Loyalty: From Single-Stage Loyalty to Four-Stage Loyalty

Mohammad Javad TaghiPourian , Mahsa Mashayekh Bakhsh

Abstract— In today's competitive world, customers are at the center of companies' attention. Customer loyalty is a pivotal element of gaining competitive advantage. The creation of customer loyalty is a concept that contemporary businesses have paid significant attention to it. Despite the abundant of studies done on one-dimensional loyalty and two-dimensional loyalty (behavioral and attitudinal), there unfortunately exist few number of studies on loyalty with three or four dimensions. As a result, there is insufficient amount of literature in this regard. In this study, therefore, an investigation of the evolution of loyalty throughout time, from one dimension to four dimensions, is carried out together with a definition of the concept.

Index Terms— Service loyalty, Behavioral loyalty, Attitudinal loyalty, Cognitive loyalty, Conative loyalty, Affective loyalty.

I. INTRODUCTION

Although loyalty studies go back a long way around 100 years, customer loyalty is still regarded as a very recent research subject [3].

Today, the awareness of marketing managers about influencing customer loyalty is constantly taking on added importance [17]. With the progressive increase in competition, maintaining and increasing the number of customers have become the primary goals of many businesses [2] Loyal customers can be seen as the key to success in many service businesses [25].

The concept of loyalty derives from customer behavior literature [2].Brand loyalty is a sophisticated construct that has led to various definitions (e.g. Pritchard et al., 1999; Reichheld, 2003; Fournier, 1998; Brown, 1952; Copeland, 1923; Sirgy et al., 1985; Oliver, 1999).

In the context of brands, loyalty is one of the most-defined words in marketing lexicon. It is interpreted in various ways and often by various researchers having very different definitions [13].

One of the oldest and perhaps most used definitions of loyalty is that proposed by Jacoby and Kyner (1973). In their definition, loyalty is "a biased behavioral response expressed over time by a decision making unit with respect to one or more alternative brands out of a set of brands and being a function of psychological processes". Oliver (1999) added to this definition and defines loyalty as "a deeply held commitment to re-buy or re-patronize a preferred product or

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service consistently in the future, causing repetitive same brand or same brand-set purchasing, despite situational influences or marketing efforts." The definition proposed by Reichheld (2001), which refers to the tendency of the person to show individual loyalty and other attempts to empower a relationship, rests on relatively more distinct aspects. One of the newest definitions of the concept has been proposed by Chegini (2010). In this opinion, loyalty is "theory and guidance leadership and positive behavior including, repurchase, support and offer to purchase which may control a new potential customer".

The longevity of a relationship between a customer and a company positively affects the profitability of the company [17].Thus, general business wisdom implies that a company has to focus in some aspects of its marketing attempts on creating, maintaining, and enhancing customer loyalty [6]. As a result, is can easily be seen that increasing the number of and maintaining loyal customers is a central factor of corporations' long-term success. As the cost of attracting and keeping older customers has been paid before and as they have become more experienced, providing service to them would be more efficient [17]. Today's managers have to acquire this understanding that it is necessary to commit to relationship management; try to establish and preserve long-term relationships with customers, and consider customer loyalty as the ultimate objective in their strategy formulation. Moreover, it is noteworthy that the mere loyalty creation does not suffice and marketers should constantly work in protecting it [19].Several contemporary researchers have confirmed the evolution of loyalty over time [1,6,10,28]. From earlier studies where loyalty was defined simply as a behavior of repeated purchase [4,7,9] to more recent multi-dimensional definitions [6,15,28], such an evolution involves in various stages and interpretations. Some researchers have studied on the nature of different levels of loyalty while others have focused on the effects of personal factors on the concept. In the following section, four stages of loyalty will be discusses.

II. ONE-DIMENSIONAL LOYALTY

There are different approaches to customer loyalty. Behavioral loyalty theories dominated the field up to 1970s. In such theories, loyalty was the share of total purchases [4,7]; purchase frequency or pattern [22,26] , or purchase probability [9,12,27]. In these approaches, brand loyalty was seen in terms of results (repeated purchase behavior) not reasons. Finally, Day (1969) proposed the two-dimensional concept of loyalty in which loyalty should be measured according to behavioral and attitudinal criteria.
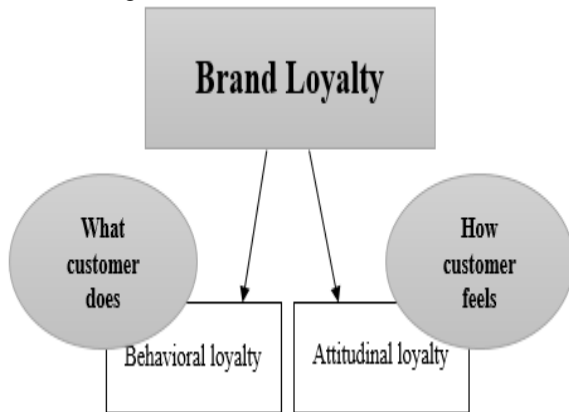
III. TWO-DIMENSIONAL LOYALTY

A two-dimensional notion states that loyalty must be assessed according to behavioral and attitudinal criteria [5]. Although many earlier researchers of loyalty considered repeated purchase as loyalty, recent studies have shown that this repetition does not indicate loyalty sufficiently [9]. The reason is that the customer may simply be inert or indifferent or that the costs of alteration are high due to some conditions [20].

