A Field Examination of the Influence of Brand Equity on Behavioral Loyalty and Factors That Moderate This Relationship

Kalpesh Desai, State University of New York at Binghamton, USA
Vijay Hariharan, State University of New York at Buffalo, USA
J. Jeffrey Inman, University of Pittsburgh, USA
Debabrata Talukdar, State University of New York at Buffalo, USA

Despite prior research highlighting the critical role of brand equity, the relationship between brand equity and loyalty (or BE – BL) is not perfect. Marrying scanner panel choice data and survey data measuring panel members’ attitudes and perceptions, we show that while target brand commitment and importance of brand decision accentuate the BE – BL relationship, brand ambivalence and perceived equity of other category brands mitigate that linkage. We similarly test the moderating influence of eight other brand-, category-, and consumer-related “contextual” factors and show how the importance of nine variables operationalizing brand equity varies in these distinct moderating contexts.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/15390/volumes/v37/NA-37

[copyright notice]:
This work is copyrighted by The Association for Consumer Research. For permission to copy or use this work in whole or in part, please contact the Copyright Clearance Center at http://www.copyright.com/.
SESSION OVERVIEW
Social psychologists and marketers have long been interested in understanding the conditions under which attitudes influence behaviors, decisions, and information processing (Fabrigar, Petty, Smith, and Crites 2006). According to Crano (1997), “The current position in social psychology is that strong attitudes do affect behavior, although social, contextual, and intrapsychic sources of variation can affect the strength of such relationships (Krosnick 1990; Krosnick et al. 1993; Petty & Krosnick, 1995).” In marketing, Sengupta and Fitzsimons (2002, 2004) and others (e.g., Dholakia and Morwitz 2002; Sengupta and Johar 2002; Simonson and Nowlis 2000) have examined the issue of attitude–behavior consistency when respondents are asked to analyze reasons underlying their attitude before reporting their evaluations. Competing explanations of weakening of attitude strength vs. greater distraction have been proposed for the disruption in the attitude-behavior consistency in the condition of analyzing reasons.

The objective of this special session is to introduce four current lines of research that offer new perspectives for improving our understanding of the link between consumers’ attitudes and behaviors. Together, they focus upon attitude strength, its antecedents, and uncover new factors that moderate the attitude-behavior consistency (e.g., internal vs. external source of information underlying attitude certainty; brand ambivalence). We believe that these papers shall stimulate interesting discussion which will raise new questions and suggest new directions for future research on the topic. The data collection for all four papers is complete and they all are either in the manuscript preparation or working paper stage.

Of the four papers, paper # 2 and 4 adopt a managerial bent to the topic of attitude-behavior consistency whereas paper # 1 & 3 have more of a theoretical orientation. Given this mixed orientation, the likely audience of this special session will be practitioners and researchers in attitude strength, resistance, attitude-behavior consistency, brand equity, and consideration sets. The specific topics that will be covered in the special session pertain to attitude certainty/attitude strength and consistency between attitude and behavior.

Paper # 1, 2, and 4 focus upon attitude strength/attitude certainty and its influence on attitude-behavior consistency. Specifically, paper # 1 by Dubois, Rucker, and Petty argues that consumers with sensitivity to external (internal) factors display greater attitude-behavior consistency when the sources of their certainty were external (internal). Paper # 2 by Desai, Hariraran, Inman, and Talukdar argues that the attitude–behavior consistency is moderated by (other factors along with) attitude strength such that greater commitment to the target brand accentuates the relationship between brand equity and brand loyalty. Paper # 4 by Nayakanakuppan, Priester, and Sinha shows that strength of attitude towards an alternative influences its choice and inclusion in the consideration set. In contrast, paper # 3 by Litt and Tormala focuses upon the fragility of liking the chosen alternative from a difficult choice task i.e., behavior–attitude consistency.

The four papers make the following important contributions: i) examine the antecedents and behavioral consequences of adopting an external vs. internal attitude certainty focus; ii) identify important caveats to the presumed durability and strength of thought-ful and involving attitude formation; iii) propose an empirically tested parsimonious measure of brand equity based on comprehen-

EXTENDED ABSTRACTS

“Internal versus External Informational Sources: Causes and Consequences for Attitude Certainty and Attitude-Behavior Consistency”

David Dubois, Northwestern University, USA
Derek D. Rucker, Northwestern University, USA
Richard E. Petty, Ohio State University, USA

A key factor that has become of increasing importance in understanding attitude-behavior correspondence is the certainty individuals place in their attitudes. In this work we examine how people’s sensitivity to external vs. internal information affects attitude certainty. While past research provides ample evidence that individuals rely on multiple informational sources when forming their certainty (Tormala and Rucker 2007), surprisingly little is known about the role of internal (i.e., information from oneself) vs. external (i.e., information from one’s environment) factors on its formation. This work proposes and finds that consumers’ sensitivity to external vs. internal informational cues leads to two types of certainty foci: while “external” certainty stems from information associated with environmental factors, “internal” certainty results from individuals’ focus on personal, experience-based factors.

