Persistent Preferences in Market Place Choices: Brand Loyalty, Choice Inertia, and Something in Between

A. V. Muthukrishnan
Department of Marketing, School of Business
Hong Kong University of Science and Technology
Hong Kong, China
mkmuth@ust.hk
Persistent Preferences in Market Place Choices: Brand Loyalty, Choice Inertia, and Something in Between

A. V. Muthukrishnan
Department of Marketing, School of Business
Hong Kong University of Science and Technology
Hong Kong, China
mkmuth@ust.hk
Contents

1 Introduction ................................................................. 2
   1.1 Consequences ....................................................... 3
   1.2 Causes (motives) .................................................. 4
   1.3 Types of loyalty or strength of persistence ..................... 5

2 Classic Research on Brand Loyalty .................................... 6
   2.1 Insistence and perceived brand commitment .................... 7
   2.2 Behavioral measures of loyalty .................................... 7
   2.3 Attitudinal measure of loyalty ...................................... 8
   2.4 Experiments on loyalty with behavioral measures ............ 8
   2.5 Experiments using both behavioral and attitudinal measures of loyalty ........................................... 10
   2.6 Components of loyalty ............................................ 11
   2.7 An evaluation of classic research on loyalty ..................... 12

3 Different Concepts of Commitment .................................... 14
   3.1 Commitment and Cognitive Consistency ......................... 14
   3.2 Commitment from modern attitude research perspective ........ 15
   3.3 Commitment in social judgment theories ......................... 16
   3.4 Commitment in relationships ...................................... 17
   3.5 Relevance of “Commitment” for persistent preferences ......... 17
### 3.6 The roles of relationship, love, and attachment in persistent preferences

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.6</td>
<td>18</td>
</tr>
</tbody>
</table>

### 4 Persistent Preference, Inertia, and Habitual Buying Behavior

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>21</td>
</tr>
<tr>
<td>4.2</td>
<td>22</td>
</tr>
</tbody>
</table>

### 5 Attitude Strength and Brand Loyalty

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>24</td>
</tr>
<tr>
<td>5.2</td>
<td>29</td>
</tr>
<tr>
<td>5.3</td>
<td>31</td>
</tr>
<tr>
<td>5.4</td>
<td>32</td>
</tr>
<tr>
<td>5.5</td>
<td>33</td>
</tr>
<tr>
<td>5.6</td>
<td>33</td>
</tr>
<tr>
<td>5.7</td>
<td>36</td>
</tr>
</tbody>
</table>

### 6 Behavioral Decision Theory Perspective on Persistent Preferences

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>41</td>
</tr>
<tr>
<td>6.2</td>
<td>42</td>
</tr>
<tr>
<td>6.3</td>
<td>43</td>
</tr>
<tr>
<td>6.4</td>
<td>47</td>
</tr>
<tr>
<td>6.5</td>
<td>50</td>
</tr>
<tr>
<td>6.6</td>
<td>53</td>
</tr>
<tr>
<td>6.7</td>
<td>55</td>
</tr>
<tr>
<td>6.8</td>
<td>58</td>
</tr>
<tr>
<td>6.9</td>
<td>60</td>
</tr>
<tr>
<td>6.10</td>
<td>61</td>
</tr>
<tr>
<td>6.11</td>
<td>62</td>
</tr>
</tbody>
</table>

### 7 Conclusion: Types of Preference Persistence and Implications

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>64</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
</tr>
<tr>
<td>-------------------</td>
<td>------</td>
</tr>
<tr>
<td>7.1 Type 1 persistence</td>
<td>65</td>
</tr>
<tr>
<td>7.2 Type 2 persistence</td>
<td>65</td>
</tr>
<tr>
<td>7.3 Type 3 persistence</td>
<td>67</td>
</tr>
<tr>
<td>7.4 Type 4 persistence</td>
<td>67</td>
</tr>
</tbody>
</table>

**References**  
69
Abstract

An important marketing objective by which a firm obtains sustainable competitive advantage is to create and harness customer loyalty for its brands. A high degree of consumer loyalty is probably the greatest asset marketers can possess. While there are several reasons for being loyal to a brand, I believe that in the past two decades undue emphasis has been given to the person–brand relationship and related constructs such as self-brand connections and commitment based on emotional attachment. In this review, I have highlighted other major reasons behind loyalty. I use a milder term — persistent preference — to highlight that a major subset of repeat purchase behavior is not characterized by a high degree of emotional content. Nonetheless, for many forms of challenges by competitors, this subset may show more or less the same consequences that are normally attributed to loyalty with heavy emotional content. I review classic and more recent research on brand loyalty and attitudinal resistance, and research on persistence from a behavioral decision theory perspective. Based on this review, I identify four types of persistent preferences and describe their characteristics.

According to Aaker [1996], brand equity is a set of assets linked to a brand that adds to the value provided by a product or service. He considers brand loyalty as one of the brand assets. Thus, an important marketing objective by which a firm gains competitive advantage is to create and harness loyalty for the firm’s brands among a large segment of consumers. A high degree of consumer loyalty is probably the greatest testimony for the marketing side of a firm. Loyalty matters to the marketers as many authors consider that retaining the existing customers is less costly and thus more profitable than winning new ones [Robertson, 2015]. Aaker [1996] asserts that the impact of brand loyalty on marketing costs is often substantial. Further, a sizeable segment of loyal customers may create a barrier of entry to competitors because of the cost of persuading this segment to switch loyalties.

