Consumer Loyalty – A Synthesis, Conceptual Framework, and Research Propositions

Dr. Lance Gentry and Dr. Morris Kalliny, Missouri University of Science and Technology, Rolla, MO

ABSTRACT

Numerous conceptual and empirical studies utilize the loyalty construct as a core part of their theoretical work. These studies purport to explain if and why loyal consumers are more profitable for firms, mental models of satisfaction and loyalty, and guidelines for marketing strategies. However, an objective view of the literature shows little progress in approximately eighty years of research. In this article, the authors propose a conceptual definition of consumer loyalty, synthesizes and discusses the probable factors of loyalty within a framework that is useful to scholars and practitioners.

INTRODUCTION

In 1923, Copeland wrote an article describing the theoretical relationship between brands and consumers’ buying habits. Albeit with different terminology, he described a continuum of consumer loyalty that incorporated both behavior and attitude. Throughout the next eight decades researchers have argued for measurements of loyalty that were strictly behaviorally based (e.g., Burford, Enis, and Paul, 1971; Cunningham, 1956; Passingham, 1998; Olsen, 2002; Tucker, 1964) or strictly attitudinal based (e.g., Bennett and Kassarjian, 1972; Guest, 1942; Jain, Pinson, and Malhotra, 1987; Perry, 1969). Many others have echoed Copeland’s original thought and argued for a two-dimensional construct with both behavioral and attitudinal components (e.g., Backman, 1991; Chaudhuri & Holbrook, 2001; Day, 1969; Gabwiler and Havitz, 1988; Newman and Werbel, 1973; Oliver, 1999; Pritchard, Howard, and Havitz, 1992). Tucker (1964) strongly advocated using a purely behavioral measure of loyalty, not because he dismissed the importance of attitudes, but because he predicted scholarly “chaos” would ensue if attitudes were included in the operationalizations of loyalty.

In Jacoby and Chestnut’s (1978) extensive review of the brand loyalty literature, they found that most, if not all, of it suffered from extensive problems and that the results would probably not stand up to rigorous empirical analysis. "Despite more than 300 published studies, BL [Brand Loyalty] research is kept afloat more because of promise than results." They bemoaned the lack of an established conceptual base for operationalizations, which resulted in inconsistent and ambiguous measurements and definitions along with problems with arbitrary cutoff criteria. In addition, Jacoby and Chestnut criticized researchers for their simplistic perspectives on loyalty (e.g., failing to consider multibrand loyalty, ignoring the larger perspective of loyalty and disloyalty, concentrating on static behavioral outcomes vs. dynamic causative factors) as well as noting many basic methodological errors (e.g., using inappropriate or undefined units of measurement, or confounding relationships with other measures of loyalty). Pritchard, Havitz, and Howard (1999) referenced acknowledgements dating back to 1971 that the literature has focused on measuring loyalty, but fails to answer the question “Why are consumers loyal?” and they concluded that this predicament is still true. Our review of the current research indicates that the situation has not changed (see Choi, Kim, Kim and Kim 2006; Chandrashekaran, Rotte, Tax and Grewal 2007; Plamatter, Scheer and Steenkamp 2007). Researchers have determined that little truly known about loyalty and called for investigation into the fundamental meaning of loyalty (Oliver, 1999; Chandrashekaran, et al 2007), determining the long-term consequences of loyalty (Iwaskaki and Havitz, 1998), and investigating additional loyalty antecedents (Pritchard et al, 1999). The objectives of this article are to:

1. Propose a common lexicon of loyalty by synthesizing the existing literature
2. Discuss the probable factors of loyalty within a framework that is useful to scholars and practitioners

A COMMON LEXICON

The majority of the existing literature on loyalty may be loosely classified as either consumer research or leisure research, with these terms incorporating all the contributing specialties (e.g., marketing, psychology, sociology, etc.). Even those researching voting behavior generally support the notion that people use the same general consumption processes for buying and voting (Crosby and Taylor, 1983). Both leisure and consumer researchers utilize loyalty constructs, but a direct comparison of the respective research is hampered by the different
focus of the two groups. While consumer researchers are generally more interested in product and service commitment, leisure researchers tend to focus on activity adherence (Gahwiler and Havitz, 1998). Therefore, a conceptual definition of loyalty should apply equally well to both schools of thought. Thus, increasing the reliability of – or more realistically, enabling – comparisons of research by loyalty scholars from complementary disciplines.