We first hypothesized that these two certainty foci have distinct psychological antecedents depending on individuals’ sensitivity to external vs. internal information. Drawing on past research documenting chronic (Snyder 1974) and momentary (Trafimow et al., 1991) differences in individuals’ sensitivity to external vs. internal information, we examined the effects of such differences on the formation of certainty based on information from external versus internal sources.

Second, we hypothesized that the adoption of a specific certainty focus would generate distinct behavioral consequences depending on people’s intentions. Specifically, based on past work suggesting that realizing a goal entails consecutively going through different mindsets (e.g., Gollwitzer, 1990), we proposed that an external certainty focus would mostly impact the behavior of individuals deliberating about a goal, while an internal focus would mostly impact the behavior of individuals implementing this same goal.

Three experiments tested these hypotheses. Results were analyzed using ANOVAs and t-tests, when appropriate. In all experiments, attitudes are stable across conditions (F<1).

Experiment 1: Examining consumers’ self-monitoring orientation on the formation of external and internal certainty. Using a 2-cells design (informational cue: external, internal and control; N=82), we tested the hypothesis that one’s propensity to rely on external or internal factors when forming certainty is driven by one’s self-monitoring orientation. After completing the self-monitoring scale (Snyder 1974), participants were invited to participate in an ostensibly unrelated purchasing scenario that either contained internal (e.g., perceived knowledge, repeated purchase), external (e.g., social consensus, source credibility) informational cues about a product, or unrelated information (control). Finally, participants’
certainty and attitudes toward the product was assessed. Results showed that high (low) self-monitors’ certainty was significantly greater after they encountered an external (internal) informational cue than an internal (external) one (p<.01), suggesting that certainty formation is differentially sensitive to external or internal information, as a function of individuals’ chronic self-monitoring orientation.

Experiment 2: Examining consumers’ self orientation on the formation of external and internal certainty. A 2 (self-orientation: self vs. others) x 2 (certainty focus: internal vs. external; N=73) examined whether a momentary shift in one’s sensitivity to external vs. internal information, rather than a chronic orientation, could similarly affect certainty formation. After completing a self-orientation manipulation (Trafimow et al., 1991), participants read a newspaper excerpt about college students’ knowledge of cameras, which was either high, or low (Internal focus) and subsequently received a WOM communication from either an expert or a novice (External focus) about a camera. Last, participants’ attitudes, certainty and purchase intentions were assessed. Individuals with a self (other) orientation tended to rely on internal (external) sources of certainty when judging a product (p<.01). In addition, the type of certainty formed (external vs. internal) mediated individuals’ behavioral intentions, suggesting the dual nature of certainty is consequential for attitude-behavior consistency.

Experiment 3: Examining consumers’ mindset on the formation of external and internal certainty. A 2 (mindset: implemental vs. deliberative) x 2 (certainty focus: internal vs. external; N=112) aimed at suggesting that individuals rely on a particular type of certainty–external or internal–as a function of their mindset. After being presented with a purchasing scenario in which their mindset was manipulated, participants encountered an external or internal informational cue. Results suggested that individuals in a deliberative (implemental) mindset were more certain after being presented with an external (internal) cue than with an internal (external) one (p<.01).

Conclusion and Contributions. These findings suggest distinct antecedents and consequences of external and internal certainty. From a theoretical standpoint, the present research sheds light on our understanding of how certainty can emanate from different sources, and provides further evidence that each type of certainty foci investigated generates unique consequences for behavior. Given the governing role of certainty in attitude-behavior consistency, these experiments further enrich our understanding of attitude-behavior correspondence.

References

“A Field Examination of the Influence of Brand Equity on Behavioral Loyalty and Factors that Moderate this Relationship”
Kalpesh Kaushik Desai, SUNY-Binghamton, USA
Vijay Hariharan, SUNY-Buffalo, USA
Jeffrey Inman, University of Pittsburgh, USA
Debabrata Talukdar, SUNY-Buffalo, USA
Prior research in brand equity (or BE) has primarily focused upon its leveraging influence on brand and line extensions and feedback effects (e.g., Aaker and Keller 1990; Park, Milberg, and Lawson 1991). However, the relationship between brand equity and brand loyalty (or BE–BL) has been less than perfect (Keller and Lehmann 2004). Specifically, brands encounter four possible scenarios: i and ii) positive BE–BL relationship could see brands with high (low) equity correspondingly enjoy high (poor) loyalty; iii) brands enjoying high equity experience poor loyalty; and iv) brands with low equity could enjoy high brand loyalty.

