

# Buying behaviour



**ASSIGN  
BUSTER**

## What Are The Forms Of Customer Loyalty? How Are These Types Of Loyalty Related? How Can Marketers Use Customer Loyalty?

Different consumers have different purchasing habits, and this forms the basis through which businesses can understand their customers, which can help them market their products/services effectively. Customers' buying habits are influenced first by the circumstances (such as lifestyle, financial position, family situation and geographic location among others), and then their relationship with the products. Dawes (2009) asserts that this relationship is influenced by a number of factors such as past experiences when using the product/service, opinions of other people regarding the product, and the general need to use the product/service. East, Wright & Vanhuele (2008) define consumer loyalty as the behavioural and attitudinal tendency by a consumer to prefer one brand relative to the others; this can be due to a number of factors such as satisfaction with the service/product, product performance or convenience, or familiarity with their preferred brand among other factors. Griffin (2002) points out that customer loyalty plays an integral in fostering repetitive buying. Consumers tend to associate with a particular brand depending on the brand image, which is determined by their perceptions towards the brand. Such associations can be because of their experiences associated with the use of the product or from the information that the company communicates to the market place. Brand loyalty refers to repetitive buying behaviour of consumers, which is because of conscious decision to keep on purchasing the same brand. Positive attitude towards the brand is one of the significant requirements for customer loyalty to take place. Behavioural brand loyalty therefore requires

deep attitudinal attachment to the brand. This paper explores the different forms of customer loyalty and how they are related. In addition, the paper discusses how marketers can use customer loyalty.

### Forms of Customer Loyalty and How They Are Related

In order to comprehend the concept of customer loyalty, there is the need to acknowledge that different degrees and types of loyalty exist; this means that the forms of customer loyalty can be categorized using different dimensions. Griffin (2002) undertakes a cross comparison of low and high repeat purchase frequencies with high and low relative attachment to come up with four distinct types of customer loyalty: no loyalty, inertia loyalty, latent loyalty and premium loyalty.

With regard to no loyalty consumers, Griffin (2002) points out these customers do not tend to develop loyalty to particular products/services. For instance, a person who goes any barbershop for a haircut provided its cost does not exceed ? 4; to this customer, a haircut is just the same regardless of the barbershop. Griffin (2002) characterizes no-loyalty customers with low attachment towards certain product/services and low repeat patronage. In this regard, Griffin (2002) recommends that businesses should not target no-loyalty customers since they can never be converted to loyal customers and add relatively little to the business' profitability.

Griffin (2002) characterizes inertia loyalty as a combination of high repeat purchase with a low level of attachment to the product/service. The purchasing decision of customers with loyalty is primarily driven by habit. They mostly buy out of convenience. Simply stated, inertia loyalty customers

primarily base their buying decisions on situational and non-attitudinal factors. This type of buyer feels some level of satisfaction with the brand; however, it is not real dissatisfaction. According to Mothersbaugh & Beatty (2002), this form of loyalty is most common for the case of frequently purchased products. It is imperative to note that this buyer can easily switch for a competitor's product that is likely to benefit him more. Nevertheless, turning inertia loyalty to a higher form of loyalty is possible through actively courting the consumer and embarking on positive differentiation that the customer perceives regarding the product offering.

Latent loyalty is characterized by a combination of low repeat purchase and high relative attitude and attachment. According to Griffin (2002), the repeat buying behaviour is primarily influenced by situational variables and not attitudinal variables. Businesses can increase the degree of loyalty of these customers by understanding the situational variables contributing to latent loyalty. Griffin (2002) typifies premium loyalty by a combination of both premium loyalty and repeat patronage. Premium loyalty is the ideal form of loyalty for all customers. Since these customers are at the peak level of preference, they are often proud of using the product/service and often act as advocates and ambassadors for the brand by sharing their knowledge regarding a particular product with their family and peers. In most cases, premium loyalty customers develop to vocal advocates for the brand and tend to refer others to use the product/service.

Odin & Vallette-Florence (2001) categorize two types of customer loyalty, mainly polygamous loyalty and monogamous loyalty. According to Odin & Vallette-Florence (2001), 100 percent loyal customers are rare to find; for

instance, a customer may opt to buy Brand X 50 percent of the time, buy brand Y 30 percent of the time, and buy brand C 20 percent of the time. In this case, the customer is can be perceived to be loyal to all the three brands, but 100 percent loyal to none. Odin & Vallette-Florence (2001) perceive loyalty as the probability that a customer will buy a brand at any given buying instance. In this regard, Odin & Vallette-Florence (2001) argue that, it is unrealistic for businesses to strive to make their customers 100 percent loyal. A more realistic goal entails making the customers to be as loyal as possible by maximizing the customer share of their spending, overall profitability and increasing the frequency of purchase. Griffin (2002) classifies customer loyalty basing using the behavioural dimension and devises two types of customer loyalty: attitudinal and behavioural loyalty.

From these classifications, relationships between the various forms of customer loyalty can be derived. Central to the classification of customer loyalty are relative attachment, repeat purchase and behavioural and attitudinal attachment to the brand. Attitudinal brand attachment generally determines the consumers' commitment towards repetitive purchasing behaviour and advocacy for the brand; behavioural brand loyalty entails more than repeat purchasing behaviour. This is typically revealed when consumers are willing to purchase the same brand despite of higher prices for other brands (Griffin 2002). Such consumer attitudes can be explained by the fact that the consumers have an emotional association with the brand. The only explanation why consumers can outlook the cost of a product before purchasing is their attitudinal attachment to the brand. For instance, if a consumer has a brand loyalty for Company X, his purchasing preference

will always be directed towards Company X products despite Company Y products being of lower price and may be high quality.

