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Consumer loyalty re-assessed: measurement, determinants and intervention

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Consumer Loyalty Re-Assessed: Measurement, Determinants and Intervention.

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CERTIFICATION

I, Megan Jane Divett, declare that this thesis, submitted in partial fulfilment of the requirements of the award of Doctor of Philosophy, in the Department of Psychology, University of Wollongong, is wholly my own work unless otherwise referenced or acknowledged. The document has not been submitted for qualifications at any other academic institution.

Megan Jane Divett

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Abstract

Consumer loyalty is a central research construct that is perceived to be a key to organisational profit and success. However, traditional attempts to increase consumer loyalty through loyalty programs, such as reward schemes, have failed to actually enhance loyalty. In response to the poor performance of these programs, this thesis examines three major research questions: the effective measurement of consumer loyalty, the determinants of consumer loyalty, and an effective intervention to influence consumer loyalty. These three research questions were explored within a consumer service setting of patrons to a regional theatre located in Canberra, Australia. This thesis employed a mailed survey approach triangulated with independently collected behavioural data. The first research question successfully employs the dominant theory of the attitude-behaviour relationship, The Theory of Reasoned Action (Fishbein & Ajzen, 1975), to assess current measures of consumer loyalty and identify an alternative measure of the loyalty process, attachment loyalty. The predictive capacity of the loyalty measures is examined within the presence of satisfaction, the dominant model of the consumer process (Oliver, 1980). Results indicate that although a common measure of consumer loyalty, disregard loyalty failed to demonstrate the expected relationships, attachment loyalty was an effective process measure of loyalty. The second research question uses the dominant model of loyalty within dissatisfaction research (Hirschman, 1970) to explore the determinants of loyalty for consumers who are satisfied. Results demonstrated the predictors of consumer voice (quality of alternatives, importance, and responsiveness) as determinants of loyalty. The third research question uses the empirical and theoretical link between approachability, responsiveness and loyalty to develop an effective intervention to influence the loyalty process (attachment loyalty)

and loyalty outcomes (purchase behaviour). In conclusion, consumer loyalty can be effectively influenced when the process as well as the outcome is considered.

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This thesis is dedicated to Charlotte and Ross.

Prologue

A Classic Story of Loyalty: The Cap that Mother Made, A Swedish Tale

Once upon a time there was a little boy, named Anders, and he had a new cap. A prettier cap was never seen, for his mother herself had knit it; and who could ever make anything so nice as Mother! The cap was red, except for a small part in the middle. That was green, for there had not been enough yarn to make it all; and the tassel was blue.

Anders' brothers and sisters walked about admiring him; then he put his hands in his pockets and went out for a walk, for he was altogether willing that everyone should see how fine his mother had made him.

The first person he met was a farmhand walking beside a cart loaded with peat, and bidding his horse gee-up. When he saw Anders' new cap, the farmhand made a bow so deep that he nearly bent double, but Anders trotted proudly past him, holding his head very high.

At the turn of the road he came upon Lars, the tanner's boy. Lars was such a big boy that he wore high boots and carried a jack-knife. But oh, when he saw that cap, he stood quite still to gaze at it, and he could not help going close to Anders and fingering the splendid blue tassel.

"I'll give you my cap for yours" he cried, "and my jack-knife besides!"

Now this knife was a splendid one, and Anders knew that as soon as one has a jack-knife, one is almost a man. But still he would not for all the world give up, for the knife, the cap which Mother had made.

"Oh, no, I could not do that," he said. And then he nodded good-bye to Lars and went on.

Soon after this Anders met a queer little lady. She curtsied to him until her skirts spread out about her like a balloon and she said: "Lad, you are so fine, why do you not go to the king's ball?"

"Yes, why do I not?" though Anders. "With this cap, I am altogether fit to go and visit the king."

And off he went.

In the palace yard stood two soldiers with guns over their shoulders and shining helmets on their heads. When Anders went pass them, they both leveled their guns at him.

"Where are you going, boy?" asked one of the soldiers.

"I am going to the king's ball," answered Anders.

"No, you are not," said the other soldier, trying to push him back. "Nobody can go to the king's ball without a uniform."

But just at this moment the princess came tripping across the yard, dressed in a white satin gown, with ribbons of gold.

"This lad has no uniform, it's true." She said, "but he has a very fine cap and that will do just as well. He shall come to the ball."

So she took Anders by the hand and walked with him up broad marble stairs, past the soldiers who stood on every third step, through magnificent halls where gentleman and ladies in silk and velvet were waiting about. And wherever Anders went people bowed to him, for, as like as not, they thought him a prince when they saw what it was that he wore on his head.

At the farther end of the largest hall a table was set with long rows of golden plates and goblets. On huge silver platters were piles of tarts and cakes. The princess sat down under a blue canopy with bouquets of roses on it; and she bade Anders to sit in a golden chair by her side.

"But you must not eat with your cap on your head," she said, and she started to take it off.

"Oh, yes, I can eat just as well with it on," said Anders, and he held on to it with both hands, for if it were taken away from him, he did not feel sure he would ever get it again.

"Well, well, give it to me," begged the princess, "and I will give you a kiss."

The princess was beautiful, and Anders would surely have liked to be kissed by her, but not for anything in this world would he give up the cap that Mother had made. He only shook his head.

Then the princess filled his pockets full of cakes; she put her own heavy gold chain around his neck and bent down and kissed him.

"Now will you give me the cap?" she said.

Anders moved farther back in his chair, but never once took his hands from his head.

Then the doors were thrown open and the king himself entered, accompanied by gentleman in glittering uniforms and plumed hats. The king wore a mantle of blue velvet, bordered with ermine, and he had a large gold crown on his head.

When he saw Anders in the golden chair, he smiled.

"That is a very fine cap you have," he said.

"So it is," said Anders, "it is made of Mother's best yarn, and she has knit it herself, and everyone wants to get it away from me."

"But surely you would like to change caps with me," said the king, and he lifted his shining gold crown from his head.

Anders never said a word but when the king came nearer to him with his gold crown in one hand and the other outstretched toward that beautiful cap, then, with one jump, Anders was out of his chair. Like an arrow he darted out of the hall, through the palace, down the stairs, and across the yard: He ran so fast that the necklace the princess had given him fell from his neck, and all the cakes rolled out of his pockets.

But he had his cap! He had his cap! He had his cap! With both hands he clutched it tight as he ran back home to his mother's cottage.

"Well, Anders, where have you been?" cried his mother. So he told her all about what happened.

All of his brothers and sisters stood around and listened with mouths wide open.

But when his big brother heard how he had refused to give his cap in exchange for the king's golden crown, he cried out:

"Anders, you were foolish! Just think of all the things you might have bought with the king's golden crown! Velvet jackets and long leather boots and silken hose, and a sword. Besides, you could have bought yourself a much finer cap with a feather in it."

Anders' face grew red, very red. "I was not foolish," he answered sturdily, "I could never have bought a finer cap, not for all the king's crown. I could never have bought anything in all the world one half so fine as the cap my mother made me!" Then his mother took him up on her lap, and kissed him.

This classic children's tale, "The Cap that Mother Made", highlights several different themes that can be found within loyalty research. One of these themes involves the relationship and obvious attachment between Anders and his mother. Previous academic research into loyalty has examined attachment between the individual and the organization (e.g. Buchanan, 1974; Graham and Keeley, 1992). Furthermore, research

into human attachments identifies accessibility and responsiveness as important ways of fostering attachment (e.g. Johnson and Marano, 1994). These two elements are also highlighted within the classic tale, "The Cap that Mother Made", through the close and responsive interaction between Anders and his mother towards the end of the tale.

Another theme highlighted within this classic tale relates to the perceived importance of the object to the individual. To Anders, the cap was extremely important to him. Anders may have placed such importance on the cap due to the boost to his self-confidence, and the opportunities the cap gave him. For example, once Anders was given the cap he was offered the jack-knife, and the ability to participate in the royal ball. Previous academic research into consumer loyalty has also addressed the relationship between perceived importance of the purchase/service to the individual and subsequent loyalty (e.g. Blodgett, Granbois & Walters, 1993).

Finally, "The Cap that Mother Made", highlights the important association between loyalty and a reluctance to consider alternatives. In comparison to the cap, Anders ignored the alternatives, including the jack-knife, kisses from a beautiful princess, and the king's golden crown. Previous academic research into consumer loyalty has also examined the association between the perceived attractiveness of alternative products/services and loyalty (e.g. Ping, 1994). Analogous to this classic tale, "The Cap that Mother Made", this thesis will also explore the many different interwoven themes within the complex construct of consumer loyalty, in order to determine the nature of consumer loyalty, the antecedents of consumer loyalty, and to develop an effective way of actively influencing consumer loyalty.

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Introduction

"What we call the beginning is often the end. And to make an end is to make a beginning. The end is where we start from". T.S. Eliot – Four Quartets.

Loyalty has long been romanticized and presented as a noble trait within classic literature and fables, including the classic Swedish children's tale, 'The Cap That Mother Made'. It is an important construct within many different cultures, from Japan and the United Kingdom through to the United States and Australia. The significance of loyalty throughout the world is, in part, due to the relationship it holds with behaviour, as loyalty is considered the motive behind many desirable acts. Based on the loyalty-behaviour relationship, many researchers and practitioners have attempted to enhance loyalty in order to encourage more of these desirable behaviours. However, initial attempts to enhance loyalty have demonstrated some unexpected results. For example within a consumer context, an Australian airline that was forced to go into receivership, subsequently negated contractual commitments to members of its loyalty program. In response to this break in contractual obligations, some of the members displayed a great deal of negative feeling toward subsequent attempts to revive the airline. In contrast, other members demonstrated persistent support and loyalty, perhaps in an attempt to regain previous losses. These diverse consumer responses are an indication of why loyalty has captured the interest of consumer and organisational researchers.

Development of the Research Aims

A review of the consumer and organisational literature revealed a general recognition within current research that the potential benefits of understanding loyalty, remain unrealised. Previous attempts to actively increase consumer loyalty in order to realise the potential benefits of the relationships loyalty holds with other key variables, including organisational profit (Oliver, 1997), were unsuccessful. That is, traditional programs designed to increase consumer loyalty failed to achieve their objective

(Jardine, 2000). In light of the poor performance of loyalty programs, the author examined previous consumer and organisational research in order to identify alternative avenues of exploration. The most promising of these avenues appeared to be the relationship between consumer communication (voice) and consumer loyalty. Therefore, this thesis began by exploring the relationship between consumer voice and loyalty as an alternative way of enhancing consumer loyalty.

At first, existing methods of measuring consumer loyalty were considered acceptable based on the amount of previous research using these measures (e.g. Singh, 1988, 1990a; Maute & Forrester, 1993; Ping, 1993). However, initial research within this thesis indicated that existing measures of consumer loyalty needed to be examined further. Subsequently, the traditional measures of consumer loyalty were examined in light of the base psychological theory of attitude and behaviour (e.g. Fishbein & Ajzen, 1975). The attitude-behaviour framework begins with beliefs (cognition), leads to attitude (affect), which effects intention (behavioural intention), and actual behaviour (behavioural indictors) (i.e. Crosby & Taylor, 1983; Oliver, 1997). When the existing consumer loyalty measures were placed within this framework, it became apparent that one of the stages of the attitude sequence, the affective stage, was not currently represented. In an attempt to address this oversight, this thesis reviewed the organisational literature, and revealed an affective measure of loyalty that could be readily used within consumer research. Using this affective measure of loyalty, this thesis was able to determine the relative impact of loyalty, within the consumer process.

The adopted measure of affective loyalty, attachment loyalty, was then successfully used to identify several, previously overlooked, determinants of consumer loyalty from

within the communication literature. Having identified key determinants of consumer loyalty, this thesis then examined the direct effect of two of these determinants upon loyalty in a more controlled fashion. These determinants, approachability and responsiveness, proved effective ways to actively influence consumer loyalty. Subsequently, this thesis had three research aims: the identification of effective measures of consumer loyalty, identification of several determinants of consumer loyalty, and finally, identification of an effective way to actively influence consumer loyalty.

Identifying the Appropriate Research Approach

In order to achieve the three major aims of the research, this thesis employed various research designs and statistical techniques. For example, to ensure that the exploration of consumer loyalty reflected concepts and relationships evident within the real world, the research was conducted within a naturalistic environment, a population of actual consumers. Tunnell (1977:427) defines a naturalistic environment as "a context outside the lab to which the person is naturally exposed". Unfortunately, field studies do lead to less control over the dependent and independent variables when compared to laboratory settings (Whitley, 1996). However, due to the exploratory nature of this research, it was important to identify the relative impact of consumer loyalty upon the consumer process within a naturalistic setting. Having identified the key relationships within the field, the thesis then used a more controlled approach, a field experiment, to test these relationships further.

In order to effectively access individuals within the naturalistic setting this thesis employed a mailed survey approach. The survey approach was utilised for several reasons. First, this thesis sought to uniquely contribute to the body of research into Consumer Psychology. As such, the nature of this research is largely exploratory, and was designed to test several research hypotheses. Since "surveys can be conducted specifically for the purpose of hypothesis testing" (Whitley, 1996:418), a survey approach was chosen. Second, this project examines the relationship between consumer attitude and consumer behaviour, and the easiest, most effective way of capturing an individual's attitudes is to ask the individual directly (Whitley, 1996). Finally, the survey approach can also be used to conduct experiments, "when the independent variable is manipulated by manipulating the information that research participants receive" (Whitley, 1996:418). Therefore, the survey methodology provided an effective research approach for the exploration of consumer loyalty within a naturalistic setting.

Overview of Thesis

As indicated previously, this thesis sought to achieve three research aims within the exploration of consumer loyalty: the identification of effective measures of consumer loyalty; identification of several determinants of consumer loyalty; and the development of an effective way to actively influence consumer loyalty. In order to provide a research context for the exploration of consumer loyalty, **Chapter One** of the thesis outlines the many ways in which loyalty has been described. This chapter identifies consumer loyalty as an important research construct due to the strong relationship loyalty holds with future consumer behaviour. However, despite the loyalty-behaviour relationship, the application of previous loyalty research within industry has failed to

meet expectations. Traditional loyalty programs have been unable to enhance consumer loyalty. The inability of existing loyalty programs to increase loyalty indicates a need to re-assess what loyalty is, what the determinants of loyalty are, and how these determinants can be used to effectively increase consumer loyalty. Therefore, Chapter One also briefly introduces the two main areas of loyalty research within Consumer Psychology, satisfaction and dissatisfaction, as well as outlining inconsistencies demonstrated within these areas of research.

Chapter Two of the thesis outlines the major theoretical models examined. The first theory addressed within this chapter is Oliver's (1980) Expectation Disconfirmation Theory, the dominant model of the consumer satisfaction process. Oliver's theory is particularly important within the exploration of consumer loyalty, as it provides support for the measurement of consumer loyalty within an attitude-behaviour framework. It also becomes important when comparing the predictive capacity of loyalty with that of the dominant predictor of consumer behaviour, satisfaction.

Based on the importance of the attitude-behaviour framework within this exploration of consumer loyalty, the dominant attitude-behaviour theory is also addressed. The dominant model of the attitude-behaviour relationship is Fishbein and Ajzen's (1975) Theory of Reasoned Action. However, in order to outline the influence of perceived behavioural control upon the consumptive process, this thesis also addresses Ajzen's (1988) extension to the Theory of Reasoned Action, the Theory of Planned Behaviour. This chapter also addressed Bentler and Speckart's (1979) proposed modifications to the Theory of Reasoned Action as a foundation for the exploration of a direct relationship between loyalty and consumer behaviour.

As well as addressing the models of the attitude-behaviour relationship, Chapter Two outlines the dominant theory from within dissatisfaction research, Hirschman's (1970) Exit, Voice, Loyalty Theory. Specifically, Hirschman's theory outlines the interrelationships between exit (terminating the purchase relationship), voice (consumer communication) and loyalty (a continued relationship based on an attachment toward the organisation). Although Hirschman's conceptualisation of voice encompasses all types of voice, including direct voice to the organisation, word of mouth to friends and family, as well as third party communication to outside institutions, this research focuses on direct communication between the consumer and the organisation or provider. Previous organisational research also outlines a strong association between loyalty and the concept of attachment (e.g. Buchanan, 1974). Therefore, based on this initial research, Chapter Two outlines Bowlby's (1969) Theory of Attachment to understand the attachment paradigm and its relationships. The Theory of Attachment becomes particularly important in understanding the rationale behind consumer loyalty, and provides further support for several determinants of loyalty.

In order to provide some insight into the first research aim of the thesis, the identification of effective measures of consumer loyalty, **Chapter Three** addresses previous research into the measurement of consumer loyalty (behavioural indicators, repurchase intentions, and loyalty as a tendency to disregard problems). Initially, these measures appear to contradict each other, fuelling the debate surrounding the nature of loyalty, loyalty as a behaviour or loyalty as an attitude. However, when placed within an attitude-behaviour framework, it becomes clear that each of these measures simply reflects a different stage of the attitude-behaviour framework. Some of these measures reflect the process of loyalty formation, and others reflect the outcome of the loyalty

decision. Having clarified previously conflicting research into the measurement of consumer loyalty within Chapter Three, it then became important to identify several determinants of consumer loyalty.

Chapter Four outlines the contributions made by each of the major areas of research, satisfaction and dissatisfaction, to the determinants of loyalty. Both of these major areas identified a different determinant of loyalty. The body of research into dissatisfaction outlined voice as the key determinant of loyalty. In contrast, research into satisfaction examined satisfaction itself as a determinant of loyalty. Inconsistent results for both of these determinants revealed a more complex relationship between loyalty and its determinants. Based on these inconsistent results, this thesis proposes satisfaction as a moderator of the relationships loyalty holds with other variables. Therefore, the influence of satisfaction upon loyalty, affects the relationship between voice and loyalty. Chapter Four postulates a direct relationship between encouraging consumer voice and loyalty when consumers are satisfied. This chapter examines the various ways in which voice can be encouraged, including approachability, responsiveness, exit barriers, Attractiveness of Alternatives, perceived importance and attitude toward complaining.

Chapter Five outlines the development of the research measures and study design. To test the validity of existing measures of consumer loyalty, two pilot studies were conducted within two different consumer contexts. Unexpectedly however, the traditional measures of consumer loyalty employed within these pilot studies failed to demonstrate the expected interrelationships with each other, as outlined by the generic attitude-behaviour paradigm. This unexpected, yet consistent result throughout both

initial studies established the need to address the first research aim of the thesis, identification of effective measures of consumer loyalty. Subsequently, the generic model of attitude-behaviour guided the identification of an alternative process measure of consumer loyalty, attachment loyalty, from within organisational research. Chapter Five also outlines the research questions, specific research hypotheses and the major study design employed within this thesis.

Chapter Six outlines the study associated with achieving the first research aim. Specifically, this study tested attachment loyalty as a measure of consumer loyalty, and examined the predictive capacity of this measure within the consumer process. The results of this study indicated that attachment loyalty was an effective process measure of consumer loyalty that uniquely contributes to the prediction of consumer behaviour. In contrast, the traditional measure of consumer loyalty, disregard loyalty, failed to demonstrate itself as an effective measure of consumer loyalty, providing further support for the results of the initial pilot studies.

Chapter Seven outlines the study that seeks to achieve the second research aim of the thesis, the exploration of potential determinants of consumer loyalty. As referred to within the literature review chapter, it is likely that the moderation effect of satisfaction may influence the relationship between loyalty and voice. As expected, the results of Chapter Seven indicate that encouraging consumer voice, rather than direct voice itself, has a direct effect upon consumer loyalty for satisfied consumers. Specifically, quality of alternatives, perceived importance and responsiveness were identified as key determinants of consumer loyalty when consumers were satisfied.

Chapter Eight outlines the study that addresses the third research aim of the thesis, the identification of effective ways to increase consumer loyalty. Specifically, this study manipulates responsiveness and the theoretically related construct, approachability, to determine the subsequent effect upon consumer loyalty, as these determinants are considered to be within the providers' control. As hypothesised, the results of this study indicate that increased approachability and responsiveness have a positive, direct affect upon attachment loyalty (process), which in turn positively influenced actual consumer behaviour (outcome).

The final chapter of the thesis concludes by reviewing the major findings, and outlining the potential implications of these results. The empirical implications include the identification of effective measurement of consumer loyalty. In particular, capturing the process of consumer loyalty (loyalty as an attitude: attachment loyalty), the outcome of loyalty (loyalty as a behaviour: behavioural indicators), as well as the link between the process and outcome (loyalty as behavioural intention: repurchase intentions). The thesis also identifies several determinants of consumer loyalty for the majority of consumers (those consumers who are satisfied). Finally, the thesis demonstrates the effectiveness of manipulating several of these determinants upon subsequent process as well as outcome loyalty. Therefore, the empirical results of this thesis successfully achieved the three research aims: the identification of effective measures of consumer loyalty; identification of several determinants of consumer loyalty; and the development of an effective intervention to enhance loyalty.

The results of this thesis also have several theoretical implications, including the applicability of an attitude-behaviour framework to the measurement of consumer

loyalty, as well as the role of satisfaction within the loyalty framework. The research successfully establishes the loyalty process for satisfied consumers, and recognises the importance of capturing the three components of the framework, attitude intention and behaviour, for theoretical research. However, this thesis also outlines a more efficient approach for practitioners within applied settings. Practitioners only need to capture the process (attitude) and the outcome (behaviour) in order to effectively assess consumer loyalty. This final chapter also outlines the limitations of the current research and potential areas for future research directions.

Glossary of Terms

Accommodative Communication Style	Using customer friendly language and personalised forms of address
Adaptation Level Theory	Helson's (1964) theory about the perception of stimuli
Affect	Psychological feeling or emotion
Analysis of Variance (ANOVA)	Determines whether it is likely that the observed effect (difference between groups) is real rather than due to chance
Approachability	How open to voice the recipient is perceived to be
Attachment	The feeling of affection for and attachment to the person or object
Attachment Loyalty	Measure of affective consumer loyalty within this research
Attitude	Position, disposition, or manner with regard to a person or thing
Attitude-behaviour framework	Consumer research term used to refer to the relationship between attitude, intention and behaviour
Attitude Toward Complaining	The perceived individual norms and social benefits associated with complaining to the organisation

Attribution	The causal explanation given to behaviour
Behaviour	An activity or pattern of activities
Behavioural Indicators	Measures of behaviour
Beta Weights	An indication of the relative importance of the predictor in accounting for the variance associated with the dependent variable, also referred to as the Standardised Regression Coefficient
Bivariate Correlation	A measure of the association between to variables
Boycotting	To abstain from buying or using the product/service
Brand Loyalty	Attitude toward a particular organisation's product or service
Business Firm	An organisation that participates in the purchase and sale of goods or services in order to make a profit
Cathartic Effect	An emotional release of aggressive energy
Cognition	The act or process of knowing, perception
Commitment	The extent to which the individual is involved with, and identifies with the organisation
Complaining	To express one's dissatisfaction to the organisation

Complaint Handling Processes	The formal processes and procedures of the organisation in order to respond to consumer complaints
Compliments	Positive comments regarding the product/service/organisation directed toward the organisation
Conative	Mental commitment to strive to embrace a desire
Consumer Loyalty	The complex construct encompassing consumer attitude, intention and behaviour toward the provider/service/product
Consumer Psychology	Psychological research into consumers and the consumptive experience and consumer behaviour
Consumer Voice	Any attempt to change the practices, policies or performance of the organisation
Consumers	Individuals that use a commodity or service
Control Group	Comparison participants that do not experience the experimental manipulation
Criterion Contamination	The extent to which the measure reflects phenomena irrelevant, or external to the construct

Criterion Relevancy	The extent to which the measure reflects phenomena relevant to the construct
Criterion-Related Validity	The extent to which scores on one measure predict scores on the criterion measure (theoretically related measure)
Customer Retention	The extent to which customers continue to use or purchase the service/product
Customer	An individual who purchases goods or services from another
Delight	The highest level of satisfaction
Determinant	See Predictor
Direct Voice	Communication direct toward the organisation/provider
Disconfirmation	The discrepancy between initial expectations and actual performance
Disconfirmed Expectations Model	Oliver's (1980) model of the consumer satisfaction process
Disregard Loyalty	A measure of consumer loyalty within this research defined as a tendency to disregard problems associated with the product or service

Dissatisfaction	Discontented, not pleased, offended
Effect Size	The magnitude of impact the independent variable has on the dependent variable
Episode Specific	Reactions based on a discrete incident or transaction
Empowerment	To provide discretion and autonomy to staff
Equity	The perception of the proportion that one receives from a relationship compared to what one put in
Exchange Relationship	The relationship where commodities or services are given and received reciprocally
Exit	Termination of the exchange relationship
Exit Barriers	Obstacles that increase the costs associated with terminating the exchange relationship
Expectations	The anticipation of particular levels of performance
Experimental Group	Participants who experience the experimental manipulation
Extraneous Variables	Variables outside the control of the research situation
Face Validity	The extent to which the measure appears to reflect the construct

Facets of Loyalty	Different facets of loyalty outlined within previous consumer and organisational research, including situational, enduring, proactive, unconscious, passive, and reformist loyalty
Factor Analysis	Statistical technique that uses correlation between the items to determine the number of separate constructs within the data
Feedback	The information the organisation/provider receives back from the customer regarding performance
Field Experiment	Research design that combines a level of control associated with an experimental approach, with the naturalism associated with a natural setting
Fraudulent Complaining	Illegitimate requests for redress
Gain Score Analysis	A statistical technique which subtracts the post-test scores from the pre-test scores
Hierarchical Multiple Regression	A statistical technique that enables the researcher to determine the influence of several variables in a sequential fashion
Historical Effects	Events that occur outside the research situation, yet affect the research results

Identification	Adoption of the goals and values of the organisation
Innate	Existing characteristics presence at birth
Instrumentation Change	Measure used to assess the dependent variable changes over time
Intention	Determining mentally to perform an act
Intentional Loyalty	Repatronage based on an individual's attitude toward the organisation/product/service
Internal Standard	Initial expectations regarding the level of performance
Intervention	The tool used to manipulate the independent variable in order to influence the dependent variable
Involvement	Psychological immersion in the activities
Item	Survey question or statement used to elicit information from a survey respondent
Linear Relationship	The increase in Variable A is uniformly equivalent to the increase in Variable B
Longitudinal Design	Research conducted with the same participants over time
Loyalty	The complex construct encompassing attitude, intention and behaviour toward the provider/service/product

Loyalty Programs	Systems that reward customers for repurchasing from the organisation
Manipulation	Intentional modification to the independent variable(s) in order to determine the effect upon the dependent variable
Market Share	Those customers who purchase from the organisation, divided by the remaining customers within the market segment as a percentage
Marketing	The field of research and application that seek to gather consumer information in order to effectively increase market share
Maturation	Natural change in the phenomena under study over time, outside the influence of the research
Mediator	A variable that comes between two other variables in a causal sequence
Missing Data Process	Statistical technique used to identify systematic error within non-response to survey questions
Moderator	A variable that changes or limits the relationship between two other variables
Negative Relationship	Variable A decreases as variable B increases

Operational Measurement	Concrete representations of the hypothetical/theoretical constructs
Organisation	The administrative personnel of a business
Outcome Measures	Measures that indicate the outcome or decision associated with the attitude
Patterns of Attachment	The various types of attachment outlined by Ainsworth, Blehar, Waters and Wall (1978), including secure, insecure and avoidant attachment
Perceived Behavioural Control	The perceived ease of performing a specific behaviour
Perceived Importance	The personal worth attached to the product/service purchase
Perceived Justice Theory	A theory which examines the processes and outputs of interactions and includes three elements of justice, Distributive, Procedural, and Interactional Justice
Performance	Organisational service or product outcomes
Personal Factors	Dispositional or personality attributes that influence the research situation

Phases of Consumer Loyalty	Oliver's (1997) model of consumer loyalty that consists of four distinct stages, Cognitive, Affective, Conative, and Action Loyalty.
Pilot Study	Preliminary research conducted with a sample of the study population, in order to determine the efficacy of the hypotheses and methodologies
Positive Relationship	Variable A increases as variable B increases
Practical Significance	A value judgement about the importance of the effect for theory or application, also referred to as clinical significance
Predictive Capacity	The extent to which the independent variable is able to account for the variance associated with the dependent variable
Predictor	The independent variable that influences the dependent variable
Pre-existing Groups	See Selection Bias
Pre-test Sensitisation	The effect of experiencing a pre-test upon the post-test scores of individuals

Process	A systematic series of changes or events taking place in a definite manner
Process Measures	Measures which tap into the formation of the attitude and motivation for subsequent behaviour
Purchase Behaviour	Consumer behaviour that encompasses purchase or repurchase of the product or service, including the dollar amount spent, the volume of product or services purchased etc
Quality of Alternatives	Perceived quality of alternative products/services
Reactivity	Measurement error introduced by the awareness of being observed
Recuperation Mechanisms	Factors that trigger recovery from performance failure
Redress	Compensation for poor performance, wrong or injury
Relational Orientation	The type of exchange between provider and consumer. Either low relational orientation characterised by transactional, or minimal personal buyer-seller relationships, or high relational orientation characterised by cooperative, mutual adjustments from both buyer and seller.

Repurchase Intentions	The intention to continue purchasing the product or service from a specific provider
Repurchase Rates	The number of customers who actually purchase the product and service repeatedly
Responsiveness	The perceived extent to which the communication recipient (e.g. provider) responds to voice
Sampling Procedure	The techniques used to draw a research sample from the study population
Satisfaction	The fulfilment of one's needs, expectations and desires
Scale	A combination of survey items into one score based on an underlying theoretical construct (also referred to as a numerical scale)
Secondary Satisfaction	The subsequent satisfaction or dissatisfaction experienced after a response to initial satisfaction/dissatisfaction
Selection Bias	Measurement error introduced through non-random assignment of participants
Situational Factors	Attributes of the situation or environment that influence the research findings

Solomon Four Group Design	Experimental research design that enables the identification of pre-test sensitisation upon post-test levels
Spurious Loyalty	Repatronage based on situational circumstances, rather than attitude toward the organisation/product/service
Subscribers	Consumers who pre-purchase a series of products or services
Switching Costs	The costs associated with changing providers, including Exit Barriers and the quality of alternative providers
Taxonomy	Classification of phenomenon in relation to underlying principles
Testing Confound	See Pre-test Sensitisation
Theatre Subscription	A pre-purchased package of tickets to a series of theatre and dance performances
Theory of Attachment	Bowlby's (1969) theory of human's innate preparedness to form attachments
Theory of Planned Behaviour	Ajzen's (1988) extension of the Theory of Reasoned Action to include perceived behavioural control

Theory of Reasoned Action	Fishbein & Ajzen's (1975) model of the relationship between attitude, subjective norms, intention and behaviour
Third Party Authorities	Institutions and agencies outside the exchange relationship, e.g. Consumer Affairs, Newspapers
Transaction	A process or instance of an exchange transaction
t-Test	A statistical technique which compares sets of two scores for a number of individuals
Type of Response	Various behaviours organisations enact in response to consumer complaints, including explanations, excuses, apologies and justifications
Variance	The extent to which the values deviate from the mean of the distribution
Volitional Behaviours	The exercise of choice to determine behaviour
Word of Mouth Communication	Telling friends and family about the experience
Zone of Indifference	The subjective area surrounding simple confirmation where slight deviations in disconfirmation have little effect upon subsequent satisfaction

Chapter 1: An Exploration of Consumer Loyalty

"Take the first step in faith. You don't have to see the whole staircase, just take the first step." Martin Luther King Jr.

In order to provide a first step as suggested by Martin Luther King Jr., this current chapter briefly establishes consumer loyalty as a central research construct, and provides the background context for current consumer loyalty research.

1.1 Consumer Loyalty as a Central Construct

Loyalty is a complex construct. Some of the terms used when discussing loyalty include "affect, behaviour, cognition, attitude, state, moderator, mediator, outcome, response,...acquiescence, commitment, compliance, choice, attachment, identification, involvement, fidelity, trust, allegiance, and citizenship (just to name a few)" (Minton, 1992:279). These various descriptions highlight the many terms that have been used to describe loyalty. However, to date, existing definitions of loyalty have remained vague and relatively contradictory. With some researchers arguing that loyalty is a behavioural response (e.g. Neal, 2000), and others stating that it is an attitude toward an object (e.g. Withey & Cooper, 1992). Previous research has failed to reach consensus regarding the nature of loyalty, and as such, a comprehensive definition of the loyalty construct is yet to be developed.

To better understand the loyalty construct, loyalty research has captivated the interest of many researchers from various fields of enquiry, including Consumer Psychology. Like Psychology in general, the aim of Consumer Psychology is to enhance our understanding of, and ability to predict, behaviour. However in contrast to general Psychology, Consumer Psychology focuses on the behaviour of consumers. For a review of the field of Consumer Psychology, interested readers are referred to the work of Jacoby, Hoyer and Brief (1990), Lutz (1985), Mowen (1989), Bettman (1986),

Kassarjian (1982), Kardes (1996), Poiesz (1993), Foxall (1994, 1997) and Olander (1990, 1993).

Over five decades of research attention has been devoted to the exploration of consumer loyalty (e.g. Brown 1952; Jardine, 2000). The amount of research attention received by this construct is consistent with consumer loyalty being identified as an important key to organisational profit and success (e.g. Oliver, 1997; Fornell & Wernerfelt, 1987; Anderson, Fornell & Lehmann, 1994; Fornell & Wernerfelt, 1999; Kristensen, 1997; Reichheld & Sassor, 1990; Keaveney, 1995). For example, consumer loyalty and behaviour, including tourism (e.g. Mules, 1996, 1997, 1998), has proved to have a dramatic impact upon the economy (Fornell, 1992). With Oliver (1997:404) stating that "the greatest effect of loyalty on profit is the direct influence of a steady stream of customers".

Loyalty has been perceived as a progressively more important construct over the years in response to increased competition (e.g. Reichheld, 1993), as well as the need for greater flexibility, market innovation, and continuous improvement (Howard, 1995). Collie and Sparks (1999) report that competition was the most frequently cited obstacle associated with running a successful business within the hospitality industry. Organisations continually scramble for a competitive edge, and as a result, better alternatives are provided to the consumer. In light of these numerous alternatives, what is the rationality behind consumer loyalty (Evans, 2000)? "Why would a consumer appear to be so naïve, unaware, or fervent that he or she would seek out one and only one…object (or service) to fulfill his or her needs?" (Oliver, 1999:35). Yet, "consumers (do) exhibit loyalty, (and) firms with loyal customers (do) benefit handsomely" (Oliver,

1999:36).

An explanation for the rationality behind loyalty may be found within previous research into attachment. Bowlby's (1969) Theory of Attachment states that individuals have an instinctual need to form attachments. Bowlby examined the evolutionary reasons behind the mother-infant bond. "Attachment theory states that our primary motivation in life is to be connected with other people, because it is the only security we have. Maintaining closeness is a bona fide survival need" (Johnson & Marano, 1994:32). Subsequently, loyalty, or attachment to an organisation/provider, may be due to a predisposition to establish and maintain relationships with others. Therefore, loyalty is an important construct that appears to be pervasive in all aspects of social life. Understandably then, loyalty has also generated a great deal of research interest.