Research Questions, Motivation, and Contribution
Managers, especially for brands in groups (ii)–(iv) above, would like to know how to enhance brand attitude–choice behavior consistency i.e., how to get more consumers on the high BE–high BL track. Which factors mitigate versus accentuate the BE–BL relationship? Based on prior work in several research streams, we identify 12 “contextual” factors relating to the target brand, product category, and consumers as important moderators. For example, we hypothesize that while target brand commitment and importance of brand decision accentuate the BE–BL relationship, brand ambivalence and perceived equity of other brands mitigate that linkage. We similarly hypothesize, for example, that BE–BL linkage will be accentuated for private (vs. national) label brands and for households with higher (vs. lower) income but the relationship will be mitigated by education of the primary shopper of the household and by category differentiation. By empirically showing the influence of BE on BL to be limited in several contexts, we argue that strengthening BE cannot be a solution to branding problems in all situations, contrary to the assumption of prior BE research and practitioners.

A related question that prior research has not examined is if there are distinct segments of consumers whose profile differences (e.g., maximizer vs. satisficers) make them more likely to engage in high attitude–choice consistency behavior. Dominance of the high equity–high loyalty customers (vs. high BE-low BL or low BE-high BL) among the target segment requires no change in the target marketing strategy of the brand. In addition, by focusing on profile differences, brand managers can devise appropriate marketing strategies to move “inconsistent” consumers to become high BE–high BL consumers.

A major challenge in the BE research is that prior research has proposed distinct measures of BE (e.g., Aaker 1996; Keller 1993; Yoo and Donthu 2001). Just being advised to strengthen BE without being told which variables to focus upon is not very helpful. Researchers and managers will benefit from a comprehensive but parsimonious measure of BE. Finally, we also investigate if the relative importance of the different variables that constitute the composite BE construct is stable to changes in the context engendered by moderators listed above (e.g., private label or age of consumers)? Answers to these questions for example, can help managers of private label vs. national brands to focus on distinct BE variables to strengthen BE–BL relationship and emphasize distinct BE variables in their marketing if they were targeting their brands to younger vs. older consumers.
Method and Findings

After comprehensive investigation of prior research, we identified the following nine variables as measures of brand equity: brand personality, perceived value, brand differentiation, brand trust, strength of brand’s favorable associations, brand quality, brand satisfaction, brand justifiability, and in-store presence. Factor analysis using principal component extraction method revealed that all nine variables (measured by 18 items) fall into a single construct of brand equity (amount of variance explained=44.7%).

To test our hypotheses, we mailed surveys in February 2007 to 5000 bonus card shoppers of a leading grocery chain operating in the northeastern US. As incentive, participants were offered the opportunity to participate in a lottery drawing. The response rate was 75%. To ensure that we account for bulk of the grocery purchases of the participants, the 5000 bonus card holders were randomly selected from more than a million panel members such that the target grocery chain was the primary shopping outlet for these consumers accounting for more than 80% of their grocery purchases. Using established scales developed by prior research, the survey measured all the variables listed above and the hypotheses were tested using various multivariate regressions on the choice data of 52-weeks prior to the receipt of the survey i.e., April 2006-April 2007. The results were consistent across both categories (toothpaste and tortilla chips) and all our hypotheses except for the ones on age, income, annual category purchase, category differentiation, and maximizing vs. satisficing moderators were supported.

References


“Fragile Enhancement of Attitudes and Intentions Following Difficult Choices”

Ab Litt, Stanford University, USA
Zakary L. Tormala, Stanford University, USA

It is well-documented that, following difficult choices from sets of similarly attractive options, consumers show increased post-choice liking of chosen items, relative to choices between more easily differentiated options (e.g., Brehm 1956). Although others have been proposed, a prevailing explanation is that such choice-enhancement is driven by motivated rationalization, whereby consumers seek to reduce dissonance aroused by selecting one option while rejecting similarly attractive others. This entails an active and high-involvement process of changing attitudes and behavioral intentions post-hoc to align them with one’s choice.