A Conceptual Definition of Loyalty

Oliver (1999) stated that a good definition of loyalty must tap into the psychological meaning of loyalty, not merely record what the consumer does. This echoes the original vision of Copeland (1923), yet the body of loyalty research cyclically undergoes phases where behavior – or less frequently, attitudinal – measures are thought to be self-sufficient. Then someone will point out that the emperor has no clothes and the cycle will start anew. It is with the hope of breaking this cycle that a conceptual definition is proposed. Since the definition contains behavioral and attitudinal components, operational derivatives should also incorporate both types of measures. Loyalty is a dynamic, favorable bias for a construct, which is always evoked for a relevant selection by a decision-maker; and a preferred construct will usually be selected over non-preferred alternatives in ceteris paribus situations.

A dynamic, favorable bias – An individual’s loyalty is flexible. Even the strongest patriot will have days when his loyalty is below or above his personal norm (e.g., Tax Day, Independence Day). Loyalty is a very complicated concept with multiple causative factors and the magnitude of the preference adjusts as these antecedents change. This is in agreement with the literature (e.g., Jacoby, 1971; Jacoby and Chestnut, 1978; Oliver, 1999).

for a construct – People may be loyal to practically anything (e.g., activities such as running, social groups such as church families, stores such as Macy’s, brands such as Magnavox, etc.). The basic word “construct” was selected as the optimal word because it lacks any field-biased connotations (e.g., “object” would work well for a consumer definition, but its connotations is biased away from activities). Constructs may be narrow (e.g., loyalty to one’s spouse) or broad (e.g., loyalty to one’s species).

which is always evoked for a relevant selection – If one is considering options from a selection of alternatives, all relevant options to which the individual is loyal will be among the evoked set (c.f., Howard and Sheth, 1969). Additional options, to which the consumer is not loyal, may also be among the consideration set. This aspect is the psychological heart of the definition. If one does not even consider a legitimate alternative, then one is not loyal to it. A relevant, or legitimate, option is any alternative that has the perceived ability to satisfy the individual’s goal. This element of the definition also resolves the dual use problem. As Cunningham (1956) pointed out, consumers may be brand-loyal to certain products for certain uses. Imagine a housewife who uses Peter Pan™ Peanut Butter for direct consumption and Skippy™ Peanut Butter for a cookie ingredient. If such a consumer were 100% loyal for each use, purely behavioral definitions would incorrectly classify her under polygamous loyalty. And if she used two brands for direct consumption and two brands for her cookies, behavioral definitions may even classify her as having no loyalties. By specifying that the relevant selection must be considered, a researcher will be able to test if consumers are loyal to different constructs for different purposes.

by a decision-maker – Many researchers (e.g., Cunningham, 1956; Jacoby and Chestnut, 1978; Newman and Werbel, 1973), insisted that measurements of loyalty account for the decision making unit. If a husband asks his wife to pick up a specific brand of deodorant, it serves little purpose to measure her attitude toward the product. Likewise, if a doctor prescribes a specific exercise regiment to a patient, the patient’s attitude toward the activity may not even be favorable, let alone related to loyalty. Operationalizations of relevant selection should consider the decision-maker, the intended use or goal, as well as the intended user.

a preferred construct will usually be selected over non-preferred alternatives – Consumers do not always select the same option. As the cliché has it, “Variety is the spice of life.” Preferred options are selected significantly more often than chance would predict.

in ceteris paribus situations – This clause ensures that loyalty measures are not thrown askew by abnormal comparisons. Loyalty is a dynamic construct and situationally dependent. Imagine a mother who usually buy Huggies™ diapers when all of her options are regularly priced. This would be a normal situation. However, a mother who prefers Huggies™ diapers may purchase the Pampers™ version when they are on sale. This sale is not a ceteris paribus situation. In order to build a better understanding of loyalty, we need to capture when all other things are not equal.
Why Not Use Consumer Volition?