The interest surrounding consumer loyalty stems largely from the hypothesised direct relationship between loyalty and subsequent consumer behaviour. With Tellis (1988:142) arguing that "without question, loyalty is the strongest determinant of purchase behavior", and in particular, repurchase behaviour (Selin, Howard, Udd & Cable, 1987; Masters, 2000). Previous researchers have estimated that it costs approximately five times as much to gain a new customer as does to keep an existing one (McKinsey & Company; in Finkleman, 1993; Peters, 1988). "The high cost of acquiring customers renders many customer relationships unprofitable during the early years. Only in later years, when the cost of serving loyal customers falls and the volume of their purchases rises, do relationships generate big returns. The bottom line: increasing customer retention rates by 5% increases profits by 25% to 95%" (Reichheld, 2000:105). Existing customers tend to purchase more than new customers (Rose, 1990;

in Sirohi, McLaughlin & Wittink, 1998); and loyal customers refer new customers to the supplier (Reichheld, 2000). Loyal customers are prepared to pay more for their chosen brand or service, are more willing to try innovative offerings, are forgiving of small mistakes, and are tolerant of price increases (Davis, 2000). Therefore, even small increases in customer retention produce dramatic increases in profits (Sirohi, McLaughlin & Wittink, 1998; Reichheld & Sassor, 1990; Fornell & Wenerfelt, 1987). With Reichheld and Schefter (1996) reporting that repurchase rates often explain profits better than the usual indicators such as market share, scale or cost position.

Loyalty is clearly an organisationally important construct, and in light of the rush towards e-commerce, loyalty may become even more important. Within the online environment, the competition is merely a click away, therefore understanding your customers and building strong relationships seems even more important (Reichheld, 2000; Williams, 2000). It appears that loyalty remains a vital component of the consumer process, and encouraging consumer loyalty translates into organisational profits and success. However, because consumer loyalty is still not fully understood, to date, attempts to systematically encourage consumer loyalty appear to have failed (e.g. Dignam, 2000; Lach, 2000).

1.2 The Misnomer Surrounding Loyalty Programs

The excitement surrounding the effect of consumer loyalty upon organisational profits led to the development of loyalty programs designed to increase loyalty within existing customers. By making customers feel special, loyalty programs aim to increase retention and market share (Duffy, 1998). Loyalty programs are designed to "create a

reluctance to defect on the part of the customers" (Duffy, 1998:440). Basically, traditional loyalty programs reward the customer for repurchasing from the organisation. "Customers (or 'members') earn a promotional currency based on some behavior. Members redeem the currency at certain levels or intervals for free or discounted goods and services" (Duffy, 1998:441).

Loyalty programs began in 1896 when Sperry and Hutchinson introduced sheets of Green Stamps that could be exchanged for products (Lach, 2000). Today this type of loyalty program has been translated into loyalty points, including cards and frequent flier miles. In the early to mid nineties, loyalty programs such as the loyalty card, seemed to be one of the best marketing techniques. Such schemes gave "customers an incentive to spend more while at the same time gathering precious data about spending habits" (Jardine, 2000:19) with the added benefit of costing less to run than the costs associated with acquiring new customers (Murphy, 2000). The aim of loyalty programs was to create or enhance customer loyalty.

Unfortunately, "loyalty is probably one of marketing's most over-used words" (Dignam, 2000:23). Subsequent research into the effectiveness of loyalty programs indicated that approximately, 75% of consumers participate in loyalty programs, however, only 22% of those who participate indicated that loyalty program points acted as an incentive to purchase from that supplier (Dugan, 2000; Saba, 2000). Furthermore, loyalty programs may simply attract the wrong type of customers through adverse selection (Reichheld & Schefter, 1996). These types of programs tend to encourage cherry pickers who are attracted by price rather than quality, and whose purchases eat away at profits (Sirohi et al., 1998). Since these traditional loyalty programs fail to enhance consumer loyalty,

such programs may be better re-named as reward schemes.

Previous research revealed that loyalty was not about points. Instead, service appears to be the key factor in determining customer loyalty (Murphy, 2000; Barlow, 2000). "The ability to easily return merchandise, top-notch customer service, and broad product selection all rated higher than loyalty programs in the purchase process" (Dugan, 2000:108). "Better service, not gimmicks, builds allegiance" (Saba, 2000:30). Therefore, it seems that loyalty programs (i.e. coupons and points) are simply not all that effective (Geller, 2000). The "scepticism about loyalty schemes is increasing. They might have worked in the beginning, but recent research has shown that 'loyalty' cards are a misnomer – they simply do not make customers more loyal" (Jardine, 2000:19). An increased awareness of the ineffectiveness of loyalty programs to increase consumer loyalty is now beginning to be reflected within industry. Many large companies are terminating their loyalty programs. For example, Safeway, a large supermarket chain in the UK, has stopped supporting its loyalty cards (Darby, 2000).

Jardine (2000) attributes the low effectiveness of these programs to a saturation of programs within the market. "There are simply too many loyalty cards in the market for them to work anymore" (Jardine, 2000:19). In contrast, Duffy (1998) suggests that the failure of loyalty programs to perform is due to inappropriate loyalty program structures for the differing market environments. Alternatively, this thesis attributes the disappointing effect of loyalty programs to a focus on the wrong aspect of consumer loyalty. Loyalty programs reward customers when they repurchase, rather than encouraging strong attachments and the development of relationships. "Real loyalty is about having a confidence and relationship with a brand, which means you trust it to

deliver on its core promise, to earn your vote as a consumer. Too many brands and marketers are still starting from a position of 'how do we encourage customer loyalty'? When the real question they should be asking is "what do we stand for that customers could be loyal to" (Dignam, 2000:23)? The inability of traditional loyalty programs to increase consumer loyalty indicates the need to re-assess what loyalty is, what the determinants of loyalty are, and how to effectively use these determinants to influence consumer loyalty. In order to answer these questions, it is important to review how loyalty has been previously addressed within Consumer Psychology.

1.3 Loyalty within Consumer Psychology

Traditionally, loyalty has been addressed within Consumer Psychology in terms of its relationship to the satisfaction continuum, dissatisfaction through to satisfaction (Westbrook & Oliver, 1991; Oliver, 1987; Oliva, Oliver & MacMillan, 1992). As such, research can be segmented into two major areas, satisfaction and dissatisfaction. Therefore, to understand previous research into consumer loyalty, it is necessary to outline the structure of research into satisfaction and dissatisfaction.

1.3.1 Satisfaction

Oliver (1997) outlined a direct relationship between satisfaction and consumer loyalty. Satisfaction, itself, "is not the pleasurableness of the experience, it is the evaluation rendered that the experience was at least as good as it was supposed to be", essentially an "evaluation of emotion" (Hunt, 1977:12). This definition of satisfaction as an affective reaction to a cognitive appraisal is supported within the work of Mano and Oliver (1993), Westbrook (1980, 1987), Westbrook and Oliver (1991), and Oliver

(1993). Furthermore, satisfaction can be specific or global (Oliver, 1980; Dant, Lumpkin, & Rawwas, 1998). Consumers can be dissatisfied with a few specific elements of the product or service, yet still be satisfied overall (Westbrook, 1981). This thesis will focus on global satisfaction, or general levels of overall satisfaction, rather than specific satisfaction.

Over four decades of research attention has been devoted to understanding satisfaction. Consumer Psychology has adopted many theoretical approaches from mainstream psychology to guide research into the satisfaction/dissatisfaction continuum. For example, *economic theory* states that satisfaction results from a surplus of goods or value of a specific good (Doran, 1986). *Content theory* outlines the specific needs or values that must be met for the individual to feel satisfied (Locke, 1976; Herzberg, Mausner & Snyderman, 1959). In contrast, *cognitive process theories* such as adaptation level theory (Helson, 1964), cognitive dissonance (Festinger, 1957), exchange theory (Thibaut & Kelly, 1959), equity theory (Adams, 1963), field theory (Lewin, 1951), and expectancy theory (Vroom, 1964), state that satisfaction results from the combination of comparison standards and performance. Consumer research into satisfaction has also been placed within frameworks such as *attribution theory* which states that consumers' search for causes of purchase successes or failures using three dimensions: locus of control, stability, and controllability (Folkes, 1984); and the *comparison level paradigm* which proposes that satisfaction occurs when performance is above the expected level on a set of attributes (LaTour & Peat, 1979). However, each of these approaches to understanding satisfaction only demonstrated modest empirical support in comparison to the *disconfirmation paradigm*, which states that satisfaction is influenced by

disconfirmation of past-performance expectations (Swan & Martin, 1981).

Subsequently, the disconfirmation paradigm is recognised as the dominant model of the consumer satisfaction process (Woodruff, Cadotte & Jenkins, 1983). The Expectations Disconfirmation Model was first proposed by Oliver (1977, 1980). Oliver (1980) asserts that expectations about how the product or service will perform create a frame of reference for actual performance. Once the purchase is made, the actual performance of the product or service is evaluated against the initial expectations. Any discrepancy between the two standards results in disconfirmation. Subsequently, the disconfirmation paradigm provides a platform for the direct, positive relationship between satisfaction and loyalty as outlined by Oliver (1997). However, "in the same way that satisfaction is a building block for loyalty,... dissatisfaction is loyalty's Achilles tendon" (Oliver, 1999:37).

1.3.2 Dissatisfaction

Previous research has also investigated the direct, negative relationship between dissatisfaction and loyalty. On average, organisations lose 20% of customers per year, due to dissatisfaction (Oliver, 1997). In contrast to satisfaction, which was examined in terms of the underlying process, consumer research into dissatisfaction examined consumer responses (or Consumer Complaint Behaviour). Consumer complaint behaviour is defined as "a set of multiple (behavioural and non-behavioural) responses, some or all of which are triggered by perceived dissatisfaction with a purchase episode" (Singh, 1988:94). The expression of dissatisfaction may include responses directed toward the service provider, third parties (such as Consumer Affairs), friends and

family, and non-behavioural responses such as forgetting about the incident and doing nothing (Day, 1984; Richins, 1983; Singh, 1988).

The majority of research examining consumer complaint behaviour has focused on the classification of consumer responses into a taxonomy. For example, Warland, Herrmann and Willits (1975) examined consumer dissatisfaction responses based on those who were upset or not upset over the purchase. Day and Landon (1977) distinguished between behavioural/non-behavioural responses and public versus private actions. Later, Day (1980) classified consumer responses based on the purpose of the response, including redress seeking, complaining or personal boycott (Singh, 1988). This taxonomy was further developed by Day, Grabicke, Schaetzle and Staubach (1981) who argued that responses to dissatisfaction include boycotting the product class, boycotting the offending brand, boycotting the seller, private complaining (negative word of mouth), pursuing redress directly from the seller, seeking redress through third parties (e.g. Consumer Affairs), and public complaining (e.g. writing letters to the newspaper). Schmidt and Kernan (1985) examined consumer dissatisfaction based on types of preferred redress, including replacement, money-back, money back and replacement, and the price sensitive (i.e. those who would forgo guarantees for low prices).

Whilst Bearden and Teel (1983) outlined consumer complaint behaviour as a uni-dimensional construct, Richins (1983) outlined a three dimensional taxonomy. Richins taxonomy consisted of repeat purchase intentions, complaint behaviour, and word of mouth. Hunt (1991) also proposed a three-dimensional taxonomy based on the work of Hirschman (1970). Hunt (1991) argued that in addition to Hirschman's exit and voice responses, a dissatisfied consumer might also respond with retaliation (where the

consumer attempts to inflict hurt upon the business).

More recently, Bemmels (1997) argued that consumer responses have a temporal dimension. For example, exit can be immediate and on the spot, or delayed until after an extensive search for an alternative provider. The temporal nature of loyalty is supported within the work of Gans (1999) who explored short term and long term loyalty. Bemmels also argued that a consumer response can be temporary or permanent, exit can be for one season, one year, or for a lifetime. Although these taxonomies have failed to reach a consensus of classification (Singh, 1988), research into dissatisfaction has revealed the influence of loyalty upon the consumer response performed. For example, Hirschman (1970) states that loyalty reduces the likelihood that exit (or terminating the purchase relationship) will be enacted.

The majority of research examining consumer complaint behaviour is based on the work of Hirschman (1970). Hirschman asserted that in response to a decline in business firm quality, consumers will decide to exit and/or voice. Exit occurs when the consumer terminates the exchange relationship. Voice is performed when consumers convey their dissatisfaction directly to the provider, third parties (e.g. Consumer Affairs), or friends and family. Hirschman (1970) also outlined a related construct that facilitates voice and impedes exit, loyalty, or a strong attachment to the organisation. Research into dissatisfaction, and in particular Hirschman's (1970) theory provides a good platform for the exploration of consumer loyalty.

1.3.3 The Complex Relationship between Satisfaction/Dissatisfaction and Loyalty

Previous research has clearly identified a relationship between

satisfaction/dissatisfaction and consumer loyalty. Unfortunately, the relationship between the satisfaction/dissatisfaction continuum and loyalty is quite complex. For example, Rowley and Dawes (2000:543) argue that previous research examining "the relationship between loyalty and satisfaction has failed to resolve the ambiguity in this relationship". Furthermore, Fornell (1992:16) demonstrated that "customer satisfaction is more important (for loyalty) in some industries than in others". Practitioners generally acknowledge that merely satisfying customers is not enough to induce loyalty (Oliver, Rust & Varki, 1997). "Although satisfaction increases loyalty, satisfied customers are not necessarily loyal, nor loyal customers satisfied" (Dube & Maute, 1998:776). Sheehy (1999:41) argues that "satisfaction is not necessarily a reliable indicator of the customer's propensity to purchase or repurchase". Furthermore, Jones and Sasser (1995:91) state that merely "satisfying customers that have the freedom to make choices is not enough to keep them loyal". Instead of merely satisfying customers, several more recent researchers have argued that business firms must go beyond satisfaction and induce customer delight (e.g. Oliver et al., 1997).

1.3.4 The Concept of Customer Delight

Affection, or loyalty, and subsequent repeat patronage are the result of customer delight. "It is delight, not satisfaction, that is more likely to lead to affection" (Taher, Leigh & French 1996:220). Oliver et al. (1997) argue that the best way to invoke delight is to provide customers with an unexpected, pleasurable experience. These authors argued that delight is produced by unanticipated satisfaction.

Based on the work of Schlossberg (1990), Oliver et al. (1997: 312) defines customer delight as a "higher level of satisfaction". Oliver et al's (1997) definition of delight is

supported within the work of Andrew and Withey (1976). These researchers developed a satisfaction scale whose highest level of satisfaction is represented by the anchor 'delighted'. Therefore, delight is the upper most level of the satisfaction continuum. Oliver et al. (1997) hypothesised that "delight creates a desire for further pleasurable performance in the future". That is, unexpected satisfaction produces delight, which in turn, determines repeat purchase. Such a relationship reinforces the relationship between the disconfirmation paradigm, satisfaction and loyalty.

However, since delight is a component of satisfaction, delight also appears to be bound by the empirical limitations of the satisfaction/loyalty relationship. For example, based on the original relationship between the disconfirmation paradigm and loyalty, it would become harder and harder for business firms to repeatedly delight their customers. Particularly those business firms that have a quick repurchase cycle (e.g. supermarkets). Woodruff, Cadotte and Jenkins (1983) outline the effect of previous performance upon customer expectations. Based on the work of Helson's Adaptation Level Theory (1964), these authors outline a Zone of Indifference in which small deviations in performance away from the expected standard remain imperceptible. However, large deviations in performance outside this zone, demonstrate a curvilinear relationship. That is, unexpected performance that exceeds initial expectations is perceived as much better than the service was in actuality. Due to this inflated perception of the service, expectations regarding future service levels are also inflated. This means that future service would need to be markedly improved, simply to meet these inflated expectations, let alone delight the customer again. Each time a customer is unexpectedly satisfied (delighted), expectations regarding future levels of service are also raised, and the customer begins to expect this level of service from then on. In turn, these raised

expectations also inflate customers expected levels of satisfaction. Taher et al. (1996:218) argue that "satisfaction is gauged against a continually moving competitive benchmark, a benchmark that moves in only one direction – up".

Furthermore, Oliver et al's (1997) hypothesis seems to suggest that loyalty is a relatively unstable construct that is episode specific. That is, customers are only loyal to a business firm, if they are unexpectedly satisfied by each transaction. This hypothesis is juxtaposed to current definitions of consumer loyalty where loyalty is described as a willingness to disregard occasional lapses in performance (e.g. Ping, 1993; Hirschman, 1970; Maute & Forrester, 1993). Therefore, the theoretical limitations associated with the relationship between satisfaction and loyalty, are also evident within the relationship between delight and loyalty. These limitations raise questions regarding delight as the determinant of loyalty.

This theoretical reservation is supported by the empirical inconsistencies evident within previous research into delight. For example, within one study, Oliver et al. (1997) unexpectedly found that delight was not related to repurchase intentions. Within another study, Oliver et al. (1997) demonstrated that although delight was related to repurchase intentions, this construct was not related to the hypothesised antecedents. Subsequently, these inconsistent results raise questions about the validity of the relationship between customer delight and loyalty.

In light of the inconsistent and complex relationships between satisfaction/dissatisfaction and consumer loyalty evident within previous consumer research, it is apparent that consumer loyalty requires greater exploration. In order to provide a foundation for this exploration, it is essential to examine the relevant

theoretical models of consumer behaviour. Therefore, Chapter Two of this thesis addresses the relevant theories of consumer loyalty and behaviour, including the Expectation Disconfirmation Theory, the Theory of Reasoned Action, the Theory of Planned Behaviour, and subsequent modifications, as well as the Exit, Voice, Loyalty Theory, and the Theory of Attachment.

Chapter 2: The Relevant Theoretical Models

"The society which scorns excellence in plumbing as a humble activity and tolerates shoddiness in philosophy because it is an exalted activity will have neither good plumbing nor good philosophy: neither its pipes nor its theories will hold water". John W. Gardner.

In light of the complex inter-relationships between satisfaction/dissatisfaction and consumer loyalty, this thesis employs several major theories as a platform to explore consumer loyalty further. These major theories include Oliver's (1980) Expectation Disconfirmation Theory, Fishbein and Ajzen's (1975) Theory of Reasoned Action, Ajzen's (1988) Theory of Planned Behaviour, Bentler and Speckart's (1979) Modification to the Theory of Reasoned Action, Hirschman's (1970) Exit, Voice, Loyalty Theory, and Bowlby's (1969) Theory of Attachment. As these theories are referred to throughout the thesis, it is important to establish the key elements within each of these major theories.

2.1 Oliver's (1980) Expectation Disconfirmation Theory

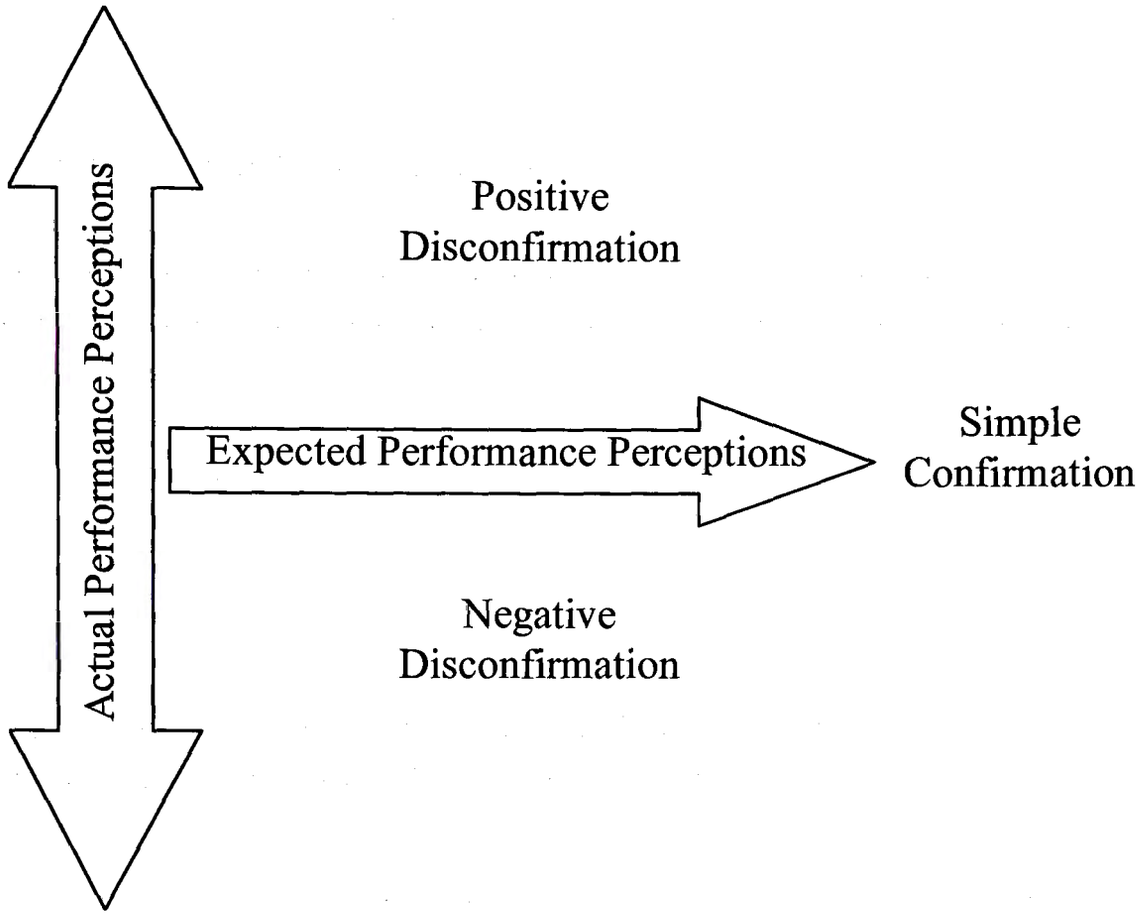
In order to address the relationship between satisfaction and loyalty (e.g. Oliver, 1997), this research employs the Expectation Disconfirmation Theory. Oliver's (1980) Expectation Disconfirmation Theory is recognised as the dominant model of the consumer satisfaction process (Woodruff, Cadotte & Jenkins, 1983). Oliver's theory is particularly important within the exploration of consumer loyalty, as it provides support for the measurement of consumer loyalty within an attitude-behaviour framework. It also becomes important when comparing the predictive capacity of loyalty within the presence of the dominant predictor of consumer behaviour, satisfaction.

Based on the early work of Helson's Adaptation Level Theory, the Disconfirmed Expectations Model was first proposed by Oliver in 1977. Helson's (1964:3) theory stated that perception of stimuli occurs "in relation to an adapted standard". The development of this standard is influenced by the context, perception of the stimulus

itself, and psychological and physiological characteristics of the 'organism'. Minor deviations away from this standard are not readily detected by the individual. Instead, overall evaluation is only effected by large deviations away from this standard (Oliver, 1980, 1981). A line of thinking that was later expressed as the 'Zone of Indifference' by Woodruff, Cadotte and Jenkins (1983).

Oliver (1980) applied Helson's (1964) theory to the process of consumer satisfaction. He asserted that "satisfaction is a function of an initial standard and some perceived discrepancy from the initial reference point" (Oliver, 1980:460). That is, expectations about how the product or service will perform create a frame of reference for actual performance.

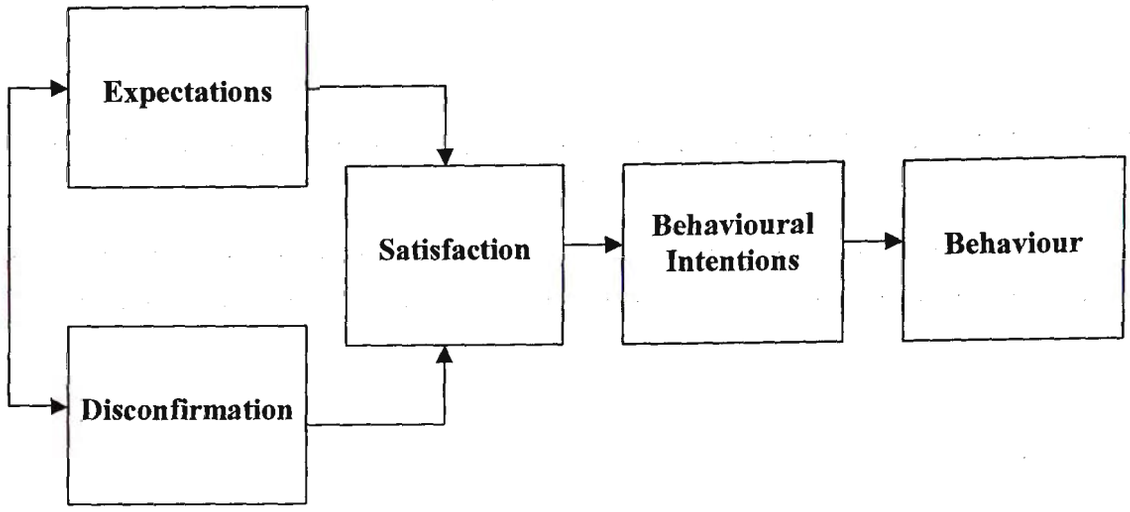
Within the consumer satisfaction context, Oliver (1980) stated that consumers form expectations about a product or service prior to purchase. Once the purchase is made, the actual performance of the product or service is evaluated. These post-purchase evaluations are then compared with the prior (or initial) expectations. Any discrepancy between the two standards results in disconfirmation. As indicated within Figure 1, positive disconfirmation occurs if the object performs better than expected. In contrast, negative disconfirmation is said to result if the object performs below expectations. However, if no discrepancy between the standards is evident, 'simple confirmation' occurs (Oliver & DeSarbo, 1988).



Figure, 1. **Positive and negative disconfirmation, as well as simple confirmation.**

Oliver (1980) also argues that the effect of these expectations and perceived discrepancies (disconfirmations) are additive. Satisfaction is a combination of an individual's initial expectation level and associated disconfirmation.

The process outlined by Oliver (1980) stated that consumers who perceive the actual performance of the product/service to be better than they had expected, would demonstrate positive disconfirmation. This disconfirmation will then lead to an affective response, satisfaction. In turn, satisfaction influences behavioural intention, which affects actual behaviour (Figure 2).



Figure, 2. **Simplified model of the Expectation Disconfirmation Theory.**

The simple version of the Expectations Disconfirmation Model presented in Figure 2 has been extended and adapted to suit many different research contexts, including the influence of expectations only, performance only, disconfirmation only, expectation and performance, expectation and disconfirmation, performance and disconfirmation, as well as expectation, disconfirmation and performance (e.g. Oliver, 1997; Zanella, 1998; Westbrook & Newman, 1978; Fornell & Johnson, 1993; Kristensen, Kanji & Dahlgaard, 1992; Mittal, Kumar & Tsiros, 1999; Spreng, MacKenzie & Olshavsky, 1996). Previous research has also extended the disconfirmation paradigm to include perceived service quality in the formation of satisfaction (e.g. Parasuraman, Zeithaml & Berry, 1994; Kristensen, Martensen & Gronholt, 1999; Zeithaml, Berry & Parasuraman, 1996; Hartline & Jones, 1996; Bolton & Drew, 1991; Boulding, Kalra, Staelin & Zeithaml, 1993; Ostrom & Iacobucci, 1995; Cronin & Taylor, 1992; Rust & Zahorik, 1993; Kandampully, 1998; Houston, Bettencourt & Wenger, 1998; Wisniewski & Donnelly, 1996; Feinberg, De Ruyter, Trappey & Lee, 1995; De Ruyter & Wetzels, 1996; Taylor & Baker, 1994; Parasuraman, 1995; Zeithaml, 1988), as well as the role of

perceived value in forming satisfaction (Bolton & Lemon, 1999; Rochlan, Mohr & Hargrove, 1999). However, this thesis will focus on the generic model initially outlined by Oliver (1980) (Figure 2).

Oliver's disconfirmation paradigm has received substantial empirical support. For example, Bearden and Teel (1983) successfully used the Expectations Disconfirmation Model to examine the antecedents and consequences of consumer satisfaction. Oliver and DeSarbo (1988) employed the Expectations Disconfirmation Model to test the effect of various determinants of satisfaction. Furthermore, Churchill and Suprenant (1982) examined the applicability of the Expectation Disconfirmation Model for durable and non-durable products.

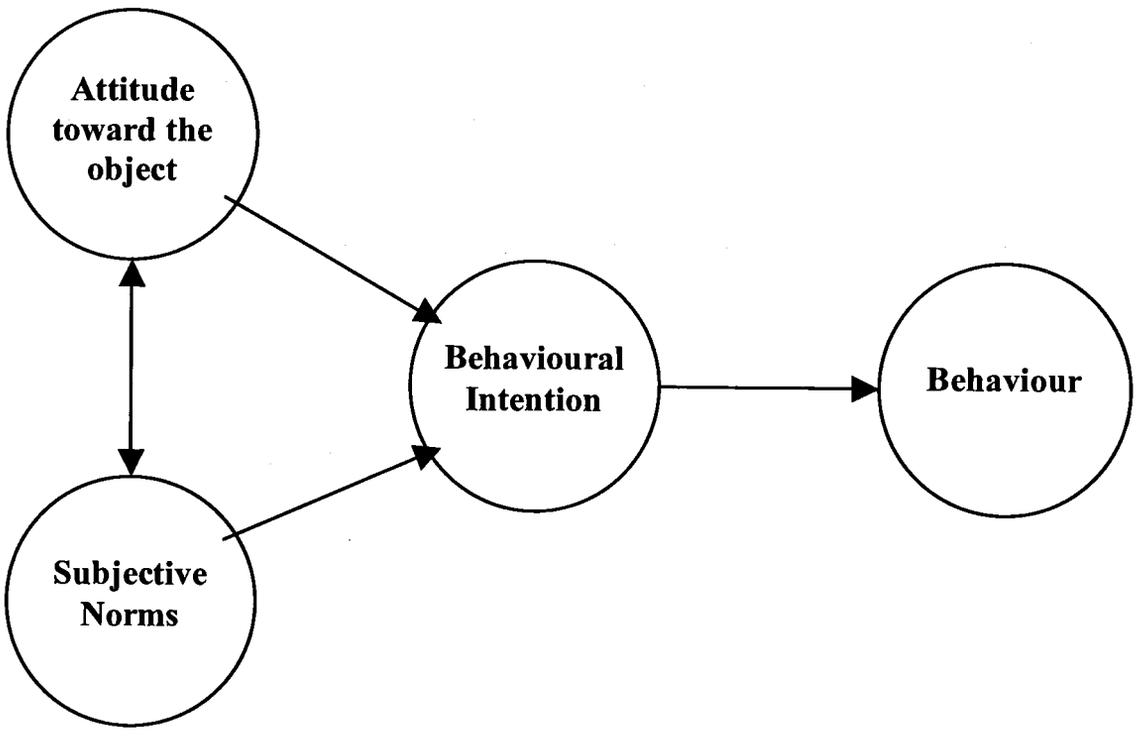
An example of the Expectations Disconfirmation Model can be found within a consumer's evaluation of IT service provision. A consumer, or end-user, will develop expectations regarding delivery of IT services based on previous experience, the service promises and agreements of the provider, as well as word of mouth from other end-users. The end-user will then compare the level of service and performance received with these initial expectations. If the IT service was better than expected, the end-user will be satisfied with the provider's delivery of the IT service. However, if the provider supplies a level of IT services that are below the end-users' initial expectations, the customer will be dissatisfied with IT service delivery.

As the dominant model of the consumer satisfaction process, the Expectations Disconfirmation paradigm provides an effective platform to explore consumer loyalty further through the traditional relationship between satisfaction and loyalty (Oliver 1997). One reason Oliver's (1980) process of satisfaction may have received such

extensive support is the recognition that the model taps into the underlying attitude-behaviour relationship: cognitive appraisal, affective response, behavioural intention and actual behaviour.

2.2 Fishbein and Ajzen's (1975) Theory of Reasoned Action

In order to address the process between attitude formation and subsequent behaviour, this thesis employs Fishbein & Ajzen's (1975) Theory of Reasoned Action. The Theory of Reasoned Action states that attitude and subjective norms directly influence behavioural intentions, which in turn, affect behaviour (Figure 3).



Figure, 3. **Theory of Reasoned Action (taken from Ajzen, 1988:118).**

This thesis employs the Theory of Reasoned Action to provide a foundation for the explanation of the relationship between attitude, behavioural intentions and behaviour.

Specifically, the theory states that attitudes are "a general feeling of favourableness or unfavourableness towards the object or act in question" (Fishbein & Ajzen, 1975:11). Furthermore, Fishbein (1963) argued that an attitude toward an object is comprised of both a cognitive and affective element. Cognition reflects beliefs the individual holds about the act or object. Affect represents the individual's feelings toward the act or object. Therefore, attitude consists of both a cognitive appraisal as well as an affective response (Van der Sar & Van Praag, 1993).

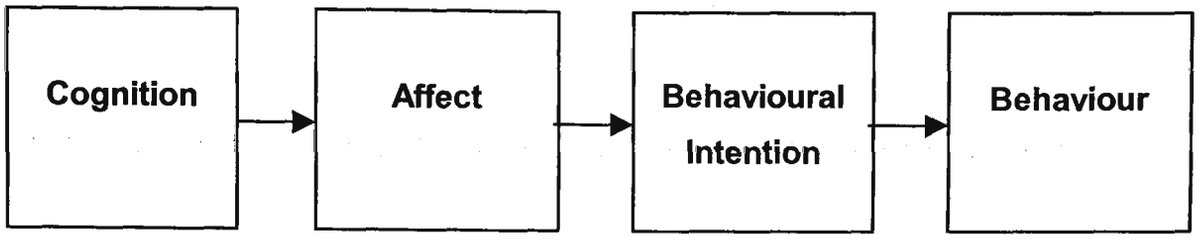
This attitude then leads to a behavioural intention (Fishbein & Ajzen, 1975). Behavioural intention has been defined as an intention to perform a specific act (Vaughan & Hogg, 1995). Van den Putte (1993) concluded from a meta-analysis of 150 studies of the Theory of Reasoned Action, that attitude accounts for approximately 60% of the explained variance associated with behavioural intention. Finally, these prior, or behavioural intentions are considered "the immediate determinants of corresponding overt behaviors" (Fishbein & Ajzen, 1975: 372). With behavioural intentions typically explaining approximately 62% of the explained variance associated with behaviour (Van den Putte, 1993).

An example of the Theory of Reasoned Action can be found within the decision to repurchase the same brand of laundry detergent. The consumer evaluates the previous performance of the detergent (cognition), "Brand X seemed to make my whites even whiter". In turn, the cognitive evaluation leads to a feeling about the brand (affect), "I am happy with the performance of Brand X". Subjective norms also influence this process, "People expect my children's clothes to be clean". In turn the cognitive evaluation, affective response and subjective norms influence behavioural intentions, "I

will buy Brand X, next time I purchase laundry detergent". Finally, behavioural intentions affect actual behaviour, the consumer repurchases Brand X.

Fishbein and Ajzen's (1975) Theory of Reasoned Action has received extensive empirical support. For example, Foxall (1997) and Eagly and Chaiken (1993) employed the Theory of Reasoned Action to examine the process of consumer behaviour. Bagozzi (1981) used the Theory of Reasoned Action to explore the propensity to donate blood. Also, within a meta-analysis of one hundred and fifty studies that use the Theory of Reasoned Action, Van den Putte (1993) concluded that the Theory of Reasoned Action effectively explains and predicts behaviour.

