STUDY OF CUSTOMERS’ LOYALTY: DIMENSIONS AND FACETS

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Abstract:
The purpose of this study is to identify the main aspects investigated in the study of customer loyalty regarding different dimensions and facets of loyalty. Analyzing the academic literature on this subject, we identified two main directions: (a) the approachings of loyalty on its dimensions (one, two or four dimensions); (b) the approachings of loyalty on its facets (effects). The main facets of loyalty are repatronage intentions, word-of-mouth intentions and buying frequency. Our approach is a theoretical one and we used documentary research. Identifying and analyzing the dimensions and facets of loyalty are important stages for any loyalty program that a company should implement, regardless of its field of activity.

Keywords: cognitive loyalty, affective loyalty, conative loyalty, action loyalty

1. Introduction
Loyalty can be analyzed both from the perspective of a company and a consumer. Customer relationship management and direct marketing research center on strategies and activities that a company must initiate in order to retain its customer’s portfolio. There are academic papers that present the loyalty concept as a result of marketing efforts. Our opinion is that the two perspectives must be analyzed as a whole and not as distinct parts of the same process. The strategies developed by both national and international companies must be sustained by depth knowledge of the dimensions and factors affecting loyalty and also of the consequences of loyalty.

One of the most common definitions of customer loyalty is the one offered by Jacoby and Chestnut (1978) who see this phenomenon as a behavioral result of consumers’ preferences for a specific brand from a set of similar ones. Loyalty is a commitment to continue to make business with a company, on the long term, is a state of mind, a set of attitudes, beliefs or desires (Zineldin, 2006). Neal (1999, p. 21) defines loyalty as “the proportion of times a purchaser chooses the same product or service in a specific category compared to the total number of purchases made by the purchaser in that category, under the condition that other acceptable products or services are conveniently available in that category”. Dick and Basu (1994, p. 99) develop a most solid approach of this concept: “the strength of the relationship between an individual’s relative attitude and repeat patronage”.

Loyalty is “deeply held commitment to rebuy the favorite product or service in the future, in spite of situational influences and marketing efforts which can modify the behavior” (Oliver, 1997, p. 392; Too, et. al., 2001, p. 292).

The most common subjects on loyalty presented in the academic articles are: factors affecting customers’ loyalty, loyalty’s dimensions (one, two or four dimensions), the effects of customers’ loyalty (its facets) and loyalty programs.

Our study has two main objectives: 1. Identifying the approaches of customer loyalty dimensions in academic literature
2. Identifying the most frequently customer loyalty facets (effects) discovered in academic research

As a method we used documentary research.

2. Loyalty dimensions

Regarding loyalty dimensions, we structured our results in three parts because we identified three main approaches of this construct: (a) unidimensional approach; (b) bi-dimensional approach; (c) multi-dimensional approach.

2.1 Uni-dimensional approach

Before 1970, loyalty represented just a repatronage behavior. Brand loyalty was explained only in terms of results (repeating the purchase) and not of reasons, till 1969 when Day lunches the bi-dimensional concept (Kuusik, 2007). Jacoby and Kyner (1973, p.2) are the first authors who continue to expand this new and provocative perspective. They defined loyalty as a repeated non random acquisition of a brand from a set of alternative brands, as a result of a deliberate evaluation process. This is perhaps the simplest approach of loyalty. The main weakness of this view is the lack of interest in the reasons of consumers’ acquisitions. We also notice that before 1970, loyalty was not investigated as a construct but as a simple variable measuring the frequency of customer purchase.

2.2 Bi-dimensional approach

Under this view, loyalty is a relationship between attitude and behavior. This is a practical view and also is strongly argued in many marketing studies. The approach of loyalty as a bi-dimensional construct facilitates the identification of different customers segments, according to their loyalty level and also the development of marketing strategies specially designed for acquiring specific categories of customers (Baloglu, 2002, p. 49).

The reasons for including customers ‘attitudes in defining the loyalty concept are (Donio et al., 2006): (a) it is necessary and useful to make the distinction between the customers with attitudinal loyalty and the one who are not loyal at the attitudinal level in order to identify the clients most vulnerable to change their behavior. (b) a simple behavioral definition does not explain the causes of this process. Although loyalty is measured by the behavior, in reality it is about attitude. Without a continuous relationship with the client and without a direct feedback, his needs, his attitudes, his intentions cannot be understood. Loyalty is a bidirectional process: in order to have customers, a company must offer loyalty. A company cannot build loyalty only by its communication techniques; every aspect of the business is an important factor for this purpose (Thomas and Housden, 2002, p. 90). The strongest conceptualization of loyalty explains both psychological and behavioral dimensions (Too, et. al., 2001, p. 293).