Some researchers have argued that consumers can not be loyal without free choice, or that monopolistic studies have minor value due to the inherent difficulties in adequately differentiating between those who would be loyal in the face of other options and those who only buy from a lack of choice (e.g., Jacoby and Chestnut, 1978; Pritchard et al, 1999). However, there are both theoretical and practical reasons to investigate loyalty in monopolistic settings. Many currently regulated monopolies will be facing competition in the near future (e.g., local telephony companies, power utilities). It is reasonable to expect that consumers of such monopolies may be split between loyal and aloyal consumers. And while this distinction may make little difference today, it makes a vast difference once competition appears. A measure of current customers’ loyalty would be of great interest to both the existing monopolies and their potential competitors. A monopolistic setting could actually facilitate loyalty research as a researcher could ignore the competitive factors that plague other studies (e.g., buying because the competition has a special promotion). The problem of differentiating between loyal and non-loyal consumers remains, but that is true of any loyalty research (i.e., individuals are not necessarily loyal to what they consume).

Why Not Use Frequency of Use or Breadth of Consumption?

Measures that capture frequency of use will be difficult to compare with other findings because the measure is very situational (e.g., Jacoby and Chestnut, 1978; Iwaskaki and Havitz, 1998). For example, if a consumer buys a new car once a year, that is very frequent consumption. However, if the same consumer purchases gum once per year, an observer would judge that to be an infrequent use. Thus, if frequency of use is operationalized as a measure of loyalty, some method of standardization will be required in order to enable comparison across studies. There is a conceptual problem with this as well. Why should frequency of use be a determinant of loyalty? After all, one can certainly be a loyal customer yet be an infrequent shopper. For example, someone may only buy vehicles from General Motors™, but only purchase a new car about every 10 years. Competitive forces also may induce variation in frequency of use. For example, the current trend in the toilet tissue market is toward larger and larger packages, resulting in consumers being less and less often in the market for such products. This continual decline in frequency of purchase could skew some behavioral loyalty measures (Passingham, 1998).

Obviously, more frequent purchases result in more profit to the consumer's favored firm. Likewise, consumers that purchase a greater range of goods or services from a firm are more profitable consumers than consumers who do not. As one might expect, researchers who operationalize frequency of purchase and/or breadth of consumption into their loyalty constructs discover that loyal consumers are more profitable than regular consumers (e.g., Hallowell, 1996; Choi et al 2006). The conclusion that the customers who consume the most (either in terms of quantity or depth of consumption) are the most profitable customers is hardly surprising. Cunningham (1956) stated that consumption would only be interesting in the context of loyalty if there was a correlation between loyalty and consumption and his behavioral-based studies found no such correlation. Passingham (1998) exclaimed "some loyalty is obviously worth more. Low spending individuals might be highly loyal to an offering but offer low potential for profit or growth." However, we should not confuse frequency of consumption with loyalty. By aggregating these two concepts into one construct our understanding of both factors is lessened.

What About Consumers Who are Loyal to Multiple Alternatives?

When researchers have investigated the issue of mixed loyalties, their findings have consistently indicated this to be typical consumer behavior. Multibrand loyalty goes by many names. For example, Cunningham (1956) referred to secondary loyalties, Dowling and Uncle (1997) discussed duplicate buyers and polygamous loyalty, Sharp and Sharp (1997) found divided loyalty, and Passingham (1998) studied multiple loyalty. Given the objective of a lexicon that can be used by all loyalty scholars, multibrand loyalty and duplicate buyers are too specific for this situation. For example, an exercise-buff who prefers both jogging and swimming is loyal to multiple alternatives, but brand purchase is not a factor in his loyalty. It is proposed that polygamous loyalty be defined as simultaneous loyalty to multiple alternatives. Divided loyalties specifically refer to the special case of polygamy where the consumer equally desires the given alternatives. Otherwise, the preferred alternatives should be ordinally labeled by consumer preference (i.e., primary, secondary, tertiary, etc.).

A Continuum of Loyalty

Reichheld and Teal (1996) proposed using a loyalty coefficient to aid in comparing consumer loyalty. From their research, they found that some consumers would switch for a 2% discount, some for a 40% discount, and some would not switch for even larger discounts. This loyalty coefficient is a very useful variable. With minor
calculations, it could be used for segmenting consumers into a standard loyalty continuum; thus enabling researchers to compare consumer loyalty across various situations. If researchers would measure the loyalty coefficient, they could then compute its mean loyalty coefficient for their sample. Assuming normal distribution, one could standardize the output in terms of deviations away from the norm (see Figure 1). A high loyalty coefficient means it would take an above average incentive to switch the consumer; thus, the consumer is highly loyal. Likewise, a low loyalty coefficient indicates that a consumer would switch to another alternative for a below average incentive (i.e., is not very loyal).