However, one of the components of this model, subjective norms, has been omitted from some consumer research, as it is not considered essential for the exploration of consumer loyalty. Therefore, as with other previous consumer research (e.g. Oliver, 1997), the relevant relationships within the Theory of Reasoned Action will be referred to as the attitude-behaviour framework within the current thesis. The attitude-behaviour framework begins with beliefs (cognition), leads to attitude (affect), which effects intention (behavioural intention), and actual behaviour (behavioural indictors) (i.e. Crosby & Taylor, 1983; Oliver, 1997). Specifically, "consumers are thought to form beliefs, formulate likes and dislikes, and decide whether they wish to buy the product" (Oliver, 1997: 392) (Figure 4).



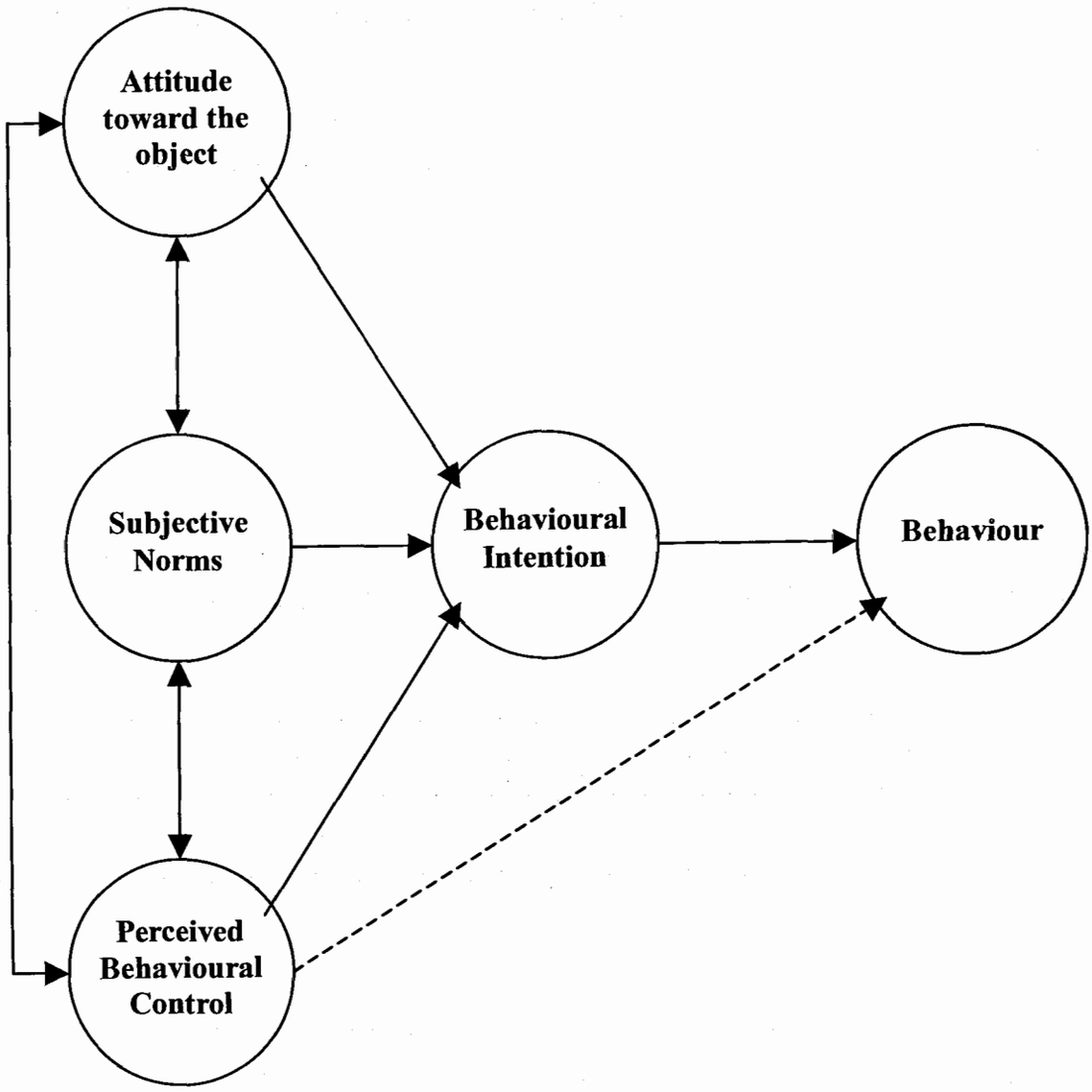
Figure, 4. **The temporal sequence of the consumptive experience.**

2.3 Ajzen's (1988) Theory of Planned Behaviour

Fishbein and Ajzen's (1975) Theory of Reasoned Action has been criticised for its focus on volitional behaviours (e.g. Liska, 1984). With Cobb and Hoyer (1986) identifying a difference in planned versus impulse purchase behaviour across product/service categories. In response to these criticisms, Ajzen (1988) extended the Theory of Reasoned Action to become the Theory of Planned Behaviour. Specifically, Ajzen included perceived behavioural control as another antecedent of behavioural intentions. Therefore, the Theory of Planned Behaviour has been addressed within this thesis in order to outline the influence of perceived behavioural control upon the consumptive process.

Ajzen (1988) defined perceived behavioural control as the perceived ease, or conversely, the perceived difficulty, of performing a specific behaviour. The perception of ease (or difficulty) is influenced by prior experience, as well as the perceived barriers to performing such a behaviour. Ajzen (1988) argued that perceived behavioural control has a direct effect on behavioural intentions (Figure 5). Individuals who do not believe that they have the resources or opportunity to perform the behaviour, are unlikely to form strong intentions to perform the act, even if their attitudes toward the act are

positive, and normative references also support the act.



Figure, 5. **Theory of Planned Behavior (taken from Ajzen, 1988:118).**

Ajzen (1988:134) also tentatively outlined a direct relationship between perceived behavioural control and actual behaviour, in that perceived behavioural control "may be considered a partial substitute for the measure of actual control" over performing the behaviour (Figure 5).

An example of the Theory of Planned Behaviour is evident within the consumer purchase process. An individual believes that a particular service meets their needs, and subsequently likes the service (attitude). A relative, who is considered a savvy consumer, uses a similar service within a different city (subjective norm). The service is provided within the individual's area, and the individual has been made aware of the process of signing-up (perceived behavioural control). Attitude, normative expectations, and the mechanisms for control influence behavioural intentions, "I intend to use this service". In turn, behavioural intentions influence behaviour, actually calling the provider, signing-up and purchasing the service.

Empirical support for the Theory of Planned Behaviour can be found within the work of East (1993) who employed the Theory of Planned Behaviour to assess investment decisions. Ajzen (1991) also examined twelve studies that explored the Theory of Planned Behaviour. Within a meta-analysis of these studies, Ajzen demonstrated an average correlation of .51 between perceived behavioural control and behavioural intentions, and concluded that the Theory of Planned Behaviour has received sufficient empirical support.

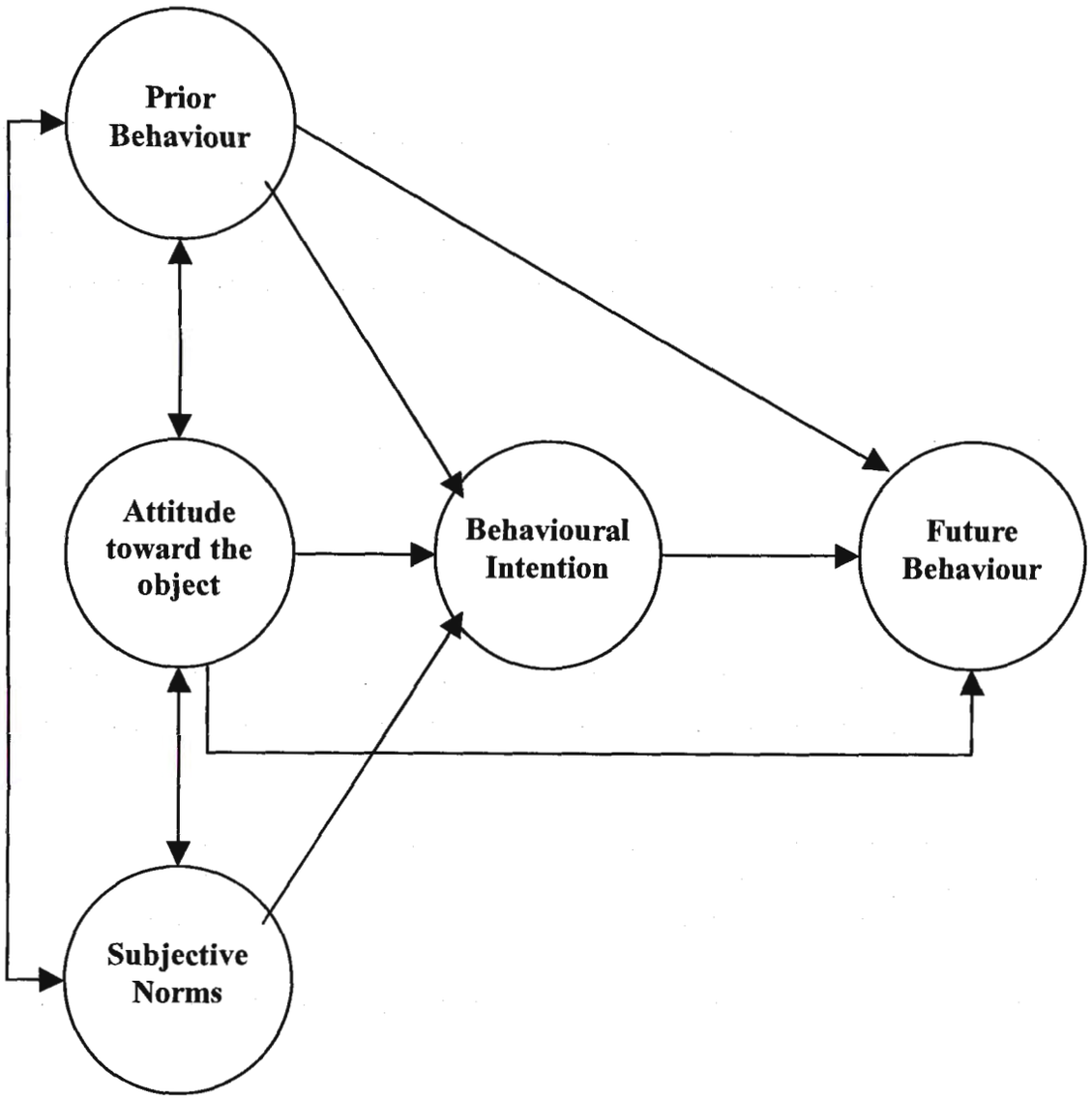
Based on the relationship between perceived behavioural control, and perceived obstacles, or barriers to performing the behaviour, the Theory of Planned Behaviour may provide a useful foundation for understanding the direct relationship between encouraging consumer complaints and consumer loyalty. Consumer complaints are often encouraged through approachability and responsiveness (e.g. Saunders, Sheppard, Knight & Roth, 1992). Approachability refers to how easy it is perceived to be to communicate directly with the provider (Saunders et al., 1992). Responsiveness refers

to how the provider then responds to such communications (Saunders et al., 1992). The confidence associated with knowing how to contact the provider and knowing that the provider will be responsive is likely to enhance perceptions of perceived control within the consumptive relationship. Ajzen's (1988) theory outlines a direct relationship between perceived behavioural control and attitude, as well as control and intention. Therefore, this theory alludes to a theoretical link between approachability, responsiveness, and loyalty as an attitude and loyalty as intention.

2.4 Bentler and Speckart's (1979) Modification

Another criticism leveled at the Theory of Reasoned Action, is the assumption that the effect of attitude is entirely mediated through behavioural intentions (e.g. Bentler & Speckart, 1979). In response to this criticism, Bentler and Speckart (1979) extended the Theory of Reasoned Action to include a direct relationship between attitude and behaviour.

Within the Theory of Reasoned Action, Fishbein and Ajzen (1975) stated that the effect of prior behaviour upon future behaviour was entirely mediated through attitude toward the object. In contrast, Bentler and Speckart (1979) argue that prior behaviour has a direct effect upon behavioural intentions as well as behaviour (Figure 6).



Figure, 6. **Modification to the Theory of Reasoned Action (based on Bentler and Speckart, 1979:455).**

Therefore, Bentler and Speckart's (1979) modification outlined a direct relationship between attitude and behaviour. Within a consumer context, this suggests that loyalty directly influences actual purchase behaviour. The more a consumer likes a provider, the more they will repurchase from that provider. This proposition is initially supported within the work of Oliver (1999) who outlined a direct relationship between organisational profit and loyalty. Bentler and Speckart also outlined a direct relationship

between prior behaviour and subsequent behaviour. Within a consumer context, this suggests that habitual purchasing may play an important role in future spending patterns. Again, this proposition is initially supported within the work of Foxall (1997).

Support for the Bentler and Speckart modification (1979) to the Theory of Reasoned Action can be found within the work of Budd, North and Spencer (1984). These researchers examined the proposed modified model to explore the use of seat belts.

The Bentler and Speckart Model (1979) is particularly important within this thesis because of the direct relationship outlined between attitude and behaviour. Such a model emphasises the importance of capturing the process of forming loyalty, as well as the outcome measure of actual behaviour. Since process measures reflect loyalty as an attitude, and outcome measures reflect loyalty as a behaviour, it becomes important, in light of the Bentler and Speckart modification, to ensure that attitude, as well as behaviour, is adequately represented. Therefore, Bentler and Speckart's modification to the Theory of Reasoned Action is addressed within this thesis as a foundation for the exploration of a direct relationship between loyalty as an attitude and loyalty as a behaviour.

Modifications to the dominant model of attitude-behaviour relationship (Fishbein & Ajzen's 1975 Theory of Reasoned Action) outlined by Ajzen (1988) and Bentler and Speckart (1979) highlight the important intermediary role that intention plays between attitude (the process) and behaviour (the outcome). Therefore, although several researchers have employed intentions as a substitute for actual behaviour (e.g. Oliver, 1980, Tellis, 1988), the influence of peripheral constructs such as prior behaviour (Bentler & Speckart, 1979), and perceived behavioural control (Ajzen, 1988) upon

actual behaviour indicates the need to also measure whether the behaviour was actually performed. Therefore, research models that use intention as a substitute measure of actual behaviour would be more robust if they captured attitude, intention, and actual behaviour.

2.5 Hirschman's (1970) Exit, Voice, Loyalty Theory

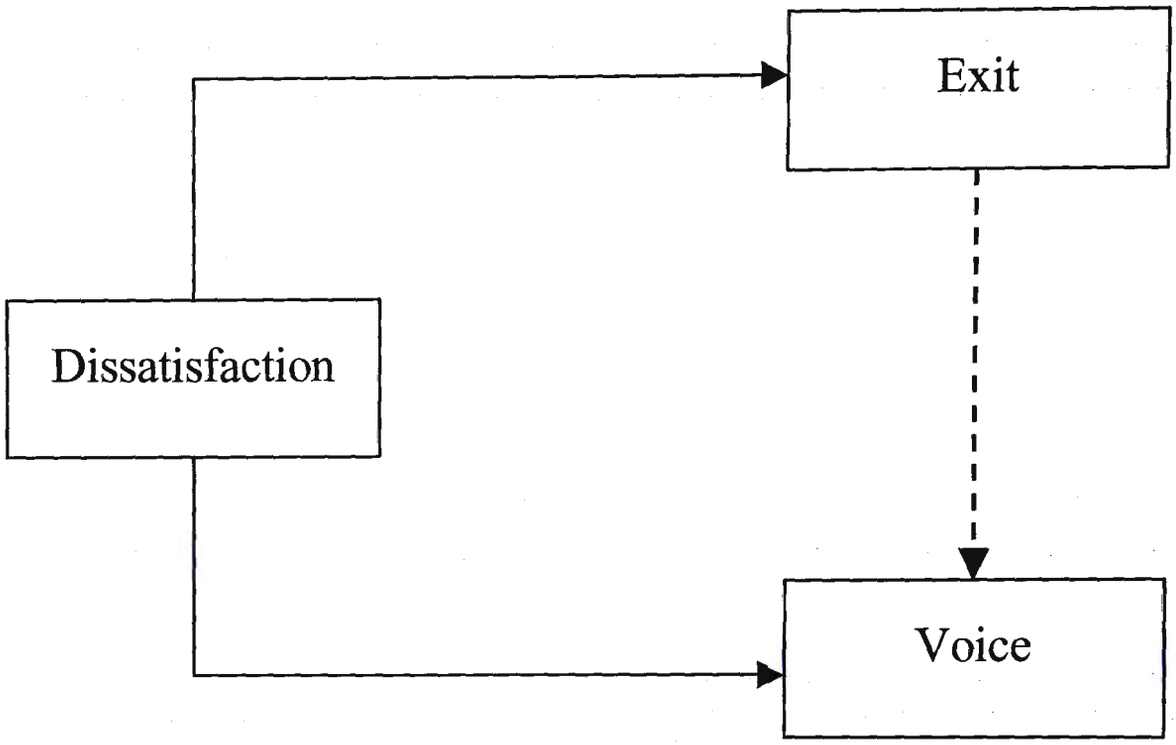
In order to address the relationship between dissatisfaction and loyalty, this research also investigates Hirschman's (1970) Exit, Voice, Loyalty Theory. Hirschman asserted that in response to a decline in business firm quality, consumers will decide to exit and/or voice (Figure 7). Exit occurs when the consumer terminates the exchange relationship. Voice is performed when consumers convey their dissatisfaction directly to the provider, third parties (e.g. Consumer Affairs), or friends and family.

Hirschman defines voice as

> "Any attempt to change, rather than to escape from, an objectionable state of affairs, whether through individual or collective petition to the management directly in charge, through appeal to a higher authority with the intention of forcing change in management, or through various types of actions and protests, including those that are meant to mobilize public opinion" (Hirschman, 1970:30).

Therefore, Hirschman (1970:30) outlines voice as "an attempt at changing the practices, policies, and outputs of the firm from which one buys". However, Van Dyne and Le Pine (1998) noted that there are many varied definitions of voice within the literature.

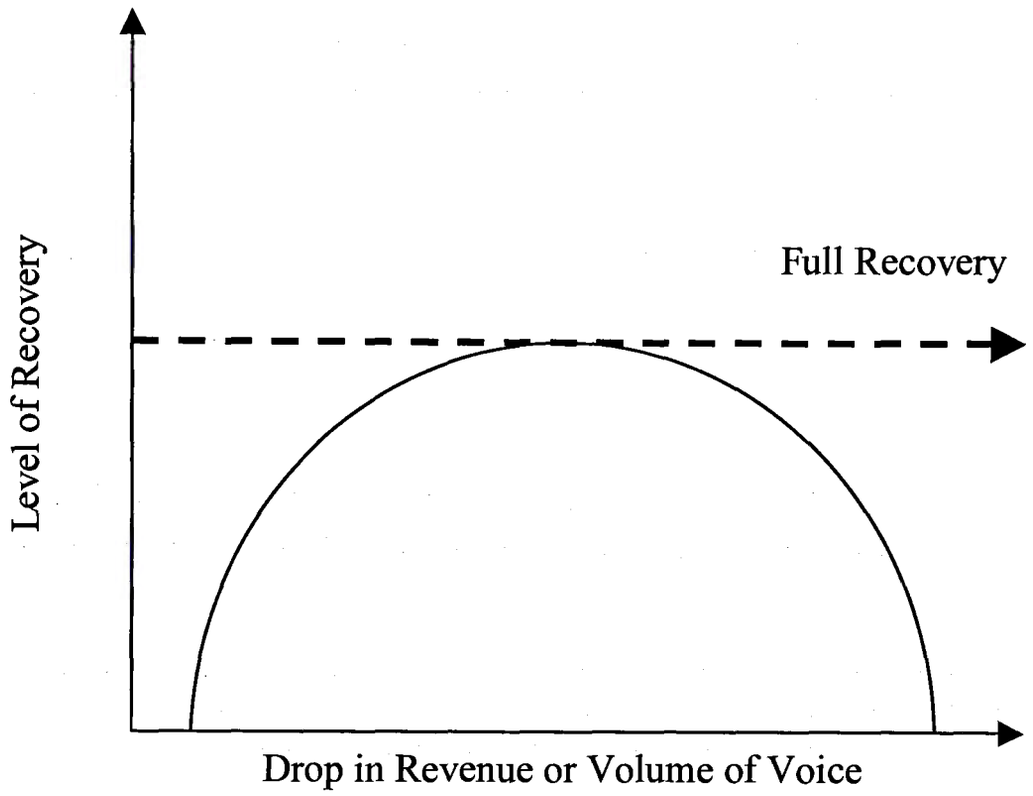
Hirschman (1970) also suggested that exit and voice are also highly interrelated. That is, the intention to voice is influenced by an inability to exit.



Figure, 7. Hirschman's responses to dissatisfaction.

Furthermore, Hirschman (1970) argued that both exit and voice are potential 'recuperation mechanisms' for the organisation. That is, these responses may bring the deterioration in quality to the attention of management (Figure 8). However, the relationship between exit and voice and level of recovery for the organisation is a non-linear relationship. The effectiveness of exit and/or voice as a recuperative mechanism is positively associated with amount of exit/voice, up to a point. After this threshold, a further increase in exit/voice is negatively associated with recovery. That is, beyond a certain point the drop in revenue associated with continued increases in exit hinder management from recovering from the deterioration in performance. Likewise,

continued increases in voice beyond a certain point drain resources (e.g. personnel, infrastructure) that could otherwise be targeted at resolving the deterioration.



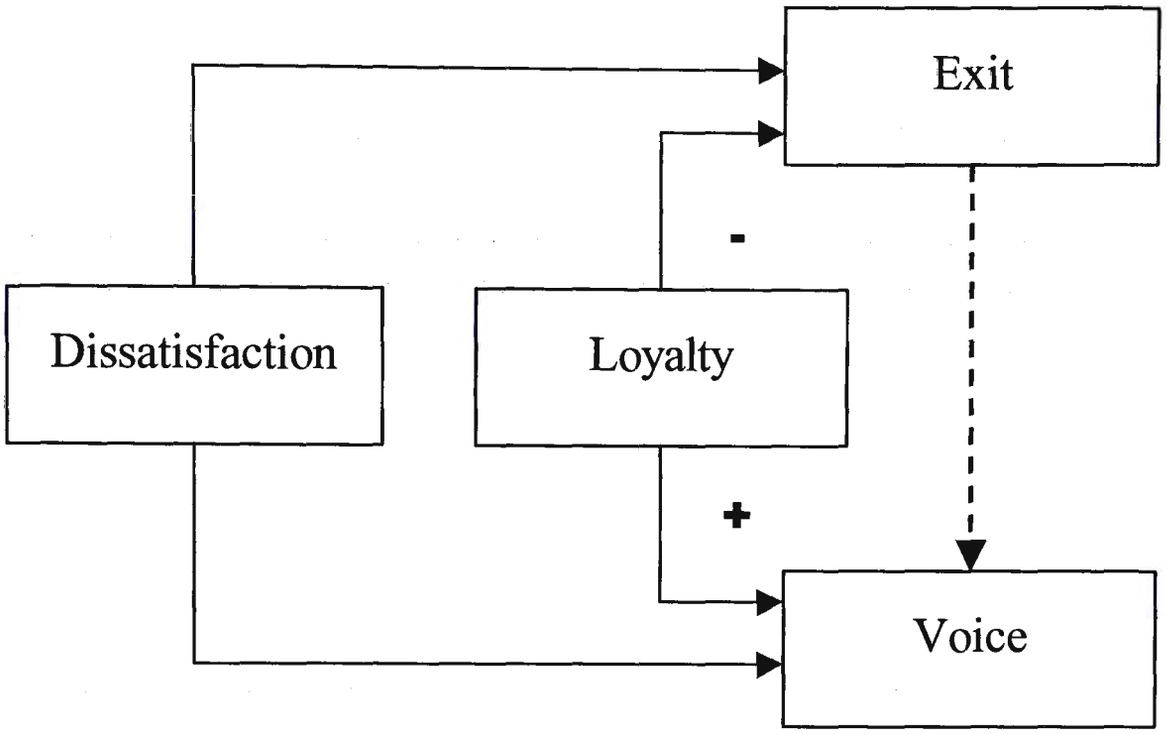
Figure, 8. **Exit and Voice as recuperative mechanisms.**

Whilst both exit and voice are seen as potential 'recuperation mechanisms' for the organisation (both responses may bring the deterioration in quality to the attention of management), Hirschman (1981:220) argued that voice is the superior recovery mechanism. For "if the firm acquired new customers as it loses the old ones", exit would provide little feedback regarding decreased performance/quality, and would therefore, become ineffective as a recuperative mechanism. Furthermore, in comparison to voice, silent exit does not provide specific feedback about the deterioration. "The contribution of voice can clearly be of the greatest importance, simply because the

information it supplies is rich and detailed compared to the bareness and blankness of silent exit" (Hirschman, 1981: 220).

Voice as the superior recuperative mechanism is supported within the work of Hagedoorn, Van Yperen, Van De Vliert & Buuk (1999) who considered voice a more desirable consumer response for the organisation compared to exit. Reporting the problem or concern, as opposed to avoiding the situation, draws attention to the problem so that it can be rectified. Oliver (1997) also argued that it is a good idea to encourage voice, so that the organisation is aware of failures. However, in comparison to exit, which is typically "neat" and "impersonal", voice as a consumer response, is considerably more complex in that "it can be graduated all the way from faint grumbling to violent protest" (Hirschman, 1970:16).

Hirschman (1970) also outlined a related construct that facilitates voice and impedes exit - loyalty (Figure 9). Loyalty, or a strong attachment to the organisation (Graham & Keeley, 1992), is positively associated with voice. In contrast, loyalty is negatively associated with, or decreases the probability of exit. Therefore, loyalty increases the likelihood that a dissatisfied consumer will convey the dissatisfaction to others, whereas loyalty decreases the likelihood that a dissatisfied consumer will exit the exchange relationship.



Figure, 9. **Hirschman's responses to dissatisfaction, including Loyalty.**

An example of Hirschman's (1970) model is evident within a consumer's dissatisfying experience. The exit and voice responses would be triggered by a dissatisfying experience. For example, signing up for a monthly gym membership and discovering that the gym was only open for two hours per day, at a time that was inconvenient. This discovery might prompt the member to terminate the membership (exit); or because the individual really liked the gym, call and let them know that current opening hours are unacceptable in an attempt to have them changed (voice).

Although, Hirschman did not explicitly define loyalty, he did outline the two distinct roles that loyalty plays. "First it can be an outcome itself whereby individuals choose loyalty (staying) rather than exit or voice. In this sense, loyalty is a behaviour opposite to exit and, is not necessarily a deep commitment to the provider" (Oliver, 1997:376).

Alternatively, loyalty can be a moderating variable where loyal individuals forgo exit until all efforts at voice have failed. "Individuals with less loyalty will presumably 'bail out' before exhausting all voice options" (Oliver, 1997:376). It is possible, however, that the first role of loyalty, loyalty as a behaviour, may be a demonstration of the underlying, or second role loyalty plays, loyalty as an attitude, providing support for the dual nature of loyalty (attitude and behaviour), as outlined by the attitude-behaviour framework.

Hirschman's (1970) theory is the dominant model of consumer responses to dissatisfaction within consumer research (e.g. Ping, 1993; Maute & Forrester, 1993; Singh, 1988, 1990). Bemmels (1997:245) argued that it is "the 'simplicity and elegance' of (Hirschman's) theory, that makes it so widely applicable and such a popular foundation of research". Subsequently, Hirschman's Exit, Voice, Loyalty Theory has received a great deal of support over the years (eg. Saunders, 1992; Graham & Keeley, 1992; Farrell & Rusbult, 1992; Leck & Saunders, 1992; Withey & Cooper, 1992; Saunders, Sheppard, Knight & Roth, 1992; Cannings, 1992; Minton, 1992; Rusbult & Lowery, 1985; Rusbult & Farrell, 1983; Rusbult, Farrell, Rogers & Mainous, 1988; Rusbult, Johnson & Morrow, 1986; Rusbult, Zembrodt & Gunn, 1982; Singh, 1988, 1990; Maute & Forrester, 1993). For example, Saunders, Sheppard, Knight and Roth (1992) used Hirschman's model to explore employee voice within the workplace. Singh (1990) employed Hirschman's model to examine consumer complaint behaviour and loyalty for consumer's of services, such as grocery shopping, automotive repair, medical care, and banking and financial services. Maute and Forrester (1993) also used Hirschman's model as a foundation for their consumer research into the effect of exit

barriers, quality of alternatives and prior satisfaction upon exit, voice and loyalty.

Singh (1990b:1) stated that Hirschman's theory as a framework for research "offers four distinct advantages". First, Hirschman's theory attempts to explain why a dissatisfied consumer enacts a particular response. Second, Hirschman's theory has proved applicable from work settings (e.g. Leck & Saunders, 1992) through to romantic relationships (e.g. Rusbult, Johnson & Morrow, 1986), and therefore, is likely to prove effective when considering the consumption of products and services. Third, Hirschman's theory recognises that consumer responses to dissatisfaction are multidimensional, where more than one response can be performed. Keeley and Graham (1991) also applauded Hirschman's recognition of the multidimensional nature of consumer responses. Finally, Hirschman's theory integrates characteristics of the industry in order to explain why consumer responses will vary across product/service categories.

Hirschman's (1970) conceptualisation of voice encompasses all types of voice, including direct voice to the organisation, word of mouth to friends and family, as well as third party communication to outside institutions. However, to ensure that this research addresses elements that are within the organisation's/provider's direct control, this thesis focuses on direct communication between the consumer and the organisation or provider.

2.6 Bowlby's (1969) Theory of Attachment

Finally, in order to understand loyalty as an attachment to the organisation, it is also necessary to address the dominant theory of attachment. Bowlby (1969) developed a

theory of attachment based on the innate behaviours that contribute to the survival of our species. The Theory of Attachment becomes particularly important in understanding the rationale behind consumer loyalty, and provides further support for several of the determinants of loyalty. Bowlby's (1969) Theory of Attachment stated that several of our innate behaviours (e.g. crying, sucking, grasping, smiling, cooing and babbling) are specifically designed to encourage attachment between the infant and caregiver. Furthermore, just as babies are predisposed to emit these attachment-eliciting behaviours, caregivers are also predisposed to respond to such signals.

However, Bowlby's (1969) theory stated that these innate behaviours do not guarantee attachment. Secure attachments occur gradually as caregivers become more proficient at reading and reacting appropriately to the baby's signals, and the baby learns what the caregivers are like and how to regulate their attention. Therefore, although humans are biologically prepared to form close attachments, secure attachments will not develop unless each participant has learned how to respond appropriately to the other. This conclusion was later supported by the work of Ainsworth, Blehar, Waters and Wall (1978), and of Johnson and Marano (1999) into the different types of attachment. For example, securely attached, insecurely attached, and avoidant attachment. The Theory of Attachment may provide a useful theoretical foundation for the investigation of a consumer's tendency to form attachments with providers. Furthermore, like the development of attachment between babies and their caregiver, the attachment between the provider and consumer could also need to be nurtured.

Johnson and Marano (1994) attributed the various types of attachment to different levels of accessibility and responsiveness of the caregivers. Caregivers who are sensitive and

responsive to the child's signals develop secure attachments. Insecure attachments are due to inconsistent responses, where the caregiver is unavailable sometimes and affectionate at other times. Avoidant attachments usually result when caregivers rebuff the child's attempts for close bodily contact. Since child-caregiver attachments can be encouraged through accessibility (or approachability) and responsiveness, accessibility and responsiveness may be important building blocks for any relationship, including consumer-provider relationships.

Subsequently, the Theory of Attachment indicates that humans are predisposed to form attachments. This predisposition may explain the seemingly illogical reason for consumers deciding to stick with one supplier, despite all of the competitive alternatives.

In summary, several now well-established theoretical models of consumer behaviour have been developed. However, it appears that there is still a great deal to learn about consumer loyalty. For example, Oliver (1999:33) stated that "it is time to begin the determined study of loyalty with the same fervor that researchers have devoted to a better understanding of customer satisfaction". Furthermore, Bowen and Sparks (1998:139) outlined a better "understanding (of) the components and drivers of customer loyalty" as the top priority for loyalty research.

How should consumer loyalty be measured in light of the theoretical implications? What are the determinants of consumer loyalty, and how can consumer loyalty be actively increased? To clarify some of the questions raised by existing consumer research into loyalty, the next chapter will review previous research within this field. This review will highlight several areas of loyalty research that require further

exploration, including a clear understanding of loyalty measurement and how it relates to theory (loyalty as a process or loyalty as an outcome).

Chapter 3: A Review of the Measurement of Consumer Loyalty

"There is much to be known about the much-lauded but little understood concept of loyalty" (Oliver, 1999:43).

Previous research has employed many of the major theories addressed within the previous chapter to develop operational measures of consumer loyalty, particularly Oliver's (1980) work into satisfaction, as well as Hirschman's (1970) responses to dissatisfaction. However, despite all of the theoretical and empirical attention, confusion still surrounds the nature, and definition of loyalty. Researchers argue about whether loyalty is a behaviour (e.g. Neal, 2000), or an attitude (e.g. Graham and Keeley, 1992). These definitions of consumer loyalty have important implications for the effective measurement of loyalty. To date, consumer loyalty has been measured through repurchase intentions (e.g. Tellis, 1988), behavioural indicators (Cunningham, 1956), and as a tendency to disregard problems (Ping, 1993). Therefore, this review of the literature will explore these measures of consumer loyalty in more depth, in order to gain a better understanding of the nature of consumer loyalty.

3.1 Two Areas of Measurement

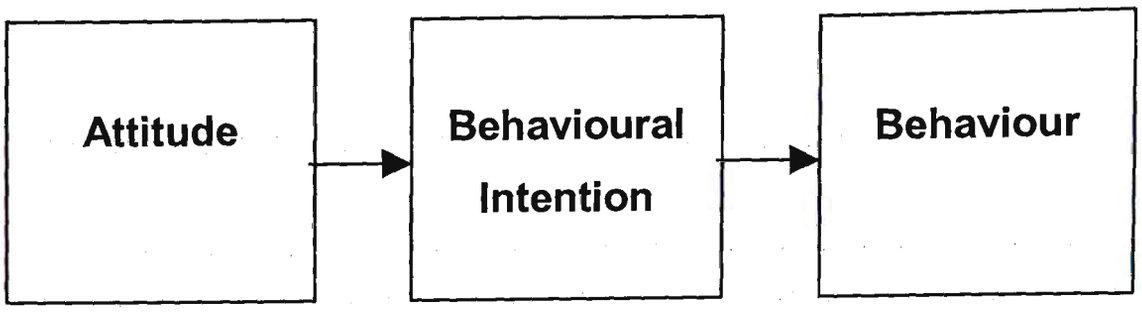
"Loyalty implies continued purposeful interaction... with a product or service" (Oliver, 1997:387). Consumer loyalty has created a great deal of interest within industry, as well as academic research (e.g. McIntyre, BRW 2000; Hirschman, 1970; Jardine, 2000; Oliver, 1999; Reichheld, 2000). However, despite all of the research attention, the nature of consumer loyalty continues to create a great deal of confusion (Oliver, 1999).