(a) The attitudinal perspective

Attitudinal loyalty is investigated in terms of attitudes, preferences, commitment and intentions (Söderlund, 2006). It is defined as a consumer’s desire to continue his relationship with the company in spite of the lower prices of the competing companies and to recommend the products or the services to his friends (Dick, Basu, 1994; Chaudhuri and Holbrook, 2001).

The value of the attitudinal variables mustn’t be underestimated; the behavior reflects the current situation or, more likely, a set of past events while attitudes offer clues about the customers’ future behavior (Filip and Costantinescu, 2007, p. 119). There are authors who prefer to use the expression “mental state” instead of the word “attitude” because other aspects were involved and other psychological variables were involved instead of attitudes. Attitudinal loyalty reflects
cognitive, affective and conative predispositions of the individual to continue the relationship with a company or a brand (Torres-Moraga, et. al, 2008, p. 303), other variables being involved, such as trust and commitment, that are consequences of satisfaction.

The marketing researchers believe that must be a strong attitudinal commitment for a brand for true loyalty to exist (Reichheld, 1996). This is a favorable set of beliefs connected with brand purchase. This attitude can be measured by asking people how much they love the brand, how much are they attached to the brand or have positive feelings about it, what are the chances they will recommend the brand to other people (Dick and Basu, 1994). The intensity of these attitudes represents a key predictor of the repeating purchase. Ahluwalia et al. (in Donio et al., 2006) show that the clients who manifest attitudinal loyalty are less capable of spread negative information about the brand. An expanded perspective of “attitude defines loyalty” indicates the existence of a relation between clients and brands. An example is offered by Fournier (1998), who sees loyalty as a commitment and an affective partnership.

Although the psychological importance of approaching the behavior as an antecedent of attitude is well known, there are opinions that sustain the insufficiency of the attitudes in the intercession of explaining the repeating purchase (Dowling, 2002). Measuring attitudes means involving customer’ feelings for a brand or a company, the buying intentions or the recommendation intentions but the global loyalty phenomenon cannot be understood without the act of buying (Sondoh, 2009). There are a very few studies that investigates only attitudinal loyalty (Arnould et al., 2002; Morris and Martin, 2000). We choose to present the two dimensions on distinct sections because there are researchers who investigate only attitudinal or only behavioral perspective, although they admit that both dimensions are necessary in order to understand and measure the loyalty construct.

(b) The behavioral perspective

The behavioral perspective fits with the concept of retention, under the assumption that no matter what the sources of loyalty are, this means an unspecified number of repeated acquisitions from the same supplier, in a specific period of time. The behavioral loyalty involves elements such as: the frequency of calls, the level of cross-selling buying and the length of the relationship (Söderlund, 2006). The behavioral dimension is often based on quantitative indices: the number of purchases from one company, the buying frequency, retention level, the amount spent for the products of one specific company, the client share (the rate of money spent for products/services of one certain company from the total amount spent for that category of product/service), the number of clients who have chosen the buy from the competing companies (Filip and Costantinescu, 2007, p. 119).

This approach is the most polemic but also the most argued by the marketing researchers. The main debatable issue is that loyalty is defined based on the history of buying pattern and there is a lack of interest regarding customers’ motivations and the commitment to the company (Donio et al., 2006). Jacoby and Chestnut (1978) argue that the measurement of the behavior represents a statical consequence of a dynamic buying process and does not allow a depth understanding of the factors that fundament the buying decision. Involving and analyzing the consumers attitudes make loyalty not just a larger construct (loyalty is a process and not just an act) but also a practical one (Dick and Basu, 1994; Oliver, 1999).

Over the years, the researchers gathered a large amount of data about
the consumer’s habits of buying, on different categories of products from various countries (Uncles et al. 1994). They discovered that are very few “monogamist” consumers (100% to a brand or 0% loyal to any brand) and a lot of “polygamist” consumers (for example, consumers that are loyal to a brand from a certain category of products/services). From this point of view, loyalty is defined as a predilection for buying a brand from a larger line (Ehrenberg and Scriven, 1999).

