CHAPTER - III

CONCEPTS OF BRAND LOYALTY
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INTRODUCTION

The American Marketing Association defines brand loyalty as “the situation in which a consumer generally buys the same manufacturer-originated product or service repeatedly over time rather than buying from multiple suppliers within the category” or “the degree to which a consumer consistently purchases the same brand within a product class”. Trying to define the term, David A. Aaker considers that brand loyalty “reflects how likely a customer will be to switch to another brand, especially when that brand makes a change in price, product features, its communication or distribution programmes” (Aaker, 1991).

Brand loyalty is also defined as the extent of the faithfulness of consumers to a particular brand, expressed through their repeat purchases, irrespective of the marketing pressure generated by the competing brands. When consumers become committed to brand they make repeated purchases over time. Brand loyalty is a result of consumer behaviour and is affected by a person’s preferences.

Loyal customers will consistently purchase products from their preferred brands, regardless of convenience or price. Companies will often use different marketing strategies to cultivate loyal customers, be it through loyalty programmes (i.e. rewards programmes) or trials and incentives (example samples and free gifts).

Companies that successfully cultivate loyal customers also develop brand ambassadors – consumers that will market a certain brand and talk positively about it among their friends. This is free word-of-mouth marketing for the company and is often very effective.

IMPORTANCE OF BRAND LOYALTY

Brand loyalty is a crucial goal and result of successful marketing programmes, sales initiatives and product development efforts. At the core of every successful brand is a nucleus of loyal customers. These “true believers” understand the brand better, purchase more often and recommend the brand to others.

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Loyal customers can be and should be the foundation for marketing strategy. Beyond the profit they generate, loyal customers provide the basis for brand development and improvement. The brand that loses sight of its loyal customers has lost its direction, and is vulnerable to losing market share (Assael, 1994)\(^9\).

As a brand's percentage of loyal customers goes up, market share increases and the brand becomes more profitable. Share rises because those customers who become repeat purchasers are no longer lost to the competition. In addition, repeat customers are more profitable than new customers - attracting new customers involves investing far more marketing and promotional funds.

To some extent, brand loyalty is being developed and managed by all successful brands. But in many cases loyalty itself is considered simply the result of well executed marketing programmes. The best way to achieve greater brand loyalty is by managing the brand loyalty process. This involves measuring the drivers of brand loyalty, selecting high impact loyalty improvement projects, and quickly carrying them out.

**DIMENSIONS OF BRAND LOYALTY**

There are three core dimensions of loyalty:

1. **Attitude** – consumer’s attitudes toward the brand in general or attitudes towards the suggestion of switching brands.
2. **Behaviour** – consumer’s tendency to buy the brand over others.
3. **Price Sensitivity** – consumer’s tendency to be prepared to pay more for the brand they are loyal to.

In the early stages of a market, brands will advertise to create differentiation and inspire loyalty and therefore be able to charge a price premium. Here, behavioural measures will show us how much loyalty is actually present in the market for our brand and price sensitivity measures can help us ascertain how far prices can be stretched. Once brands are differentiated in a more mature market, attitudinal measures become more important – as need an early warning system for consumers who may be thinking about switching – to be able to protect acquired share of the market. Price sensitivity measures are also important in

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the more mature market place as brands have established their positioning and are now starting price competition in order win over the less brand-minded consumers.

**CONSTITUENCIES OF BRAND LOYALTY**

Oliver (1997)\(^{100}\) developed a popular conceptual framework of brand loyalty, taking into consideration a full spectrum of dimensions, using a hierarchy of effects model with cognitive, affective, conative (behavioural intent), and action (repeat purchase behaviour) dimensions. Thus, brand loyalty becomes a deeply held commitment to re buy or repatronizes 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 (Oliver, 1999)\(^{101}\).

Traditional marketing literature generally emphasizes two different dimensions of the concept of brand loyalty – behavioural and attitudinal. On one hand, attitudinal brand loyalty includes cognitive, affective, and behavioural intent dimensions, while, on the other hand, behavioural loyalty reflects the repeat buying behaviour (Dick and Basu, 1994)\(^{102}\).

Behavioural intent, as the intention to act in the buying decision process, is considered by Mittal and Kamakura (2001)\(^{103}\) as being intermediary between attitudinal and behavioural loyalty, appearing either as a predisposition to buy a brand for the first time or a commitment to repurchase a current brand. The practical strategic objective would be to maintain and augment the repurchase commitment and convert behavioural intent to an actual purchase (Oliva and Oliver, 1992)\(^{104}\).