Generally, research into the nature of loyalty appears to be split into two sectors, loyalty as a behavioural response (e.g. Neal, 2000; Yim & Kannan, 1998), and loyalty as an attitude toward the organisation/provider (e.g. Saunders, Sheppard, Knight & Roth, 1992). However, much of this confusion may be due to the many different ways in

which consumer loyalty has been measured. Over the past five decades, consumer loyalty has been measured through behavioural indicators (i.e. Eskildsen, 2000; Brown, 1952; Cunningham, 1956; Neal, 2000); intention to repurchase (i.e. Oliver, 1997; Tellis, 1988); and as a tendency to disregard the problems associated with the service/product (i.e. Singh, 1988, 1990; Withey & Cooper, 1992; Ping, 1993; Maute & Forrester, 1993). Initially, the various measures of loyalty appear to contradict one another, providing further fuel to the debate surrounding the nature of loyalty. However, when examined in light of Fishbein and Ajzen's (1975) attitude-behaviour framework, it becomes apparent that each measure simply reflects a different stage of the attitude-behaviour sequence. Support for the application of an attitude-behaviour framework to loyalty is found within the work of Oliver (1997) who also examined a model of attitude and behaviour to explore consumer loyalty.

3.2 The Theory of Reasoned Action as a Framework

Generally, models of the consumptive experience tend to reflect a sequential process of several essential stages (e.g. Oliver, 1997; Graham & Keeley, 1992)(Figure 10). With the Theory of Reasoned Action, Fishbein and Ajzen (1975) provide an effective framework for this sequential process. The theory states that initially, individuals form an attitude toward the object (product/provider). This attitude then leads to a behavioural intention, or an intention to perform a specific act (Vaughan & Hogg, 1995). Finally, these behavioural intentions are "the immediate determinants of corresponding overt behaviors" (Fishbein & Ajzen, 1975: 372).



Figure, 10. **The temporal sequence of the consumptive experience.**

Within consumer research, this sequence has been referred to as the Attitude Sequence Model (e.g. Oliver, 1997). Oliver (1997) postulated a model of consumer loyalty that reflected each of the essential stages within the sequence. Oliver outlined four distinct phases of consumer loyalty: Cognitive Loyalty (beliefs), Affective Loyalty (attitude), Conative Loyalty (intention), and Action Loyalty (behaviour). Jacoby (1971) also lent support to the use of an attitude-behaviour sequence as a framework for the measurement of consumer loyalty. Specifically, Jacoby argued that behavioural indictors, such as repeat purchase, represent the underlying attitude and intention to perform the act associated with loyalty.

In light of the attitude-behaviour framework, it is essential to ensure that attitude, intention and behaviour are all represented in order to effectively capture the process (the formation of attitude), as well as the outcome (the behaviour decision). Within this thesis, measures that reflect attitude will be considered process measures, in that, these measures tap into the formation of the attitude and explain an individual's motivation for performing the subsequent behaviour. However, process measures are unable to guarantee that the behaviour will be performed (e.g. Bagozzi & Warshaw, 1990). In contrast, measures that reflect actual behaviour will be considered outcome measures,

since they indicate the behavioural outcome or decision associated with the attitude. Yet, outcome measures are unable to explain why the behaviour was performed (e.g. Day, 1980).

Previous research typically employs behavioural intention as an outcome measure, where intention is considered an effective substitute for actual behaviour (e.g. Bagozzi, 1981). However, as discussed previously, various peripheral constructs have a direct influence on behaviour, including prior behaviour, attitude (Bentler & Speckart, 1979), and perceived behavioural control (Ajzen, 1988). Therefore, intention is unable to guarantee that the behaviour will actually be performed. As such, this thesis presents intention as a separate component of consumer loyalty, which links the process (attitude) to the outcome (behaviour).

3.3 The Process and Outcome Measures of Consumer Loyalty

This distinction between process and outcome measures helps clarify the division evident within the nature of loyalty debate - loyalty as an attitude versus loyalty as a behaviour. Those researchers who define loyalty as a behaviour appear to have employed outcome measures to operationalise loyalty (i.e. Withey & Cooper, 1992). In contrast, those researchers who define loyalty as an attitude tend to have used process measures to operationalise loyalty (i.e. Leck & Saunders, 1992). Although each of these different measures may simply reflect a separate stage of the sequence, it is important to identify which stages of the sequence these measures currently reflect. This will enable researchers to identify those stages of the sequence that are not adequately represented. Subsequently, this thesis outlines measures of behaviour (behavioural indicators),

measures of intention (repurchase intentions), and measures of attitude (Tendency to Disregard Problems).

3.3.1 Behavioural Indicator Measures

Early research considering loyalty within the field of marketing, focused on brand loyalty for tangible products. During the 1950's and early 1960's, brand loyalty was defined by consumers' actual purchase behaviour. Brown (1952) outlined several types of loyalty, based on the sequence of a consumer's purchasing behaviour. *Undivided loyalty* was characterised by the continual purchase of the same brand (AAAA); *divided loyalty* indicated the alternate purchase of two different brands (ABAB); *unstable loyalty* resulted in a switch in brand purchase (AAABBB), and *no loyalty* was characterised by the purchasing of different brands (ABCD).

Later, Cunningham (1956) offered an alternate definition of brand loyalty based on purchasing behaviour, by introducing the notion of 'proportion of purchases'. Cunningham (1956:118) operationally defined loyalty as "the proportion of total purchases represented by the largest single brand use". Cunningham's definition was inherently pleasing as it easily lent itself to a percentage figure that could be used as an index of loyalty strength.

Furthermore, the use of Cunningham's index as a measure of loyalty is supported within the work of Neal (2000:7), who stated that behavioural indicators provide an objective measure of loyalty. "Loyalty is most easily understood in a behavioral context. The behavioral definition of loyalty disregards motivation; it simply observes and measures the degree of a customer's repeat purchase of the same brands in a category. The

measurement of behavioral loyalty is simple and elegant – the proportion of times a buyer purchases the same product or service in a specific category compared to the total number of purchases made in the category". Reichheld and Schefter (1996) also stated that behavioural indicators are a valuable consumer index.

When examined in light of the attitude-behaviour framework, it is clear that behavioural indicators are an outcome measure of consumer loyalty. That is, consumer loyalty is assessed through the actual behaviours performed by the consumer (the outcome), rather than the course of forming an attitude (the process), or subsequent intention. The effectiveness of behavioural indicators to enhance our prediction of future behaviour is evident within previous research that demonstrates a strong predictive capacity of past behaviour upon future behaviour (e.g. Bentler & Speckart, 1979; Eagly & Chaiken, 1993). That is, knowing a consumer's previous behaviour enables the prediction of their future behaviour.

However, before behavioural indicators are able to identify loyalty, this type of measure must rely on several repeat purchase interactions in order to develop a behavioural history. Furthermore, because behavioural indicators are an outcome measure of loyalty, such a measure is unable to account for the process through which the consumer progresses in order to reach a decision - from the appraisal of the object (cognition), to the formulation of likes and dislikes (affect), through to the decision to continue or not (intention). Subsequently, behavioural indicators are unable to differentiate between consumers who have purchased due to external influences (only product or service, convenient at the time) or internal processes (believes product/service is the best, likes the provider). "Repeat purchase does not necessarily represent commitment, it merely

represents a level of acceptance with the manner in which the activity is conducted as well as its price, location, and time of offering" (Selin, Howard, Udd & Cable, 1987:221). Therefore, behavioural indicators are able to enhance our prediction of future behaviour, but not necessarily our understanding of the underlying reasons for the behaviour.

During the late 1960's research began to criticise the validity of using purchasing, or indicators of behaviour, as the sole definition of loyalty. For example, Day (1969) argued that behavioural definitions were unable to distinguish between "intentional" loyalty and "spurious" loyalty. "Spuriously loyal buyers lack any *attachment* to brand attributes, and they can be immediately captured by another brand that offers a better deal, a coupon, or enhanced point of purchase visibility through displays or other devices" (Day, 1969:30, italics added). The importance of addressing attachment will be considered in more depth later in the thesis. Day's argument is also supported within the work of Davis (2000), who stated that retained customers, as opposed to loyal customers, give a false sense of business security. Simply put, behavioural indicators suggest that "you are as good as your last transaction" (Davis, 2000:34).

Therefore, although behavioural indicators are an excellent indicator of actual consumer behaviour, they are an outcome measure of consumer loyalty only. Behavioural indicators are therefore unable to explain the process through which the consumer progresses prior to performing the behaviour. As such, behavioural indicators are unable to differentiate between intentional and spurious loyalty (loyalty due to chance) (Day, 1980).

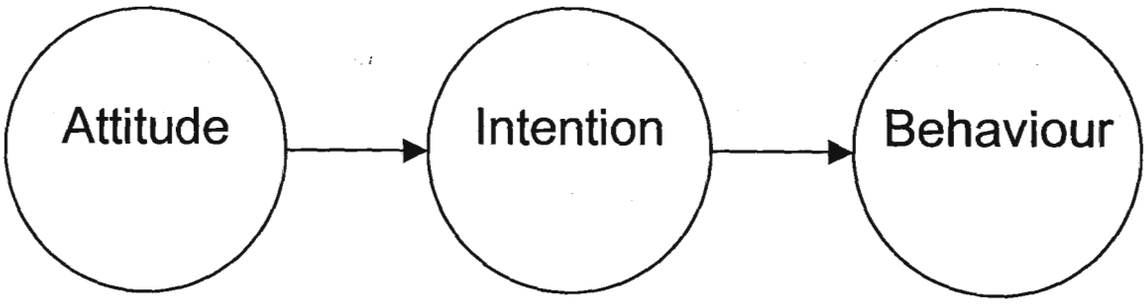
3.3.2 Repurchase Intention Measures

Another way that consumer loyalty has been measured is through intention to repurchase (e.g. Dube & Maute, 1998;Tellis, 1988). That is, the self-reported likelihood that the consumer will re-patronise the provider. When examined in light of the attitude-behaviour framework, it is clear that repurchase intentions reflect the behavioural intention stage of the sequence. Intention to repurchase reflects an intention to perform a specific act (behavioural intention). The direct link between behavioural intentions and actual behaviour outlined within the attitude-behaviour framework (Bagozzi, 1981; Fishbein & Ajzen, 1975), accounts for the strong predictive capacity of repurchase intentions upon actual consumer behaviour (e.g. Tellis, 1988).

Analogous to behavioural indicators, intention to repurchase is often employed as an outcome measure of loyalty due to the belief that intentions are an effective substitute for the measurement of behaviour (e.g. Tellis, 1988). However, like the behavioural indictor measures, intention to repurchase does not tap into the process through which the consumer progresses to appraise the object, and formulate a feeling toward the object. Rather, intention to repurchase reflects the decision made by the consumer to continue or discontinue the exchange relationship. Subsequently, just like behavioural indicators, repurchase intentions, by themselves, are unable to differentiate between intentional loyalty and spurious loyalty. However, like process measures, behavioural intentions are also unable to guarantee that the behaviour will actually be performed (Bentler & Speckart, 1979; Ajzen, 1988). Instead, behavioural intention provides a link between creating the motivation to perform the behaviour (process) and actually performing the behaviour (outcome). As a link between attitude and behaviour,

repurchase intentions are able to enhance our ability to predict future behaviour, but not necessarily enhance our understanding of the underlying reasons for the behaviour. Repurchase intentions are a powerful way to predict actual consumer behaviour. However, repurchase intentions are the link between the process and outcome of consumer loyalty. Therefore, this measure is unable to explain the process through which the consumer progresses prior to performing the behaviour. As such, repurchase intentions are unable to adequately differentiate between intentional loyalty and spurious loyalty.

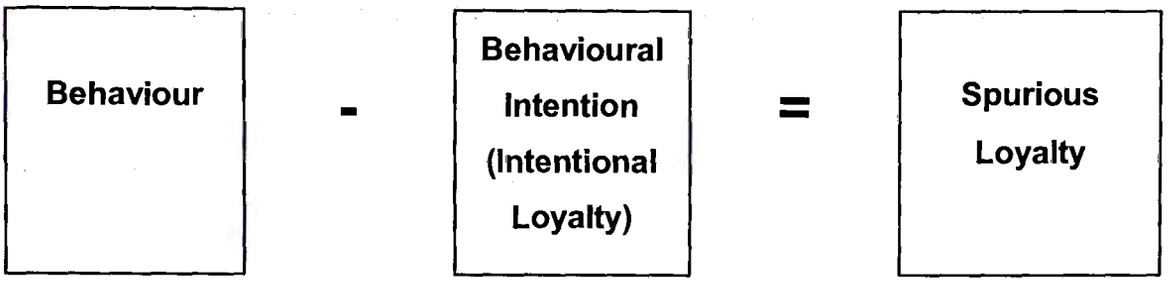
It should be noted however, that within the original work of Fishbein and Ajzen (1975), the effect of attitude upon behaviour is completely mediated through intention. Therefore, it may be technically possible to differentiate spurious loyalty from intentional loyalty, when behavioural intention and actual behaviour are measured, yet attitude is not (Figure 11).



Figure, 11. Attitude mediated through behaviour.

As indicated within Figure 12, the variance associated with behavioural intentions and the indirect effect of attitude (loyalty), may be partialled out from actual behaviour, leaving spurious loyalty. Since attitude (likes/dislikes) is completely mediated by intention, capturing intention (asking consumers whether they intend to repurchase)

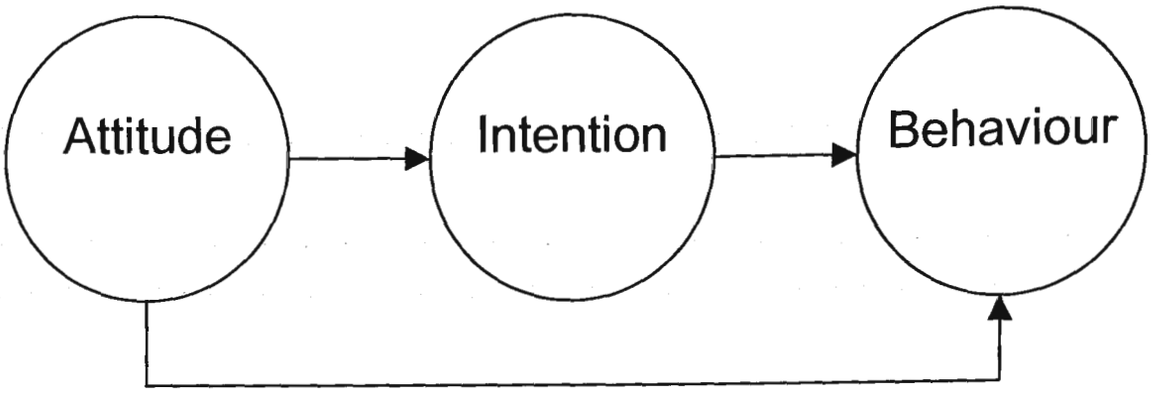
enables the differentiation between consumers who like the product/service (intentional loyalty) from those who found it convenient to purchase the service/product on the day (spurious loyalty).



Figure, 12. Differentiation between Spurious and Intentional Loyalty.

Although, this initial external calculation appears promising, in practice, external calculations upon self-reported attitudes and perceptions have proved difficult. For example, previous research which attempts to artificially calculate difference scores after the event have proved less reliable and sensitive than asking participants to mentally conduct the evaluation internally (e.g. Oliver, 1980; Hurley & Estelami, 1998).

Furthermore, in contrast to Fishbein and Ajzen's (1975) model, which stated that the effect of attitude upon behaviour is completely mediated through behavioural intentions, Bentler and Speckart (1979) argued that attitude does have a direct influence on behaviour, independent to that of behavioural intention (Figure 13).



Figure, 13. **The direct effect of attitude upon behaviour.**

Therefore, an external calculation using intention and behaviour without attitude would leave the effect of attitude combined with spurious loyalty (Figure 14). Theoretically and empirically, it appears that spurious loyalty is unable to be calculated after the event, by only measuring behavioural indicators and behavioural intentions. Therefore, it is important to also assess the process of attitude formation.

Figure, 14. **Differentiation between Spurious and Intentional Loyalty, based on Bentler and Speckart (1979).**

Furthermore, in practice, the operational measurement of repurchase intentions is often combined with several related concepts, and subsequently, can become a messy measure of consumer loyalty. For example, repurchase intentions often tap into different, yet related constructs including word of mouth communication (e.g. Sirohi,

McLaughlin & Wittink, 1998), intention to switch to a competitor, intention to recommend the product or service to others, and intention to cross-buy (e.g. Gronholt, Martensen & Kristensen, 2000). Therefore, the repurchase intention measures typically raise criterion relevancy issues, and introduce criterion contamination (Dipboye, Smith & Howell, 1994).

3.3.3 The Tendency to Disregard Problems Measures

Based on the early work of Hirschman (1970), a great deal of consumer research has also defined loyalty as a tendency to disregard problems associated with the provider. For example, Singh (1988, 1990) argued that loyalty encourages deliberate 'no-action' in response to dissatisfaction. That is, loyal consumers are more likely to forget the incident, rather than complain or leave. Analogous to Singh (1988), Maute and Forrester (1993) also operationalised loyalty as forgetting about the incident and doing nothing. Maute and Forrester examined the extent to which consumers are willing to suffer in silence. These researchers defined loyalty as a passive/constructive response, where consumers "suffer in silence, confident that things will soon get better" (Hirschman, 1970; p 38). Ping (1993:323) also defined loyal behaviour as "the loyal member suffering in silence, with confidence that things would get better". Ping interpreted Hirschman's loyalty as "not rocking the boat" (p326), "ignoring the problem" (p325), and responding "passively by being loyal" (p327).

Although, several researchers have examined loyalty as a tendency to disregard problems, only Ping (1993) appears to have demonstrated a reliable measure. For example, Singh (1988, 1990) did not explicitly develop a loyalty scale. Instead, Singh's (1988) measurement of loyalty was inferred within his measurement of voice. Unlike

Singh, Maute and Forrester (1993) did explicitly measure the loyalty construct. Unfortunately, this measure demonstrated several operational inconsistencies. For example, according to these researchers, Hirschman's (1970) conceptualisation of loyalty did not imply that consumers were "positively disposed toward the seller" (Maute & Forrester, 1993:222). However, Hirschman (1970) himself suggested that a possible reason for dissatisfied consumers to take no action was due to loyalty toward the seller. Within loyalty is the implicit "expectation that someone will act or something will happen to improve matters" (Hirschman, 1970:78). Loyal consumers *trust* that the provider will resolve the service/product failure. Furthermore, Maute and Forrester (1993) developed the measure within a sample of undergraduate students responding to fictitious scenarios, rather than actual consumer experiences. This approach had received a great deal of criticism within previous research. For example, Bitner (1990) argued that the use of role-playing scenarios reduces the external validity of the findings. East (1996:32) also stated that "there is no guarantee that people will do in normal settings what they will do in a simulation". Furthermore, Thompson, Locander and Pollio (1989:144) argued that for "consumer researchers to understand experience, they must first ... allow for experience to exist". In comparison, Ping's (1993) definition of loyalty has received support from Oliver (1997:378), who states that "Ping developed reliable scales to measure...loyalty".

Ping's (1993: 348) scale uses items such as "I disregard problems with my primary wholesaler because they just seem to work themselves out". The measure appears to tap into the consumer's self-reported past behaviour, "I disregard problems...." Therefore, in light of the attitude-behaviour framework, the measure appears to reflect the behavioural stage of the process. Yet, in contrast to behavioural indicators, which solely

reflect the behavioural stage, a tendency to disregard problems (disregard loyalty) may also tap into the attitudinal process. That is, the consumer acts (disregards problems) based on the belief that problems work themselves out (attitude).

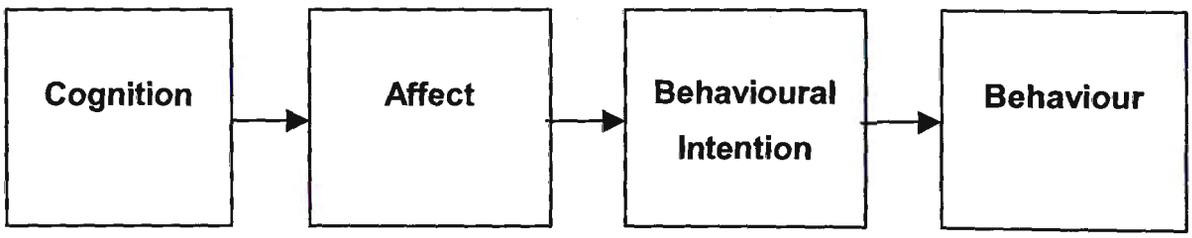
This may suggest that disregard loyalty is both an outcome measure (behaviour), and a process measure (attitude). Subsequently, like behavioural indicators and repurchase intentions, disregard loyalty should have a strong predictive capacity to explain actual consumer behaviour. However, in contrast to behavioural indicators and repurchase intentions, disregard loyalty should also theoretically differentiate between intentional loyalty and spurious loyalty. This dual role may explain why disregard loyalty is one of the most common ways in which Consumer Loyalty is measured (e.g. Singh, 1988, 1990; Maute & Forrester, 1993; Ping, 1993; Hirschman, 1970).

The attitude-behaviour framework indicates that it is necessary to address attitude, intention and behaviour, in order to capture the entire sequence of consumer loyalty. However, it is also important to determine the relative contribution of the consumer loyalty construct to our understanding of the consumer experience. As indicated previously in Chapter Two, Oliver's (1980) model of consumer satisfaction is currently the dominant model of consumer experience. The Expectations – Disconfirmations Model outlines the process between expectations, satisfaction (attitude) and subsequent behaviour. In light of the success of Oliver's model in explaining consumer behaviour (e.g. Swan & Martin, 1981; Oliver, 1997), it is essential to compare the consumer loyalty construct to that of satisfaction. Such a comparison is particularly relevant due to the similarity between the two processes (satisfaction and loyalty) with regard to the underlying attitude-behaviour sequence (e.g. Oliver, 1997).

3.4 The Expectations – Disconfirmation Model - Revisited

Our current understanding of the consumer process has been largely influenced by the dominant model of consumer experience, the Expectations Disconfirmation Model (e.g. Oliver, 1980; Churchill & Suprenant, 1982; Bearden & Teel, 1983; LaBarbera & Mazursky, 1983; Woodruff, Cadotte & Jenkins, 1983; Cadotte, Woodruff & Jenkins, 1987; Oliver & DeSarbo, 1988; Tse & Wilton, 1988; Oliver & Swan, 1989; Oliver, 1997). As indicated previously, the model states that when evaluating a consumptive experience, consumers compare the product/service to an internal standard, also referred to as expectations (Oliver, 1980). Any deviation in actual performance from this standard results in disconfirmed expectations (Oliver & DeSarbo, 1988). Disconfirmed expectations then lead to attitude (Oliver, 1980). The Expectations Disconfirmation Model appears to follow the sequence outlined by the attitude-behaviour framework.

Previous research into the attitude-behaviour framework indicates that attitude is made up of two components: cognitive appraisal of the object, and an affective response toward the object (Fishbein, 1963; Bagozzi, 1985) (Figure 15).

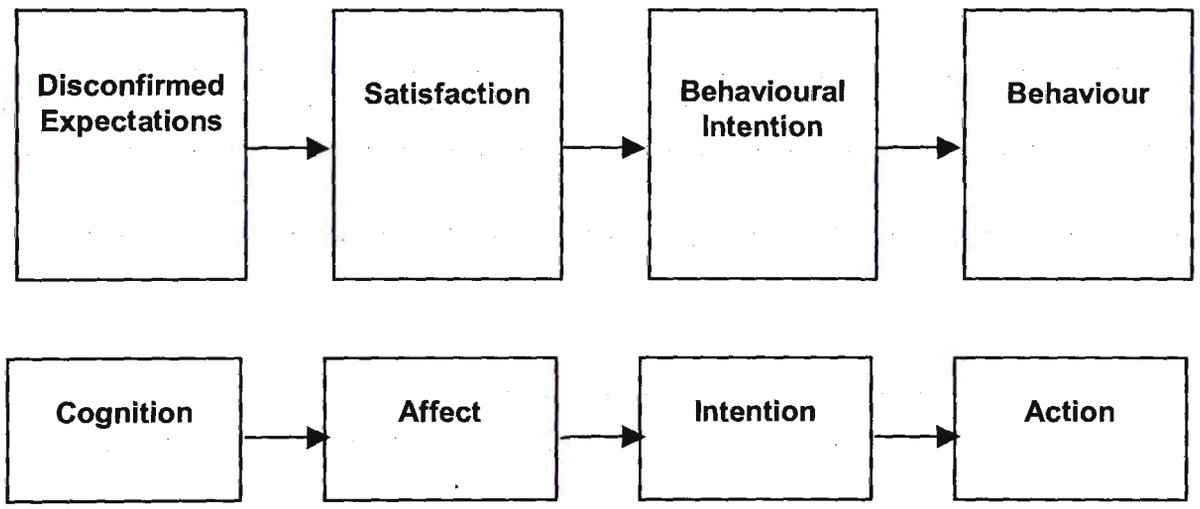


Figure, 15. The temporal sequence of the consumptive experience.

The attitude-behaviour framework begins with beliefs (cognition), leads to attitude (affect), and then affects intention (behavioural intention) (i.e. Fishbein & Ajzen, 1975;

Crosby & Taylor, 1983; Oliver, 1997). Jacoby (1971) also lent support to the separation of attitude into cognitive and affective components when measuring loyalty. "To exhibit...loyalty implies repeat purchasing based upon cognitive, affective, evaluative, and dispositional factors – the classic primary components of attitude" (Jacoby, 1971:26).

Within the Expectations Disconfirmation Model, the cognitive appraisal stage is reflected in the comparison of the product/service to an internal standard (disconfirmed expectations). This cognitive appraisal influences an affective response, or in this case, satisfaction (Figure 16).



Figure, 16. The attitude sequence of the Expectations – Disconfirmation Model.

Satisfaction has been defined as "the summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feelings about the consumptive experience" (Oliver, 1981:27). This definition suggests that satisfaction reflects the affective stage of the attitude-behaviour framework, and is therefore a process measure. The attitude (satisfaction) then directly determines

behavioural intention (Everelles & Leavitt, 1992), and as mentioned previously, behavioural intention is the precursor to actual behaviour (Bagozzi, 1981).

The Expectations – Disconfirmation Model of the consumptive experience is currently the dominant model within consumer research because it has remained robust and effective within various consumer contexts, from products to service (e.g. Churchill & Suprenant, 1982; Oliver, 1980). One reason it has proved so effective may be because the Expectations – Disconfirmation Model recognises each of the stages within the attitude-behaviour framework: cognition, affect, intention, and action.

Previous research suggests satisfaction as the dominant predictor of behavioural intentions, and subsequent consumer behaviour (Oliver, 1980, 1997; LaBarbera & Mazursky, 1983; Hirschman, 1970). Therefore, within the attitude-behaviour sequence, satisfaction is an important process measure of attitude formation. In light of this finding, a process measure of consumer loyalty is really only useful if it is able to enhance our ability to explain, predict and manipulate future attitudes and behaviour, above that already achieved through the measurement of satisfaction. Therefore any attempt to identify a process measure of loyalty as a predictor of behavioural intention, should be tested within the presence of satisfaction.

In summary, consumer loyalty has received a great deal of research attention (e.g. Oliver, 1997; Ping, 1993; Maute & Forrester, 1993; Singh, 1990). This attention is largely due to the hypothesised relationship loyalty holds with organisational profit (Oliver, 1997; Fornell & Wenerfelt, 1987). A relationship which has enticed many attempts to increase consumer loyalty through loyalty programs. Unfortunately, these traditional attempts appear to have failed (Jardine, 2000). The poor performance of

these early attempts may be due to a singular focus on the wrong aspect of loyalty. Loyalty programs tend to focus on the outcomes of loyalty, rather than the process involved. However, the attitude-behaviour framework outlines the importance of also examining the process of attitude formation. A new approach to operationalising loyalty, which takes into account the process as well as the outcome, may shed more light on how to increase consumer loyalty. In turn, a new approach to the measurement of loyalty may reveal previously overlooked determinants of loyalty, and help to clarify the cognitive determinants of consumer loyalty. Previous research has examined many potential determinants from consumer satisfaction (Oliver, 1997) through to consumer voice (Hirschman, 1970). Unfortunately, empirical support for these determinants has proved inconsistent at best. Therefore, the next chapter explores previous research into the determinants of consumer loyalty taken from the two major fields of research, consumer satisfaction and consumer dissatisfaction.

Chapter 4: The Cognitive Determinants of Consumer Loyalty

"When unhappy, one doubts everything; when happy, one doubts nothing" Joseph Roux – Meditations of a Parish Priest.

Similarly to the measurement of consumer loyalty addressed within the previous chapter, prior research into the determinants of consumer loyalty is also largely derived from Oliver's (1980) work regarding satisfaction, and Hirschman's responses to dissatisfaction. Research into consumer dissatisfaction outlines voice (or communication) as the determinant of loyalty. In contrast, research into consumer satisfaction explored satisfaction itself as the determinant of consumer loyalty. Interestingly, both voice and satisfaction have demonstrated inconsistent empirical support, where the expected relationships with loyalty are only occasionally demonstrated. In response to these inconsistent results, this chapter will review previous research into voice and satisfaction.

4.1 Voice

One key determinant of loyalty that has been traditionally addressed within dissatisfaction research is voice (e.g. Hirschman, 1970; Singh, 1990; Maute & Forrester, 1993). As discussed previously, the majority of consumer and organisational research examining loyalty, and particularly the relationship between loyalty and voice, is based on the work of Hirschman (1970) (e.g. Farrell & Rusbult, 1992; Graham & Keeley, 1992; Maute & Forrester, 1993; Singh, 1990). Hirschman (1970) stated that in response to a dissatisfying experience, consumers will decide to exit and/or voice. The **exit** response involves not using, or repurchasing from, the business firm again. **Voice** involves communicating with the business firm, third party authorities, or friends and family about the product or service. Hirschman also addressed the effect of **loyalty** upon these two responses.

Hirschman (1970) stated that loyalty is positively associated with voice, and is negatively associated with exit. That is, loyalty increases the probability of the consumer communicating, and decreases the probability of the consumer leaving the exchange relationship. Therefore, Hirschman explicitly outlined a direct relationship between voice and loyalty.

Hirschman (1970) also recognised the relationship between voice and loyalty is not independent. Loyal consumers tend to seek out methods of becoming influential, and individuals who possess considerable influence usually develop an attachment to the organisation. Subsequently, the cause and effect relationship between voice and loyalty has been diffused.

Research into consumer dissatisfaction has tended to examine the relationship between loyalty and one aspect of voice, direct voice, or communicating directly with the provider (Singh, 1988, 1990). In particular, previous research into direct voice has addressed consumer complaints, or the expression of dissatisfaction to the provider. Therefore, in response to the relationship between direct voice and loyalty, organisations are encouraged to facilitate consumer complaints. For example, Fornell and Wenerfelt (1987:344) stated that "customer loyalty can be increased by encouraging consumers to complain". However, it has been assumed that the relationship between encouraging complaints and loyalty is mediated by the act of complaining, or direct voice (e.g. Blodgett et al., 1993) (Figure 17).

Figure, 17. **The relationship between Encouraging Complaints, Voice and Loyalty.**

Based on the theoretical relationship between voice and loyalty, a great deal of research attention has been dedicated to examining this relationship (eg. Saunders, 1992; Graham & Keeley, 1992; Farrell & Rusbult, 1992; Leck & Saunders, 1992; Withey & Cooper, 1992; Saunders, Sheppard, Knight & Roth, 1992; Cannings, 1992; Minton, 1992; Rusbult & Lowery, 1985; Rusbult & Farrell, 1983; Rusbult, Farrell, Rogers & Mainous, 1988; Rusbult, Johnson & Morrow, 1986; Rusbult, Zembrodt & Gunn, 1982). Subsequently, the relationship between voice and loyalty has received a great deal of theoretical and empirical support. For example, Blodgett et al. (1993) stated that dissatisfied consumers, who are encouraged to complain to the provider and actually complain, demonstrate greater levels of loyalty toward the provider.

The majority of previous research into the relationship between voice and loyalty has provided empirical support for the positive relationship between voice and loyalty outlined by Hirschman (1970). "Complainants who feel that justice has been served are likely to repatronise the retailer (and may even become more loyal customers)" (Blodgett et al., 1993:400). Richins (1983) also demonstrated that the act of complaining (a component of direct voice) increases subsequent satisfaction and loyalty toward the organisation.

Furthermore, Hirschman (1970) states that the direct voice response is a more costly response than exit, in that voice requires greater effort on the consumers' part to communicate with the provider, rather than simply not repurchase. Subsequently, Hirschman hypothesises that the effort required to voice is expended due to an initial level of loyalty toward the provider. For example, Fornell and Wernerfelt (1987) indicated that dissatisfied consumers may demonstrate greater loyalty than satisfied consumers, if encouraged to express their concerns directly to the service provider by complaining. This suggests a strong relationship between complaining (one component of direct voice) and consumer loyalty.

4.1.1 The Direct Effect of Voice upon Loyalty

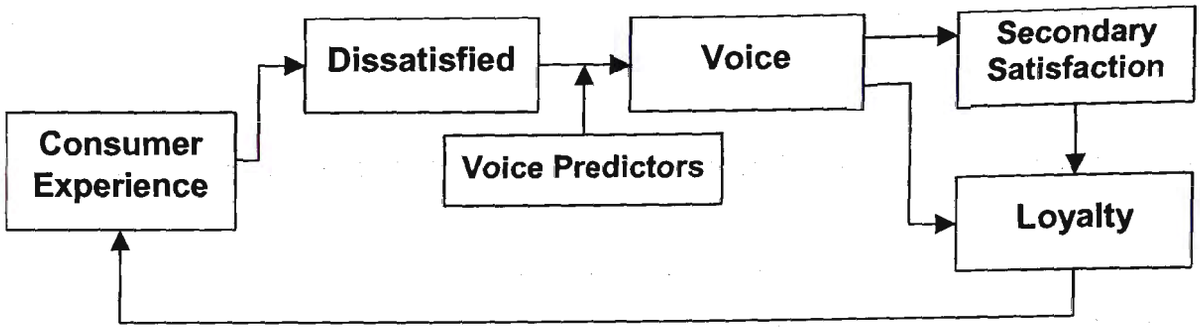
Previous research has indicated that the association between voice and loyalty is a direct relationship (e.g. Hirschman, 1970; Fornell & Wernerfelt, 1987). Hirschman (1970) argued that voice directly leads to subsequent loyalty. Hirschman asserted that voice is an attempt at influencing the quality of the service, which suggests that the consumer intends to stay. Subsequently, a satisfied consumer may inform the provider directly to ensure that a similar level of service is provided again in the future. Alternatively, a dissatisfied consumer may inform the provider directly to ensure that the quality of the service is improved in the future.