We identified studies centered only by the behavioral dimension of loyalty (Zeithaml, et al., 1996). The modeling techniques describe observed patterns of the buying process. Using “trying and error” mechanism, the consumer finds a brand that creates a satisfying experience and chooses it again. The repeated buying process of a specific brand is generated not by a feeling of attachment or involvement but by the lack of time. Choosing a new brand means consuming more time and effort. If the usual brand is not available, the customer will choose a substituent one (Donio et al., 2006).

In marketing research, when loyalty and its determinants are the key subjects of the paper, the researchers usually measure the future buying behavior. Two different types of questions are used (Pirc, 2008, p. 36), both for the intention (“Do you intend to be loyal to a company?”) and for the expectations (“Do you expect to be loyal to one company?”). Intentions are different from the expectation in the way the individuals perceive the future events and behaviors. Intentions are perfectly conscious and they are measured based on the determinants controlled by the subjects, such as motivations, attitudes and preferences.

Expectations measure a personal prediction and allows for external factors such as anticipated obstacles, easiness or difficulties in manifesting a specific behavior, related risks (Warshaw and Davis, 1985).

Under the stress of connecting attitudes and behaviors, the researchers usually measure the intentions as an indicator of current behavior. This approach lunched a series of debates based on the fact that intentions don’t reflect the current behavior. Based on longitudinal studies, Bansal and Taylor (1999) show that the intentions of switching a company are good predictors of defecting behavior in the buying process context, specific to long term contractual relations. Ranaweera and Prabhu (2003) frame a retention scale for measuring the probability to leave a fix line telephone company services. They used three items measuring “the likelihood of the respondent leaving the service provider at three different periods in the future: six months, one year and two years respectively” (Ranaweera and Prabhu, 2003, p. 382).

Shukla (2009) notice the lack of situational factors from these models and also the fact that intentions are studied related to attitudes regarding the products or the services, without considering marketing mix variables. The research of Shukla (2009) identify a strong connection between contextual factors (family, friends, life style, self esteem, the image of the product) and behavioral loyalty, measured by the decision of buying and switching the brand.

We also identified a series of academic research papers that investigates both attitudinal and behavioral loyalty. Jacoby and Chestnut (1978) recommend measuring loyalty based on attitudinal and behavioral information, in order to offer a general view in this construct. Baldinger and Ruben (in McMullan and Gilmore, 2002) develop a research and test the connection between attitudes and behavior on brand loyalty example.

The research of Donio et al. (2006) frames a loyalty model for the two components: attitudinal loyalty (generated by satisfaction, trust and
involvement) and behavioral loyalty (the act of purchase). Musa (2005) investigates factors affecting customers’ loyalty for the example of direct selling companies. He adopts the attitudinal definition from Dick and Basu (1994), a psychological predisposition of customers to rebuy from the same company and to recommend it to other people. He measures buying intention and word of mouth intention (for the products and the salesman). The behavioral loyalty is analyzed using the former type of loyalty; intention variables became factual variables. Clients are asked if they use to buy and recommend the company products in the present.

Gómez, et al (2006) investigates the role of loyalty programs in building affective and behavioral loyalty. In order to measure attitudinal loyalty, the authors analyzed the key elements in creating affective loyalty: satisfaction, attitude to the retailer, trust in the retailer, trust in the products, involvement. The behavioral loyalty is measured on two dimensions: the buying purchase from the retailer and from the competitors. As indicators, they used: “frequency of visits to the retailer, purchases and percentage of purchases per customer” (Gómez, et al, 2006, p. 389). The results showed that participants in loyalty programs are more loyal (behavioral and affectively) than non participants.

We also noticed that an aggregated approach of the items is seldom used for the behavioral construct. For example, it is less significant to compute an average value of the total amount for shopping and one for the length of the relationship between the company and the clients. That is why, most frequently, this method is used only for affective loyalty. Also, an aggregate score for the two dimensions (affective and behavioral) is scarcely used (Söderlund, 2006).

2.3 Multi-dimensional approach

In the past few years, loyalty approach has been improved, from bi-dimensional view to multi-dimensional view: cognitive, affective, conative and behavioral loyalty. The concepts: cognitive, affective and conative were the subjects of many researches from consumer behavior field (Åkerlund, 2004, p. 42). It has been told that these elements are affected by situational variables and that they represent permanent characteristics of the individuals (Aurifeille et al., 2001, p. 302).