Attitudinal brand loyalty is a prerequisite for behavioural loyalty, Baldinger and Rubinson (1996)\textsuperscript{105} show that, if their attitude towards a brand is positive, highly loyal buyers tend to stay loyal, while switching buyers might be turn into loyal buyers more easily.

**APPROACHES TO BRAND LOYALTY**

A successful brand strategy must be based on creating brand loyalty. For achieving this goal, consumers must be classified on a loyalty basis and then the marketing mix must be shaped according to this classification (Baldinger and Rubinson, 1996)\textsuperscript{106}.

A first approach of classifying consumers considering their degree of loyalty is that to whom buyers can be divided into four groups: hard-core loyals (always buy the same brand), split loyals (loyal to two or three brands), shifting loyals (loyal to one brand for a period of time, but easily shifting from one brand to another, due to certain advantages offered by the new brand), and switchers (show no loyalty to any brand, switching the brand with almost any buying situation). Each market consists of a different number of these four types of buyers. A brand-loyal market has a high percentage of hard-core loyals. In such markets, entering or increasing market share are very difficult tasks. Still, brand loyalty must be carefully interpreted as it may actually reflect habit, indifference, a low price, a high switching cost, or the non-availability of other brands.

A second approach is that which sees five levels of brand loyalty and group’s customers accordingly into a loyalty pyramid.

a) The first level represents non loyal buyers who are completely indifferent to brands, each brand being perceived to be adequate if the price is accepted.

b) The second level includes satisfied or at least not dissatisfied buyers with no dimension of dissatisfaction sufficient enough to stimulate a change, especially if that change involves effort. These customers can be vulnerable to competitors that can create a perceived benefit in the case of switching.

c) The third level consists of satisfied customers with switching costs (loss of time, money, or acquired loyalty advantages, performance risks associated with switching and the like. In this


case, competitors must create an inducement or incentive to switch by offering a benefit large enough to compensate the switching costs.

d) The fourth level contains customers who truly like the brand and have an emotional attachment to the brand, based upon associations such as a symbol, a set of use experiences, or a high perceived quality. The emotional attachment’s reason is not clearly identifiable as sometimes just the fact that there has been a long term relationship can create a powerful affect.

e) The fifth level represents committed customers, proud to have discovered and used the brand, and to whom the brand is very important both functionally as an expression of their personality. The value of this category of customers stays in the impact they have upon others through their recommendations.

**INVolVEMENT / PERCEIVED DIFFERENCES BASED LOYALTY TYPES**

Considering the level of involvement and that of perceived differences between brands, they are four types of consumers (Bloemer and Kasper, 1995)107.

a) Complex loyals firstly do research, then develop beliefs and attitudes about the brand, and finally make a thoughtful choice. Marketers should educate these consumers about the brand’s attributes, differentiate and describe the brand’s features, and motivate sales people to influence the brand choice.

b) Dissonance loyals shop around and buy fairly quickly, as they may consider most brands in a given price range to be the same, even though expensive and self expressive. After buying, they experience dissonance noticing certain disquieting features or hearing favourable things about other brands, but seek information that supports their choice. In the case of these consumers, marketers should supply evaluations that help them feel good about their brand choices.

c) Habitual loyals make decisions based on brand familiarity. They keep buying the same brand out of habit as they are passive recipients of information conveyed by advertising. In the case of these consumers, marketers should try to dominate shelf spaces, keep shelves stocked, and run frequent reminder ads.

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Variety-seekers switch brands for the sake of variety rather than dissatisfaction. These consumers have some beliefs about brands, choose brands with little evaluation, and mostly evaluate them during consumption. In the case of these buyers, marketers could offer lower prices, coupons, free samples and the like but should constantly try to reconfigure the brand’s features so as to offer something new and the like.

**ATTITUDE / BEHAVIOUR BASED LOYALTY TYPES**

Brand loyalty has also been conceptualized as an interaction of attitude and behaviour. Dick and Basu (1994)\(^{108}\) argue that loyalty is determined by the strength of the relationship between relative attitude and repeat patronage. On the basis of attitude-behaviour relationship, they propose four types of brand loyalty.

The “spurious loyalty” and “no loyalty” categories occur under low relative attitude that might be indicative of a recent introduction and / or an inability to communicate distinct advantages, or may be due to the dynamics of a specific market, where most competing brands are seen as similar, and it may be difficult to create a high relative attitude.