![Figure 1: Standard Normal Loyalty Distribution](image)

The concept of a loyalty continuum has support within the literature (e.g., Burford et al, 1971; Copeland, 1923; Oliver, 1999). Passingham (1998) stated that to really understand loyalty, one must understand the committed and uncommitted consumers. Thus, this loyalty continuum starts with aloyalty. The proposed continuum would also enable loyalty scholars to perform a reliable meta-analysis of future literature. It has three primary loyalty classifications: aloyalty, inert loyalty, and active loyalty. However, the continuum also easily segments into five parts: promiscuity, little loyalty, inert loyalty, high loyalty, and ultimate loyalty.

**Aloyalty** – a lack of bias for a construct which may or may not be evoked for a relevant selection; and such a non-preferred construct will probably not be selected over preferred alternatives in ceteris paribus situations. In other words, aloyalty is defined as the lack of loyalty. Promiscuity (Dowling and Uncle, 1997) is an alternative term and it is proposed that this term be reserved for those on the far left side of the loyalty continuum (i.e., promiscuous consumers have individual loyalty coefficients that are two or more standard deviations less than their population norm). If this level of detail is used, little loyalty is reserved for the consumers whose loyalty coefficients are one to two standard deviations less than their population norm.

**Inert loyalty** – Most consumers are expected to fall within this classification. By definition, 68.26% of consumers have inert loyalty, defined as consumers whose individual loyalty coefficients fall within one standard deviation of the appropriate population norm. The name derives from the assumption that most consumers are repeat consumers due to habit or inertia (e.g., Day, 1969, Iwaskaki and Havitz, 1998).

**Active loyalty** – There are many terms for various conceptions of highly loyal individuals. To paraphrase the Sharps (1997), active loyalty is greater consumption by individuals than would be the norm. This is similar to Dowling and Uncle’s “super” loyalty. More specifically, it is proposed that active loyalty be used for consumers whose loyalty coefficients are greater than one standard deviation more than their population norm. For those who wish a finer degree of segmentation, high loyalty specifically refers to those consumers whose loyalty coefficients fall between 1 and 2 standard deviations above the population norm. And ultimate loyalty is reserved for those consumers whose loyalty coefficients are two or more standard deviations above the population norm. This term was used by Oliver (1999) as the highest stage in his loyalty continuum.

**What about Consumers Who Change Loyalties to Another Alternative?**

Disloyalty should be reserved for consumers who were loyal to a construct, but have switched their loyalties to another, competitive alternative. In order to be disloyal, a consumer had to be loyal in the past. In other words, aloyal consumers can not be disloyal consumers if they were never loyal consumers.
FACTORS OF CONSUMER LOYALTY

The factors of consumer loyalty have been grouped into extrinsic and intrinsic classifications in order to group similar and/or related factors. While there are several ways that this could be done, it is intended that this method will facilitate analysis, model building, exposition, and the identification of different types of implications. The theoretical factors of extrinsic loyalty are those factors that are outside the direct control of the typical marketing manager. Correspondingly, the theoretical factors of intrinsic loyalty are those factors generally within the direct control of marketing managers.

Figure 2: Theoretical Factors of Consumer Loyalty

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<tr>
<th>Extrinsic</th>
<th>Intrinsic</th>
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<td>(Marketer has indirect or no influence)</td>
<td>(Marketer has direct influence)</td>
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<tr>
<td>Resistance to Change</td>
<td>Social Worlds</td>
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<td>Double Jeopardy</td>
<td>Satisfaction</td>
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<td>Pioneering Advantage</td>
<td>Perceived Offering</td>
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<td>Regulatory Disadvantage</td>
<td>Loyalty Programs</td>
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<td>Boycott of competitor(s)</td>
<td>Exposure to Employees</td>
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<td>Involvement</td>
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Theoretical Factors of Extrinsic Loyalty

Resistance to Change. Iwasaki and Havitz (1998) found resistance to change to be the most important antecedent of loyalty among those they tested. Pritchard et al.’s (1999) study, using attitudinal measures, also found resistance to change to be a key factor and mediator to loyalty. Resistance to change may be considered part inertia and part conscious (i.e., rational) decision. In a product context, Frank (1962) used the term “habitual purchasing” synonymously with others’ use of resistance to change. Huang and Yu (1999) define inertia as a non-conscious process where consumers simply repeat previous purchases out of habit. However, consumers sometimes have good reasons for consistency. The perceived switching costs of both evaluating another alternative (e.g., time, search effort, mental effort) and of actually switching (e.g., service cancellation and installation fees, or purchasing new equipment and finding new partners for an activity switch) may be greater than the perceived value of the alternatives. The perceived switching costs may even exceed the perceived value of the construct to which the consumer is loyal.