Despite considerable attention paid to understanding post-choice attitudinal enhancement, little has focused on examining its stability. For example, once changed to support a choice, how do difficulty-enhanced attitudes and intentions withstand subsequent attack? If dissonance-driven attitude shifting is indeed an active and thoughtful (though biased) process, then from past research showing strong attitudes fostered by increased thought (Petty, Haugtvedt, & Smith 1995), it could be surmised that post-choice attitudinal enhancement would be quite durable in the face of persuasive attack. Across three purchase scenario free-choice studies, however, we find such enhancement to be fragile, yielding to even minor and superficial attacks. Moreover, rather than bolstering attitude durability and resistance to persuasion (e.g., Petty et al. 1995), we find that heightened involvement augments this fragile enhancement and vulnerability to attack.

Study 1: Difficulty and Fragile Enhancement. In a hypothetical product-purchasing scenario, participants ranked six digital cameras (based on pictures and image-quality, weight, and price information), and were then presented with a subset from which to choose. In line with the free-choice paradigm, choice-difficulty was manipulated by presenting either the 2nd and 5th ranked options (“Easy-Choice” condition) or the 2nd and 3rd ranked options (“Difficult-Choice” condition). Following this decision, all participants reported attitudes towards their chosen camera and behavioral intentions such as product recommendation, purchase deferral, and re-purchase likelihood. Finally, participants read a single negative customer review of their chosen camera criticizing only peripheral dimensions (e.g., strap-thickness, technical support), and were again asked about their attitudes and behavioral intentions regarding their chosen camera.

Consistent with past research, in the initial post-choice/pre-attack stage we observed more favorable attitudes and intentions towards products chosen in the Difficult-Choice condition. Compared to the Easy-Choice condition, these participants were more satisfied with their camera, more likely to recommend it to others, more inclined towards future re-purchase of the same camera, and less inclined to defer purchase. However, this enhancement did not afford Difficult-Choice participants any additional resistance to the negative customer review. After the attack, participants across choice conditions did not differ in attitudes and intentions, and within-participant comparisons showed greater collapse on these dimensions by Difficult-Choice participants, though both groups were affected. Moreover, whereas pre-attack positivity in attitudes and intentions strongly predicted post-attack resilience in the Easy-Choice condition, this was not true in the Difficult-Choice condition. In short, we observed a fragile enhancement effect in the Difficult-Choice condition: participants enhanced attitudes and intentions post-choice, but in a manner proving highly vulnerable to even minor attack. Choice rationalization may thus create the appearance of strong choice-consistent attitudes, but those attitudes can be quite susceptible to change when tested.

Studies 2-3: The Role of Choice Involvement. Two additional studies replicated fragile enhancement with different stimuli (Study 2: car-stereos; Study 3: customer review attacking central rather than peripheral product-dimensions). They also provided insight into mediation (by choice-discomfort, consistent with a dissonance-based motivated rationalization account) and moderation. Most notably, we observed increased fragile enhancement as a function of increased choice-involvement. In Study 2, attitudes and intentions showed significant interactions between choice-difficulty and measured choice-involvement: both initial enhancement and later collapse in the Difficult-Choice condition were greater among participants reporting high rather than low involvement. Study 3’s replication manipulated choice-involvement by varying the perceived importance of the choice itself. Thus, following...
difficult and important decisions, for which it would be most desirable to have a strong and defensible position, attitudes and intentions showed both greater post-choice enhancement and greater vulnerability to later persuasion.

Conclusions. Results support an involved rationalization process underlying difficulty-driven choice enhancement. In contrast to both implicit and explicit assumptions in past research, however, these motivated post-choice enhancements of attitudes and behavioral intentions turn out to be exceptionally fragile, collapsing in the face of even minor persuasive attack. Moreover, choice-involvement appears to amplify both initial post-choice enhancement and subsequent post-attack deflation. Thus, factors traditionally believed to foster increased resistance to attack by inducing thoughtful attitude change may foster increased susceptibility to attack in the free-choice paradigm. Overall, it appears that at least some forms of dissonance-based attitude change can be easily undone, and that involvement might have a more dynamic role in conferring attitude strength than is apparent from past research.

References

“The Influence of Attitude Strength on Consideration Set Size: Strong Liking Results in Smaller Consideration Sets”
Dhananjay Nayakankuppam, University of Iowa, USA
Joseph R. Priester, University of Southern California, USA
Jayati Sinha, University of Iowa, USA

Introduction
How individuals come to choose one alternative over another has lain at the heart of consumer psychology, indeed the entire field of marketing, since its very inception. This paper follows in this tradition, exploring a hypothesis that both builds upon past research and helps to understand prior findings. To do so, we adopt theory from both the literatures of attitudes (e.g., Petty and Cacioppo, 1986) and choice (e.g., Roberts and Latin, 1997): From attitudes we use the construct of attitude strength and from choice we use the construct of a consideration set.