Dick and Basu’s category of no loyalty is seen to relate to customers whose repeat patronage and relative attitudes are low, but not necessarily negative, meaning that this category includes customers who make infrequent purchases or potential customers. Non-loyals may exhibit this trait as they have no particular interest in the brand, have a negative orientation towards a brand or have a positive orientation towards a competing brand.

The non-loyal consumers be differentiated on the basis of: repeat patronage or intent to continue shopping, and relative attitude as demonstrated through recommendations made to others, from inertial (associated with behaviour and attitude which is relatively passive, and not likely to influence others and which may or may not lead to purchase) to negative (concerned with strong negative attitudes, or behaviours which seek to undermine a brand) (Riezebos et. al., 2003)\(^{109}\).

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a) Disengaged loyals are neutral and uninterested. They have never been customers because they have no awareness, the product is not relevant to them or the product is not within their perception of affordability. Yet, these circumstances may change and they may have potential for being customers in the future. Disengaged loyals need to be re-engaged with the brand. Marketing communications that are likely to be successful focus on promotion. Customer awareness may need to be enhanced by offering free samples, and other promotions which encourage these customers to sample the product again may be important.

b) Disturbed loyals are existing and continuing customers, who are suffering a temporary perturbation in their loyalty status, and are in the state of questioning previously assumptions about a brand, because they had a negative experience with the brand, or have an unfavourable comparison with other brands, or were exposed to promotion of competitive brands, which tempt them to try alternatives. These customers could be encouraged or enticed to consider re-commitment to the brand, provided they are assisted to see past their negative experience.

Disturbed loyals need to be re-captured. They are susceptible to promotional endeavors such as attractive packages and new products of competitors. Organizations should respond by benchmarking with competitors’ products. Recovery procedures such as complaints procedures, suggestion boxes, customer service and reimbursements may be appropriate.

c) Disenchanted loyals are customers who used to be loyal, but who have become less so. Their behaviour is such that they do not at present purchase the brand and are unlikely to do so in the future. Their attitude has ceased to be positive towards the brand but often remains neutral, rather than negative, due to previous positive experiences with the brand. Disenchantment arises because of a negative experience with the brand, a positive experience with a competitor, or changes in the match between customer requirements and the product range associated with the brand. Disenchanted customers are susceptible to strategies similar to those used for disturbed loyals, with the difference that the opportunity for addressing specific incidents has passed.

d) Disruptive loyals are previous customers, who have strong negative attitudes and behaviours in respect of the brand. They maintain negative views on the brand and are likely to communicate these to others, possibly vociferously. Disruptive customers are not likely to be converted into loyal customers again. The focus must be on negating the effect of any negative aspect on brand image that these customers can achieve, either in the media, and through pressure groups, or by word of mouth. In order to be successful in this endeavor, a business needs to understand where any earlier major weaknesses or flaws in product
performance and customer service lie, to eliminate these, and to demonstrate that any major problems have been eliminated.

**BRAND LOYALTY ERAS**

It is useful from a marketing perspective to see how brand loyalty evolved along the time. They are five distinct brand loyalty eras: (Cowles, 1997)\(^{110}\).

1) The birth of brand loyalty (1870 - 1914), when products quality varied widely and brands made products clearly identifiable. Brands were initially introduced as a means of assisting consumers to distinguish between available products.

2) The golden era of brand loyalty (1915 - 1929), when customers perceived improved quality of brands while retailers were enthusiastic about the increased sales resulting from brands. Brand recall was high and many consumers were loyal to a single brand of product. As consumers were able to access the brands more widely, familiarity and loyalty with the brands increased. Towards the end of this era, however, consumers became cynical towards advertising, which they perceived to be tasteless, manipulative and deceptive, while its costs were said to inflate prices.

3) The latent brand loyalty era (1930 - 1945) was characterized by a scarcity of branded products. Brand scarcity meant that many consumers were either rationed or required to do without previously purchased brands. Despite the lack of availability, brand preference actually increased during this period. Consumers had high levels of brand preference, but were not able to actually buy the brand.