Furthermore, dissatisfied consumers who complained (direct voice) were more likely to repurchase (an outcome of loyalty), even if their complaint was not handled in a satisfactory way, than those who did not complain. For example, Richins (1983:76) states that "even if the complaint is not settled to the consumer's satisfaction, he/she is more likely to repurchase than if no complaint is made". Therefore, based on the

direct relationship between voice and loyalty, the effectiveness of the complaint handling process may not influence subsequent loyalty. Superficially, it seems absurd that a consumer who went to the trouble of complaining, and was subsequently dissatisfied with the provider's response would still demonstrate indicators of loyalty. A possible reason for this illogical reaction is provided by Bearden and Oliver (1985) who argued that "the very act of complaining may enhance loyalty, not only through its ability to initiate redress, but also through its cathartic effects of 'getting it off my chest'".

4.1.2 The Effect of Voice upon Loyalty through Satisfaction

Previous research has also alluded to an indirect relationship between voice and loyalty. For example, a dissatisfied consumer who is encouraged to complain (voice predictors) is more likely to complain (a component of direct voice). If the complaint is handled effectively, then voice may lead indirectly to loyalty through secondary satisfaction (Oliver, 1997; Richins, 1983; Blodgett et al., 1993). In turn, loyalty toward the organisation influences expectations regarding future consumptive experiences (Hirschman, 1970; Woodruff, Cadotte & Jenkins, 1983). Therefore, previous consumer research suggests a direct relationship between loyalty and expectations regarding future consumer experiences (e.g. Bearden & Oliver, 1985) (Figure 18).



Figure, 18. **The relationship between Voice and Loyalty for dissatisfied consumers.**

Based on this indirect relationship between voice and loyalty, effective complaint handling processes can dramatically influence rates of retention (loyalty as an outcome) (Tax, Brown & Chandrashhekaran, 1998). "Completely satisfied complainants had a higher percentage of...repurchase intentions (an outcome of loyalty) than those who had no problems" (Oliver, 1997:368). However, due to the potential resources required to effectively redress a complaint (Oliver, 1997), deliberately ensuring that consumers experience a minor problem would not be an efficient form of enhancing loyalty, as an alternative to traditional loyalty programs.

4.1.3 The Complex Relationship between Voice and Loyalty

The voice and loyalty constructs have received a substantial amount of empirical attention within organisational research (e.g. Graham & Keeley, 1992; Saunders, 1992; Farrell & Rusbult, 1992; Farrell, 1983; Rusbult, Farrell, Rogers & Mainous, 1988). For example, Hirschman (1970) postulated a direct, positive relationship between voice and loyalty. Leck and Saunders (1992) also demonstrated a direct, positive relationship between voice and loyalty within the workplace.

Unfortunately, however, the direct relationship between the act of complaining (direct voice) and subsequent loyalty has also received inconsistent empirical support. Withey and Cooper (1992) demonstrated a differential relationship between loyalty and voice, depending on which elements were assessed. The passive elements of loyalty (patience, forbearance) demonstrated a relatively weak, positive relationship with voice. Passive loyalty increased as voice increased. In contrast, the active elements of loyalty (doing things to improve the situation) demonstrated a weak negative relationship with voice. Active loyalty decreased as voice increased. Furthermore, within the workplace, Saunders, Sheppard, Knight & Roth (1992) were unable to demonstrate a direct relationship between voice and organisational commitment, the superordinate construct of loyalty (Porter, Steers, Mowday & Boulain, 1974; Buchanan, 1974; Bemmels, 1997).

However, this failure to demonstrate a relationship between commitment and voice may be due to the criterion contamination associated with the other components of commitment (involvement and identification) (e.g. Porter et al., 1974). Alternatively, the inconsistent empirical evidence may suggest that the relationship between voice and loyalty is more complex than first thought. This relationship may be influenced by other variables.

4.2 Satisfaction

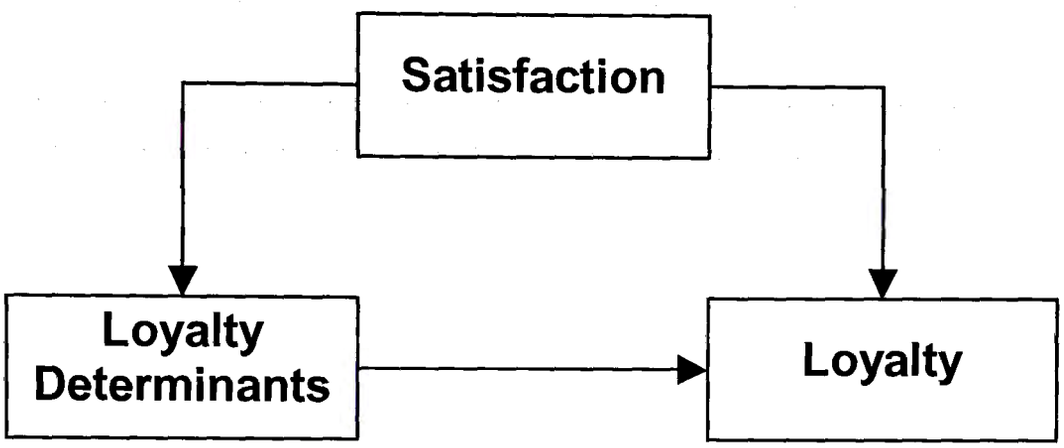
In contrast to research into dissatisfaction, satisfaction research outlines satisfaction as the determinant of loyalty (e.g. Oliver, 1997), and therefore, the key to actively influencing loyalty. For example, Oliver (1997) outlined loyalty as a long-term consequence of satisfaction. Unfortunately, empirical support for the role of satisfaction

as a determinant of loyalty has been inconsistent. Several researchers have argued that satisfaction is not sufficient to induce loyalty by itself (Oliver, Rust & Varki, 1997; Taher, Leigh & French, 1996). Reichheld (1993) reported that up to 85% of defectors are previously satisfied with the supplier's performance. Therefore, satisfaction is not sufficient to ensure the outcome of consumer loyalty, repurchase. "Although satisfaction increases loyalty, satisfied customers are not necessarily loyal, nor loyal customers satisfied" (Dube & Maute, 1998:776).

Subsequently, previous research has concluded that satisfaction is not a determinant of loyalty, yet still plays a major role within the loyalty process (e.g. Oliver, 1997). Although, a number of researchers successfully demonstrated a relationship between satisfaction and loyalty (e.g. Oliver, 1997), other researchers were unable to demonstrate a relationship between satisfaction and loyalty (e.g. Dube & Maute, 1998). The changing relationship between satisfaction and loyalty may indicate a moderation effect (Baron & Kenny, 1986). That is a difference in relationship for satisfied compared to dissatisfied consumers. Therefore, although satisfaction is not sufficient to determine loyalty, it may moderate the relationships loyalty holds with other constructs.

Initial support for satisfaction as a moderator of the loyalty process, can be found within the work of Ping (1994) who demonstrated the moderation effect of satisfaction upon exit, or behavioural intentions (an outcome measure of loyalty). This may suggest that satisfaction is a moderator of the relationships between loyalty and its determinants, rather than a determinant itself. That is, the relationship between loyalty and its determinants may be influenced by the presence or absence of satisfaction (Figure 19). For example, an empirical relationship between voice and loyalty may be evident when

consumers are dissatisfied, yet not when consumers are satisfied.



Figure, 19. **The moderation effect of Satisfaction upon Loyalty and its determinants.**

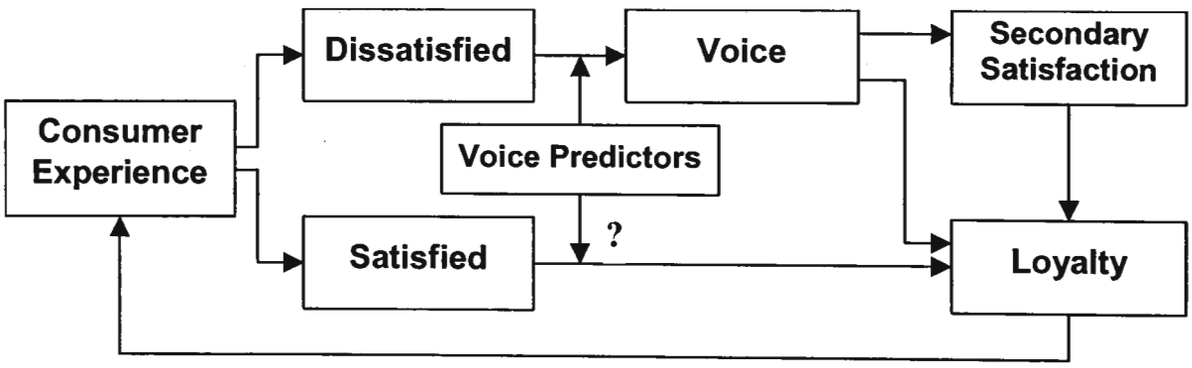
4.2.1 Satisfaction as a Moderator

The relationship between encouraging complaints and subsequent consumer loyalty, mediated by the act of complaining (direct voice) appears to adequately explain the consumer experience for dissatisfied consumers (e.g. Bearden & Oliver, 1985; Richins, 1983; Blodgett et al., 1993). It appears logical that for those patrons who are dissatisfied, being encouraged to inform the organisation of their dissatisfaction, then actually complaining and discovering that the organisation listened, increases the patrons' secondary satisfaction and liking for the organisation (loyalty). This relationship raises issues regarding the underlying constructs of initial satisfaction (or dissatisfaction) and secondary satisfaction.

Oliver (1997) argued that initial satisfaction/dissatisfaction is a separate construct to secondary satisfaction due to the differing determinants of each type of satisfaction. He

argued that equity (or inequity) and attribution are the primary determinants of initial satisfaction/dissatisfaction. In contrast, secondary satisfaction is determined by satisfaction with the redress received, and the manner in which the complaint was handled. Analogous to the differences between initial satisfaction/dissatisfaction, and secondary satisfaction, the consumer process may be different for those consumers who are initially satisfied, compared to consumers who are initially dissatisfied.

Unlike initial dissatisfaction, consumers that are initially satisfied do not appear to have a trigger to actually complain (direct voice). These consumers are not primed by dissatisfaction with the product/service (perceived inequity), and as a result are unlikely to complain. Therefore, the subsequent secondary satisfaction and loyalty that are typically associated with actual complaints (e.g. Gilly & Gelb, 1982), including satisfaction with the provider's reaction and the cathartic effect of complaining (e.g. Bearden & Oliver, 1985), do not influence satisfied consumers that did not complain (Figure 20).



Figure, 20. **The relationship between Voice and Loyalty for satisfied consumers.**

What then, is the effect of encouraging consumer complaints upon levels of loyalty, for satisfied consumers that have not experienced a dissatisfying experience and are

unlikely to complain? The inconsistent results demonstrated for both satisfaction and voice as determinants of loyalty may suggest an interaction (e.g. Dube & Maute, 1998; Withey & Cooper, 1992). The lack of dissatisfaction, or more specifically, the influence of satisfaction as a moderator, upon the relationship between encouraging complaints and loyalty may help explain the inconsistent empirical support demonstrated by researchers such as Withey and Cooper (1992) and Saunders et al. (1992). That is, previous research may have inconsistently demonstrated empirical support for a direct relationship between voice and loyalty due to the influence of a third variable – satisfaction. Furthermore, the direct influence of satisfaction on loyalty and its relationship with other key constructs is supported within the work of Oliva, Oliver and MacMillan (1992) who outlined a non-linear relationship between satisfaction and loyalty.

Research also indicates that individuals, including consumers, are typically satisfied, whilst only a small proportion of people tend to be dissatisfied. For example, Peterson and Wilson (1992) argued that only a relatively small number of consumers are actually dissatisfied. This view is supported within the work of Andrew and Withey (1976) who indicated that satisfaction measures generally demonstrate a positive skew, or a greater number of positive responses to satisfaction scales. Therefore, based on the large proportion of consumers who are typically satisfied, the inconsistent empirical support for the relationship between voice and loyalty may be due to the influence of satisfaction as a moderator.

Previous research appears to have made great in roads into the understanding of dissatisfied consumers (e.g. Day, 1980; Ping, 1993; Blodgett et al., 1993; Sparks &

Bradley, 1997; Davidow, 2000). However, little is known about the voice-loyalty relationship for the larger proportion of consumers, those who are satisfied with the product/service. Furthermore, only a few studies have addressed the direct effect of encouraging consumer complaints upon subsequent loyalty (e.g. Farrell & Rusbult, 1992; Saunders et al., 1992), and again this research focused on consumers who were dissatisfied.

4.3 A Direct Relationship Between Encouraging Complaints and Loyalty

Theoretically, however, a direct relationship between encouraging complaints and loyalty is supported within early work into perceived control, and in particular, Ajzen's (1988) Theory of Planned Behaviour. Specifically, Ajzen (1988) defined perceived behavioural control as the perceived ease, or conversely the difficulty, of performing a specific behaviour. Greater perceived control is associated with the number of resources, and barriers to performing the act. The greater the perceived resources, and the fewer the perceived barriers, or obstacles, to performing the act, the more perceived control the individual may feel. In turn, greater perceived control is associated with stronger behavioural intentions.

With regard to encouraging complaints and loyalty, being aware of the mechanisms to voice (encouraging complaints), if needed, may enhance repurchase intentions (a component of loyalty), by providing a sense of perceived control, should a dissatisfying experience arise. Particularly, if becoming aware of these voice mechanisms increases the perceived resources to voice, and reduces perceived barriers to voicing. Therefore,

Ajzen's (1988) model appears to provide theoretical support for a direct relationship between encouraging consumer complaints and loyalty, independent to that of direct voice, as previously thought.

Initial empirical support for the direct relationship between encouraging complaints, or the predictors of voice, as determinants of consumer loyalty can be found within the work of Maute and Forrester (1993). These researchers examined the direct relationship between exit barriers and the attractiveness of alternatives upon loyalty. Specifically, Maute and Forrester demonstrated a negative relationship between exit barriers and loyalty. That is, dissatisfied "buyers deterred from exit by barriers... (felt) less loyal to sellers who impose costs to deter exit, rather than providing solutions or remedies to dissatisfaction problems" (Maute & Forrester, 1993:227). Like exit barriers, these researchers also demonstrated a negative relationship between the attractiveness of alternatives and loyalty. "The presence of attractive alternatives...result(s) in reduced loyalty as buyers become increasingly sceptical about whether their interests are served by this" provider (Maute & Forrester, 1993:228). Based on this initial support for a direct relationship between encouraging complaints and loyalty, it is important to examine ways in which to encourage consumer complaints.

4.3.1 Encouraging Consumer Complaints

In order to increase perceived control by increasing perceived resources, and reducing barriers to direct voice, organisations have been encouraged to make it easier for consumers to complain. Previous research within Consumer as well as Organisational Psychology has suggested numerous drivers of, or ways to encourage, consumer complaints. However, this current thesis will focus on those antecedents that are the

most commonly used, and have the greatest ability to predict voice. These include, perceived approachability and responsiveness, exit barriers and attractiveness of alternatives, attitude toward complaining, and perceived importance (Saunders, Sheppard, Knight & Roth, 1992; Maute & Forrester, 1993; Singh, 1990; Blodgett et al., 1993). To date, not all of these common determinants of consumer voice have been addressed simultaneously.

4.3.1.1 Approachability and Responsiveness

One common way organisations have attempted to encourage consumer complaints is to become more responsive and approachable. Alternative "responses (to dissatisfaction) are less common when the sellers are perceived as responsive to consumer complaints" (Richins, 1987:13, brackets added). Saunders, Sheppard, Knight and Roth (1992) investigated the factors that increase the probability of voice within an organisational setting. These researchers concluded that the perception of how voice will be managed by supervisors influences the voice behaviours of subordinates. Specifically, two dimensions of voice management were identified. **Approachability** encompassed how open to voice the recipient is perceived to be, and **responsiveness** was defined as the extent to which the recipient is perceived to be responsive to voice.

These dimensions are supported by Richins' (1983) earlier research into retailer responsiveness and consumer communication. Richins (1983) concluded that retailer responsiveness consists of two dimensions: a "willingness to provide a remedy for the dissatisfaction should a consumer complain" (responsiveness); and "the extent to which the retailer makes the complaint handling mechanism available" (approachability) (Richins, 1983:72, brackets added). Furthermore, Richins (1983) demonstrated a

direct relationship between perceived retailer responsiveness and direct communication. Consumers who perceived the retailer to be responsive and approachable were more likely to complain (Richins, 1983). Therefore, by encouraging complaint behaviour, an organisation is able to minimise the prevalence of other responses, including negative word of mouth (Richins, 1983), or telling friends and family about the dissatisfying experience (Singh, 1988).

Further support for Saunders et al's (1992) approachability and responsiveness conceptualisation is provided within the work of Singh and Wilkes (1996). These researchers stated that the "consumer's perceptions of sellers' *responsiveness* to voice complaints and the value they see in sellers' redress actions" are important predictors of consumer responses (Singh & Wilkes, 1996:364, italics added). Blodgett et al., (1993:423, brackets added) also confirmed that "dissatisfied customers who perceive a high likelihood of success (responsive), and feel that their problems are equally important to the retailer (approachable), are the most likely to seek redress". Therefore, to encourage consumers to complain (direct voice), an organisation needs to increase perceptions of responsiveness and approachability.

4.3.1.2 Exit Barriers and Quality of Alternatives

Previous research has indicated other possible determinants of consumer complaints, including exit barriers and attractiveness of alternatives. Maute and Forrester (1993) examined the influence of exit barriers and attractiveness of alternatives upon consumer voice, based on the Investment Model (Rusbult & Farrell, 1983). The Investment Model was initially developed to explain the relationship between interpersonal or employment dissatisfaction and behaviour, and addressed prior satisfaction, commitment,

perceived rewards and costs, as well as turnover/exit. The Investment Model has received strong empirical support. (e.g. Farrell & Rusbult, 1992; Farrell, 1983; Rusbult & Lowery, 1985; Rusbult & Zembrodt, 1983; Rusbult, Farrell, Rogers & Mainous, 1988; Rusbult, Zembrodt & Gunn, 1982; Farrell & Rusbult, 1992).

Maute and Forrester (1993) applied the Investment Model to consumer dissatisfaction. These researchers argue that attractiveness of alternatives and exit barriers are the "central influence on consumer responses to dissatisfaction" (Maute & Forrester, 1993: 220). Maute and Forrester (1993:227) define **exit barriers** as obstacles that "increase the buyer's costs of terminating an exchange relationship". An increase in these costs will result in a reduction of exit. Subsequently, in an attempt to reduce future dissatisfaction, a consumer will increase voice behaviours. In contrast, **attractive alternatives** allow consumers to terminate their current exchange relationship without sacrificing the benefits of receiving the product or service. An increase in attractiveness of alternatives will result in greater exit.

Support for the concept of attractiveness of alternatives can be found in the work of Bemmels (1997), who argued that the choice of consumer response is influenced by the alternative opportunities available to the individual. Based on the Investment Model, Maute and Forrester (1993) state that those consumers disinclined to leave due to exit barriers, yet with attractive alternatives, will exhibit greater voice behaviours in order to minimise the discrepancy between their service provider and its competitors. For those disinclined to exit, their interests "are best served by closing the gap between this, under-performing seller and the attractive alternatives" (Maute & Forrester, 1993: 228).

Maute and Forrester (1993) successfully demonstrated a positive relationship between exit barriers and voice intentions. That is, intention to voice increased as exit barriers increased. However, Maute and Forrester (1993) also outlined a positive relationship between the attractiveness of alternatives and voice. Yet, these researchers were unable to fully test the relationship between voice and attractiveness of alternatives, as the main effect for this relationship did not reach statistical significance. Therefore, empirical support for a positive relationship between voice and attractiveness of alternatives remains unresolved.

Contrary to Maute and Forrester's (1993) untested hypothesis, the relationship between voice and the attractiveness of alternatives may be negative. Voice requires greater time and effort on the consumer's part compared to exit (Hirschman, 1970). Therefore, it appears more likely that the consumer will exit when aware of a better service provider, as this is an easier response (requires less effort) than voice. Therefore, voice will decrease as the quality of alternatives increase.

4.3.1.3 Attitude Toward Complaining

Enacting the voice response is also influenced by social influences (Bemmels, 1997), including attitude toward complaining (Singh, 1990). **Attitude toward complaining**, based on the work of Richins (1982), is comprised of two facets: individual norms about complaining directly to the service provider/seller (*personal norms*); and individual beliefs about the possible social benefits of complaining (*social benefits*)(Singh, 1990). Both of these facets were derived from the learning perspective, which states that behaviour (including complaining) is a function of prior learning (Tinklepaugh, 1928; in Seamon & Kendrick, 1994; Singh, 1990). Prior complaint learning for consumers

includes "past behavior, knowledge of unfair practices, (and) information about consumer rights and complaint channels" (Singh, 1990:62, brackets added). In turn, prior learning influences the formation of attitudes and subsequent behaviours (Singh, 1990). The more strongly formed the attitude about complaining, the more likely the consumer is to complain. Therefore, Singh (1990) demonstrates a positive relationship between attitude toward complaining and voice. That is, intention to voice increases as one's general attitude toward complaining becomes more positive.

4.3.1.4 Perceived Importance

Another variable that has previously influenced consumer voice is the perceived importance placed on the purchase. The concept of **perceived importance** "recognizes that consumers attach more 'worth' to some products (or services) than to others (Blodgett, Granbois & Walters, 1993:407, brackets added). Consumers who are dissatisfied with a product or service that is important (or worthwhile) to them will make the emotions associated with that consumptive experience stronger (i.e. anger, frustration, dissatisfaction).

Blodgett et al. (1993) argued that those consumers who are dissatisfied with a product (or service) that is important to them, will want to retaliate through negative word of mouth, and will want to exit. This suggests that the type of response consumers perform (i.e. redress seeking, negative word of mouth, or exit) is influenced by perceived importance (Blodgett et al., 1993: 400). Blodgett's work suggested that direct voice increases as perceived importance decreases.

However, in contrast to Blodgett et al's hypothesis, Vroom and Yetton (1973) and

Graham and Keeley (1992), suggested that the consumer is more likely to seek redress when the product is important to them. Direct voice increases as perceived importance increases. A positive relationship between perceived importance and voice seems logical, as a consumer is more likely to seek to rectify the problem for a purchase that is considered important (Graham & Keeley, 1992). Furthermore, a positive relationship between voice and perceived importance is supported within the earlier work of Hirschman (1970) who indicated that voice requires a great deal of effort upon the consumers' part. Therefore voice is more likely when the purchase is perceived as important, and worth the effort.

Previous research within the communication literature has demonstrated the effectiveness of approachability, responsiveness, exit barriers, attractiveness of alternatives, attitude toward complaining, and importance as determinants of voice. However, in light of the possible moderation effect of satisfaction, as well as the theoretical support from perceived behavioural control (Ajzen, 1988), the determinants of voice may have a direct relationship with loyalty. That is, encouraging consumer complaints may be previously overlooked determinants of consumer loyalty.

In summation, a great deal of research has linked loyalty directly to organisational profit (e.g. Oliver, 1997; Reichheld, 1993). In an attempt to identify the best way to influence loyalty and subsequent profit, previous research has also addressed the key determinants of loyalty. Traditionally, voice has been directly linked to loyalty (e.g. Hirschman, 1970; Leck & Saunders, 1992). However, this relationship has demonstrated some inconsistent results (e.g. Withey & Cooper, 1992). Another traditional determinant of loyalty, satisfaction (e.g. Oliver, 1997), has also failed to meet expectations. Dube and

Maute (1998) indicated that satisfaction is not sufficient to determine loyalty.

Based on the inconsistent empirical research associated with satisfaction and voice, this thesis postulates a different sequence to that traditionally examined. Instead of an indirect relationship between encouraging complaints and loyalty, mediated by direct voice. This thesis argues that due to a moderation effect of initial satisfaction, it is likely that encouraging complaints has a direct effect upon consumer loyalty. That is, when satisfaction is high, encouraging complaints may directly influence consumer loyalty.

In light of the research inconsistencies evident within the review of previous research in Chapter Three and Chapter Four, this thesis will address the measurement of loyalty, and explore previously overlooked determinants of loyalty. Based on an examination of preliminary empirical research into the validity of existing measures of consumer loyalty (two initial pilot studies), the next chapter will outline the rationale and development of the central research questions, as well as the research design employed within this thesis. .

Chapter 5: Development of the Measures and Study Design

"The great tragedy of science – the slaying of a beautiful hypothesis by an ugly fact". – Thomas Huxley.

As indicated within the review of consumer loyalty measures (Chapter Three), the measurement of consumer loyalty has explored various types of measures, including behavioural indicators (e.g. Neal, 2000); repurchase intentions (e.g. Tellis, 1988); and loyalty as a tendency to disregard problems (e.g. Withey & Cooper, 1992). Each of these various approaches to the measurement of consumer loyalty was developed within different fields of enquiry, such as marketing research, organisational research, and consumer research. The differing approaches to the measurement of consumer loyalty have compounded problems associated with developing a comprehensive definition of consumer loyalty, and provided additional fuel for the debate surrounding the nature of loyalty (attitude versus behaviour). Therefore, to clarify the nature and definition of loyalty, this thesis conducted preliminary analysis into the validity of the various consumer loyalty measures. In light of the relationships outlined within the attitude-behaviour framework (attitude, intention and behaviour), the preliminary analysis examined the inter-relationships between the various consumer loyalty measures. This is the first time such an analysis of the inter-relationships between the various measurement approaches has been conducted.

The review of the determinants of consumer loyalty (Chapter Four) highlighted several constructs from within the communication literature that provide fruitful ground for the exploration of the determinants of consumer loyalty. Analogous to the various measures of consumer loyalty, measures of the predictors of voice from within the communication literature have been developed within different fields of enquiry, and have not been drawn together within previous research. Therefore, the preliminary analysis within this chapter will also provide the opportunity to assess the measurement

scales from within the communication literature together within a consumer context.

5.1 The Validity of Consumer Loyalty Measures

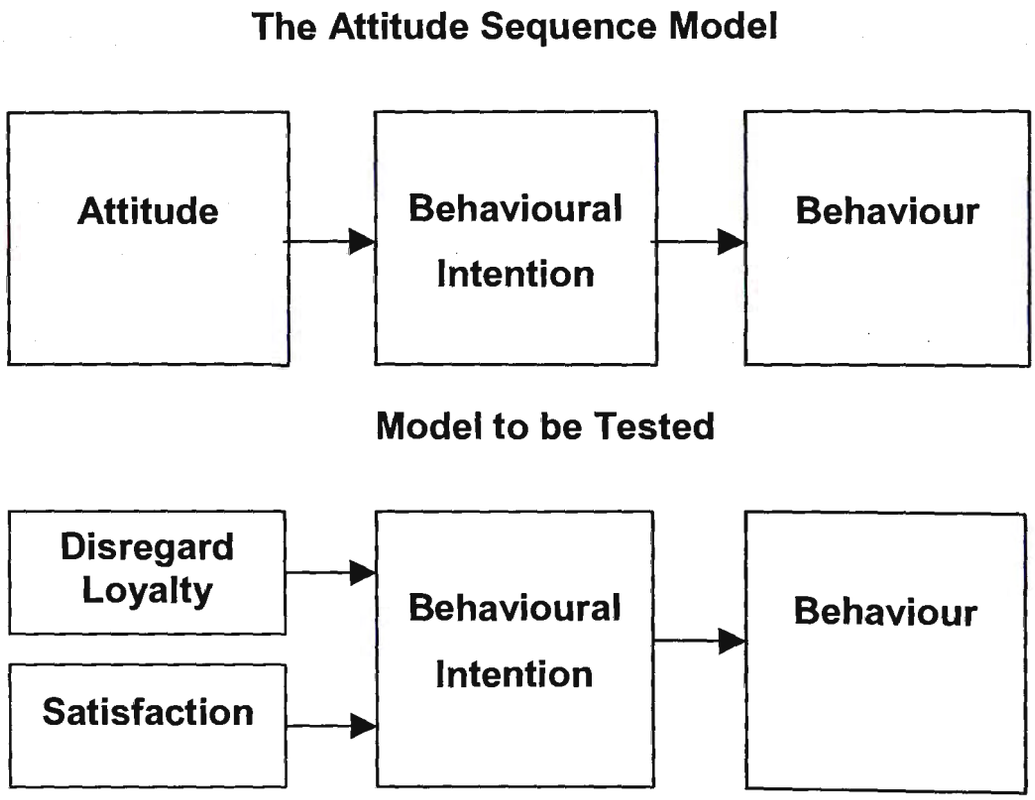
As indicated previously, the most effective way of measuring consumer loyalty remains in dispute. Some researchers (e.g. Neal, 2000; Foxall, 1997) have argued that loyalty is a behaviour, and as such have measured loyalty as an outcome (e.g. behavioural indictors and behavioural intentions). In contrast, other researchers argue that loyalty is an attitude toward the organisation (Buchanan, 1974; Graham & Keeley, 1992). Subsequently, attitude researchers tend to measure loyalty as a process, including a tendency to disregard problems (Ping, 1993).

Each of the existing measures (behavioural indicators, repurchase intentions, and the Tendency to Disregard Problems) theoretically tap into the same underlying construct, consumer loyalty. Therefore, based on the underlying theoretical relationship, each of the existing measures of consumer loyalty should also be empirically related. Surprisingly however, the validity of these existing consumer loyalty measures has not been empirically addressed together. Although some empirical support has been demonstrated between a few of the measures, including repurchase intentions and consumer behaviour (e.g. Tellis, 1998), previous research has not systematically addressed each of the existing measures at once.

When the existing measures of consumer loyalty are examined in light of the attitude-behaviour framework, it becomes apparent that the effective measurement of loyalty requires an assessment of the process as well as the outcome (e.g. Day, 1980). Therefore, two separate pilot studies were used to assess the interrelationships between

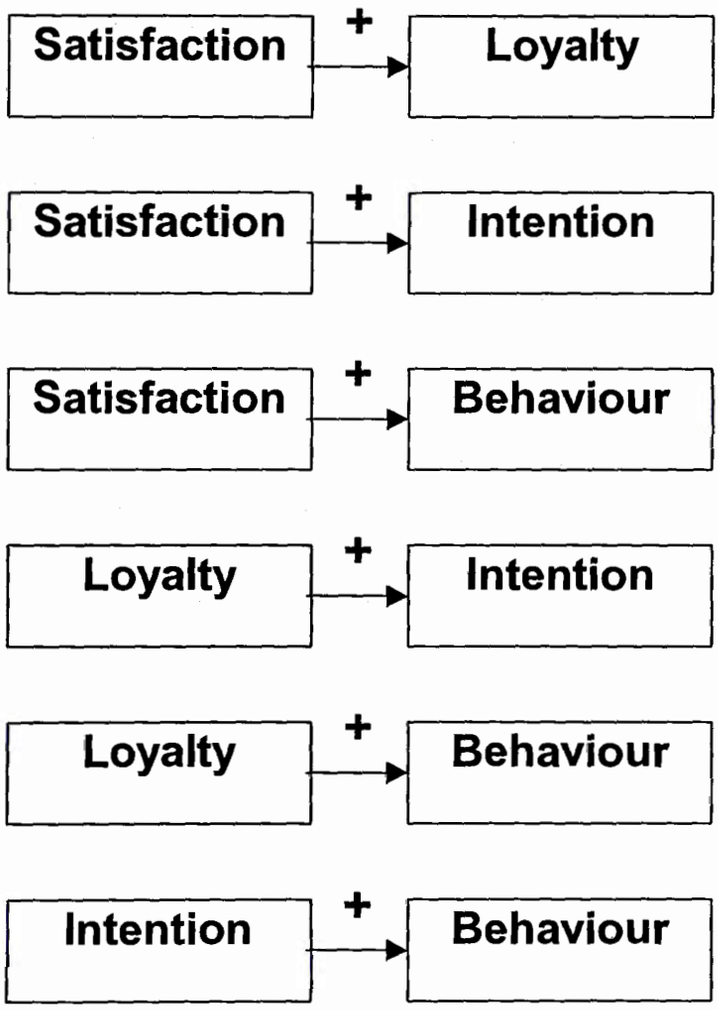
current measures of consumer loyalty as outlined by the attitude-behaviour framework. Furthermore, based on the dominance and success of the Expectation Disconfirmation Model of the consumer satisfaction process, and the similarity between this model and the attitude-behaviour framework, the measures of loyalty were also assessed within the disconfirmation framework, and in particular satisfaction.

As indicated within Figure 21, the operationalisation of loyalty as repurchase intentions appears to reflect the behavioural intention stage of the attitude-behaviour framework. Likewise, the operationalisation of loyalty through behavioural indicators reflects the behaviour stage of the attitude-behaviour framework. Finally, like satisfaction, loyalty as a tendency to disregard problems appears to represent the process of attitude formation.



Figure, 21. **An outline of the constructs to be tested.**

As discussed previously, a review of the literature has revealed a positive association between satisfaction and consumer loyalty (e.g. Oliver, 1997). In turn, both satisfaction and loyalty are positively associated with repurchase intentions, and actual behaviour (Reichheld, 1993). Finally, behavioural intention has also been positively associated with actual behaviour (Bagozzi, 1981). Therefore based on previous research, within this first pilot study it is hypothesised that satisfaction, loyalty, behavioural intentions and behaviour will all be positively associated with each other within these initial pilot studies (Figure 22).



