to the boutique?

26. Do you feel emotionally attached to a certain boutique because of the way they have treated you over time?

27. How important is it to you that a boutique remembers your name, your style or previous purchases?

28. If a new boutique offers better prices, but not the same warm and trustful service, would you switch?

29. Did you ever feel like you were treated like a "real person" instead of a sale? And how did this influence your loyalty?

Social switching costs

30. Do you ever choose a boutique based on where your friends shop or what's considered "in"?

31. Have you ever stayed loyal to a boutique because you've built a sense of community or belonging there?

32. Are you more likely to switch if people in your circle start recommending or shopping at another boutique?

33. Do you feel pressure to continue shopping at a boutique because you've publicly endorsed it (e.g., on social media or to your friends)?

34. Has being treated like a "regular" or "VIP" ever made you less likely to try another boutique?

35. How much does your perception of a boutique's reputation or social status affect your decision to stay or switch?

36. Do you feel more loyal to boutiques that make you feel part of an exclusive group or community?

37. Have you ever been influenced to stop shopping at a boutique because others around you did?

38. Are you more likely to stay loyal to a boutique if it aligns with your personal image or identity in your social circle?

Variety-seeking behaviour

39. Would you say you sometimes switch boutiques just for the sake of discovering something new? Why?

40. Do you enjoy exploring new fashion environments even if you're satisfied with your current boutique?

41. How important is "surprise" or "novelty" to you when you go shopping?

42. Do you associate boutique-switching with excitement or with risk?

43. If two boutiques carry similar collections, how do you decide which one to go to?

44. Do you feel drawn to boutiques that constantly change their layout, design, or merchandising?

45. At what point does a boutique start to feel "predictable" or "boring" for you?

46. How much does store innovation (e.g. pop-ups, in-store technological posters, themed events) impact your interest in staying loyal?

47. Do you consider most luxury boutiques interchangeable, or do you seek out distinctiveness?

48. How often do you actively seek out new boutiques to try?

49. Are there times of year (e.g., seasonal changes, holidays) when you feel more inclined to explore alternatives?

50. Do you ever set out to shop without a specific boutique in mind, just to "see what's out there"?

51. Do you prefer boutiques that constantly update their inventory versus those with more classic or stable offerings?

52. Does variety-seeking feel more like a deliberate decision or a spontaneous mood?

Loyalty formation and boutique commitment

Cognitive and affective loyalty

53. What was it that triggered your interest in a boutique you later became loyal to?
54. Can you recall the moment when you realised you were emotionally tied to a boutique?

55. Does the feeling of being understood by the staff or brand make you more loyal?
56. How do emotional experiences (e.g., compliments, service surprises) affect your sense of loyalty?
57. When you feel "at home" in a boutique, what specific aspects contribute to that feeling?

Conative loyalty

58. Are there any boutiques you actively defend or recommend to friends? What makes them so special?
59. Even if you sometimes shop somewhere else, is there a boutique you always come back to? Why?
60. Have you ever considered switching but decided not to? What made you stay?
61. When choosing where to shop, do you ever feel a "pull" to return to your favourite boutique?
62. Would you describe your loyalty as conscious (you think about it) or unconscious (it just happens)?

Action loyalty

63. How do your shopping habits reflect your loyalty? Do you visit regularly, attend events, or follow them online?

64. Have you ever prioritised your favourite boutique over convenience (e.g. parking) or price (cheaper / expensive)?

65. If that boutique made a mistake, how likely are you to forgive them and continue shopping there?

66. How long does it take for you to feel loyal to a boutique — is it instant or built over time?

67. Can a boutique lose your loyalty? If so, what would cause that shift?