Day (1969) conjectured that loyal consumers become habitual consumers because they do not need to make the same decision over and over again. This thinking is also consistent with the consumer-choice heuristic literature (e.g., Abelson and Levi; 1985; Bettman, Luce, and Payne, 1998). Simon's (1955) satisficing principle is met if the consumer stops his analysis as soon as one acceptable alternative is found (and therefore, further thought is unnecessary). This may be especially significant for the elderly and for parents with young children (Jacoby and Chestnut, 1978, Newman and Werbel, 1973). Newman and Werbel wryly noted that the presence of small children greatly increased the time constraints of their parents. Some researchers have also linked resistance to change with market uncertainty (Heide and Weiss, 1995). Since market uncertainty may be considered as pessimism about the immediate future, Newman and Werbel’s (1973) findings also support Heide and Weiss’s conclusion.

Proposition 1. There is a positive relationship between a consumer’s perceived time constraints and his resistance to change.
Proposition 2. There is a positive relationship between a consumer’s perceived switching costs and his resistance to change.
Proposition 3. There is a positive relationship between the amount of resources a consumer invested into choosing the initial alternative and his resistance to change.
Proposition 4. There is a positive relationship between a consumer’s perception of market uncertainty (i.e., expectation of rapid change in the market) and his resistance to change.
Proposition 5. There is a positive relationship between a consumer’s resistance to change and his loyalty coefficient.

Huang and Yu (1999) noted that a buying pattern founded on inertia may be easily switched by promotions (e.g., coupons, extensive price reductions). This would seem to be more pronounced when the inertia is due to an original lack of consumer deliberation. Alba et al (1997) warned that most heuristic research assumed that search
and comparisons of alternatives were relatively difficult and expensive. Marketers should consider the potential impact of the internet, which inexpensively and dramatically simplifies the information gathering process.

**Double Jeopardy.** Ehrenberg, Goodhardt, and Barwise (1990) defined double jeopardy as "Other things being equal, small brands attract less loyalty because they are small (i.e., have lower market shares)." Smaller brands - in terms of market share - usually have less loyal consumers than larger brands, with minor deviations that are not well understood. In Ehrenberg et al's review of the literature, most of the research tested the double jeopardy in a repeat buying context and empirically supported its existence.

Double jeopardy typically exists when competitive items have unequal market shares. Part of this phenomena is due to asymmetric exposure to various brands (McPhee, 1963). For example, assume that there are two auto service stations in your local area. Further assume that clients of both stations rate them exactly in every relevant respect (e.g., quality, efficiency, convenience, price, etc.). If one of them is well known and the other is relatively obscure, then a double jeopardy effect will occur for word of mouth recommendations. All of the people who only know of the popular service station will obviously recommend it. And since most of those who know the obscure station should also know the popular one, these people can be expected to split their recommendation. So most clients of the popular station will recommend it while about half the clients of the obscure station will recommend it. This is double jeopardy.

The exposure argument also holds for behavior as those who only know about the popular service station will go there and only about half of those who know about the obscure station will go to it. The challenge for marketers is to make an obscure brand better known and known for equal or better merit. Another potential factor of double jeopardy is more psychological. Since more people buy other brands, buyers of smaller brands know that the majority of consumers do not buy this brand. This may set up a psychological pressure for them to keep trying other brands to see what they are missing (or they simply like being different from everyone else, but this would have the same, variety-seeking effect).

Ehrenberg et al (1990)'s studies indicate that the double jeopardy effect is not because consumers of the smaller brands are lighter users than the users of the larger brands. However, these consumers buy each brand more infrequently than the consumers of the larger brand. In other words, consumers of the smaller brands try more brands than consumers of larger brands. This observation helps explain the attitudinal double jeopardy effect. Since a small brand has a greater concentration of infrequent buyers, researchers are likely to find that its consumers have a less positive attitude toward the brand than the respective consumers of larger brands as these consumers are more likely to be frequent buyers of the large brand.