Day (1969) was among the earliest researchers who proposed a two- dimensional concept of loyalty, and believed that it had to be evaluated according to attitudinal criteria together with behavioral ones. Furthermore, Traylor (1981) not only believed that loyalty is an attitudinal construct, but also argued that brand commitment is a representation of a kind of emotional or psychological attachment to the brand which brand loyalty is a behavioral phenomenon. From the standpoint of some researchers, loyalty is what the customer does; that is nothing more or less than repeated (purchase) behavior. The characteristics of two-dimensional loyalty are presented in Figure 1.

Figure 1. Elements of two-dimensional loyalty (from Khan, 2009)

Behavioral loyalty indicates the amount of services that a person purchases or plans to purchase repeatedly [5,16] what is recognizable through purchase behavior and application [11]. This kind of loyalty can be measured on the basis of the share of purchase, frequency of purchase and so on [10]. In this theory, it is assumed that the consumer's preferences appear in their behavior. On the other hand, in an attitude-based approach, customer loyalty is defined as a kind of attitude [3,8].

Attitudinal loyalty is a psychological attachment to a company or selected brand [5,16] which is often in the form of a long-term and ongoing relationship with the brand [10]. Preferences, purchase intention, supplier prioritization, and the willingness to recommend are the tools to measure attitudinal loyalty. Similarly, Rundle-Thiele and Bennet (2001) state that attitudinal loyalty can be defined as the customers' attitudes toward brands and measure it based on the intention to engage in word of mouth or repeat purchase [21].

IV. THREE-DIMENSIONAL LOYALTY

Although the traditional two-dimensional approaches to loyalty were useful for understanding customer loyalty for the purposes of conceptualizing and measuring the construct, they caused the emergence of some inconsistencies and debates in the field of marketing [28]. According to Worthington and colleagues (2009), behavior-attitude approaches were useless in some areas such as business-to-business or in three main outcomes of marketing, i.e. recommendation, search, and retention [28].

With respect to such conditions, we can come to the conclusion that brand loyalty is not a single or two-dimensional concept; rather it is a complicated multi-dimensional construct. As Worthington and colleagues (2009) argue, all human behavior is a combination of cognitive, emotional, or behavioral responses. In a three-dimensional approach, therefore, loyalty is made up of consumer's thoughts and feelings toward the brand that are manifested as action (ibid). In this way, they compose attitudinal loyalty as a simple two-dimensional structure including the components of cognitive and emotional forms of loyalty that can be implemented to establish an understanding of brand loyalty as a general concept. When this two-dimensional structure and behavioral loyalty congregate, a three-dimensional view of brand loyalty is formed, as demonstrated in Figure 2 (ibid.)[28].
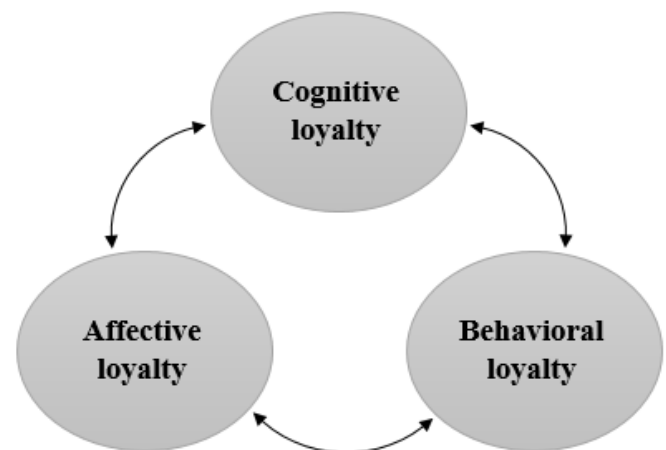
Figure 2. Three-dimensional brand loyalty (from Worthington, Russell-Bennett, Hartel, 2009)

V.FOUR-DIMENSIONAL LOYALTY

At first, Dick and Basu (1994) proposed three-dimensional loyalty that led to a deep commitment. They introduced cognitive, affective, and conative antecedents to explain customer loyalty. Following them, Oliver (1997) argued that customer loyalty includes three components: cognitive, affective, and behavioral intentions. Then Oliver (1999) expanded this structure up to four stages and stated that customer loyalty forms in a consecution of cognitive loyalty,

affective loyalty, conative loyalty, and action (behavioral) loyalty. In such a progressive sequence of customer behavior one can observe that attitudinal loyalty leads to behavioral loyalty. Oliver argues that a person becomes loyal in a cognitive fashion at first, then reaches affective loyalty followed by conative loyalty, and finally becomes loyal in action [15].