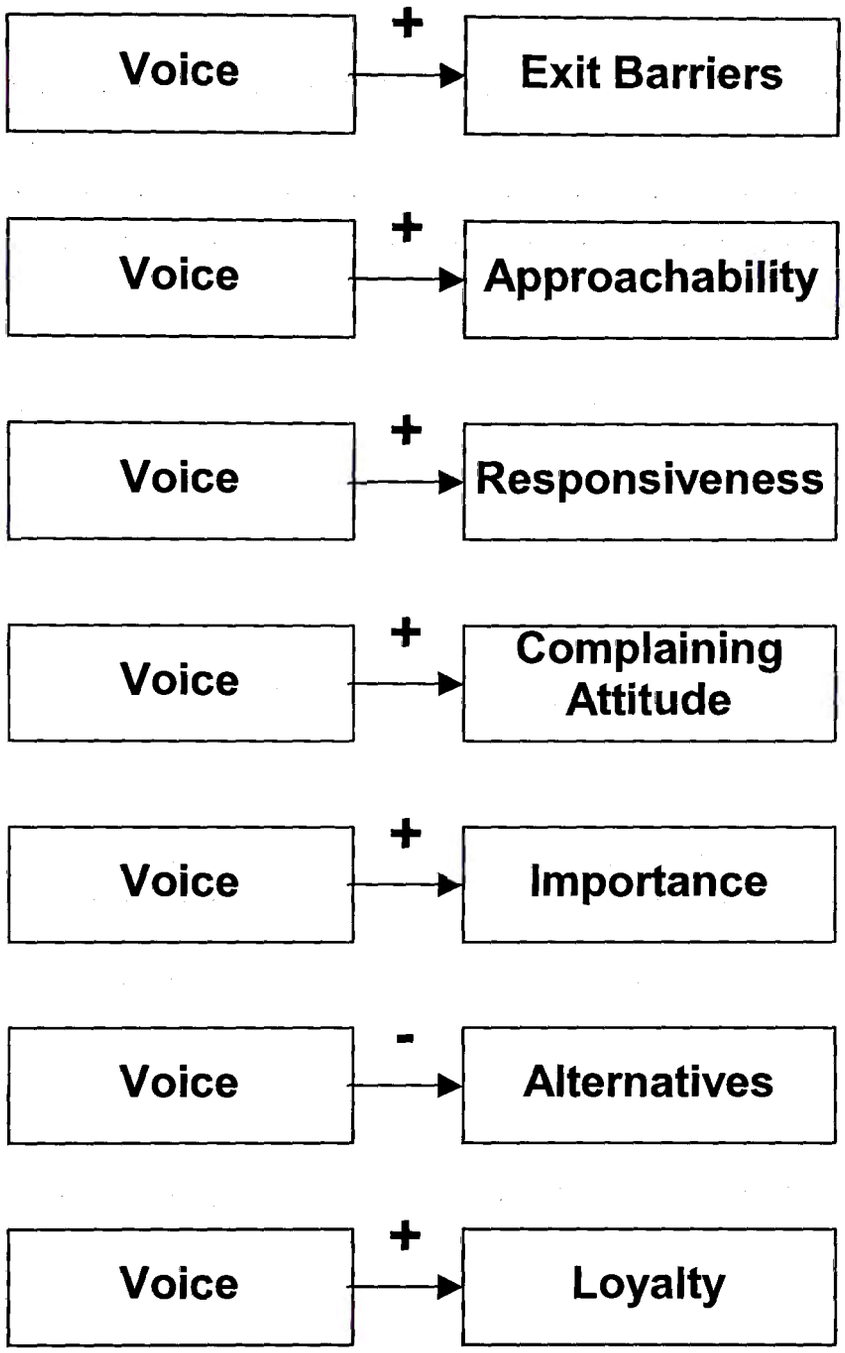
Figure, 22. **Satisfaction, Loyalty, Intention and Behaviour and their**

hypothesised relationships.

5.2 Assessment of the Voice Scales

Furthermore, as direct voice and the predictors of voice scales were modified to suit a consumer setting, the initial pilot studies also provided an opportunity to develop and test these scales within consumer contexts.

The review of the communication literature within the previous chapter revealed a positive association between voice and exit barriers (Maute & Forrester, 1993), approachability and responsiveness (e.g. Saunders et al., 1992), perceived importance (Blodgett et al., 1993), and attitude toward complaining (Singh, 1990). In turn, based on the work of Hirschman (1970), and contrary to the initial relationship postulated by Maute and Forrester (1993), quality of alternatives will be negatively associated with voice. Finally, voice has been positively associated with loyalty (Hirschman, 1970). Therefore based on previous research, it is hypothesised that voice will also be positively associated with exit barriers, approachability, responsiveness, attitude toward complaining, perceived importance, and loyalty. In contrast, a negative relationship between voice and quality of alternatives is hypothesised within these initial pilot studies (Figure 23).



Figure, 23. **Predictors of Voice, Voice and Loyalty, and their hypothesised relationships.**

5.3 Pilot Study 1: The Mall

The first pilot study, The Mall, was chosen to ensure that the various measures of loyalty and the communication measures were developed and tested within an actual

consumer context. The Mall provided an electronic home-shopping service to consumers within Auckland, New Zealand. The Mall represented an innovative service, in which participants continued to have contact and experience with the provider. Continued contact throughout the research minimised the effect of poor memory retrieval associated will recall of past experiences (Ericsson & Simon, 1984; Penrod, Loftus, & Winkler, 1982). Furthermore, an innovative service was selected to allow for a high level of involvement by the participants. It has been demonstrated that high involvement is associated with a larger effect size for the relationship between attitudes and behavioural intentions (Gotlieb, Grewal & Brown, 1994).

Specifically, the first pilot study was used to test the following research hypotheses:

- H1: Satisfaction will increase as disregard loyalty increases.
- H2: Satisfaction will increase as behavioural intentions increase.
- H2b: Satisfaction will increase as behaviour increases.
- H3: Disregard loyalty will increase as behavioural intentions increase.
- H3b: Disregard loyalty will increase as behaviour increases.
- H4: Behavioural intentions will increase as behaviour increases.
- H5: Direct voice will increase as exit barriers increase.
- H6: Direct voice will increase as approachability increases.
- H7: Direct voice will increase as responsiveness increases.

- H8: Direct voice will increase as attitude toward complaining increases.

- H10: Direct voice will decrease as the quality of alternatives increases.

- H11: Direct voice will increase as disregard loyalty increases.

It should be noted that perceived importance was not addressed within this first pilot study. Therefore, the relationship between perceived importance and direct voice will not be assessed within the first pilot study, The Mall (H9).

5.3.1 Sample

The sampling procedure used to select participants was a purposive one. Only new customers to The Mall from November 1997 were included in the research sample. This particular cut-off was chosen to ensure that the participants had not been involved in previous research projects for The Mall. The research sample consisted of 491 customers of The Mall's electronic shopping service who registered after November 1997, and indicated, via their registration form, that they would participate in a research survey.

The response rate for this study was 40% (195 useable questionnaires). This response rate is equivalent to previous consumer satisfaction research (eg. Singh, 1990; Gotlieb et al., 1994). Several techniques were employed to increase the response rate; these included a personalised cover letter and consent form, and two follow-ups (Whitley, 1996; Fox, Crask, & Kim, 1988; Yammarino, Skinner, & Childers, 1991; Yu & Cooper, 1983; Kerin & Peterson, 1977). It was also made clear that the research was sponsored by a university rather than the provider to yield a greater response rate (Jones & Linda,

1978). A comparison of the behavioural indicators for respondents and non-respondents revealed that the final sample was not significantly biased by non-response. That is, the frequency with which participants logged-on to the system, t (155) = -2.02, p = .045; the number of deliveries received, t (107) = -1.87, p = .065; and the amount of money spent per month, t (107) = -.75, p = .453, did not demonstrate a significant difference between respondents and non-respondents.

Eighty-four percent of the sample was female (164), whilst sixteen percent were male (31). The age of participants ranged from 23 to 77 years, with a mean of 39.6 years. The typical household consisted of three individuals, generally including two adults in employment. The total reported income for each household ranged from NZ $20,000-$800,000 per annum, with a mean of $112,000. On average, each household reported that they shopped four times per month.

5.3.2 Materials

5.3.2.1 Behavioural Information

Several indicators of behaviour were measured. These included the number of times the participant logged on to the system per month (traffic), the total cost of the participant's grocery bills per month (purchase), and the number of deliveries the participant received per month (delivery). These indicators were recorded electronically, via the provider of the home-shopping system.

5.3.2.2 Behavioural Intention

Behavioural Intention has been defined as an intention to perform a specific act

(Fishbein & Ajzen, 1975; Crosby & Taylor, 1983; Oliver, 1997; Vaughan & Hogg, 1994). Subsequently, the Behavioural Intention scale used within the first pilot study measured intention to continue using the online shopping service. Participants indicated the likelihood of complying with each of the following statements: "Definitely shop with The Mall from now on", and "Do all of your shopping through The Mall". These two items were measured on a seven point (very unlikely/very likely) numerical scale (Cox, 1980). A total score for the scale was obtained by calculating the mean for both items. Therefore, scores that lay above four indicated the participant intended to continue using the electronic shopping service, whereas scores below four indicated that the participant did not intend to continue using the service. As this scale was purpose-derived, previous validity data was not available. However, behavioural intentions are considered one of the best predictors of actual behaviour (Fishbein & Ajzen, 1975; Bagozzi, 1981).

5.3.2.3 Satisfaction

Satisfaction with the service was measured using ten items, which utilised a seven point numerical scale. This scale, known as the Delighted-Terrible (or D-T) Scale, ranged from 1= terrible to 7= delighted (Andrew & Withey, 1976; Westbrook, 1980, 1981). A global score was calculated by averaging the response to each item. Therefore, the potential range for this scale was also between one and seven, where scores greater than four indicated that the participant was satisfied with the electronic shopping service, and scores below four suggested that the participant was dissatisfied with the service.

The satisfaction scale tapped into several facets of the service including convenience, time and monetary savings, and the price and quality facets of the electronic

shopping system. For example, "In an overall general sense, my satisfaction with the home-based shopping service has been". The facets of the satisfaction scale were based on salient beliefs outlined by Roberts, Henderson and Rickwood (1997), and Henderson, Rickwood, and Roberts (in press). These beliefs were tapped through interviews and focus group sessions with 36 users of the prototype electronic supermarket (The Mall) (Roberts, Henderson, & Rickwood 1997). Participants of Roberts et al's study were not included in this pilot study's research sample to ensure that the results were not contaminated by involving those individuals used to develop the questions, to also generate the answers. Previous measures of satisfaction from within the literature were not utilised due to commercial requirements. As the scale was purpose derived, previous validity data was not available.

5.3.2.4 Direct Voice

Direct voice responses have been classified as those, which are "directed to objects...*external* to the consumer's social circle and...directly *involved* in the dissatisfying exchange" (Singh, 1988:104, italics added). That is, consumer responses such as complaining which are directed toward the seller/manufacturer/service provider (Singh, 1988, 1990; Maute & Forrester, 1993). *Direct voice* was operationalised as an intention to directly contact the service provider, and consisted of two items measured on a seven point (very unlikely/very likely) numerical scale. For example, "Please indicate how likely or unlikely you are to: Contact the personal shoppers and give special instructions". Responses to the voice items were averaged to produce a global score that could also range between one and seven. A score greater than four indicated an intention to voice directly, whilst a score less than four indicated an intention not to

voice directly. As this scale was purpose derived, no prior validity or reliability data exist.

5.3.2.5 Disregard Loyalty

Disregard loyalty has been defined as a passive response where consumers "suffer in silence, confident that things will soon get better" (Hirschman, 1970:38). This dimension consists of forgetting about the incident and doing nothing. *Disregard loyalty* was operationalised as an intention to simply wait and see what happens, and consisted of two items measured on a seven point (very very/very likely) numerical scale. For example, "Please indicate how likely or unlikely you are to: Wait and see if services at The Mall improve". Responses to the loyalty items were averaged to produce a global score that could also range between one and seven. A global score greater than four indicated an intention to wait and see what happened, whereas a score less than four suggested that the participant did not intend to wait and see what happened. The disregard loyalty scale was based on the work of Withey and Cooper's (1992) work into situational loyalty, which demonstrated an internal consistency rating for this scale of .59. However, as this scale was modified for a consumer setting, previous validity information within a consumer context is not available.

5.3.2.6 Predictors of Voice

The predictors of voice, including approachability, responsiveness, exit barriers, quality of alternatives and attitude toward complaining were measured as sub-scales on a seven point (strongly disagree/strongly agree) numerical scale. A global score for each construct was obtained by averaging the responses across each sub-scale. Previous

validity and reliability data is not available for those scales modified for this setting.

Approachability was measured using three items, including "I'm not sure how The Mall will react to my suggestions" (reverse coded). A global score greater than four indicated that participants perceived The Mall's staff to be receptive to voice. A global score less than four suggested that participants believed it was difficult to engage in voice with the staff of the electronic shopping service.

Responsiveness was measured using two items, including "The Mall perceives client suggestions as critical to ensuring a better service". A global score greater than four indicated respondents perceived The Mall staff to be responsive to customer voice. However, a global score less than four suggested participants perceived the Mall staff to be unresponsive to consumer voice. The items for approachability and responsiveness were based on the work of Richins (1983) and Saunders, Sheppard, Knight and Roth (1992).

The exit barriers scale was measured using two items, including "Physically shopping myself is much more expensive than shopping electronically with The Mall". A global score greater than four indicated that participants' believed that exiting from the exchange relationship was difficult. Global scores less than four suggested that participants perceived the barriers to exiting were relatively small.

Quality of alternatives was measured using two items, including "Physically shopping at a supermarket is still unbeatable". A global score greater than four suggested that participants perceived alternative shopping services to be better than The Mall, whereas scores less than four indicated participants believed alternative services to be of lower

quality than The Mall. The items for exit barriers and quality of alternatives were based on the work of Maute and Forrester (1993).

Attitude toward complaining was measured using six items, three of which tapped into the personal norms associated with complaining, including "It feels good to get my dissatisfaction and frustration with the product off my chest by complaining". The other three items tapped into the social benefits of complaining, including "By complaining about unsatisfactory products, in the long run the quality of the products will improve". A global score greater than four suggested that participants held positive attitudes toward complaining; whereas scores less than four indicated participants helped negative attitudes toward complaining. The items for attitude toward complaining were taken from the work of Singh (1990) who demonstrated internal consistencies of from .66 through to .72. Furthermore, Singh demonstrated an association between attitude toward complaining and voice behaviour.

5.3.3 Procedure

Upon registration, customers of The Mall were given the opportunity to participate in research regarding electronic commerce. Those individuals who connected between November 1997 and April 1998, and indicated a desire to participate in such research were sent the ten-page questionnaire, a letter seeking informed consent, and a reply-paid envelope. The respondents were requested to return the questionnaire and the signed letter of consent in the reply-paid envelope. After approximately two weeks (the next time the participant logged on), each participant received a follow-up reminder over the online shopping system. This reminder thanked those individuals who had already completed and returned the questionnaire, and reminded those who had not about

the importance of their information. A second follow-up was sent in a similar manner, four weeks later. To ensure confidentiality and anonymity of the responses, respondents received an individual identification code that was placed on both the consent form and the questionnaire. This identification code, rather than the participant's personal details, was used to link the self-reported information with that of the behavioural indicators. Furthermore, the consent forms and questionnaires were also secured in geographically separate locations. Incorporated into the system was the ability to record all of the transaction information between the electronic shopping service and the customer. Therefore, the collection of behavioural information was an automatic electronic process that commenced after the participant's first log-on. All statistical analysis was conducted using the SPSS statistical computer package.

5.3.4 Scale Development

The scales were formed and the descriptive statistics calculated (Table 1). Nunnally (1978) states that Cronbach Alphas greater than .60 are considered acceptable for research purposes. Therefore, the measurement scales within the first pilot study were compared accordingly.

5.3.5 Results

5.3.5.1 Scale Development

As presented within Table 1, satisfaction, disregard loyalty, Behavioural Intention and attitude toward complaining demonstrated an internal consistency greater than .60, and were therefore considered acceptable within this research. In contrast, direct voice,

approachability, responsiveness, exit barriers, and the quality of alternatives demonstrated low internal consistencies.

Table 1: Descriptive Statistics for the Scales within The Mall.

Scale	N	Mean	S.D.	Cronbach Alpha
Approachability	179	5.26	1.16	.41
Responsiveness	177	4.64	1.16	.52
Attitude Toward Complaining	186	4.78	1.00	.69
Exit Barriers	186	3.69	1.42	.33
Quality of Alternatives	186	3.22	1.53	.57
Direct Voice	189	4.85	1.46	.39
Satisfaction	188	4.99	.92	.86
Disregard Loyalty	189	3.81	1.58	.65
Behavioural Intentions	189	4.29	1.61	.79
Traffic	115	2.32	3.93	-
Purchase	115	$186.21	$259.20	-
Delivery	115	.99	1.40	-

Note. Changes in N are due to non-response to some of the questions.

The predictors of voice, including approachability, attitude toward complaining, exit barriers, quality of alternatives and responsiveness, were measured on a 1 to 7 (strongly

disagree/strongly agree) numerical scale. An examination of the obtained mean scores for these scales indicates a range from 3.22 through to 5.26 (Table 1). On average, participants perceived the home-based shopping service to be open to customer voice, and relatively responsive to this voice. Participants also held relatively positive attitudes toward complaining. In contrast, participants indicated that they perceived the exit barriers as well as the quality of alternative shopping services (e.g. other electronic services and physical shopping services) to be low.

The satisfaction scale was measured on a 1 to 7 (terrible/delighted) numerical scale. The mean score associated with satisfaction (4.99) indicated that participants were relatively satisfied with the home-based shopping service. The Behavioural Intention, disregard loyalty and direct voice scales were measured on a 1 to 7 (very unlikely/very likely) numerical scale. Examination of the obtained mean scores for these scales indicated a range from 3.81 through to 4.85 (Table 1). On average, participants intended to use the home-based shopping service again, were likely to voice directly to the electronic shopping provider, yet were unlikely to disregard problems associated with the service.

5.3.5.2 The Inter-Relationships Between the Measures

The bivariate correlations associated with the first pilot study (Table 36, Appendix A) failed to demonstrate a statistically significant relationship between satisfaction and disregard loyalty. However, satisfaction did demonstrate a significant, moderately strong, positive relationship with Behavioural Intention (.69). satisfaction also demonstrated significant, positive relationships with the three indicators of actual behaviour (from .26 to .33). In contrast, disregard loyalty failed to demonstrate a relationship with behavioural intentions, or any of the three indicators of actual

behaviour. behavioural intentions did demonstrate significant, moderate, positive relationships with each of the three indicators of actual behaviour (from .44 to .50). Direct voice demonstrated significant, weak, positive relationships with exit barriers (.16), approachability (.18), responsiveness (.19), and attitude toward complaining (.29). In contrast, direct voice demonstrated a significant, negative relationship with quality of alternatives (-.24). Yet, direct voice failed to demonstrate a significant relationship with disregard loyalty.

5.3.6 Pilot Study 1 Discussion

Hirschman (1970) outlined a direct relationship between satisfaction and loyalty. Unexpectedly however, the satisfaction scale failed to demonstrate a relationship with the disregard loyalty scale. Therefore, this first pilot study did not demonstrate support for the first research hypothesis (H1).

Oliver (1980) outlined a direct relationship between satisfaction and behavioural intentions. Therefore, as expected, satisfaction demonstrated a positive relationship with behavioural intentions, providing support for the second research hypothesis (H2). Intention to use the electronic shopping service again increased as satisfaction with the shopping service increased. This provides initial support for the criterion-related validity of the satisfaction and Behavioural Intention scales. satisfaction has also been positively associated with actual behaviour (e.g. Oliver, 1980; Reichheld, 1993; Fornell, 1992). Therefore, support for the H2b research hypothesis is found within the positive association between satisfaction and the indicators of behaviour (Traffic, Purchase and Delivery).

Previous research has also outlined a relationship between consumer loyalty and behavioural intentions, as well as actual behaviour (e.g. Tellis, 1988; Fornell & Wernerfelt, 1987). Unexpectedly however, disregard loyalty failed to demonstrate a relationship with either behavioural intentions or the indicators of behaviour (Traffic, Purchase, or Delivery). Therefore, the first pilot study did not demonstrate support for the H3 or H3b research hypotheses.

Furthermore, based on the direct relationship between behavioural intentions and actual behaviour outlined by Fishbein and Ajzen (1975), the strong positive relationships between Behavioural Intention, Traffic, Purchase, and Delivery provides further support for the criterion-related validity of the Behavioural Intention scale, and the fourth research hypothesis (H4).

Previous communication research outlines a direct relationship between voice and approachability, responsiveness (e.g. Saunders et al., 1992), attitude toward complaining (e.g. Singh, 1990), exit barriers, and quality of alternatives (e.g. Maute & Forrester, 1993). A positive relationship was also demonstrated between direct voice and approachability, responsiveness, exit barriers, as well as attitude toward complaining within the first pilot study. This suggests that intention to voice increases as the perceived exit barriers, approachability, responsiveness, and attitude toward complaining also increases. These empirical findings provide initial support for the H5, H6, H7, and H8 research hypotheses was within the first pilot study. Furthermore, as expected, a negative relationship was demonstrated between direct voice and quality of alternatives, providing support from the tenth research hypothesis (H10). Intention to voice increased as the perceived quality of alternative services decreased. This provides

support for the criterion-related validity of the direct voice scale, as well as the predictors of voice.

Hirschman (1970) also outlined a direct relationship between direct voice and loyalty. However, the disregard loyalty scale failed to demonstrate a relationship with the direct voice scale. Therefore, this first pilot study did not demonstrate support for the eleventh research hypothesis (H11).

Based on the initial criterion-related support for the satisfaction, Behavioural Intention and direct voice scales, the failure to establish a relationship between disregard loyalty and any of these scales draws into question the criterion-related validity of the disregard loyalty scale within the initial pilot study. It should be noted that direct voice and several of the predictors of voice demonstrated low internal consistencies. However, these scales were still able to demonstrate the expected interrelationships. Furthermore, satisfaction and behavioural intentions demonstrated acceptable levels of internal consistency, and were associated with behaviour in the expected fashion. Therefore, questions remain regarding the validity of the disregard loyalty scale as a measure of consumer loyalty within the consumer process.

It should be noted that several of the measurement scales failed to demonstrate acceptable levels of internal consistency, including direct voice, approachability, responsiveness, exit barriers and quality of alternatives. Measures that have low reliability (as indicated by the low internal consistency scores) also have low validity (Whitley, 1996). This suggests that those scales with low internal consistency are not accurate assessments of the corresponding constructs. As such, the second pilot study

attempts to improve the reliability of these measures.

5.4 Pilot Study 2: The Course

In light of disregard loyalty's failure to demonstrate the expected inter-relationships with the outcome measures of consumer loyalty (behavioural intentions and behaviour), as well as concerns raised regarding the reliability of several of the measures employed within the first pilot study, a second, similar pilot was conducted. However, to ensure that these reliability and inter-correlational issues were not an artefact of the consumer context chosen, a different research sample was addressed within the second pilot. The second research sample was chosen to ensure that the purpose-derived scales were tested within a relatively stable consumer context. The Course provided an introductory psychology course to undergraduate students. The Course represented a service that would be personally important to the participants. A service that is considered personally important was selected to allow for a high level of involvement by the participants. It has been demonstrated that high involvement is associated with a larger effect size for the relationship between attitudes and behavioural intentions (Gotlieb, Grewal and Brown, 1994). Analogous to the first pilot study, participants had continued contact and experience with the service at the time of the study, minimising the effect of poor memory retrieval associated will recall of past experiences (Ericsson & Simon, 1984; Penrod, Loftus, & Winkler, 1982).

Specifically, this second pilot study was used to test the following research hypotheses:

- H1: Satisfaction will increase as disregard loyalty increases.

- H2: Satisfaction will increase as behavioural intentions increase.
- H2b: Satisfaction will increase as behaviour increases.
- H3: Disregard loyalty will increase as behavioural intentions increase.
- H3b: Disregard loyalty will increase as behaviour increases.
- H4: Behavioural intentions will increase as behaviour increases.
- H5: Direct Voice will increase as exit barriers increase.
- H6: Direct voice will increase as approachability increases.
- H7: Direct voice will increase as responsiveness increases.
- H8: Direct voice will increase as attitude toward complaining increases.
- H9: Direct voice will increase as perceived importance increases.
- H10: Direct voice will decrease as the quality of alternatives increases.
- H11: Direct voice will increase as disregard loyalty increases.

5.4.1 Sample

Participants consisted of 134 first year psychology students of a university located in Canberra, Australia. The research sample consisted of those students who completed both sessions of group-administered questionnaires within course lectures. The response rate associated with this method was 47%. That is, 153 students enrolled in the course did not complete the questionnaires, or were not present at both sessions. This

response rate is equivalent to previous consumer satisfaction research (eg. Singh, 1990; Gotlieb et al., 1994). Several techniques were employed to enhance the quality of responses. These included a cover letter and consent form that indicated the relevance of the research to each student, and a short introductory presentation by the principal researcher to enable the participants to ask questions about the research.

5.4.2 Materials

5.4.2.1 Satisfaction

Satisfaction with the course was measured using nine items on a seven point, numerical scale. This scale, known as the Delighted-Terrible (or D-T) Scale, ranged from 1=terrible to 7=delighted (Andrew & Withey, 1976; Westbrook, 1980, 1981). A global score was calculated by averaging the response to each item. Therefore, the potential range for this scale was also between one and seven, where scores greater than four indicated that the participant was satisfied with the introductory course, and scores below four suggested that the participant was dissatisfied with the course. The satisfaction scale tapped into several facets of the course including the help offered, the convenience of lecture and tutorial times, the texts employed within the course, the relevance of materials, the applicability of examples, and access to lecture notes. For example, "In an overall general sense, my satisfaction with the psychology 101 course." These facets were derived from a process analysis of the course that involved consultation with the course convenor, tutors and lecturers of other psychology courses within the university. As the scale was purpose derived, previous validity data was not available.

5.4.2.2 Behavioural Intention

The *Behavioural Intention* scale measured intention to continue undertaking Applied Psychology courses. The behavioural intention scale was measured using four items, each of which were measured on a seven point (very unlikely/very likely) numerical scale. For example, "I will continue with Applied Psychology courses". A total score for the scale was obtained by calculating the mean of the four items. Therefore, scores above four indicate that the participant intended to continue in Applied Psychology courses, whereas scores below four indicate that the participant did not intend to continue within Applied Psychology. This scale was taken from the work of Blodgett, Granbois and Walters (1993), and then modified for this setting. The purpose of this scale was to "capture the varying degrees of repatronage intentions" (Blodgett et al., 1993: 412). Blodgett et al. demonstrated an internal consistency of .87.

5.4.2.3 Direct Voice

The *Direct voice* scale, which consisted of three items, encompassed the likelihood of discussing concerns or making suggestions directly to the course staff. Each of the items was measured on a seven-point (very unlikely/very likely) numerical scale. For example, "Contact the lecturer/tutor and discuss a problem". Responses to these items were averaged to produce a global score, which also ranged between one and seven. Scores greater than four indicate the participant was likely to engage in direct communication, whereas scores less than four indicate that it was unlikely that the participant would engage in direct communication. This scale was derived from a literature search within the communication area. The final items included were based on the work of Singh (1990), Leck and Saunders (1992), Farrell and Rusbult (1992), and Saunders, Sheppard, Knight and Roth (1992). As the scale was purpose derived, previous validity data was not available.

5.4.2.4 Predictors of Voice

The predictors of voice, including perceived importance, approachability, responsiveness, exit barriers, quality of alternatives, and attitude toward complaining, were measured as sub-scales on a seven point (strongly disagree/strongly agree) numerical scale. A global score for each construct was obtained by averaging the responses across each sub-scale. Previous validity and reliability data is not available for those scales modified for this setting.

Perceived importance was measured using three items. For example, "This course means a lot to me". A global score greater than four indicated that participants believed

that the course was important to them, whereas scores below four indicated participants did not believe the course was important to them. These items were taken from the work of Blodgett et al. (1993), and modified for this setting. Blodgett et al. (1993) demonstrated an internal consistency coefficient of .81, and the expected relationship with voice.

Approachability was measured using five items, including "It is difficult to take a concern to the course convenor" (reversed). A global score greater than four indicated that participants perceived the course staff to be receptive to voice. A global score less than four suggested that participants believed it was difficult to engage in voice with the course staff.

Responsiveness was also measured using five items, including "The course convenor gives high priority to handling student concerns". A global score greater than four indicated respondents perceived the course staff to be responsive to student voice. However, a global score less than four suggested participants perceived the course staff to be unresponsive to student voice. The items for approachability and responsiveness were initially taken from the work of Richins (1983) and Saunders, Sheppard, Knight and Roth (1992), and modified for this setting.

The exit barriers scale was measured using two items, including "It is easy to change into a different course" (reversed). A global score greater than four indicated that participants' believed that changing out of the course, or not continuing on in Applied Psychology, was difficult. Global scores less than four suggested that participants perceived the barriers to changing out of the course were relatively small.

Quality of alternatives was measured using three items, including "Other introductory courses have been much better than Psychology 101". A global score greater than four suggested that participants perceived other introductory courses to be better than this course, whereas scores less than four indicated participants believed other introductory courses to be of lower quality than this course. The items for exit barriers and quality of alternatives were taken from the work of Maute and Forrester (1993), and modified for this research setting.

Attitude toward complaining was measured using six items, including "By making complaints about unsatisfactory aspects of a course, in the long run the quality of the course will improve". A global score greater than four indicated that, in general, participants' held positive attitudes toward complaining to university staff. A global score less than four suggested that participants held a negative attitude toward complaining to university staff. The items for this sub-scale were adapted from the scale developed by Singh (1990) for this setting. Singh demonstrated previous internal consistency scores of from .66 through to .72, and successfully demonstrated an association between attitude toward complaining and voice behaviour.

5.4.2.5 Disregard Loyalty

Disregard loyalty was measured using three items, including "Hang in there and wait for the problem to go away". Each of the items was measured on a seven-point (very unlikely/very likely) numerical scale. A global score greater than four suggested that participants were relatively loyal toward the psychology introductory course. That is, participants' had a tendency to disregard problems associated with delivery of the course. However, global scores less than four indicated participants did not feel

loyalty toward the introductory course. The items for this sub-scale were adapted from the work of Withey and Cooper's (1992) situational loyalty, which demonstrated an internal consistency score of .59, yet were modified for a consumer setting.

5.4.2.6 Behavioural Information

The behavioural indicator used to represent actual behaviour was re-enrolment into the second course of the introductory psychology year. This information was collected from the student administration computer system based on the student identification numbers. One advantage associated with behavioural information is that it is objective and independently collected, rather than relying solely on perceptual, self-reported information (Whitley, 1996). Statistically, participants were coded as 1 if they re-enrolled and 0 if they did not. A total of fifty-five (41%) of the participants re-enrolled in the second course of the introductory year.

5.4.3 Procedure

During one of the course lectures midway through the introductory course, students were given the opportunity to participate in research regarding course evaluation. Those individuals who were present at this group-administered session and indicated a desire to participate in such research were given a five-page questionnaire, and a letter seeking informed consent. Approximately, two weeks before completion of the lectures for this course, students were given the opportunity to complete the follow-up questionnaire. Only those students who had completed both questionnaires were included in the study. Each participant constructed an individual identification code that was placed on both the consent form and the questionnaire. The consent forms and questionnaires were then

secured in geographically separate locations to ensure anonymity and confidentiality of the participants' responses. The collection of behavioural information occurred at the beginning of the second semester within the introductory year. This information was then linked to each participant's individual responses, using the personalised code. All statistical analysis was conducted using the SPSS statistical computer package.

5.4.4 Scale Development

The scales were formed and the descriptive statistics calculated (Table 2). Nunnally (1978) stated that Cronbach Alphas greater than .60 are considered acceptable for research purposes. Therefore, the measurement scales were compared to this criterion.

5.4.5 Results

5.4.5.1 Scale Development

All of the scales within this study, with the exception of direct voice and attitude toward complaining, demonstrated an internal consistency greater than .60, and were therefore considered acceptable for research purposes. The descriptive statistics for the scales are presented in Table 2.

The predictors of voice, including approachability, attitude toward complaining, exit barriers, perceived importance, quality of alternatives and responsiveness, were measured on a 1 to 7 (strongly disagree/strongly agree) numerical scale. An examination of the obtained mean scores for these scales indicates a range from 3.43 through to 4.95 (Table 2). On average, participants perceived the course to be open to consumer voice, and relatively responsive to this voice. Participants also held relatively

positive attitudes toward complaining, and perceived the course as important. In contrast, participants indicated that they perceived the exit barriers as well as the quality of alternative courses to be relatively low.

Table 2: Descriptive Statistics for the Scales within The Course.

Scale	N	Mean	S.D.	Cronbach Alpha
Approachability	134	4.37	1.08	.78
Responsiveness	134	4.58	.78	.80
Attitude Toward Complaining	133	4.58	.79	.56
Importance	134	4.95	1.61	.78
Exit Barriers	134	3.43	1.32	.60
Quality of Alternatives	134	3.46	1.20	.73
Direct Voice	134	4.80	1.04	.44
Satisfaction	134	5.43	.67	.76
Disregard Loyalty	134	3.30	1.60	.90
Behavioural Intentions	134	5.38	1.45	.80

Note. Changes in N are due to non-response to some of the questions.

The satisfaction scale was measured on a 1 to 7 (terrible/delighted) numerical scale. The mean score associated with satisfaction (5.43) indicated that, overall, participants were satisfied with the introductory course. The disregard loyalty and direct voice scales were measured on a 1 to 7 (very unlikely/very likely) numerical scale. Examination of the

obtained mean scores for these scales (3.30 and 4.80, respectively) indicated that, on average, participants were unlikely to disregard problems associated with the introductory course, yet were likely to voice directly to the course. Finally, the Behavioural Intention scale was measured on a 1 to 7 (strongly disagree/strongly agree) numerical scale. The mean score associated with Behavioural Intention (5.38) indicated that participants were likely to continue with Applied Psychology courses in the future.

5.4.5.2 The Inter-Relationships Between the Measures

With regard to the bivariate correlations for the second pilot study (Table 37, Appendix A), satisfaction demonstrated a significant, weak, negative relationship with disregard loyalty (-.17). Satisfaction also demonstrated significant, positive relationships with behavioural intentions and with the indicator of actual behaviour (Re-enrolment) (from .22 to .45). Disregard loyalty failed to demonstrate a statistically significant relationship with either behavioural intentions or Re-enrolment. behavioural intentions did demonstrate a significant, moderate, positive relationship with behaviour (Re-enrolment) (.55). Direct voice demonstrated a significant, negative relationship with exit barriers (-.25). Direct voice also demonstrated significant, positive relationships with approachability (.30), responsiveness (.29), and attitude toward complaining (.40). However, direct voice failed to demonstrate a statistically significant relationship with either perceived importance or quality of alternatives. Yet, direct voice did demonstrate a significant, weak, negative relationship with disregard loyalty (-.17).

5.4.6 Pilot Study Two Discussion

Unlike the first pilot study, the satisfaction scale demonstrated a weak, *negative*

relationship with the disregard loyalty scale. That is, the tendency to disregard problems decreased as satisfaction increased. Although, a relationship between satisfaction and disregard loyalty was demonstrated, Hirschman (1970) outlined a positive relationship between satisfaction and loyalty. Therefore, the unexpected direction of the relationship between satisfaction and disregard loyalty fails to provide support for the criterion-related validity of the disregard loyalty scale, and the first research hypothesis (H1).

Oliver (1980) outlined a direct relationship between satisfaction and behavioural intentions. Similarly, this second pilot study demonstrated a positive relationship between satisfaction and behavioural intentions. Intention to participate in future Applied Psychology courses increased as satisfaction with the introductory course increased. This provides initial support for the criterion-related validity of the satisfaction and Behavioural Intention scales, as well as support for the second research hypothesis (H2). Furthermore, Fornell (1992) outlined a relationship between satisfaction and behaviour. Comparably, satisfaction also demonstrated a positive relationship with behaviour, providing support for the H2b research hypothesis within this second pilot study.

Analogous to the first pilot study, disregard loyalty failed to demonstrate a relationship with either behavioural intentions, or the behavioural indictor (Re-enrolment). Therefore, based on the relationship between loyalty and intentions outlined by Tellis (1988), and loyalty and behaviour outlined by Oliver (1997), the second pilot study also did not demonstrate support for the H3 or H3b research hypotheses.

Furthermore, Fishbein and Ajzen (1975) outlined a direct relationship between behavioural intentions and actual behaviour. Therefore, the strong positive relationships

between Behavioural Intention and Re-enrolment provides further support for the Behavioural Intention scale, as well as the fourth research hypothesis (H4).