Ehrenberg et al (1990) pointed out that anti-double jeopardy situations, where a small brand has few but exceptionally loyal buyers, have seldom been reported, although certain Spanish-language and religious television stations meet this criteria. However, one would expect luxury goods and services to also create anti-double jeopardy climates due to both the strong brand image and the exclusivity of the offering.

**Proposition 6.** In most environments, there will be a positive relationship between the market share of the relevant loyalty construct and its mean loyalty coefficient.

**Proposition 7.** For luxury goods and services, there will be a negative relationship between the market share of the relevant loyalty construct and its mean loyalty coefficient.

**Proposition 8.** There is a positive correlation between resistance to change and double jeopardy.

Traditionally, there have been two ways listed in the literature to increase the sales of a brand: increased penetration or increased consumption per buyer with infinite combinations of the two methods being possible. However, double jeopardy revealed the relationship between these and one can expect that increased penetration will lead to increased consumption per buyer.

**Pioneering Advantage.** Organizations that are among the first to offer a good, service, or activity usually net significant rewards for their innovation, including a leadership reputation among consumers. The phrase “pioneering advantage” is preferred to first-mover advantage because the benefits of being a leader are not restricted to the first firm, but can be extended to all of the trailblazing companies (Song, Di Benedetto, and Zhao, 1999). Song et al warned that the pioneering literature is contradictory but theorized that this is due to both the existence of other factors that contribute to competitive advantage and because pioneering researchers have yet to agree upon standard definitions and measures.
Proposition 9. There is a positive correlation between resistance to change and pioneering advantage.
Proposition 10. There is a positive correlation between pioneering advantage and double jeopardy.
Proposition 11. Consumers of pioneering firms will have higher average loyalty coefficients than consumers of non-pioneering firms.

It seems probable that pioneering advantage is a one-shot deal for a specific context (e.g., Amazon.com’s substantial market leadership position in the context of on-line bookstores). However, this initial advantage seems to have significant long-term benefits due to the dual interactions of inertia and double jeopardy.

**Regulatory Disadvantage.** Some companies have significant disadvantages for certain consumers due to government regulations. For example, Amazon.com must collect sales tax from residents of Washington; likewise, Borders.com collects sales tax from residents of Michigan and Tennessee, and BarnesandNoble.com collects sales tax from residents of New Jersey, New York, Tennessee, and Virginia. While most states technically require their residents to submit uncollected sales tax with their annual state tax form, enforcement is virtually nonexistent (Goolsbee and Zittrain, 1999). Thus, one would expect residents of Washington to be less loyal to Amazon.com than residents in the rest of the United States.

Proposition 12. Regulatory disadvantages have a significant, negative impact on consumer loyalty.

Marketing managers could better specially construct consumers located where their competitors suffer from a regulatory disadvantage. Companies could even locate their internet businesses in states that do not collect sales tax; however, since this is beyond the control of most marketing managers, regulatory disadvantage is an extrinsic factor of consumer loyalty.

**Boycott of Competitor(s).** Friedman (1999) defines a boycott as "an attempt by one or more parties to achieve certain objectives by urging individual consumers to refrain from making selected purchases in the marketplace." Strikes by employees also fall under this classification as the protesting employers are trying to prevent or discourage consumers from supporting their employer until the strikers’ demands are met. Boycotts against Clorox™ and Mennan™ in 1989 were successful in drastically reducing advertisements from these two firms with programs that used sex, violence, and profanity. In 1990, Burger King™ was briefly boycotted, but they quickly worked out an agreement with the boycotters. The boycotts were called by Christian Leaders for Responsible Television (CLear-TV) and the American Family Association (AFA). Other successful boycotts have been against Domino's Pizza™, General Mills™, Marathon Oil™, McDonald's™, Procter and Gamble™, and Purina™. In 1996 CLear-TV and the AFA started to boycott Walt Disney World™ and were joined by the Southern Baptists Conference and the Assemblies of God church. While this boycott is ongoing as of this writing, these types of boycotts have clearly had an impact. Robert Iger, when president of ABC Entertainment™, told the Association of National Advertisers that the advertising pullouts caused from the boycotts caused ABC to lose millions of dollars each year (Friedman, 1999). Much about the long-term impact of boycotts is unknown, which leads to several key questions. What percentage of boycotters are lost forever? What percentage will return after the boycott is over? If the boycott never ends, will some boycotters give up and resume consumption of the boycotted goods or services? The resistance to change factor provides some theoretical insight on these questions, leading to the following propositions:

Proposition 13. A boycott of a firm will have a positive relationship with the amount of disloyalty (i.e., number of consumers changing their loyalties to a competitive alternative).