Even since 1978, Jacoby and Chestnut (1978) suggested that, in order to analyze loyalty, the structure of the consumer’s beliefs, affect and intentions must be examined. Based on the expectancy-value theory, the authors recommend including the three stages in the study of loyalty. They make a distinction between true brand loyalty, multibrand loyalty, repeated purchase false loyalty and casual purchase. The initial model of loyalty involves the following aspects: (a) information possessed by the consumer must highlight the advantage of one brand upon other brand – cognitive dimension; (b) consumers must love the brand – affective dimension; (c) consumer must consider buying a specific brand and not another one – the intention.

Dick and Basu (1994) also studied the three loyalty dimensions (cognitive, affective, conative) that affect the repeated purchase (the behavior). Their model is a very well known one and it is cited in many academic articles. Quester and Lim (2003) investigate the connection between consumers ‘involvement in the buying process and brand loyalty, for two products: sport shoes and pens. They use three scales for measuring loyalty: a scale for cognitive loyalty, a second scale for affective loyalty and a third scale for conative/behavioral scale.
The loyalty model with four stages is the most complex approach if this concept but also the most difficult and less used in marketing research due to the difficulty to make a strong distinction between the stages. We selected a few models of four stages loyalty from the academic research articles. Maybe the most famous model is the one proposed by Oliver in 1997. Oliver suggests that different aspects of loyalty manifest not simultaneous but sequentially. Consumers became loyal first at a cognitive level, then affective and conative and this sequence must be considered for studying the causes of customers' defecting level. In the first stage, loyalty is based on available information for selecting the favorite offer, having as choosing criteria: costs, benefits and quality. The next level incorporates affective aspects. Attitudes are formed based on the cognitive elements. It is hard to influence loyalty because it is based not only by cognitive aspects (what the customer knows about the products, brands, company) but by affective factors (satisfaction, involvement, preferences, desires) (Oliver, 1997, p. 395). The third stage involves conative loyalty (intention or the commitment to have certain behavior). Oliver considers that motivation or the desire to act manifest in this stage. Conative loyalty is more powerful than affective loyalty but it is still vulnerable and can be affected by repeated discontents about the company or the products (Evanschitzky and Wunderlich, 2006). The fourth stage is building behavioral loyalty, the concrete manifestation of loyalty as a result of former steps. The consumers develop a habit or a routine answer behavior and acts “on his own” (Åkerlund, 2004, p. 43). The first three steps can have as a result the consumer's consent to act (to buy, to search the favorite offer) (Evanschitzky and Wunderlich, 2006).

Sivadas and Baker-Prewitt (2000) tests Oliver's model for the example of a store. They developed a phone survey with a sample of 542 subjects. The results support the fact that cognitive loyalty is a good predictor of affective loyalty that, on its turn, predicts conative loyalty. They also tests and confirmed the effect of conative loyalty on behavioral loyalty.

Harris and Goode (2004) developed a sequential loyalty model using Oliver’s example. They investigated the role of satisfaction, trust, perceived value and service quality on loyalty. For every dimension, the authors build a 4 items scale, using qualitative and quantitative research. The data were collected from two samples: on-line books shoppers and plane tickets buyers. The results confirm the hypothesis about the connection: cognitive-affective-conative-behavioral loyalty. A latent variable for the forth dimensions was estimated. The link between the factors and the general loyalty construct was tested. Using structural equation modeling, the researchers confirm the positive influence of the trust and satisfaction on loyalty.

Evanschitzky and Wunderlich (2006) investigate the role of moderator variables in building loyalty and develop a four stages model. Positive and significant path coefficients resulted, confirming the link between cognitive-affective-conative-behavioral loyalty. The strongest link is the one from cognitive and affective loyalty. For further research, we consider that both attitudinal and behavioral loyalty must be considered. We also support the multi-dimensional approach which is the strongest and the most comprehensive perspective. We admit that is difficult to build scales to measure all four dimensions of loyalty, for different types of products and services but this work must be done in order to obtain relevant results.
3. Loyalty facets

A smaller number of articles approach loyalty facets than loyalty dimensions. Loyalty facets are behavioral consequences of this process (Söderlund, 2006, p. 76). Most of these researches investigate the relation between loyalty determinants and a few variables that describe the manifestation of loyalty.