In this manuscript, my primary focus will be on the type of brand loyalty that is not deeply rooted in values, emotions, and intense person-brand relationships (shortly, I will list the motives behind consumer loyalty). As some authors tend to view that loyalty cannot exist without strong emotional involvement and bonding, I use a milder label for the phenomenon — *persistent preference* for the chosen brand and
its attributes. At several places in the manuscript, I still use loyalty as synonym for persistent preference just for the sake of brevity and convenience. However, I have no objections to reserve the term loyalty only for repeat buying characterized by high degrees of bond, attachment, and emotional commitment and use persistence for the remainder of repeat purchase behavior. Persistent preferences refer to preferring a previously chosen brand to other brands even when a subset of these are superior to the previously chosen brand in terms of attributes, economy, or overall quality. Persistence also refers to a lack of change in beliefs or evaluations toward the chosen brand due to counter evaluative information supplied by competitors or other sources. An understanding of why and how consumers develop persistent preferences is interesting from both theoretical and managerial perspectives. Let us see the major consequences of persistent preferences and then the possible reasons why consumers persist with their brand preferences.

1.1 Consequences

For marketers, the consequences of loyalty matter a lot. Obviously, loyalty implies buying the same brand on several occasions. There are several additional consequences. A major consequence of loyalty is price insensitivity with respect to the focal brand, and minimal cross-price elasticity [Krishnamurthy and Raj 1991]. That is, loyal customers will keep buying the focal brand when its price goes up or when the price of the competing brands decreases. In a straightforward extension, we can think in terms of promotion elasticity to be high with respect to the focal brand’s campaign and low with respect to the competitors’. When the focal brand is not available, unless an immediate purchase is absolutely necessary, loyal consumers will wait for its availability or search for it in other outlets. Consumers loyal to the focal brand may be nonreceptive to the advertising messages by the competitors’ brands. In cases of stronger loyalty, they may also interpret the information contained in the ads in a biased manner. The extreme consequences of loyalty include recommending the focal brands to others and defending the focal brand when a competitor introduces a superior brand or
campaigns to influence consumers’ current preferences. The extent to which these responses occur depends on what causes loyalty or preference persistence.

1.2 Causes (motives)

As the consequences vary, so do the motives behind loyalty. First, loyalty may be due to availability or convenience. That is, I end up buying a brand available in the nearby store because it is the only brand available at this convenient location. Second, loyalty may be due to the price of the focal brand — it may be the cheapest among all the available and considered brands. Third, my loyalty could be for specific attributes and benefits. For example, I may consistently buy a brand of breakfast cereals because of its nut contents. Fourth, there are situations in which switching to other brands may involve substantial cost and, therefore, I stay with the brand I currently use. Here, switching cost is the main reason for persistence with an option. Finally, I may buy a brand consistently because I consider all the brands in this category to be the same and see no need or incentive to switch. In all these cases of “loyalty,” preference for a brand is confounded with another motive.

Besides these, there could be product performance and brand related causes for buying a brand consistently. In certain categories such as OTC drugs and personal hygiene products, risk avoidance could be driving loyalty. Experiencing brands other than the focal brand that one normally uses may be perceived as risk. In the hi-tech categories, uncertainty avoidance could be the reason for loyalty. The user may be certain about the quality of the focal brand but uncertain about that of competitors. A simple reason for persistence is that the brand met consumer pre-trial expectations. Based on pre-trial evaluation of a set of brands, a person chooses what he or she considers the best brand. The trial confirms the expectations. In the case of strong brands, the quality expectations are even exceeded [Keller 2003]. In addition, the composite of experiences with the brand (both before and after consumption) may lead to loyalty [Brakus et al. 2009]. Loyalty at times
1.3. Types of loyalty or strength of persistence

can be due to factors beyond quality or performance reasons. A person may associate the brand with some life experiences and/or may develop emotional attachment with the brand. Finally, a high degree of emotional attachment with the brand may cause the brand to have a strong link with a person’s core values (ego-involvement). This is probably the highest degree of preference persistence.

1.3 Types of loyalty or strength of persistence

The reader can easily conclude that not all these reasons or motives correspond to each of the consequences of loyalty. For example, loyalty based on uncertainty avoidance may not lead to selective information processing or motivated resistance of competitor’s influence attempts. This raises the question whether we have different types of loyalties rather than just one construct, and these types vary in terms of strength. Preference persistence based on person-brand relationship, emotional attachment, and ego involvement may be the strongest form.

In the subsequent sections, I discuss the antecedents and consequences of loyalty and the strength of preference persistence in greater detail.

In the following sections, I review the classic research on loyalty, the many definitions of commitment and their relevance for persistent preference, the constituents of preference persistence, research on attitude strength, behavioral decision theory research relevant for preference persistence. In the final section, I summarize the types of loyalty and their strengths.
References


References


References


References


References


References


References