Consideration set formation has proved to be important in consumer choice processes—much variance in choice is attributable to inclusion in a consideration set (Hauser and Wernerfelt, 1990). Prior research has shown that inclusion in a consideration set is influenced by attitudes but is moderated by attitude strength in that it is particularly true for strong, rather than weak attitudes (Priester et al., 2004). This research examines how attitude strength might moderate attitudinal influence on consideration.

Hypothesis Development
Why is it that attitude strength plays such a role in consideration? Recall that attitude strength confers greater accessibility, such that strongly held attitudes come to mind faster than weakly held attitudes (see Priester and Petty, 2003; Priester et al., 2004). If a strongly liked attitude comes to mind quickly in the formation of a consideration set, it is possible that its earlier arrival will truncate search and result in a smaller consideration set. We base this hypothesis on two distinct streams of research. First, Feldman and Lynch (1988) find that the more accessible and diagnostic an alternative is, the more likely that it will be used, and subsequent search will be terminated. Second, Alba and Chattopadhyay (1986) find that brand salience inhibits recall of other brands. Together, these results suggest that the extent to which an alternative is held with greater strength, the more likely that other alternatives will not be brought into consideration. We propose a simple, yet potentially powerful hypothesis: This hypothesis is both consistent with, and may well help to understand the psychological processes underlying, prior literature. We test the hypothesis in two Experiments.

Experiment 1
Mitra and Lynch (1995) found that differentiating ads led to smaller consideration sets than reminder ads. Our interpretation of this finding is that it may have emerged because of differences in attitude strength resulting from the different ad types. Experiment 1 was designed to examine whether attitude strength can account for the Mitra and Lynch (1995) findings.

Specifically, experiment 1 examines whether differentiating ads led to smaller consideration sets than reminder ads because the differentiating ads set up conditions under which participants could elaborate, and thus form strong attitudes, whereas the reminder conditions did not foster such elaboration, and thus led to weak attitudes.

Participants were provided with mock advertisements for three brands (in three different product categories—burgers, granola bars and pizza). They processed these advertisements under conditions of either high or low elaboration, in order to form strong and weak attitudes respectively. Elaboration was manipulated between participants in a manner similar to Priester et al. (2004)—that is, participants were asked to pay attention to their thoughts and feelings as they read the ads (HiEl) or we imposed a secondary cognitive load on them by asking them to count the number of polysyllabic words in the ad as a way to reduce the resources that could be allocated to elaboration (thus LoEl). After exposure to the brands, we assessed attitudes and attitude strength, in addition to collecting their impressions of the ads.

The participants in the HiEl likelihood conditions report smaller consideration set sizes than those in the LoEl likelihood condition.

Experiment 2
The second study re-analyzes the results of two previously published studies that investigated the influence of attitude strength on consideration and choice. Participants provided attitude and attitude strength data towards a variety of soda and toothpaste brands (familiar brands). They also provided consideration sets and choice decisions in the two product categories.

This reanalysis provides further evidence that the greater the extent to which a chosen alternative is more strongly liked than the others in the consideration set, the more likely that the consideration set is smaller.

Experiment 3
In experiment three we tested the idea of search truncation i.e., the attitude strength associated with a retrieved alternative serves as a signal for search truncation. Participants were exposed to an ad for a target brand (unfamiliar brand) under conditions of high or low elaboration (same as experiment 1). After performing unrelated filler tasks, they were shown a sequence of brands with some information about each brand—one of the brands they encountered was the target brand. The position of the target brand was varied—they appeared at second, fourth or sixth position for different
participants. After viewing each brand, participants made two judgments—first, whether they would like to set this brand aside for further consideration and second, whether they would like to proceed to view more brands or make a choice from the brands set aside for consideration.

Results show that participants in the high elaboration condition were more likely to truncate search earlier compared to participants in the low elaboration condition. Also results show that the position of the target brand had no impact on the low elaboration participants. However, the target brand had a significant impact on the high elaboration participants. Encountering the target brand earlier resulted in smaller set sizes as compared to encountering it later.

Discussion
This paper advances and provides support for a rather simple, but potentially powerful, hypothesis: Choices associated with strong attitudes result in smaller consideration sets than choices associated with weak attitudes. At the most basic, this research contributes to our understanding of the determinants of consideration set size. In addition, this research provides a possibly more parsimonious explanation for previous research.

References