ASSOCIATION FOR CONSUMER RESEARCH

Labovitz School of Business & Economics, University of Minnesota Duluth, 11 E. Superior Street, Suite 210, Duluth, MN 55802

Longitudinal Study of Customer Loyalty and Its Antecedents

Lelis Balestrin Espartel, Pontificia Universidade Catolica do Rio Grande do Sul, Brazil

Carlos Alberto Vargas Rossi, Universidade Federal do Rio Grande do Sul, Brazil

This research serves two purposes: first, to validate and confirm the relationship between loyalty and its antecedents, as well as the measures used in study constructs, using and adapting models that have already been tested; secondly, and most importantly, to evaluate the evolution of these relationships in a longer period of time, contributing to the understanding of loyalty over time, serving as a way to direct future academic research efforts (e.g., how customer loyalty is formed).

[to cite]:

Lelis Balestrin Espartel and Carlos Alberto Vargas Rossi (2006) ,"Longitudinal Study of Customer Loyalty and Its Antecedents", in LA - Latin American Advances in Consumer Research Volume 1, eds. Silvia Gonzalez and David Luna, Duluth, MN : Association for Consumer Research, Pages: 171-171.

[url]:

http://www.acrwebsite.org/volumes/1000060/la/v1/LA-01

[copyright notice]:

Longitudinal Study of Customer Loyalty and its Antecedents

Lelis Balestrin Espartel, Pontificia Universidade Catolica do Rio Grande do Sul, Brazil
Carlos Alberto Vargas Rossi, Universidade Federal do Rio Grande do Sul, Brazil

EXTENDED ABSTRACT

This research serves two purposes: first, to validate and confirm the relationship between loyalty and its antecedents, as well as the measures used in study constructs, using and adapting models that have already been tested; secondly, and most importantly, to evaluate the evolution of these relationships in a longer period of time, contributing to the understanding of loyalty over time, serving as a way to direct future academic research efforts (e.g., how customer loyalty is formed).

Among the possible models that would serve this purpose, the model proposed by Agustin and Singh (2002) was chosen. It shows satisfaction, trust, and value as antecedents of loyalty.

A longitudinal study was conducted. A survey revealed that products mostly indicated for evaluation were *supermarkets*, *gas stations*, and *beers*. In order to do so, the research design was divided into two stages: initially, an *exploratory stage* was carried out, presenting a qualitative character, responsible for subsidizing the following stage; then, a *descriptive stage* was performed, having quantitative characteristics, responsible for the research conclusions. In short, the longitudinal study was conducted through four waves, with intervals ranging among themselves (seven, seven, and 17 weeks, respectively), with total time of approximately 31 weeks.

The population of the research was composed of undergraduate students of Business at a private Brazilian university.

Results found in the first wave show that *satisfaction*, *trust*, *value*, and *loyalty* are differently related, according to the product. Another highlight is the strength of customer satisfaction in the formation of value, trust, and specially loyalty.

Particularly regarding trust, a shift in focus can also occur: for supermarkets, there may be a higher trust on brands for sale than on the supermarket itself; for gas stations, there may be a higher trust on the location than on the brand; for beers (even being a tangible good), there may be a shift in trust for the restaurant or bar (which are responsible for serving them cold, a preference of the Brazilian consumer).

The longitudinal stability of relationships among the proposed constructs for supermarkets and beers encourages the use of longitudinal studies for understanding these casual relationships. For both cases it is possible to affirm that, for instance, trust has no significant impact on loyalty, remaining unaltered over time. Nevertheless, since this stability is not present in gas stations, a correct specification of the model at the initial moment of the survey should be made.

Considering the results achieved, this article offers some contributions to the theoretical and methodological discussion of consumers' loyalty, both as a cross sectional evaluation, at a specific moment, when the behavior of the proposed model for each product can be evaluated, and as a longitudinal evaluation, main focus of this article, considering the four data collection waves through a 31-week research period.

Moreover, this article contributes to the marketing literature as it proposes an evaluation of the formation of loyalty, but conforms this evaluation using the longitudinal approach, trying to understand how the loyalty determinants act on it over time.

Results showed different behaviors of the proposed model for surveyed products, both at the beginning of the data collection process (first wave) and during its development, showing that there are other factors, which were not studied, influencing customer loyalty and behavior through the relationship between the customer and the brand. Therefore, there is margin for new investigations aiming at deepening the knowledge on customer loyalty over time.

Concerning possible developments of the research, an initial suggestion would be to evaluate other models longitudinally, testing other relationships among constructs, thus enriching interpretation and widening the validity of results.

Another suggestion would be to search new conformations for the same model (loyalty determinants), considering other constructs (e.g., perceived quality, commitment, cultural aspects, etc.) or exploring other conformations in the relationships among the same constructs, such as the inclusion of value as an antecedent of customer satisfaction, as proposed by Jones and Sasser (1995) and Lee and Overby (2004).

Considering that the formation of loyalty involves, besides the buying behavior, an attitudinal dimension of the customer towards the brand (Day 1969; Dick and Basu 1994), it is easy to imagine this process to be slow and gradual. Longer longitudinal studies to evaluate loyalty are highly recommended.

Still referring to loyalty, construct measurement should be addressed again. It is recommended to measure loyalty intensity appropriately. The behavior of models like the one tested in this study is likely to be different in cases in which there is, in fact, loyalty similar to the "ultimate loyalty" (Oliver 1999).

Another possible focus of future study is to evaluate the formation of loyalty in different customer groups. It can be supposed that, in a one-year longitudinal study, for instance, such period would have a higher impact on customers who have been using a supermarket or gas station for one year than for those who have been customers for five years. Analyzing this issue in depth was limited in this study due to sample matters.

REFERENCES

Agustin, Clara and Jagdip Singh (2002), "Satisfaction, Trust, Value and Consumer Loyalty: Curvilinearities in Relationship Dynamics," in *Proceedings of 31st Conference of European Marketing Academy*, ed. Minoo Farhangmeher, Braga, Portugal: EMAC.

Day, George S. (1969), "A Two-Dimensional Concept of Brand Loyalty," *Journal of Advertising Research*, 9 (3), 29-35.

Dick, Alan S. and Kunal Basu (1994), "Customer loyalty: Toward an integrated conceptual framework," *Journal of Academy of Marketing Science*, 22 (2), 99-113.

Jones, Thomas O. and W. Earl Sasser Jr (1995), "Why Satisfied Customers Defect," *Harvard Business Review*, 73 (8), 88-99.

Lee, Eun-Ju and Jeffrey W. Overby (2004), "Creating Value for Online Shoppers: Implications for Satisfaction and Loyalty," *Journal of Satisfaction, Dissatisfaction and Complaining Behavior*, 17, 54-67.

Oliver, Richard L. (1999), "Whence Consumer Loyalty," *Journal of Marketing*, 63 (Special Issue), 33-44.