Proposition 14. A boycott of a competing alternative will increase the loyalty of the non-boycotted firm’s consumers.

Proposition 15. A consumer’s resistance to change will be negatively related to his switching from the boycotted firm.

Proposition 16. However, once a consumer joins a boycott (i.e., makes an alternative selection), his resistance to change will be negatively related to his returning to the original selection when the boycott has ended.

Proposition 17. The length of the boycott will have a mediating affect on the previous four propositions.

Managers of boycotted firms should rapidly determine if they are going to settle the boycott or ride it out. If they decided to settle, they should move as quickly as possible. Competitors who are not being boycotted should consider contacting the boycotters and seeing if they can permanently capture some of these consumers (e.g., offer discounts or free samples to the most active boycotters). Obviously, this should only be done if there is no danger of a public backlash against the boycotters or little risk that the boycotters will also turn on the alternative firm.
Ownership. To the knowledge of these authors, in eighty years of loyalty research, there is not one article associating individual corporate investment with consumption loyalties. Reichheld and Teal (1996) conjectured that consumer loyalty is related to both investor and employee loyalty. However, their contribution was that the very qualities that make a company the recipient of consumer loyalty are also likely to attract investor and employee loyalty. In this article, it is proposed that the very act of investment is an antecedent to consumer loyalty. Common sense, anecdotal experience, and current trends make a compelling case for such a relationship, despite the lack of academic consideration. Given the dramatic increase in stock ownership in the United States (Figure 3), it is reasonable to expect that the proposed impact of stock ownership on consumer loyalty will only increase as more consumers become stockholders. In 1998, 12% of all equity purchasers conducted an equity transaction over the internet and 19% of individual stock owners purchased an individual stock over the internet (ICI and SIA, 1999).

Proposition 18. Owners of firms will have higher mean loyalty coefficients than consumers who are non-owners.

If this conjecture is correct, then future researchers must be very careful about using a student sample to test holistic theories of consumer loyalty as the typical student lacks the resources for individual stock ownership. Marketing managers should obtain mailing lists of individual stockholders for special promotions. Aggressive managers could woo stockholders of competitors and offer them reasons for switching ownership loyalties as well as consumption loyalties.

Involvement. To paraphrase Havitz, Dimanche, and Rothschild (cited by Gawhiler and Havitz, 1998), involvement is an unobservable state of motivation, arousal, or interest toward a loyalty construct. It is evoked by a particular stimulus or situation and has drive properties. Day (1969) thought that loyalty required both involvement with the purchase and commitment to the brand. While this may overstate the case (e.g., this section consists of multiple reasons for consumer loyalty), his point about the importance of involvement is well taken. Iwaskaki and Havitz (1998) theorized that involvement is an antecedent to loyalty and that the consumer's degree of loyalty will provide a feedback effect on his level of involvement. Gawhiler and Havitz's (1988) study of YMCA members also found indications that activity involvement has a positive relationship with behavioral loyalty. For example, those who are committed to running may be more likely to become loyal to a specific brand of running shoe than the occasional jogger.

Proposition 19. There is a positive relationship between a consumer's level of involvement with the relevant loyalty construct and with his loyalty coefficient for that construct.

Proposition 20. There is a positive relationship between a consumer's level of involvement for a loyalty construct and with his loyalty coefficient for a complimentary construct.

This proposition, if true, helps explain some of the benefits that sponsors receive when they associate themselves with an activity that utilizes their product. For example, if a shoe company sponsors a marathon. Marketers should consider how to link their products with activities that will positively associate the benefits of the activity with their specific product.

SUMMARY

Despite approximately eighty years of research, little is truly known about loyalty. This is largely due to a lack of consistent terminology and measures that would enable realistic comparisons across studies. It is hoped that other researchers will use the proposed lexicon as a starting point for future loyalty research. Future work is needed to develop objective measures of these constructs. At that point, it makes sense to empirically test the proposed antecedents of loyalty such as the factors discussed in this article.
REFERENCES