4) The multi-brand loyalty era (1946 - 1970), when brands became more available, and consumers returned to their old habits and continued to purchase their favorite brands. During this period there was an explosion in new products and discount retailers emerged changing distribution with a focus on price competition for brands, with many introducing private brands. This created great concern for the manufacturer brands and, combined with increasing choice and high product quality, encouraged variety-seeking behaviour. A common feature in many markets during this era was that customers were polygamous, buying several brands. Multi-brand loyalty emerged in the middle of the 20\(^{th}\) century. Marketers realized that brand loyalty was not a personal disposition, but rather it was specific to certain product categories.

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5) The declining loyalty era (1971 – today), when the level of differentiation is declining, and hence competing brands are becoming more substitutable, as product quality increased and brands became more consistent, while consumers are increasingly price-sensitive. This similarity between competing brands, the increasing array of competing brands, combined with the increased cynicism towards advertising, has resulted in consumers being both more price-sensitive and rarely loyal to a single brand.

In markets with little differentiation, customers can be ambivalent towards brands and, as a result, they buy different brands. Today most customers include several brands in their preferred brand set. There are, however, some brands towards which consumers demonstrate intense sole-loyalty, and these brands often have brand communities. Brand communities are groups of consumers whose common theme is their usage of a particular brand, and the more integrated the consumer is into the brand community, the more loyal they are in consuming the brand.

BUILDING BRAND LOYALTY

Building attitudinal loyalty mainly implies brand image building through mass media communications, but also short-term marketing activities such as promotional tools in order to shape a brand’s image. Still, the short-term tools must be accompanied by long-term activities (such as product development).

Brand trust plays a very important role in building and maintaining both attitudinal and behavioural brand loyalty, its role having been researched extensively in both B2C and B2B sectors (Doney and Cannon, 1997)[111]. It is indicated that brand trust augment brand loyalty and influences market share and price elasticity.

Building and maintaining brand loyalty also implies frequency programmes in order to retain customers. Traditionally, loyalty cards can be used on order to prevent brand switching, but the technique is easily copied and it is hard to derive a sustainable competitive advantage from it, being mainly a defensive tactic to prevent brand switching.

Customer satisfaction is essential in order to build brand loyalty, although satisfaction does not necessarily generate or increase loyalty. Some authors emphasize an asymmetric

relationship between loyalty and satisfaction. Schultz (2000)\textsuperscript{112} outlines the importance of satisfying a customer in order to create behavioural loyalty. Thus, a satisfied customer tends to be more loyal to a brand over time than a customer whose purchase is caused by other reasons such as time restrictions and information deficits.

Davis (2002)\textsuperscript{113} asserts that brand loyalty can only be achieved through a strong brand positioning which means creating and managing a unique, credible, sustainable, and valued place in the customer’s minds, revolving around a benefit that helps the brand stand apart from its competition. He states that customers must be treated with respect in the sense that the interaction between the company and its personnel, on one hand, and between the company and its customers, on the other hand, should be positive, while any rude, uncaring, or unresponsive behaviour should be avoided.

Moreover, the company must stay close to the customers. For that, focus groups should be used to see real customers’ problems, account managers should meet with customers to find out their concerns, and customer contact must be encouraged so that signals are sent to both the organization and the customers that the latter is valued.

Regular, timely, sensitive, comprehensive, and integrated into day-to-day management surveys of customer satisfaction / dissatisfaction must be conducted in order to understand customers’ feelings, identify the reasons of overall satisfaction change, and adjust products and services. Switching costs must be created by providing unique and valuable solutions for customers’ problems or rewarding loyalty directly through specific incentives and advantages. Moreover, customers must be provided with extra unexpected services so as their behaviour be changed from brand tolerance and acceptance to brand enthusiasm. Finally, irritations and problems causing people to switch brands must be deeply analyzed. The interaction with a lost customer must be kept in order to clearly identify his negative motivations and all possible actions that could help regain him as a customer and avoid others to follow his action.


Lindstrom (2005)\textsuperscript{114} asserts that the ultimate bond between the customer and the brand derives from our five human senses. Lindstrom’s “brand sense” concept lies in three components which combined build both loyalty and what he terms “smash ability”. The constructs of his theory reside in that the sensory branding stimulates the relationship with the brand and allows emotional response to dominate the rationale thinking. The goal is a strong and positive bond between the brand and the consumer so that the consumer will turn to the brand repeatedly. An emotional engagement, through matching subjective perception and reality, is established.