Unexpectedly, the second pilot study demonstrated a negative relationship between direct voice and exit barriers. Intention to voice increased as perceived exit barriers decreased. The valence of this relationship was unexpected, and contrary to the first pilot study and the fifth research hypothesis (H5). However, a negative relationship between exit barriers and voice may be plausible. For example, Maute and Forrester (1993) outlined a negative relationship between exit barriers and loyalty. Dissatisfied "buyers deterred from exit by barriers… should feel less loyalty to sellers who impose costs to deter exit, rather than providing solutions or remedies to dissatisfaction problems" (Maute & Forrester, 1993:227). Little may be gained from voicing directly to providers that do not provide solutions or remedies to problems. Furthermore, previous research has outlined a strong positive relationship between voice and loyalty (e.g. Hirschman, 1970). Therefore, due to the strong association between voice and loyalty, the negative relationship between exit barriers and loyalty may influence the relationship voice holds with exit barriers. Consequently, a negative relationship between voice and exit barriers may be more plausible.

Previous communication research also outlines a direct relationship between voice and approachability, responsiveness (e.g. Saunders et al., 1992), attitude toward complaining (e.g. Singh, 1990), quality of alternatives (e.g. Maute & Forrester, 1993), and perceived importance (Blodgett et al., 1993). As expected a positive relationship was demonstrated between direct voice and approachability (H6), responsiveness (H7), and attitude toward complaining (H8). This suggests that intention to voice increased as

perceived approachability, responsiveness, and attitude toward complaining increased. However, direct voice failed to demonstrate a relationship with either perceived quality of alternatives or perceived importance. Therefore, the second pilot study failed to demonstrate support for the ninth (H9) or tenth (H10) research hypotheses.

Hirschman (1970) also outlined a direct, positive relationship between direct voice and loyalty. Again, however the relationship demonstrated between direct voice and disregard loyalty was weak and negative. The tendency to disregard problems decreased as intention to voice directly to the course staff increased. This negative relationship is contrary to the positive relationship outlined by Hirschman. Therefore, the second pilot study also fails to provide support for the criterion-related validity of the disregard loyalty scale, and the eleventh research hypothesis (H11).

Similarly to the first pilot study, this second pilot study failed to demonstrate the expected relationships between disregard loyalty and satisfaction, behavioural intentions, or the indicator of actual behaviour (Re-enrolment). Again, raising questions regarding the relevance of disregard loyalty as a measure of consumer loyalty within the consumer process. The unexpected results for disregard loyalty within these two initial pilot studies, introduces the need to question the measurement of consumer loyalty within previous consumer research.

As discussed previously, several of the measurement scales failed to demonstrate acceptable levels of internal consistency within the first pilot study. In response to these low levels of reliability, this second pilot study attempted to enhance the internal consistency associated with these scales. Within this second study, the majority of these scales successfully met the internal consistency criteria set out by Nunnally (1978),

including approachability, responsiveness, exit barriers and quality of alternatives. In contrast, direct voice continued to demonstrate low levels of internal consistency. However, unlike the first pilot study, the attitude toward complaining measure also demonstrated low reliability within the second pilot study. In light of the relationship between reliability and validity of the measures (Whitley, 1996), the levels of internal consistency of direct voice and attitude toward complaining will be addressed within the main study.

5.5 Pilot Studies Conclusion

Current definitions of consumer loyalty remain vague and continue to fuel the debate surrounding the nature of loyalty (attitude versus behaviour). In response to the vague definitions, researchers have developed many different approaches to measuring consumer loyalty. Theoretically, each of the different types of consumer loyalty measures purport to tap into the same underlying construct. Therefore, the different measures should also be empirically associated. However, to date, the inter-relationships between these various consumer loyalty measures have not been assessed. Therefore, this thesis conducted preliminary research into the validity of current measures of consumer loyalty, including behavioural indicators, repurchase intentions, and loyalty as a tendency to disregard problems.

Previous research has also addressed many different variables within the communication literature, and again like consumer loyalty, many of these constructs have not been addressed within the one study. Therefore, the preliminary research was also used as an opportunity to examine the validity of these communication scales

within a consumer setting.

Initially, the relationships between behavioural indicators, behavioural intentions, satisfaction, direct voice and disregard loyalty were tested within a pilot study of customers of an online supermarket located in Auckland, New Zealand (The Mall). Unexpectedly, within this original pilot study, disregard loyalty, a common measure of consumer loyalty, failed to demonstrate a relationship with any of the other key variables. Subsequently, these relationships were tested again within a second pilot study of consumers of an undergraduate psychology course located in Canberra, Australia (The Course). The second pilot study also failed to demonstrate the expected relationships between disregard loyalty, satisfaction, direct voice, behavioural intentions or behaviour.

The poor performance of disregard loyalty in these initial attempts to establish loyalty within the attitude-behaviour sequence, led to a re-examination of the measurement of consumer loyalty. The attitude-behaviour framework states that attitude influences intention, which in turn affects actual behaviour (Fishbein & Ajzen, 1975). Therefore, this framework can be used to identify deficiencies within the measurement of consumer loyalty, and enhance our understanding of the consumptive process. To date, consumer loyalty appears to have successfully captured the outcome of loyalty, behavioural indicators (e.g. Cunningham, 1956) as well as the link between process and outcome, repurchase intentions (e.g. Blodgett et al., 1993). Unfortunately, in light of the initial poor performance of disregard loyalty, there appear to be measurement deficiencies associated with capturing the process of loyalty formation. It was previously hypothesised that disregard loyalty may reflect the attitude stage of the

sequence. As such, it was expected that disregard loyalty would demonstrate an association with behavioural intention and the behavioural indicators. That is, attitude directly affects intentions, and indirectly affects behaviour (Fishbein & Ajzen, 1975). However, disregard loyalty failed to demonstrate an association with intentions or behaviour within either pilot study.

Further examination of the attitude-behaviour framework may provide some insight into this unexpected result. As previously discussed, attitude itself, is composed of two sub-components, cognition (beliefs) and affect (feelings) (Fishbein, 1963). "Consumers are thought to form beliefs, formulate likes and dislikes, and decide whether they wish to buy the product" (Oliver, 1997: 392) before they repurchase. As previously hypothesised, disregard loyalty appeared to tap into both the process as well as the outcome of the attitude-behaviour framework. The consumer acts (disregards problems) based on the belief that problems work themselves out (attitude). However, as Ping's scale relies on self-reports of past behaviour, the measure would be susceptible to the effects of memory biases (e.g. Ericsson & Simon, 1984; Penrod, Loftus & Winkler, 1982). In practice, Ping's scale would be a poor measure of actual consumer behaviour. Therefore, disregard loyalty is not an effective measure of loyalty as an outcome. This conclusion is supported by the lack of association between disregard loyalty, and intention, or the indicators of behaviour. In contrast, disregard loyalty appears to be a measure of attitude within the attitude-behaviour framework. Furthermore, on closer inspection, disregard loyalty may actually tap into the cognitive stage of attitude. That is, the consumer disregards problems based on the *belief* that problems work themselves out (cognition). Since cognition leads to affect (Fishbein, 1963), disregard loyalty may demonstrate a strong association with an affective measure of consumer loyalty rather

than the outcomes (behavioural intentions and indicators of behaviour).

5.5.1 Affective Loyalty

Previous consumer research has employed several outcome measures, including behavioural indicators and repurchase intentions (e.g. Neal, 2000; Oliver, 1997, Tellis, 1988). Consumer research has also used what appears to be a process measure to tap into the cognitive appraisal of the object (disregard loyalty) (e.g. Ping, 1993). Unfortunately, however, one component of the attitude-behaviour framework has remained unaccounted for within consumer research, an affective component of loyalty. Although, consumer measures of affect with regard to consumer satisfaction have been considered (i.e. Oliver, 1993; Westbrook, 1980, 1987; Maute & Dube, 1999; Oliver, 1993b; Desai & Mahajan, 1998; Mooradian & Olver, 1997), consumer research has failed to address the affective aspect of loyalty (liking for, or attachment to the provider). This argument is supported by Cooper, Dyke and Kay (1990) who stated that a large portion of the consumer loyalty construct has not yet been assessed, creating construct validity problems (Dipboye, Smith & Howell, 1994). An exception to this finding is Oliver's (1997) work into the four phases of consumer loyalty. One of which addressed affective loyalty. Unfortunately however, Oliver (1997) did not explicitly describe a scale for the measurement of affective loyalty.

In contrast to Consumer Psychology, organisational research appears to have successfully captured the affective essence of loyalty, where loyalty is an attachment to the organisation (e.g. Buchanan, 1974). Organisational Psychology views loyalty as an attitude, or sentiment toward the organisation. This field of inquiry places loyalty as a sub-component of organisational commitment (i.e. Porter, Steers, Mowday &

Boulain, 1974). Organisational commitment is the extent to which an individual is involved with, identifies with, and is loyal toward the organisation. Based on the work of Porter et al., (1974), Buchanan (1974:533, bold added) argues that commitment is characterised by three components. The first is **Identification,** or "adopting as one's own the goals and values of the organization". The second is **Job Involvement**, defined as "psychological immersion or absorption in the activities of one's work role", and finally, **Loyalty**, the "feeling of affection for and attachment to the organization". Furthermore, Graham and Keeley (1992) provided support for Buchanan's concept of loyalty as an attachment to the organisation. Graham and Keeley (1992:192) defined loyalty as a "positive, affective attachment that binds the participants to an organization". Therefore, a process measure of loyalty that successfully reflects the affective stage of the attitude process has been developed and tested within Organisational Psychology.

Support for the inclusion of the loyalty component of organisational commitment to represent affective loyalty is evident within the work of Bemmels. Bemmels (1997:249) stated that although Hirschman did not explicitly define loyalty, "it seems clear that his conceptualization of loyalty is similar to organizational commitment". It should be noted that loyalty as a component of commitment, has been previously applied to a consumer context. Garbarino and Johnson (1999:5, italics added) defined consumer commitment as "psychological attachment, *loyalty*, concern for future welfare, identification, and pride in being associated with the organisation". These four components of commitment were measured as: identification to the organisation ("proud to belong"), psychological attachment ("sense of belonging"), concern with long-term welfare ("care about the long-term success"), and *loyalty* ("I am a loyal

patron of").

However, Garbarino and Johnson (1999) measured customer loyalty by asking if the customers considered themselves loyal, as opposed to tapping into the customer's feelings toward the provider. Consequently, the measure of loyalty employed by Garbarino and Johnson (1999) failed to account for the affective process of attitude formation. By not tapping into the consumers' attitude toward the provider, it is difficult to distinguish between intentional and spurious loyalty (e.g. Day, 1980). Furthermore, these researchers examined consumer commitment rather than loyalty as a separate construct. As such, their findings would be influenced by the other elements examined as part of commitment (e.g. concern for future welfare, identification and pride) as well as loyalty. Finally, Garbarino and Johnson, themselves, identify the need to find "better, more generalizable measures of the relational constructs" (Garbarino & Johnson, 1999:13). Therefore, affective loyalty, or loyalty as a strong attachment to the provider, is yet to be directly tested within a consumer context. Yet, attachment loyalty may be an effective process measure of loyalty as an attitude, and therefore able to differentiate between intentional and spurious loyalty.

Further support for affective loyalty to be measured as an attachment toward the organisation is found within Bowlby's (1969) Theory of Attachment. Johnson and Marano (1994:33) stated that "attachment impacts the way we process information, how we see the world, and the nature of our social experience". Therefore, attachment appears to be a pervasive construct within all human experience, probably even loyalty towards the organisation/provider.

To date, consumer research may have successfully addressed cognition, intention and

behaviour when measuring loyalty. However, affect appears to have been overlooked. To include affect within the exploration of consumer loyalty, this thesis will adjust the research questions and design to include an affective measure of loyalty borrowed from organisational research in attempt to fill this apparent void.

5.5.2 Research Questions and Rationale within the Thesis

A review of the relevant theoretical models and empirical research indicated the need to clarify the measurement of consumer loyalty within a sequence of attitude and behaviour (see Chapter Three). Preliminary exploration of the validity of the current measures of consumer loyalty also highlighted the need to include another component within this analysis, affect (Chapter Five). Therefore, in response to the literature review and preliminary analysis, this thesis will address three major research questions. This thesis will clarify the measurement of consumer loyalty, identify the determinants of consumer loyalty, and provide an effective method to actively influence consumer loyalty.

5.5.2.1 Research Question One

The first research question addressed within this thesis will clarify the measurement of consumer loyalty within a framework of attitude and behaviour. As indicated previously, consumer loyalty is currently measured using several different approaches, Behavioural Indicator measures (an outcome measure), disregard loyalty measures (a cognitive process measure), and repurchase intention measures (the link between process and outcome). However, preliminary research into the validity of current measures of consumer loyalty highlighted the need to also address an affective

component of loyalty. To capture affective loyalty, the current thesis will borrow a measure of loyalty from organisational research and apply it to a consumer context. Therefore, the first research question of this thesis will examine the inter-relationships between cognitive loyalty (disregard loyalty), affective loyalty (attachment loyalty), intention (repurchase intentions), and behaviour (indicators of purchase behaviour). Specifically, the research hypotheses associated with the first research question are:

H1: Disregard loyalty will directly predict attachment loyalty.

H2: Attachment loyalty will directly predict repurchase intentions.

H3: Repurchase intentions will directly predict purchase behaviour.

As indicated previously, the dominant model of consumer experience is Oliver's (1980) model of consumer satisfaction (Expectations-Disconfirmation Model). This model has successfully been used to predict consumer behaviour within many different consumer settings (e.g. Churchill & Suprenant, 1982; Bearden & Teel, 1983). Furthermore, the underlying attitude-behaviour structure within the loyalty process outlined within this thesis is similar to that within Oliver's model (attitude, intention and behaviour). In light of the success of Oliver's (1980) satisfaction model to explain consumer behaviour, it is necessary to assess the relative contribution of consumer loyalty to the prediction of consumer behaviour within the presence of consumer satisfaction. Therefore, the first research question of this thesis also compares the predictive capacity of the attitude measures of consumer loyalty with that of the attitude measure of satisfaction in explaining consumer behaviour. As this first research question is of an exploratory nature, hierarchical multiple regression analysis will be employed rather than other

techniques, such as structural equation modeling which lends itself to confirmatory analysis (Tabachnick & Fidell, 1996). Specifically, the research hypotheses associated with this second component of the first research question include:

H4: satisfaction will directly predict repurchase intentions, in the presence of attachment loyalty and disregard loyalty.

H5: attachment loyalty will directly predict repurchase intentions, in the presence of satisfaction and disregard loyalty.

H6: disregard loyalty will directly predict repurchase intentions, in the presence of satisfaction and attachment loyalty.

Furthermore, in light of Bentler and Speckart's (1979) modification to the attitude-behaviour framework, which outlined a direct relationship between attitude and behaviour, this thesis will also assess the direct relationship between the attitude measures (disregard loyalty, attachment loyalty, satisfaction) and actual behaviour.

H7: satisfaction will directly predict the Behavioural Indicator, in the presence of attachment loyalty, disregard loyalty and repurchase intentions.

H8: attachment loyalty will directly predict the Behavioural Indicator, in the presence of satisfaction, disregard loyalty and repurchase intentions.

H9: disregard loyalty will directly predict the Behavioural Indicator, in the presence of satisfaction, attachment loyalty, and repurchase intentions.

5.5.2.2 Research Question Two

Having clarified the measurement of consumer loyalty, the second research question addressed within this thesis will identify potential determinants of consumer loyalty. As indicated previously, the two major areas of consumer research, dissatisfaction and satisfaction, outline voice and satisfaction as determinants of loyalty. In response to inconsistent results within previous research into these determinants, this thesis postulates a moderation effect for satisfaction. Where the relationship between encouraging complaints and loyalty is a direct one, when consumers are satisfied. Previous communication research outlines several key factors typically used to encourage complaints, including perceived approachability, responsiveness, exit barriers, quality of alternatives, attitude toward complaining and perceived importance. Again, due to the exploratory nature of this second research question, hierarchical multiple regression will be used rather than other confirmatory techniques. Specifically, the research hypotheses associated with the second research question are:

H1: Approachability will directly predict attachment loyalty in the presence of the other predictors of voice, and direct voice, when consumers are satisfied.

H2: Responsiveness will directly predict attachment loyalty in the presence of the other predictors of voice, and direct voice, when consumers are satisfied.

H3: Exit barriers will directly predict attachment loyalty in the presence of the other predictors of voice, and direct voice, when consumers are satisfied.

H4: Quality of alternatives will directly predict attachment loyalty in the presence of the other predictors of voice, and direct voice, when consumers are satisfied.

H5: Attitude toward complaining will directly predict attachment loyalty in the presence of the other predictors of voice, and direct voice, when consumers are satisfied.

H6: Perceived importance will directly predict attachment loyalty in the presence of the other predictors of voice, and direct voice, when consumers are satisfied.

H7: Direct voice will not directly predict attachment loyalty in the presence of the predictors of voice, when consumers are satisfied.

5.5.2.3 Research Question Three

Having identified potential determinants of consumer loyalty, the third research question addressed within this thesis will manipulate two of these determinants in order to actively influence consumer loyalty (process and outcome). As previously discussed, the focus of this thesis initially stemmed from the recognition within industry and research that traditional loyalty programs were merely reward schemes, and as such, were unable to enhance consumer loyalty. In response, to the poor performance of these programs, the third research question examines an alternative method of enhancing consumer loyalty. The third research question will manipulate perceived approachability and responsiveness within a Solomon Four Group Design to assess the impact of this manipulation upon attachment loyalty and three indicators of purchase behaviour. In order to compare the impact of an intervention upon the comparative groups, this third research question will employ analysis of variance (ANOVA), as well as other more sensitive tests of between group performance (e.g. gain score analysis). Specifically, the research hypotheses associated with the third research question are:

H1: Levels of perceived approachability will be greater for those who experienced the

intervention, compared to those who did not.

H2: Levels of perceived responsiveness will be greater for those who experienced the intervention, compared to those who did not.

H3: Levels of direct voice will be greater for those who experienced the intervention, compared to those who did not.

H4: Levels of attachment loyalty will be greater for those who experienced the intervention, compared to those who did not.

H5: The indicators of purchase behaviour will be greater for those who experienced the intervention, compared to those who did not.

5.5.3 Major Research Design for the Three Research Questions

Each of the three major research questions addressed within this thesis employed a common research design and consumer context, with minor variations incorporated for each particular research question. Specifically, the research questions were tested with actual consumers of a service, characterised by multiple transactions. The continued interaction between the service provider and consumers minimised the potential effects of memory bias (Ericsson & Simon, 1984; Penrod, Loftus, & Winkler, 1982). Mules (1998) recognised the potential error associated with recall of past behaviour and experiences within a consumer context (tourism). Therefore, the current design asks participants to respond to questions regarding a service that is currently being experienced. Furthermore, previous research suggests that loyalty toward service providers rather than products is more likely to occur, due to the perceived relationship

costs associated with switching service providers rather than switching goods suppliers (Rowley & Dawes, 2000).

This research design examines subscribers to a regional theatre, where an early lump sum payment is made annually, prior to receiving the subscription service from the provider. The research sample for the study encompassed subscription patrons of the Canberra Theatre Centre, a regional theatre located in Canberra, Australia. Each research question adopted slightly different sampling techniques. The first research question (Study 1) used a census-like approach, whereas the second research question (Study 2) used a purposive approach, which excluded a holdout sample of participants that were then used within the third research question (Study 3). The holdout sample within the third research question was derived using a random sampling approach.

The research sample naturally created two sub-samples of consumers, 1999 Subscribers and 2000 Subscribers. Specifically, patrons who subscribed to the theatre in 1999 received a self-report questionnaire, and their purchase behaviour was electronically recorded in 1999 and 2000. Likewise, patrons who subscribed to the theatre in 2000 received a self-report questionnaire and their purchase behaviour was electronically recorded in 2000 and 2001. Self-report information enables the direct collection of consumer attitudes, and the behavioural information triangulates the findings with independently observed behaviour (Whitley, 1996).

To enable the self-report information to be linked to the behavioural data, yet to ensure confidentiality and anonymity of the responses, respondents were asked to create a personalised identification code that was placed on both the consent form and the questionnaire. This identification code, rather than the participant's personal details,

was used to link the self-reported information with that of the behavioural indicators. To avoid problems associated with forgetting the original code used, the personalised code was constructed using key pieces of information that were likely to remain consistent over the period of the research, yet could not be used to identify specific individuals (i.e. first two letters of their given name, their date of birth, and the number of siblings). The consent forms and questionnaires were then also secured in geographically separate locations.

As indicated previously, the first study utilised a census-like approach toward the two sub-samples of subscribers. The next chapter outlines the first main study of the thesis. In order to clarify the confusion surrounding the measurement of consumer loyalty, Study 1 examines current methods of measuring consumer loyalty, proposes an alternative indictor of consumer loyalty, attachment loyalty, and compares the measures of loyalty as an attitude with that of satisfaction.

Chapter 6: Study 1: The Measurement of Consumer Loyalty

"It is good to have an end to journey toward, but it is the journey that matters in the end". Ursula L. Le Guin.

As previously discussed, the attitude-behaviour framework (e.g. Fishbein & Ajzen, 1975; Oliver, 1997) provides an effective foundation to examine current measures of consumer loyalty. Specifically, the framework states that beliefs about an object lead to a feeling toward that object (Fishbein, 1963). These beliefs and feelings combine to form an attitude. This attitude then directly influences an individual's intentions to act, which in turn affect actual behaviour (Fishbein & Ajzen, 1975; Bagozzi, 1981).

Consequently, the attitude-behaviour framework appears to be divided into three main segments: The process of attitude formation (cognition and affect); behavioural intention; and the outcome of this process (behaviour). As such, the measurement of consumer loyalty may also be divided into three main segments: the process of loyalty formation (attitude), intention to perform the act (behavioural intention); and the outcome of this process (behaviour). Therefore, the attitude-behaviour framework may provide an explanation for the continued debate surrounding the nature of loyalty. Previous researchers have argued that loyalty is an attitude (e.g. Graham & Keeley, 1992). Whilst other researchers, have argued that loyalty is a behaviour (e.g. Neal, 2000). Within the attitude-behaviour framework, however, it appears that loyalty is indeed both an attitude and a behaviour. Therefore, in order to ensure that loyalty as an attitude (process) and loyalty as a behaviour (outcome), as well as the link between process and outcome (behavioural intention) are effectively accounted for within consumer research, it is important to examine existing measures of consumer loyalty within this framework.

To date, the measurement of consumer loyalty appears to have successfully captured loyalty as intention and as an outcome (repurchase intentions and behavioural

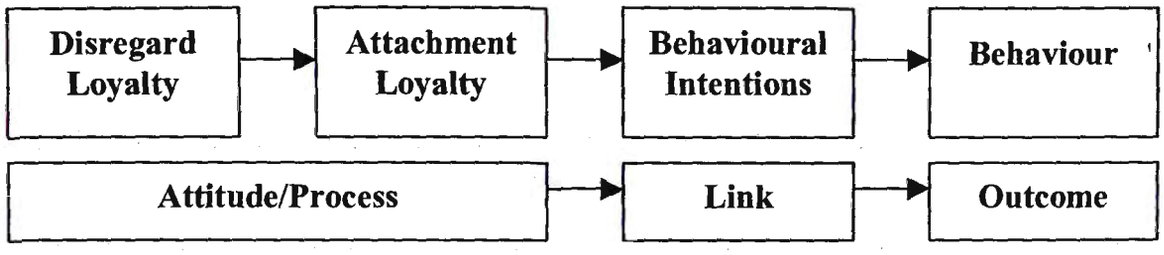
indicators). The cognitive process of loyalty also appears to be represented by, disregard loyalty. Unfortunately, to date the affective component of loyalty has not been successfully captured within consumer research. Therefore, an affective measure of loyalty, attachment loyalty, will be borrowed from Organisational Psychology. Furthermore, since satisfaction has been identified as the dominant process measure of consumer attitude, this study will also compare the predictive capacity of the two potential process measures of loyalty (disregard loyalty and attachment loyalty) with that of satisfaction, to determine whether these measures of attitude loyalty enhance our ability to explain and predict the consumer intention and behaviour (repurchase intentions and behavioural indicators), above that already achieved by satisfaction.

In order to clarify the confusion surrounding the measurement of consumer loyalty, this current piece of research will tap into each component of the attitude-behaviour framework, attitude (cognition and affect), intention, and behaviour. In order to capture the process, cognition will be represented by disregard loyalty and attachment loyalty will represent affect. To capture the outcome, behaviour will be reflected through the behavioural indicator (repurchase), and to address the link between process and outcome, intention will be reflected through repurchase intentions (Figure 24).

H1: Disregard loyalty will be associated with attachment loyalty.

H2: Attachment loyalty will be associated with repurchase intentions.

H3: Repurchase intentions will be associated with purchase behaviour.



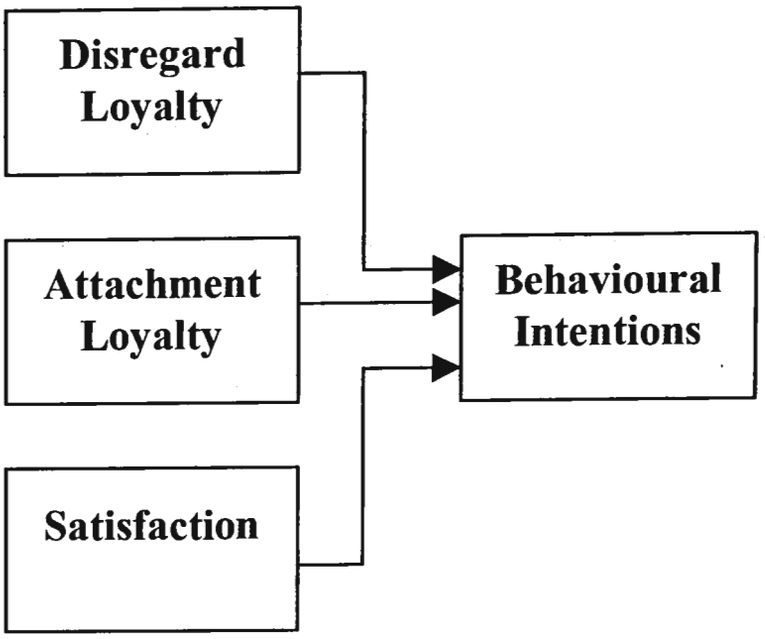
Figure, 24. **Consumer loyalty within an attitude-behaviour sequence.**

Previous research has indicated that the Expectations-Disconfirmation Model (Oliver, 1980) is the most successful theory of consumer experience (e.g. Swan & Martin, 1981; Woodruff, Cadotte & Jenkins, 1983). That is, consumer satisfaction is the dominant attitudinal predictor of behavioural intentions (e.g. Oliver, 1997). As such, it is necessary to assess the ability of consumer loyalty as an attitude to predict behavioural intentions within the presence of Oliver's (1980) consumer satisfaction. Therefore, this study also compares the predictive capacity of the attitude measures of consumer loyalty with that of the attitude measure of satisfaction (Figure 25):

H4: satisfaction will directly predict repurchase intentions, in the presence of attachment loyalty and disregard loyalty.

H5: attachment loyalty will directly predict repurchase intentions, in the presence of satisfaction and disregard loyalty.

H6: disregard loyalty will directly predict repurchase intentions, in the presence of satisfaction and attachment loyalty.



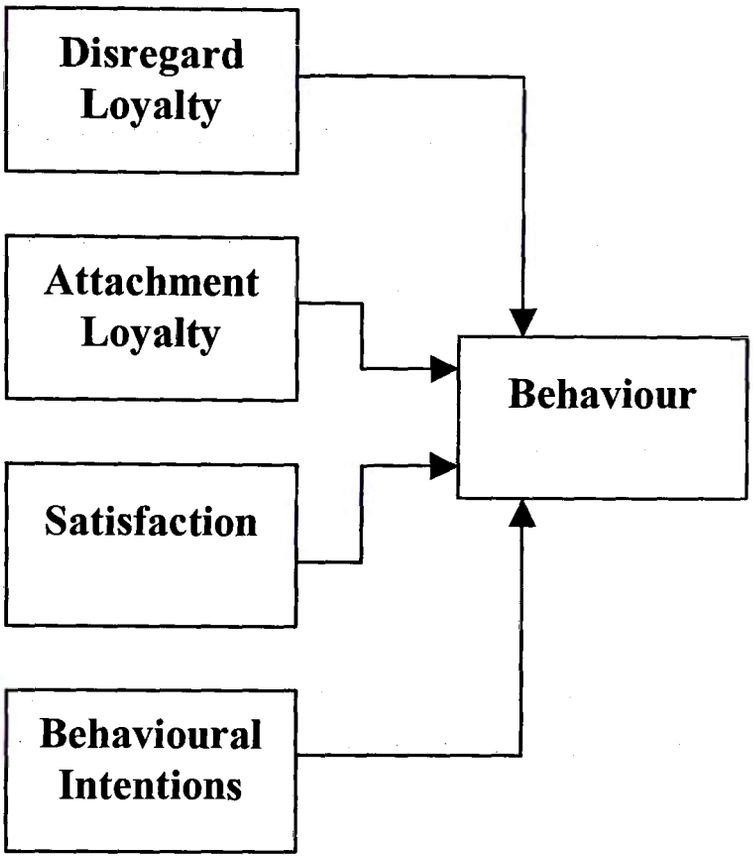
Figure, 25. **The relative contribution of the attitude measures.**

Finally, previous research also outlines a direct relationship between attitude and behaviour (Bentler & Speckart, 1979). Therefore, this study will assess the direct relationship between the attitude measures (disregard loyalty, attachment loyalty and satisfaction) and actual purchase behaviour (Figure 26).

H7: satisfaction will directly predict repurchase, in the presence of attachment loyalty, disregard loyalty and repurchase intentions.

H8: attachment loyalty will directly predict repurchase, in the presence of satisfaction, disregard loyalty and repurchase intentions.

H9: disregard loyalty will directly predict repurchase, in the presence of satisfaction, attachment loyalty, and repurchase intentions.



Figure, 26. **The direct relationship between attitude and behaviour.**

In summary, this study attempts to explore an alternative measure of loyalty within a consumer context, identify whether process measures of loyalty enhance our understanding of consumer behaviour above that already explained by consumer satisfaction, and examine the direct relationship between attitude and behaviour. Therefore, the relationships between disregard loyalty, attachment loyalty, repurchase intention, and an indicator of actual consumer behaviour (repurchase) will be assessed within the presence of satisfaction.

6.1 The Samples

As indicated previously, the research sample for the study encompassed subscription

patrons of the Canberra Theatre Centre, a regional theatre located in Canberra, Australia. The sampling procedure used to select the participants was a census-like approach, which ensured that each customer who subscribed to the 1999 Canberra Theatre season, and/or the 2000 Canberra Theatre season had the opportunity to participate in the research sample. Subsequently, the study naturally created two sub-samples of consumers, 1999 Subscribers and 2000 Subscribers.

6.1.1 1999 Season Subscribers

The initial research sample consisted of 729 customers of the Canberra Theatre's subscription season, who purchased 1999 season tickets. The response rate for this study was 305 useable questionnaires (42%). Several techniques were employed to increase the response rate, including a personalised cover letter, consent form, and follow-up letter (Whitley, 1996; Fox, Crask, & Kim, 1988; Yammarino, Skinner, & Childers, 1991; Yu & Cooper, 1983; Kerin & Peterson, 1977). It was also made clear that the research was sponsored by a university as opposed to the Theatre to yield a greater response rate (Jones & Linda, 1978).

A comparison of two of the behavioural indicators for respondents and non-respondents revealed that the final sample was not significantly biased by non-response. That is, the amount of money spent (value), t (408) = -1.24, p = .216; and the type of subscription purchased (package), t (521) = -1.80, p = .073; did not demonstrate a significant difference between respondents and non-respondents. In contrast, the number of people attending (seats) did demonstrate a slight difference when respondents were compared to non-respondents, t (503) = -2.10, $p < .05$. However, it should be noted that the

number of people attending was the only difference between respondents and non-respondents demonstrated within either sample, and this difference was not repeated within the 2000 sample.

Sixty-nine percent (210) of the sample were female, whilst thirty-one percent (95) were male. The age of participants ranged from 24 to 86 years, with a mean of 49.7 years. The total reported income for each household ranged from AUS $14,000-$500,000 per annum, with a mean of $82,000. On average, each patron reported that they had lived in Canberra for 20 years, had attained a tertiary level of education, and had purchased a subscription three times before.

6.1.2 2000 Season Subscribers

The second research sample consisted of 830 customers of the Canberra Theatre's subscription season, who purchased the 2000 season tickets. The response rate for this study was 29% (237 useable questionnaires). Of those patrons who responded in 2000, seventy patrons also responded in 1999 (30%). Analogous to the 1999 survey, the second survey utilised a personalised cover letter, consent form, a follow-up reminder letter, and was explicitly branded as university research.

A comparison of the behavioural indicators for respondents and non-respondents within the 2000 sample revealed that the final sample was not significantly biased by non-response. That is, the amount of money spent (value), t (430) = 0.36, p = .717; the type of subscription purchased (package), t (204) = -1.26, p = .209; and the number of people attending (seats), t (344) = -0.30, p = .761; did not demonstrate a significant difference

between respondents and non-respondents.

Sixty-eight percent (162) of the sample was female, whilst thirty-one percent (75) were male. The age of participants ranged from 24 to 86 years, with a mean of 51.9 years. The total reported income for each household ranged from AUS $10,000-$290,000 per annum, with a mean of $84,000. On average, each patron reported that they had lived in Canberra for 22 years, had attained a tertiary level of education, and had purchased a subscription from the Canberra Theatre approximately three times before.

A comparison of the 1999 and 2000 research samples indicated that the two samples were relatively similar. That is, the age, sex, income, and years lived in Canberra for the 1999 research sample was not significantly different to that of the 2000 research sample. However, the self-reported number of times subscribed, $t\ (534) = -1.96$, $p < .001$, and level of education attained, $t\ (508) = -3.07$, $p < .01$, were statistically different within the two samples. That is, the average level of education attained, and the number of times respondents had subscribed within the 2000 sample (3.42 times subscribed; 3.13 level of education) was slightly higher than that of the 1999 sample (2.76 times subscribed; 2.51 level of education). However, the number of times respondents had subscribed would be expected to increase slightly due to the added opportunity to subscribe for the 2000 sample, compared to the 1999 sample.

6.2 Materials

This study examined satisfaction, disregard loyalty, attachment loyalty, repurchase intentions, and a Behavioural Indicator (Appendix B). Analogous to the earlier work of Blodgett, Granbois and Walters (1993), the scales within this study were submitted to

five "expert judges" (Appendix C) to pre-test and comment on their face-validity and readability. Each item utilised a seven point numerical scale (seven response anchor points). Cox (1980) stated that seven points optimises the relationship between the distribution of scores and ease of responding. disregard loyalty, attachment loyalty and satisfaction were measured using strongly disagree/strongly agree anchors. Whereas the repurchase intentions scale used very unlikely/very likely anchors. Each of the scales utilised multiple items to enhance the reliability and internal validity of the measures (Whitley, 1996). Multi-item scales have several advantages over single-item scales, including the ability to address multiple aspects of a construct; greater reliability and validity; and greater sensitivity (Whitley, 1996). Nunnally (1978) stated that coefficients greater than .60 are considered acceptable for research and developmental scales. Therefore, the internal consistency of the scales was assessed against Nunnally's criteria. Several of the items were negatively worded to minimise response bias, and were later reverse coded prior to establishing the global score. A global score for each scale was calculated by averaging the response to the relevant items. Therefore, the potential range for each scale was also between one and seven.