Another key constituent of attitudinal brand attachment is brand trust. Brand trust is not established easily, it is determined by the company's image and the level of advocacy that the brands of a particular company has. Brand trust plays a significant role in linking the brand loyalty with the consumers' attitudinal attachment to a particular brand (Odin & Vallette-Florence 2001). Companies that have established brand trust among its consumers an associated advantage due to the fact the consumers of its brand are less sensitive to factors, which may alter their preferences such as price increases and intense marketing by competing brands. Any aspect of consumer preferences that creates an emotional attachment to the brand plays a key role in determining brand loyalty. The consumers' level of faithfulness towards a particular brand is subjective to the forces that determine how the consumers associate with a particular brand in terms of attitudinal attachment. It requires more than just marketing to build a brand trust in consumers. Attitudinal attachment to a particular brand plays a significant role in determining the brand trust, which in turn plays a key role in determining behavioural brand loyalty (Dawes 2009).

Another important element of attitudinal attachment is consumer satisfaction, which refers to the contentment of the consumers towards the purchase of a particular brand. Consumer satisfaction plays a significant role in determining behavioural brand loyalty. Repetitive purchasing habits are because of consumer satisfaction, because a previous purchase met his/her expectation, and so is the future purchase (Griffin 2002). This mentality is

significant in building emotional attachment with a brand in the sense that the consumers' beliefs will be based on the concept of contentment and value. Direct experience with a product plays a greater role in determining the consumer emotional attachment with the brand compared to their perceptions. This implies that consumer satisfaction has a direct impact on determining attitudinal attachment to a brand, which in turn determines consumer loyalty. Although marketers can deploy strategies to manipulate behavioural brand loyalty, the ultimate determining factor is the association that the consumers have towards a brand in terms of emotional attachments. Brand associations are subject to factors, which determine the consumer perceptions towards a particular brand, one such factor that determine the consumer preference is the attitudinal attachment that buyers have developed with a particular brand in the course of their consumption, advocacy by other consumers and the way the brand is positioned in the market. Griffin (2002) argue that hard-core loyal consumers outlook other factors could have altered their brand preference; this is usually due to the connection that exist between the brand and the consumers. A consumer is less likely to purchase a given brand if he had bad experiences when using that brand; such perceptions play a key role in determining the kind of emotional attachment with a brand and ultimately determine the brand loyalty.

Behavioural brand loyalty is also determined by the consumers' perceptions. Brand loyalty can only exist when consumers have positive attitudes towards a given brand. Consumer attitudes are subjective to their perceptions and are imperative in determining the kind of association that exists between the

consumers and a brand. The perceptions towards a brand are typically based on the opinions that consumers have towards a brand. This feeling can be linked either directly or indirectly with the consumers' attitudes towards a brand. Consumer perceptions play a significant role in determining the emotional attachments with a particular brand and ultimately the behavioural brand loyalty (Mothersbaugh & Beatty 2002). Perceptions towards a brand are not because of direct experience with the product use, they are determined by the way a brand is communicated or advertised by the company. It is therefore important that marketers should manipulate the aspect of consumer perceptions, which play a significant role in determining attitudinal attachment. For instance, associating a brand with a particular culture in a segmented market place is important in ensuring attitudinal attachment with the brand (East, Wright & Vanhuele 2008).

#### How Can Marketers use Customer Loyalty

Consumer loyalty is an important metric for marketers; as a result, marketers can exploit customer loyalty at the benefit of the business in terms of sales and creating competitive advantage. It is undeniable that behavioural brand loyalty is habitual, advertisers and marketers should therefore explore the consumer habits, reinforce the acquisition of new habits and most significantly, they should remind the consumer that the value of their purchase is worth and they should keep on buying the same product in future (Griffin 2002). After establishing that a firm has loyal customers, marketers can embark on loyalty marketing to grow and retain the existing customers. In addition, marketers should strive to ensure that



their customers climb up the ladder of customer loyalty from prospect to evangelists.

Griffin (2002) recommends a six-step process that marketers can deploy to increase customer loyalty. This includes segmenting the customer market; building segment profiles; customizing the marketing strategy to fit the audience; picking offers; analyzing; and making revisions and repeating the whole process. Segmenting the customer markets plays an integral role in the identification of most valuable customers basing on monetary return, frequency and recency. Building the segment profiles entails characterizing the segment profiles using variables such as the purchase history of customers, trends and frequency of buying. The marketer can use these data to develop relationship and patterns with the goal of coming up with the most complete profile for each group (East, Wright & Vanhuele 2008). The next step entails tailoring the marketing strategy in accordance with the identified profiles; this should base on the purchasing patterns of each of the segment. The characteristics of these segments are the used determine the product/service offerings that are most likely to be appealing to each of the identified segments. After this, marketers are supposed to analyze the effectiveness of their marketing efforts with regard to how the product offerings are performing in the market. Griffins (2002) asserts that customer loyalty is beneficial to the business because it helps in the acquisition of new customers, increasing the spending of the current customers, retaining the existing customers and shift customer spending towards higher margin products to increase profitability (Odin & Vallette-Florence 2001).

## Conclusion

This paper has identified several forms of loyalty basing on relative attachment, repeat purchase and behavioural and attitudinal attachment to the brand; they include no loyalty, inertia loyalty, latent loyalty, premium loyalty, and polygamous loyalty and monogamous loyalty. Marketers can exploit customer loyalty to their advantage by acquiring new customers (shift), increasing the spending of current customers (lift), retaining the existing customers (retention), and shift their spending towards higher margin products/services (profit mix).