The essence of Lindstrom’s theory lies in what he terms the “six sensory steps”. These include sensory audit, brand staging, brand drama, brand signature, implementation, and evaluation. Through this discovery method, an organization can unveil aspects of their current offering or new avenues to exploit. This process, according to the author, will enhance brand loyalty and deepen existing relationships. This approach to brand loyalty derives from the use of our five senses. In order to understand any brand, a sensory audit must be conducted to assess the brand’s leveraging of sensory touch points.

This comprises examining a brand’s stimuli, enhancement, and bonding capabilities. Lindstrom points out that the more sensory components, the stronger the foundation of your brand, and suggests that consumers use many senses when evaluating brands: visual (like an unique logo on building, cups, and bags and the like), visual / auditory (like an uniform and the way sales people approach customers), visual / auditory / touch (like the interior aesthetics: sofa, colours, wall paper, music and the like), smell / taste (like the distinct aroma released by the product).

The distribution and especially customer service are essential elements that influence brand loyalty and thus must be separately analyzed when managing brand loyalty. The customer service performance contributes to the satisfaction of a firm's customers, the attitudes toward the firm as held by the firm's customers (and one's attitude toward a firm or a product affects how a person will respond toward that product or firm in the future - there are both antecedents and consequences to an attitude), and the purchase / repurchase intentions of

a firm’s customers. Based on their research, they suggest that several specific issues/actions must be considered when managing brand loyalty (Innis and La Londe, 1994).¹¹⁵

Firstly, brand managers must understand the customer service attributes that the customers view as important and should focus on improving service levels on these attributes and work to maintain acceptable service levels on less important attributes while reducing the cost of providing these services. Secondly, they must recognize and emphasize the importance of logistics to the overall goals of the company: the retention of current customers, the recruitment of new customers, and the building of market share.

Thirdly, the results of this research must be used to support the elevation of logistics in the company, during the strategic planning process, or, operationally and tactically. Fourthly, brand managers should encourage inter-functional coordination in order to allow marketing and logistics to work together during planning and implementation in an effort to provide the optimal combination of customer service and marketing service to the customer. Finally, customer service should be used as an element of strategy to help the company gain a differential advantage in the marketplace.

**BRAND LOYALTY BASED MARKET SEGMENTING**

A first approach of classifying consumers considering their degree of loyalty is that to whom buyers can be divided into four groups. The first group contains the so-called “hard-core loyals” who always buy the same brand. The second category of consumers – the “split loyals” – are loyal to two or three brands, while the third group includes consumers who are loyal to one brand for a period of time, but easily shift from one brand to another, due to certain advantages offered by the new brand, these consumers being categorized as “shifting loyals”. Finally, the last group is represented by “switchers” – consumers who show no loyalty to any brand, switching the brand with almost any buying situation.

A second approach shows that which sees five levels of brand loyalty and splits customers accordingly into a “loyalty pyramid”, comprising five types of buyers, each type being positioned on a corresponding level of the pyramid: non-loyal buyers who are completely indifferent to brands, satisfied or at least not dissatisfied buyers with no dimension of dissatisfaction sufficient enough to stimulate a change, satisfied customers with

switching costs, customers who truly like the brand and have an emotional attachment to it, and committed customers, proud to have discovered and used the brand.

Considering the level of consumer involvement versus the perceived differences between brands, the “complex loyals”, who firstly do research, then develop beliefs and attitudes about the brand, and finally make a thoughtful choice, “dissonance loyals”, who shop around and buy fairly quickly, as they may consider most brands in a given price range to be the same, even though expensive and self-expressive (in spite of experiencing dissonance noticing certain features or hearing favourable things about other brands, they seek information to support their choice), “habitual loyals”, who make decisions based on brand familiarity and keep buying the same brand out of habit as passive recipients of information conveyed by advertising, and, finally, “variety-seekers”, who switch brands for the sake of variety rather than dissatisfaction, choosing brands with little evaluation, and evaluating them mostly during consumption.

The loyalty is determined by the strength of the relationship between the relative brand attitude and the repeat patronage related to it. A low relative attitude can occur in several situations or causes like when a brand has low awareness (for example, after a recent introduction), when a brand is unable to communicate distinct advantages, when competing brands are seen as similar and the like. On the basis of this attitude-behaviour relationship, the authors propose four types of brand loyalty.

Thus, a low relative attitude combined with a high rate of repeat patronage designates “spurious loyalty”, while the actual absence of loyalty (“no loyalty”) implies both a low rate of repeat patronage and a low relative attitude. When the relative brand attitude is high, the authors identify either “latent loyalty” (low repeat patronage) or actual “loyalty”, when both relative attitude and repeat patronage have high levels.