Although there is no official centralization of the most frequently studied facets, Morgan et al. (2005) suggests that the first place is taken by the variable “intentions”. A review of marketing research shows that customers’ intentions are build connected with different future behavioral act such as recommendations, repatronage, and the amount of purchase. The most commonly indicated indices were repatronage intentions and word-of-mouth intentions (Söderlund, 2006).

There are arguments that sustain the two variables are different constructs (Söderlund, 2006).

Repatronage intentions means the action of buying and word-of-mouth intentions refers to discussions with friends or other people. The two types of intentions address two different types of subjects: repatronage address a company, recommendations address people from consumer’s surroundings. These intentions take shape of certain behavior and have different manifestations. Repatronage means the client buy again the company’s products/services and contribute to the growth of company’s profit. Word of mouth may or may not affect the relationship between the client and the company and the profit. Empirical research found out that there is not a significant correlation between these two variables (word of mouth and company’s profit) (Pritchard and Silvestro, 2005; Reinartz and Kumar, 2002). Some researches indicate that satisfaction, the strongest loyalty determinant, has different impact on repatronage intentions and word-of-mouth intentions.

Sui and Baloglu (2003) investigate the relation between antecedents and consequences of loyalty for a casino. They developed and tested a model in which included as consequences of loyalty the following: cooperation, word of mouth, time spent in casinos, the proportion of visit and other product usage. Cooperation is defined as working together to achieve mutual goals (Anderson and Narus, 1990). Recommendation includes “promoting the company, spreading positive word of mouth, and business referrals” (Sui and Baloglu, 2003, p. 475). Actual repatronage or repatronage intention were considered as irrelevant variables due to the fact that they ignore relative behavior. A proper variable is the proportion of purchase because it involves the behavior related to competition.

Conclusions

In conceptual and empirical investigation of loyalty, a large number of different specific constructs are described and build. All these constructs seem to have a common element: they refer to long term relationship between customers and companies, products, brands or services. So, loyalty involves a certain level of continuity of the connection between the two parts.

Our main contribution in this article is the theoretical synthesis for the approaches of loyalty dimensions and loyalty facets (effects). Regarding the research on loyalty dimensions, we identified three main approaches of this construct: (a) uni-dimensional approach; before 1970, loyalty was perceived just as a repeated purchase behavior; (b) bi-dimensional approach; this perspective support the idea that loyalty is a composite construct, with two dimensions: attitudinal and behavioral;
A multi-dimensional approach; for loyalty dimensions are identified: cognitive, affective, conative and behavioral. We presented important academicals research results from literature review for every approach. There are only few studies that measure loyalty on four stages. Most of the articles focus on attitudinal or behavioral component. In our paper we emphasize the importance of multi-dimensional view in loyalty research. It is a more difficult than the other two but also a complex approach.

A direct managerial implication is the process of building loyalty scales in order to measure the level of customers' loyalty. We highlight the importance of measuring both behavioral and attitudinal levels of loyalty. Loyalty scale is a multi-dimensional construct with four scales for every stage of this process: cognitive, affective, conative and behavioral scale. In order to build a multi-dimensional loyalty scale, a proper methodology is to conduct a qualitative research (focus group and/or depth interview) followed by a quantitative survey (Bobâlcă, 2011). On the other hand, in order to analyze the efficiency of a marketing program, measurement of loyalty effects or consequences (repatronage intentions, word-of-mouth intentions and buying frequency) can be a proper starting point. Analyzing both behavioral and attitudinal level of loyalty, a company can discover specific issues related to its clients. Managers can also develop and implement different marketing strategies specially designed for acquiring specific categories of customers.

The dimensions and the effects of customer loyalty are very important concepts which are less studied in Romanian academic literature. We consider that this subject must be carefully investigated in specific area of business, for specific products and/or services. On the other hand, a lot of marketing and psychologies researches study Romanians' behavior over the years. After 1989, many economical and social transformations occurred in Romania (Soponaru, 2011) and this affected the consumers' behavior. It has been told that Romanians are not loyal consumers. Taking into account this idea, we consider that it is very important to measure Romanians' loyalty, especially during the economical crisis, in order to identify different levels of loyalty (cognitive, affective, conative and behaviorally) and to build effective loyalty programs.

Future research direction are: a qualitative study in order to identify specific elements for Romanian customers 'loyalty, a quantitative research for building and validating loyalty scale for the Romanian market and a survey research for measuring the level of loyalty for all the four stages.

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