Cognitive loyalty. In the first stage of Oliver's loyalty framework, perceivable qualities and features of a certain brand indicate that it is more advantageous and desirable than other alternatives. This stage is called cognitive loyalty or loyalty based on brand image. Cognition can be based upon previous or second-hand information or recent experience of a brand. This stage is simply information based. After all, this form of loyalty is very superficial. When a brand is used routinely which does not cause any satisfaction, the extent of loyalty is nothing more than performance. When the consumer gets satisfaction from using a certain brand, it becomes part of the consumer's experience and take on emotional or affective manifestations [15].

Affective loyalty. In the second stage of loyalty as Oliver (1999) states, a kind of attachment or attitude to the brand appears, which is based on pleasant experience of using the brand. The consumer's commitment to the brand in this stage is called emotional loyalty, which is impressed as a form of cognition and affection on consumer's mind. While cognition can be affected by new information easily, affections are hard to change. Nevertheless, this form of loyalty, just like cognitive loyalty, is vulnerable to shift to other brands [15]. Studies have found out that a great percentage of those who left their selected brands were satisfied with them [18].As a result, marketers have to try to attract more committed consumers [15].

Conative loyalty. As Oliver (1999) believes, the next stage of the sequential framework of loyalty is conative stage of loyalty intentions. This stage is achieved after repeated formation of positive feelings toward a brand. Conation is defined as a kind of commitment or plan to purchase from a certain brand again. Consistent with this definition, it is possible to regard conative loyalty as a state of loyalty in which a deep commitment to purchasing from a certain brand exists. However, as many other instances of determination, such a commitment may never lead to action, although being expected [15].

Action loyalty. In this stage of loyalty, the intention created in the previous stage turns into a greater willingness to act. Oliver (1999) states that the consumer is ready to overcome possible obstacles for using certain products or services and finally reaching their desirable brand. In this stage, action is considered as the ultimate outcome of a readiness to act and overcome obstacles [15].

Table 1. Stages of loyalty and their vulnerabilities (from Oliver, 1999)

Stage	Features	Vulnerabilities
Cognitive ↓	Perception of qualities and superior features	Superficial, lower loyalty
Affective ↓	Formation of attachment and attitude toward brand	Exposed to switching
Conative ↓	Commitment or a plan to repurchase	Plans may not lead to action
Action (Behavioral)	High willingness to act	May weaken performance

In this framework of loyalty, Oliver (1999) completed the previous framework of cognitive-affective-conative loyalty by adding the stage of action [6,14] and directed attitude-oriented models toward action and repurchase behavior. In short, cognitive loyalty focuses on perceived features of the brand, affective loyalty considers desirability aspects of the brand, conative loyalty is observed when the consumer intends to repurchase from the brand, and action loyalty is a deep commitment to engage in repurchase [15].

VI. CONCLUSION

To date, researchers are still at the beginning of understanding loyalty in a multi-dimensional form [6,10] and have recognized only two dimensions: attitudinal
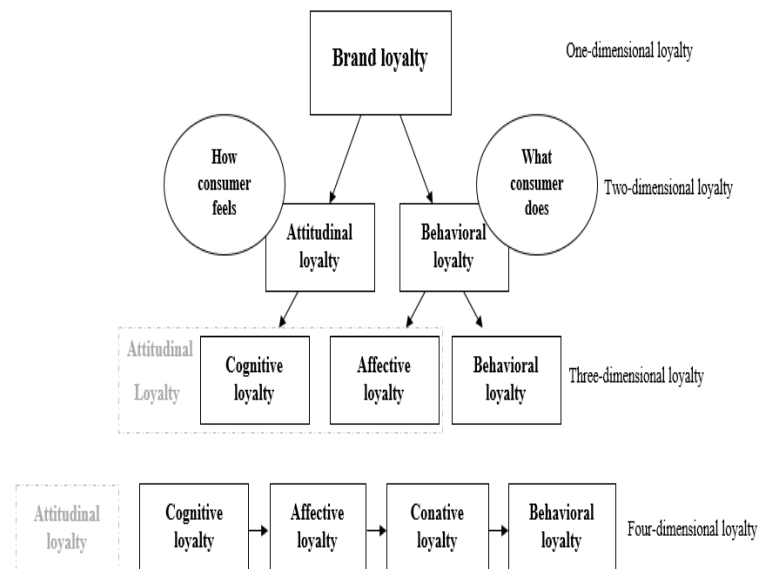

Figure 3. Previous dimensions of loyalty and four-dimensional loyalty

In this figure, different conceptualizations of the dimensios of loyalty are demonstrated. The first level shows that one-dimensional approach that was created by the earliest researchers such as Cunningham (1956) and Farley (1964).

Day (1969) was the first researcher who introduced the dimension of attitude in order to complement the dimension of behavioral loyalty, which is presented at the second level. Worthington and colleagues (2009) divided the attitudinal dimension into two subsets of cognitive and affective loyalty, which is demonstrated as three-dimensional loyalty in Figure 3. The three-dimensional loyalty was supported by Oliver (1997) and Dick and Basu (1994). Attitudinal loyalty is in gray color as it is not a part of conceptualization for this level; thus, it is in margin. The conceptualization proposed by Oliver (1999) is the four-dimensional level of the Figure that demonstrates four stages of loyalty.

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