MANAGING AND ASSESSING BRAND LOYALTY

Generally speaking, customers do not like to change or to admit that they were wrong by choosing a particular brand. Moreover, an enormous inertia exists in customer choice, the familiar being comfortable and reassuring. Still, without a clear Strategy for creating and maintaining loyalty, no firm can build a loyal customer base.

Scott Davis asserts that a brand loyalty can only be achieved through a strong brand positioning which means creating and managing a brand’s "unique, credible, sustainable, and valued place in the customer's minds" and "it revolves around a benefit that helps the product
or service stand apart from the competition”. David Aaker suggests some basic rules when it comes to managing and enhancing brand loyalty like it follows.

The customer must be treated with respect in the sense that the interaction between the firm and its personnel, on one hand, and the customers, on the other hand, should be positive and any rude, uncaring, or unresponsive behaviour should be avoided.

The firm must stay close to the customers. For that, focus groups should be used to see real customers’ problems, account managers should meet with customers to find out their concerns, and customer contact must be encouraged so that signals are sending to both the organization and the customers that the latter is valued.

Regular, timely, sensitive, comprehensive, and integrated into day-to-day management surveys of customer satisfaction / dissatisfaction must be conducted in order to understand customers’ feelings, identify the reasons of overall satisfaction change, and adjust products and services.

Switching costs must be created by providing unique and valuable solutions for customers’ problems or rewarding loyalty directly through specific incentives and advantages.

Customers must be provided with extra unexpected services so as their behaviour be changed from brand tolerance and acceptance to brand enthusiasm.

**BRAND LOYALTY EFFECTS**

Traditionally, among the advantages of a high degree of brand loyalty, the branding literature includes the ability to apply premium pricing policies, the greater negotiation power in relation to distribution channels, the reduced selling costs, the higher barriers to potential new entries into the product category, and the increased success potential of brand extensions to related product categories (Reichheld and Teal, 1996)\(^{116}\).

Customers can manifest their loyalty to a brand in several ways: they may choose to stay with a provider, and they may increase the number of purchases or the frequency of their purchases or even both, thus generating higher revenues for the brand. They may also become advocates of the brand, concerned by playing a powerful role in the decision making of others, thus reducing the brand’s marketing communication costs.

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It is well known that it is much more expensive to gain new customers than to retain existing ones, especially when the existing customer base is satisfied and loyal. Even if there are very low switching costs and low customer brand commitment, there is a substantial inertia among customers. Still, brand loyalty must not be confounded to brand inertia.

According to Bloemer and Kasper, brand loyalty implies a deep-seated commitment to brands and there is a sharp distinction between repeat purchases and actual brand loyalty. They assert that repeat purchase behaviour is the actual re-buying of a brand whereas loyalty includes antecedents or a reason or fact occurring before the behaviour. They further delineate brand loyalty into “spurious” and “true” loyalty. Spurious loyalty represents biased behavioural response expressed over time by some decision-making unit, with respect to one or more alternate brands, as a function of inertia. True brand loyalty includes the above, but replaces inertia with a psychological process resulting in brand commitment.

The loyal customers are less price sensitive and the expense of pursuing new customers is reduced, while organizational profitability is positively affected by the level of brand loyalty. Brand loyalty can enhance marginal cash flow and profitability, as loyal customers often accept to pay a price premium for their favorite brands, are easily stimulated to new usage situations and tend to increase intensively and extensively their spending on the brand (Davis, 2002). The marketing communication spending is also reduced as loyal customers are already confident in the purchase decision and process information rapidly, instruments like sales promotions or advertising being less intensive needed in this case in comparison to brands with low loyalty degree.

Loyalty also enhances the process of attracting new customers. Satisfied and loyal clients tend to provide brand exposure and reassurance to new customers, through “mouth to mouth” communication. On the other hand, a potential customer has a better evaluation of a brand if that brand is perceived as having a loyal customer base.

BRAND LOYALTY ASSESSMENT

In order to assess the brand loyalty efficiently, it is necessary to consider approaches to its measurement, as a practical tool in using the construct and linking it to profitability. The majority of brand loyalty assessment procedures can be classified as either behavioural – based on the actual purchases observed over a time period – or attitudinal – based on stated

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preferences, commitment or purchase intentions (Mellens et. al., 1996)\textsuperscript{118}. Generally, attitudinal and behavioural loyalty assessment procedures are related through positive correlation. Still, the correlation is not perfect so there is a need for a dual approach regarding brand loyalty assessment.

Reviewing the specialized literature, some of the most referenced attitudinal loyalty measures are based on attitude toward the loyal / dis-loyal act, brand preference or probability of purchase, while some of the most referenced behavioural measures are based on market share loyalty, exclusive purchase, elasticity or price until switching.

One of the most practical loyalty assessment approaches, which therefore deserves special attention, is that of Aaker who suggests a behaviour based and, respectively, a loyalty constructs based assessment. On one hand, behaviour based loyalty assessments consider the actual purchase patterns of the customer base using measures like repurchase rates of the brand, percents of purchases which went to each brand purchased considering the last acquisitions, or the number of brands purchased by a customer during a recent given period.

Although objective, behaviour data has limitations as it may be inconvenient or expensive to obtain, provides limited diagnostics about the future, and it is difficult to discriminate between customers who switched brands and the purchase of multiple brands by different members of a family or an organization.

On the other hand, loyalty constructs based assessments consist of evaluating loyalty on the basis of four sub-dimensions or sub-measurements: the customers’ objective switching costs and their subjective perceived risks involved by a potential brand switch, the customers’ level of satisfaction and dissatisfaction: problems they have, sources of irritation, and reasons for brand switching (for a brand to have a loyalty potential, its customers’ dissatisfaction must be absent or low enough to avoid a switching), the liking degree customers have regarding the firm and the brand, and, respectively, the customers’ level of commitment to the brand.

Regarding the apparent ambiguous term of “liking”, Aaker explains that the general overall liking can be scaled in a variety of ways: liking, respect, friendship, trust. Liking the brand is not reflected by customers’ perceptions and beliefs about the brand’s attributes, but rather by general statements of liking. The measure of liking can also be reflected by the

additional price customers would pay to obtain their brand (price premium) and the price advantage that competitors would have to generate before they could attract a loyal buyer.

Aaker also outlines the measurement issues when it comes to customers’ commitment. Thus, commitment can be assessed through the amount of interaction and communication involved with the brand and the extent to which the brand is important in terms of customers’ activities and personality. It is important to evaluate not only if the customers recommend the brand but also if they sustain this recommendation with strongly sustained arguments.

WAYS TO CREATE BRAND LOYALTY

Loyalty is built based upon relationships and a sense of belonging. Relationships are built from trust which are stemmed from conversation, exceptional customer service, a website or store that has the product/service desired easily accessible with a trustworthy check out.

1. BE BETTER THAN ANYONE: This is not to say to only have one product but more to focus on what you really do better than anyone else. Being better than anyone else does not allow for consumers to consider alternatives as they know that they cannot receive what they get with you elsewhere.

2. BELONGING: Create a sense of belonging whether it be via a “community” that is exclusive to your brand to give people a reason to want to wear that badge.

3. CREDIBILITY: This is more than doing what you say you will or a product that does what you say it will. Remember we are talking about how to build loyalty with the tools available. It may have a great product, message but the marketing materials are photo copied or a profile that is a template and not reflective of brand identity.

4. ACCESSIBILITY: These ties into belonging as if the “right” person is accessible, people want to be a part of that to say that they “know” this person or the CEO of the company reached out to customers. This is where the humanization of the brand comes in as customers are able to connect and really let people know that behind the brand is a customer, family man/woman, and the like who eats lunch, drinks coffee and the like.

5. CONNECTION ABILITY: This is widely used with tag lines and the brand message however there are times that a brand takes on a new “language” that is driven by the audience. Know this and adopt it (so long as it is what your brand represents).
6. **REPEAT:** Stay on top of what consumers are saying and avoid being stale or changing too fast. Brands have a very long shelf life and those that are on top of where change or the shift in the mindset of consumers is able to adapt and maintain loyal customers. Be proactive and not reactive to try and pull people back as once they are gone, they are gone.

Brand loyalty is more than the product itself. It has to perform well, actually better than any alternative so there is no alternative in the mind of the consumer but place this more in the aspect of behaviour.

**CONCLUSION**

The definition and importance of brand loyalty, dimensions and constituencies of brand loyalty, approaches and loyalty types, brand loyalty era, building brand loyalty, brand loyalty based market segmentation, managing and assessing brand loyalty, brand loyalty effects, brand loyalty assessment and ways to create brand loyalty are briefly discussed.