6.2.1 Satisfaction

Satisfaction has been defined as the "evaluation rendered that the experience was at least as good as it was supposed to be" (Hunt, 1977: 459). Satisfaction was measured using a six item global measure developed by Oliver (1980), yet modified slightly for this consumer context. An example of one the six items is "I am satisfied with my decision to purchase a season subscription". Scores greater than four indicated that the participant was satisfied with the subscription season, whereas scores less than four

indicated participants were dissatisfied with the subscription season. Oliver's (1980) Satisfaction scale has previously been successfully used as a measure of satisfaction within various consumer contexts, including medical consumers (i.e. Oliver, 1980, 1997). Oliver demonstrated an internal consistency coefficient of .82. This satisfaction scale also successfully demonstrated relationships with expectations and behavioural intentions (Oliver, 1980).

6.2.2 Attachment Loyalty

Attachment loyalty was measured utilising the loyalty component of Buchanan's (1974) Organisational Commitment scale modified for this setting. Buchanan (1974) defined loyalty as a feeling of affection for and attachment to the organisation. The loyalty component was used within this study to measure patron loyalty toward the Theatre subscription. For example, "I have warm feelings toward the Canberra Theatre Centre", and "Few organisations can match the Canberra Theatre as a good place to see shows". This measure consisted of nine items or questions. Scores greater than four indicated that the participant was loyal toward the Canberra Theatre subscription season, and scores below four suggested that the participant was not loyal to the Canberra Theatre subscription season. Previous research has demonstrated internal consistencies for this scale of .92 (e.g. Buchanan, 1974). Previous validity data also suggests that this scale successfully taps into organisational loyalty. Several organisational characteristics previously associated with this scale, include personal importance; group attitudes of the organisation; the dependability of the organisation; interest and challenge of the job; commitment norms; and peer group cohesion (Buchanan, 1974).

6.2.3 Disregard Loyalty

Disregard loyalty was defined as the tendency to disregard problems with the service provider. Based on the recommendations made by Oliver (1997), disregard loyalty was measured using Ping's (1993) loyalty scale, modified for this setting. This measure consisted of five items. For example, "Problems at the Canberra Theatre will often fix themselves", and "I disregard problems at the Canberra Theatre because they just seem to work themselves out". Scores greater than four indicated that the participant tended to disregard problems at the Theatre, and scores below four suggested that the participant did not disregard problems at the Theatre. Previous research has demonstrated an internal consistency for this scale of .86 (Ping, 1993). Ping's scale has previously been used within another consumer context, the retail sector. Furthermore, Oliver (1997:378) supports the use of Ping's (1993) measures, "Ping developed reliable scales to measure...loyalty".

6.2.4 Repurchase Intention

The *repurchase intention* scale measured intention to repurchase subscription packages at the Theatre. This behavioural intention scale used five items. Scores above four indicated that the participant intended to continue purchasing subscription packages, whereas scores below four indicated that the participant did not intend to continue purchasing subscription packages at the Theatre. The repurchase intentions scale was based on the work of Blodgett, Granbois and Walters (1993), who examined the effect of perceived justice on consumer voice, and re-patronage intentions. The internal consistency of the scale within previous research was considered acceptable (.87) (Blodgett et al., 1993). Blodgett et al. (1993) successfully demonstrated relationships

between repurchase intentions and voice behaviours.

6.2.5 Behavioural Indicators

The behavioural indicator used to represent actual behaviour was repurchase of a subscription package at the Theatre the following year. This information was collected electronically through the theatre ticketing software application (BOCS). Statistically, participants were coded as 1 if they repurchased a subscription package and 0 if they did not. A total of one hundred and fifty-three (55%) of the 1999 participants repurchased a subscription package in 2000. A total of one hundred and four (61%) of the 2000 participants repurchased a subscription package in 2001.

6.3 Results

6.3.1 Consistency Across Items

Scales were formed and descriptive statistics for each scale were calculated (Table 3). An analysis of the missing data process revealed that the missing data were scattered randomly throughout the observations (Hair, Anderson, Tathom & Black, 1995) (Appendix D). That is, non-response to survey questions occurred randomly throughout the data set, rather than in a systematic fashion. The study demonstrated Cronbach Alpha coefficients greater than .77 (see Table3), and were therefore considered acceptable for this research context.

Each of the scales was measured on a 1 to 7 numerical scale. Examination of the mean scores for these scales indicated a range of 3.26 to 5.91 (Table 3). Generally across the two samples, participants did not have the tendency to disregard problems (3.36, 3.36);

and intended to repurchase from the provider (5.81, 5.71). Overall, participants were satisfied with the provider (5.88, 5.91), yet were relatively ambivalent with regard to their level of attachment to the provider (4.16, 4.09).

Table 3: Cronbach Alpha Coefficients for Each Scale

Study	Construct	Number of Items	Cronbach Alpha	N	Mean	SD
Theatre 1999	Satisfaction	6	.89	275	5.88	1.03
	Disregard Loyalty	5	.85	218	3.26	1.16
	Attachment Loyalty	7	.77	256	4.16	.93
	Repurchase Intention	5	.85	276	5.81	1.18
Theatre 2000	Satisfaction	6	.90	180	5.91	1.04
	Disregard Loyalty	5	.79	195	3.36	.95
	Attachment Loyalty	7	.80	166	4.09	.93
	Repurchase Intention	5	.84	219	5.71	1.09

Note. Changes in N are due to non-response to some of the survey questions.

6.3.2 Common Relationships between the Measures – Bivariate Correlations

Examination of the bivariate correlations across both samples (see Table 4 and Table 5) indicated positive, moderate to strong (.35 through to .70) relationships between

satisfaction and repurchase intentions; satisfaction and attachment loyalty; and attachment loyalty and repurchase intentions.

Table 4: Demonstrated Bivariate Correlations within The Theatre, 1999

	Satisfaction	Disregard Loyalty	Repurchase Intention	Attachment Loyalty
Disregard Loyalty	-0.06 0.162 236			
Repurchase Intention	0.71*** 0.000 261	-0.10 0.063 233		
Attachment Loyalty	0.36*** 0.000 264	0.07 0.148 236	0.38*** 0.000 262	
Repurchase	0.25*** 0.000 264	-0.01 0.425 236	0.36*** 0.000 268	0.17** 0.002 265

Note ** $p < .01$, *** $p < .001$ (1-tailed).

Moderate (.12 through to .38), positive relationships were also demonstrated between the behavioural indicator (repurchase) and repurchase intentions, as well as attachment loyalty. Satisfaction also demonstrated a moderate, positive association with repurchase

within the 1999 sample.

Table 5: Demonstrated Bivariate Correlations within The Theatre, 2000

	Satisfaction	Disregard Loyalty	Repurchase Intention	Attachment Loyalty
Disregard Loyalty	0.03 0.370 140			
Repurchase Intention	0.69*** 0.000 153	0.02 0.428 143		
Attachment Loyalty	0.29*** 0.000 146	0.08 0.185 144	0.33*** 0.000 150	
Repurchase	0.04 0.321 154	-0.04 0.328 144	0.12* 0.066 158	0.18** 0.013 151

Note * $p < .10$, ** $p < .05$, *** $p < .001$ (1-tailed).

Analogous to the initial pilot studies, disregard loyalty failed to demonstrate an association with repurchase intention, satisfaction, or attachment loyalty within either the 1999 or the 2000 sample.

6.3.3 Distinct Measures

Based on the positive, statistically significant bivariate correlation demonstrated between the attachment loyalty and satisfaction within both tables (see Tables 4 and 5), it is important to rule out the possibility that the attachment loyalty measure is simply tapping into the same construct as the satisfaction measure. For example, Geyskens, Benedict, Steenkamp & Kumar (1999) stated that little research has investigated whether satisfaction differs conceptually from commitment (the superordinate construct of loyalty).

Confirmatory factor analyses were conducted upon the two Theatre samples (1999 and 2000) to determine whether the attachment loyalty and satisfaction measures were independent from each other. For factor analyses, Comrey and Lee (1992) considered a sample size greater than 200 as fair, therefore the 1999 (n=305) and 2000 (n=237) samples were considered fair. Within both samples, two factors were extracted using Principal Component Analysis, and rotated using Varimax with Kaiser Normalisation. Significant Bartlett's tests of Sphericity, $\underline{x}^2(91)=1543.521$, $\underline{p}<.001$, $\underline{x}^2(105)=1246.422$, $\underline{p}<.001$, respectively, as well as the Determinant (.002,.0003, respectively) and Keiser Meyer Olkin coefficients (.841,.807, respectively) indicated that the analysis was stable. Examination of the two scree-plots also revealed two distinct factors (Appendix E). Table 6 presents the coefficients within the rotated component matrix. With the exception of two of the loyalty items, each of the items consistently loaded upon the appropriate factor (factor loadings ≥ .45). Tabachnick and Fidell (1996) state that loadings greater than .32 are interpretable. However, this study employs Comrey and Lee's (1992) more conservative guide, which considers loadings greater than .45 as fair.

Table 6: Rotated Factor Matrix for Attachment Loyalty and Satisfaction

Scale	*Key Question Element within each of the Items*	*1999*		*2000*	
		1.00	*2.00*	*1.00*	*2.00*
Loyalty	Strong sense of loyalty	.35	*.76	.06	*.87
	Warm feelings toward provider	.37	*.74	.12	*.82
	Few organisations can match provider	.28	*.53	.36	*.45
	Grown fond of provider	.27	*.77	.14	*.77
	As long as the shows are right, the provider doesn't matter (reversed)	-.13	*.45	.16	*.57
	Would accept a competitor's less expensive offer (reversed)	-.06	.29	.09	.35
	Provider is cold and unfriendly (reversed)	.46	.12	.40	.28
	No particular feelings/sentiment toward provider (reversed)	.11	*.77	.06	*.74
	Loyalty toward the arts, not provider (reversed)	-.04	*.54	-.09	*.50
Satisfaction	Satisfied with decision	*.87	.06	*.85	.12
	Purchase was the right thing to do	*.84	.13	*.85	.20
	Purchase decision was a wise one	*.82	.15	*.77	.19
	Feel bad about purchase decision (reversed)	*.71	-.01	*.83	.03
	Not happy with purchase decision (reversed)	*.73	.02	*.71	-.04
	If had to do again, would feel differently (reversed)	*.77	.06	*.79	.02

Note * indicates the largest factor loading for the item.

Therefore, the attachment loyalty measure taps into a separate construct to that of the satisfaction measure. However, based on the ambivalence demonstrated within two of the loyalty items, "If another theatre offered a less expensive subscription, I would almost certainly accept" and "I have always felt that the Canberra Theatre centre was cold and unfriendly". These two items were omitted from any further analysis within this thesis.

6.3.4 The Relationship between Process and Outcome Measures

In order to determine whether the two process measures of loyalty (disregard loyalty and attachment loyalty) enhance our ability to predict the outcome measures of consumer behaviour (repurchase) and the process/outcome link (repurchase intentions), above that already explained by satisfaction, hierarchical multiple regressions were conducted. Specifically, the relationships between disregard loyalty, attachment loyalty, and repurchase intention were assessed within the presence of satisfaction. Then the relationships between disregard loyalty, attachment loyalty, satisfaction and actual repurchase were assessed within the presence of repurchase intention.

6.3.4.1 Repurchase Intentions

A hierarchical multiple regression was conducted within both the 1999 and 2000 sub-samples to determine whether the attachment loyalty and disregard loyalty measures directly predicted repurchase intentions scores, in the presence of satisfaction. Using a sampling formula outlined by Tabachnick and Fidell (1996), greater than 90 participants would be sufficient for this multivariate analysis. Therefore, the samples (n_{1999}=305; n_{2000}=237) contain adequate numbers for the regression analyses.

Based on the strong predictive capacity of satisfaction upon behavioural intentions within previous research (e.g. Oliver, 1980), satisfaction was entered into the first step of the model, followed by attachment loyalty and disregard loyalty within the second step.

The resultant model was significant in both samples. Within the 1999 sample, the first step accounted for 52% (R^2= .518, f(1,257) = 275.897, p< .001), whereas the final step accounted for an additional 2% of the explained variance associated with repurchase intentions, R^2= .535, f(3,255) = 97.634, p< .001.

Within the 2000 sample, the first step accounted for 48% (R^2= .480, f(1,207) = 19.821, p< .001), whereas the final step accounted for an additional 2% of the explained variance associated with repurchase intentions, R^2= .497, f(3,205) = 67.517, p< .001.

Analysis of the t-test scores indicated that both satisfaction and attachment loyalty contributed directly to the variance of repurchase intentions (Table 7 and Table 8). In contrast, disregard loyalty did not directly contribute to the variance associated with repurchase intentions.

Table 7: t-Test Coefficients for the Intentions Multiple Regression within 1999 sample

Model	Construct	B	Std. Error	Beta	t	Sig.
1	(Constant)	.89	.30		2.99	.003
	Satisfaction	.83	.05	.72***	16.61	.000
2	(Constant)	.65	.35		1.84	.067
	Satisfaction	.77	.05	.67***	14.57	.000
	Disregard Loyalty	-.02	.04	-.02	-.38	.701
	Attachment Loyalty	.16	.05	.14**	3.03	.003

Note: ** $p < .01$, *** $p < .001$ (2-tailed).

Within both samples, attachment loyalty directly explained an additional 2% of the unique variance associated with repurchase intentions, above that already explained by satisfaction. However, it should be noted that a comparison of the individual contributions of these two constructs through the beta weights indicates that satisfaction explains approximately five times the amount of variance associated with repurchase intention, compared to attachment loyalty. In contrast to attachment loyalty, disregard loyalty did not contribute at all to the unique explanation of repurchase intentions.

Table 8: t-Test Coefficients for Intentions Multiple Regression within 2000 sample

Model	Construct	B	Std. Error	Beta	t	Sig.
1	(Constant)	1.40	.32		4.43	.000
	Satisfaction	.73	.05	.69***	13.81	.000
2	(Constant)	1.20	.39		3.10	.002
	Satisfaction	.69	.05	.65***	12.51	.000
	Disregard Loyalty	-.04	.06	-.03	-.63	.528
	Attachment Loyalty	.15	.06	.14**	2.64	.009

Note: ** $p < .01$, *** $p < .001$ (2-tailed).

6.3.4.2 The Behavioural Indicator

The Bentler and Speckart (1979) modification to the attitude-behaviour framework outlined a direct relationship between attitude and actual behaviour. This modification suggests that attitudes (such as loyalty and satisfaction) have a direct impact upon behaviour, rather than being fully mediated by behavioural intentions. Furthermore, a direct relationship between loyalty and behaviour has been postulated by Tellis (1988). Tellis' (1988:142) argued that "without question, loyalty is the strongest determinant of purchase behaviour". Therefore, in light of the potential link between loyalty, satisfaction and behaviour, a direct relationship between attitude and behaviour was

tested in light of the common determinant of behaviour, behavioural intentions (e.g. Fishbein & Ajzen, 1975).

A hierarchical multiple regression was conducted within both the 1999 and 2000 sub-samples to determine whether the attachment loyalty, disregard loyalty, and satisfaction measures directly predicted actual repurchase, in the presence of repurchase intentions. Based on the strong predictive capacity of repurchase intentions upon behaviour within previous research (e.g. Fishbein & Ajzen, 1975), repurchase intentions was entered into the first step of the model, followed in the second step by attachment loyalty, disregard loyalty and satisfaction.

The resultant model was statistically significant in the first sample. Within the 1999 sample, the first step accounted for 13% of the explained variance associated with the behavioural indicator (repurchase) ($R^2 = .134, f(1,231) = 35.704, p < .001$), whereas the final step accounted for an additional 1% of the explained variance associated with repurchase, $R^2 = .136, f(4,228) = 8.959, p < .001$. Analysis of the t-test scores indicated that repurchase intentions was the only measure to contribute directly to the variance of actual repurchase (Table 9). In contrast, disregard loyalty, attachment loyalty and satisfaction did not directly contribute to the variance associated with actual repurchase.

Table 9: t-Test Coefficients for the Repurchase Multiple Regression within 1999 sample

Model	Construct	B	Std. Error	Beta	t	Sig.
1	(Constant)	-0.34	0.15		-2.23	0.027
	Repurchase Intentions	0.15	0.03	0.37***	5.98	0.000
2	(Constant)	-0.37	0.21		-1.73	0.085
	Repurchase Intentions	0.16	0.04	0.37***	4.04	0.000
	Satisfaction	-0.02	0.04	-0.03	-0.35	0.724
	Disregard Loyalty	0.01	0.03	0.01	0.22	0.824
	Attachment Loyalty	0.02	0.03	0.04	0.59	0.553

Note: ** $p < .01$, *** $p < .001$ (2-tailed).

Unlike the 1999 sample, the model was not statistically significant in the 2000 sample. Within the 2000 sample, the first step demonstrated a non-significant result, $R^2 = .007$, $f(1,137) = 1.00$, $p = .32$, as did the final step, $R^2 = .031$, $f(4,134) = 1.06$, $p = .38$. Further analysis of the t-test scores indicated that none of the measures contributed directly to the variance associated with actual repurchase (Table 10). That is, repurchase intentions,

disregard loyalty, attachment loyalty and satisfaction did not directly contribute to the variance associated with actual repurchase, within the 2000 sample.

Table 10: t-Test Coefficients for Repurchase Multiple Regression within 2000 sample

Model	Construct	B	Std. Error	Beta	t	Sig.
1	(Constant)	0.45	0.21		2.17	0.032
	Repurchase Intentions	0.04	0.04	0.09	1.00	0.319
2	(Constant)	0.43	0.28		1.56	0.121
	Repurchase Intentions	0.03	0.05	0.07	0.55	0.587
	Satisfaction	-0.02	0.05	-0.04	-0.35	0.724
	Disregard Loyalty	-0.03	0.04	-0.07	-0.78	0.438
	Attachment Loyalty	0.07	0.04	0.15	1.65	0.101

Note: ** $p < .01$, *** $p < .001$ (2-tailed).

6.4 Discussion

This research set out to explore an alternative measure of consumer loyalty, to identify whether two process measures of loyalty enhance our understanding of consumer behaviour above that already explained by satisfaction, and to examine the direct

relationship between attitude and behaviour within a consumer context. Analogous to the preliminary pilot studies, disregard loyalty failed to demonstrate a relationship with behavioural intentions (repurchase intentions), or behaviour (repurchase). Unexpectedly however, disregard loyalty also did not demonstrate a relationship with attachment loyalty, the affective component of loyalty. In turn, failing to provide support for the initial research hypothesis (H1). However as expected, results indicated a relationship between attachment loyalty and behavioural intention (repurchase intentions), providing support for the second research hypothesis (H2). Furthermore, this study successfully demonstrated a relationship between behavioural intention (repurchase intentions) and actual behaviour (repurchase), providing support for the third research hypothesis (H3).

As hypothesised, satisfaction directly predicted repurchase intentions, when examined in the presence of the other process measures of attitude (attachment loyalty and disregard loyalty) (H4). Attachment loyalty also directly predicted repurchase intentions, when examined in the presence of the other process measures of attitude (satisfaction and disregard loyalty) (H5). In contrast to the initial hypothesis, disregard loyalty did not directly predict repurchase intentions, when examined in the presence of the other process measures of attitude (attachment loyalty and satisfaction). Therefore, this study failed to provide support for the sixth research hypothesis (H6). Furthermore, contrary to previous research (Bentler & Speckart, 1979), attitude did not directly predict behaviour. That is, this study failed to demonstrate a direct relationship between satisfaction and repurchase (H7), attachment loyalty and repurchase (H8), and disregard loyalty and repurchase (H9), in the presence of repurchase intentions.

In line with Fishbein and Ajzen's (1975) model, repurchase intentions directly predicted

behaviour within the 1999 sample. These researchers outline an indirect relationship between attitude (attachment loyalty and satisfaction) and behaviour, mediated through behavioural intentions. Therefore, within this consumer context, Fishbein and Ajzen's (1975) Theory of Reasoned Action appears to effectively explain the relationship between attitude and behaviour. In contrast, the direct relationship between attitude and behaviour outlined within Bentler and Speckart's (1979) modification of the Theory of Reasoned Action did not receive empirical support within this research. Unexpectedly, the indirect relationship between attitude (attachment loyalty, satisfaction and disregard loyalty) and behaviour (repurchase), mediated through behavioural intentions (repurchase intentions) was not replicated within the second sample. However, this unexpected finding may be better understood in light of historical effects outside the control of this research outlined within the conclusion of this thesis.

Support for the fourth and fifth hypotheses, indicated that one of the process measures of loyalty (attachment loyalty) explained an additional 2% of the unique variance associated with the link measure (repurchase intentions), when examined in the presence of the dominant process measure, satisfaction. This suggests that attachment loyalty is a useful measure of the affective component of loyalty within a consumer context. These results indicate that attachment loyalty is a statistically useful construct to include within a model of consumer behaviour, in order to enhance our ability to predict, explain and manipulate consumer behaviour.

In turn, the effect of both satisfaction and attachment loyalty upon actual behaviour was completely mediated through repurchase intentions, within the first sample. This provides further support for the use of the attitude-behaviour framework in the measurement of consumer loyalty. By examining the current measures of consumer loyalty within this framework, it became clear that the various measures of consumer loyalty reflected different components of loyalty. Each of these measures represents a different stage within the sequence. As indicated previously, support for the exploration of consumer loyalty as a reflection of the attitude-behaviour framework can be found within the work of Oliver (1997).

6.4.1 The Phases of Consumer Loyalty

Oliver (1997) postulated a model of Consumer Loyalty that reflected each of the essential stages within the sequence. Oliver outlined four distinct phases of consumer loyalty: Cognitive Loyalty (beliefs), Affective Loyalty (attitude), Conative Loyalty (intention), and Action Loyalty (behaviour). Oliver states that each of these phases is determined by the consumer's level of satisfaction.

Furthermore, Oliver (1997) argued that as a consumer progresses through each phase of loyalty, their level of commitment toward the organisation increases. Within the first phase, cognitive loyalty, the consumer forms beliefs about the product or service, based on an appraisal of the information available. The consumer forms an opinion of the product/service through a comparison of the costs and benefits of the product/service. Oliver (1997) states that cognitive loyalty is the shallowest phase of consumer loyalty as commitment toward the organisation is relatively low, and since loyalty is gained

through a comparison of information, the consumer can be dissuaded by information from competitors.

Within Oliver's (1997) second phase of loyalty, affective loyalty, an attitude toward the product or service is formed based on the consumer's feelings. Oliver's description of affective loyalty appears similar to the formation of consumer satisfaction. Affective loyalty is determined by initial expectations, disconfirmed expectations, prior attitude and post satisfaction. In comparison to cognitive loyalty, which is solely a cognitive appraisal, affective loyalty is encoded as an emotion as well as cognition, and is subsequently more difficult to dislodge. Cognitive appraisals are information based and can therefore be influenced by counter-arguments. However, when affect is integrated within the attitude, the opinion is more firmly anchored, and is subsequently more difficult to change (Fishbein, 1963). "Unfortunately, affective loyalty, even when driven by episodes of satisfaction, is not sufficient to guarantee loyalty" (Oliver, 1997:393).

Oliver's (1997:393) next phase, conative loyalty refers to the consumer's behavioural intention. Conative loyalty is indicated by a "deeply held commitment to buy" the product/service. "Affect suggests only motivated learnings whereas behavioral commitment implies a desire to attempt to pursue the action". In comparison to cognitive and affective loyalty, conative loyalty represents a deeper level of commitment to act. Therefore, consumers within this phase of loyalty are less affected by episodes of satisfaction or dissatisfaction, and are able to tolerate occasional experiences of dissatisfaction. Although, this may suggest that Conative Loyalty may be theoretically related to Ping's (1993) disregard loyalty, empirical evidence to support this relationship remains elusive.

The final phase of loyalty, action loyalty, indicates that Oliver (1997) recognises the importance of mapping the entire loyalty process by addressing actual consumer behaviour. In contrast, previous consumer research is characterised by an over-reliance on behavioural intentions rather than indicators of actual behaviour (e.g. Maute & Forrester, 1993; Singh, 1990). Oliver (1997) argued that action is determined by motivation and intention, which lead to a readiness to act and a desire to overcome any obstacles associated with the action. That is, action loyalty is the result of a combination of affective loyalty coupled with conative loyalty. In turn, the experience of performing the action increases the likelihood that the action will be performed again in the future. Furthermore, the relationship between intention and action within Oliver's process is supported within the work of Bagozzi and Warshaw (1990).

The similarities between Oliver's (1997) hierarchical model of consumer loyalty, and his (1980) conceptualisation of the consumer satisfaction process (Expectations/Disconfirmation Model) are remarkable, particularly the similarities between Affective Loyalty and satisfaction. Both satisfaction and Affective Loyalty represent the emotional facet of attitude, both are determined by a cognitive appraisal, and both directly influence behavioural intention. This would suggest that, conceptually, affective loyalty and satisfaction are placed within the same temporal location of the consumer process. Yet, Oliver also stated that each of the phases of loyalty is determined by satisfaction. This raises some conceptual issues regarding the role of satisfaction within the loyalty process. Apart from this inconsistency, Oliver's (1997) theory of loyalty provides support for the application of the attitude-behaviour framework to the measurement of consumer loyalty.

6.4.2 The Nature of Consumer Loyalty

When existing research into consumer loyalty is placed within the attitude-behaviour framework, findings that were once in conflict regarding the nature of loyalty begin to make more sense. Loyalty has been defined as a *behaviour* that is enacted in response to a dissatisfying experience (Ping, 1993; Withey & Cooper, 1992; Farrell & Peterson, 1982; Rusbult & Zembrodt, 1983; Farrell & Rusbult, 1992; Maute & Forrester, 1993), as well as an *attitude* toward the organisation (Graham & Keeley, 1992; Buchanan, 1974; Saunders 1992; Saunders, Sheppard, Knight & Roth, 1992; Leck & Saunders, 1992; Cannings, 1992). This current study suggests that loyalty may be both. The process of loyalty is an attitude, and the outcome of loyalty is behaviour. Loyalty as both an attitude and a behaviour is supported within the work of Jacoby and Kyner (1973). These researchers examined the deliberate evaluative process (attitude) behind non-random purchase of a brand over time (behaviour). Furthermore, Hirschman (1970:38) referred to loyalty as an attitude that mediated an individual's response to dissatisfaction, and as a behavioural response in itself where individuals "refuse to exit and suffer in silence, confident things will soon get better".

This dual role of loyalty is also evident within previous research into the distinct facets of loyalty. For example, Rusbult, Zembrodt and Gunn (1982) outlined **situational loyalty,** an immediate, passive, and accommodating response to dissatisfaction, (attitude/process), and **enduring loyalty,** an active decision not to terminate the relationship, in response to dissatisfaction (behaviour/outcome). Oliver (1997:392) also differentiated between **situational loyalty** (when a special occasion is required to trigger the product purchase) (attitude/process), and **proactive loyalty** ("the consumer

frequently and regularly rebuys the brand, settling for no other") (behaviour/outcome). Graham and Keeley (1992:194) who examined loyalty as a response to dissatisfaction, also differentiated between **unconscious loyalty** (the "first recognition of deterioration"), **passive loyalty** (the period of time in which the individual passively waits for the situation to improve), and **reformist loyalty** (the individual actively pressures for reform). In light of the attitude-behaviour framework, Graham and Keeley's (1992) unconscious and passive loyalty appear to reflect the attitude/process, whereas reformist loyalty represents the behaviour/outcome. Therefore, the sequential stages proposed by the attitude-behaviour framework are supported within previous research into the different facets of loyalty. The different facets of loyalty may simply reflect the different stages of the process. It depends on whether you are measuring the process (attitude), or the outcome (behaviour). Consequently, the attitude-behaviour framework provides a good theoretical foundation for the measurement of loyalty.

Once existing loyalty measures had been placed within the attitude-behaviour framework, it became apparent which stages of the sequence were not adequately represented. Current measures appeared to have successfully captured the outcome of the sequence, behaviour (e.g. Cunningham, 1956: Neal, 2000), as well as the link between process and outcome, behavioural intention (Oliver, 1997; Tellis, 1988). However, just measuring the outcome and link fails to indicate the process by which the decision is made. Subsequently, outcome measures are unable to differentiate between intentional loyalty and spurious loyalty (Day, 1980). With Oliver (1997) arguing that the use of behavioural indicators (purchasing behaviour) as the only indicator of loyalty results in incorrect inferences about the motivation for the consumer's behaviour.

Based on the limitations of relying solely on outcome measures, several researchers have recognised the importance of capturing the consumer's attitude, or commitment toward the provider, rather than just monitoring the behavioural outcomes. Oliver (1997: 392) argued that "*consumer loyalty* is a deeply held commitment". Furthermore, Jacoby and Chestnut (1978) outlined three conditions that must be met for true brand loyalty to be evident. First, consumers must believe that the product is superior to the alternatives (cognition). Second, the consumer must demonstrate a clear preference, or liking, for the product (affect). Finally, the consumer must intend to use or purchase the product again (behavioural intentions).

The association between process and outcome measures is reiterated within the work of Dick and Basu (1994) who stated that true loyalty only exists when repeat patronage intentions (process/outcome link) coexist with high relative **attitude** (process). Neal (2000) also argued that attitudinal loyalty, or the feeling of affection for the provider, is a sub-component of behavioural loyalty. Therefore, previous research has alluded to the importance of capturing each stage of the attitude-behaviour framework in order to reliably measure consumer loyalty, using process as well as outcome.

6.4.3 Process Loyalty

There appears to be a general agreement that loyalty must address the process of attitude formation in order to accurately distinguish between intentional loyalty and spurious loyalty. Unfortunately, current consumer research lacks a reliable measure of loyalty that reflects this *process*. Analogous to the initial pilot studies, disregard loyalty failed to uniquely contribute to either the explanation of the outcome measure of consumer behaviour (repurchase), or the process/outcome link (repurchase intentions) within

the regression model, or as a bivariate correlation. Unexpectedly, as a potential cognitive measure, disregard loyalty also failed to predict the other process measures of attitude, including satisfaction, and the affective component of loyalty, attachment loyalty. The inability of disregard loyalty to predict the outcome measures or the other process measures, challenges the initial assumptions made in previous research about the disregard loyalty measure.

Previously, it was postulated that disregard loyalty was a composite measure that reflected both the behavioural outcome, as well as the cognitive process. Unfortunately, this does not appear to be the case. Based on the attitude-behaviour framework, disregard loyalty as an outcome measure should also theoretically be related to the other outcome measures. In order for disregard loyalty to reflect the behavioural stage of the attitude sequence, the measure needs to be statistically related to both the Behavioural Indicator and repurchase intentions. However, this study failed to demonstrate a relationship between disregard loyalty and repurchase intentions, or the Behavioural Indicator. The lack of association between disregard loyalty and the other indicators of behaviour may be due to the disregard loyalty measure's reliance upon self-reported behaviour. Alternatively, disregard loyalty may simply not be a meaningful measure of the behavioural outcome of loyalty, as first assumed.

Furthermore, the attitude-behaviour framework states that cognitive appraisal leads directly to the formation of a feeling. In order for disregard loyalty to be a process measure of the cognitive appraisal, it needs to be strongly related to representatives of the affective process, attachment loyalty and satisfaction. Unfortunately, this also appears not to be the case. This study failed to demonstrate a relationship between either

disregard loyalty and satisfaction, or attachment loyalty. Therefore, disregard loyalty does not appear to reflect the cognitive stage of the attitude formation.

A possible explanation for the lack of predictive capacity associated with disregard loyalty may be the requirement by Ping's (1993) measure for consumers to recall previous behaviour, and generalise from this behaviour. For example, "I often overlook problems with my primary wholesaler because they frequently fix themselves" (Ping, 1993: 348). "Most empirical studies (into complaint behaviour) are based on recall of past dissatisfactions and the complaint actions undertaken (Singh, 1988:97, brackets added). Unfortunately, this type of design may be compromised by biases associated with memory retention and recall (Penrōd, Loftus & Winkler, 1982). "Memory retrieval is fallible, sometimes causing access to other related, but inappropriate information" (Ericsson & Simon, 1984: 140).

Furthermore, Ping's (1993) conceptualisation of loyalty as a tendency to disregard problems also appears to be somewhat limited. This definition can only be applicable in situations where the consumer is aware that problems with the service or product are likely to occur. Unfortunately, it fails to address experiences where the consumer has never had a problem, does not expect a problem to ever occur, and is currently satisfied with the provider. Disregard loyalty fails to be applicable in such situations, as it is only relevant when there are perceived problems associated with the product/service. Disregard loyalty also fails to address the consumer's attitude toward the organisation, and is subsequently unable to distinguish between intentional loyalty and spurious loyalty.

The use of disregard loyalty, and its focus on the problems experienced by consumers, in order to provide insight into consumer loyalty, may be largely due to origins in dissatisfaction research. Researchers that utilise disregard loyalty (e.g. Ping, 1993; Maute & Forrester, 1993; Singh, 1990) tend to base their studies on previous research into consumer dissatisfaction responses. This attention to dissatisfaction may, in turn, account for the focus on consumer problems with the provider/service/product. However, this focus limits the applicability of disregard loyalty to those situations where the consumer has experienced several problems with the provider/service/product.

For a measure to be considered valid, it must measure what it purports to measure (Whitley, 1996). Each of the consumer loyalty measures (behavioural indicators, repurchase intentions, and the Tendency to Disregard Problems) seeks information about the same underlying theoretical construct. Therefore, based on the underlying theoretical relationship, each of the existing measures of consumer loyalty should also be empirically related. Surprisingly, the validity of these existing consumer loyalty measures has not been empirically addressed, except within this thesis. However, not only did disregard loyalty fail to demonstrate a relationship with the outcome and link measures (repurchase and repurchase intentions), disregard loyalty also failed to demonstrate a relationship the other process measures (satisfaction and attachment loyalty). This suggests that although disregard loyalty is a commonly used measure, it may not be a meaningful measure of consumer loyalty.

In contrast to disregard loyalty, the alternative measure of the loyalty process (attachment loyalty) successfully demonstrated bivariate relationships with repurchase

and satisfaction, as well as bivariate and multivariate relationships with repurchase intentions. These results provide empirical support for the criterion-related validity of attachment loyalty within this context.

In light of the criterion-related validity of attachment loyalty, it is important to also assess the face validity of the loyalty scale, especially since disregard loyalty is the common measure of consumer loyalty. The attachment loyalty scale employed items such as "I feel a strong sense of loyalty toward the Canberra Theatre Centre" and "I have warm feelings toward the Canberra Theatre Centre". These items seem to tap into the participants' affective attachment toward the provider.

In contrast to the attachment loyalty scale, the disregard loyalty scale employed items such as "I often overlook problems at the Canberra Theatre because they frequently fix themselves" and " Problems at the Canberra Theatre will often fix themselves". The disregard loyalty items appear to tap into problems with the provider. Therefore, it appears that attachment loyalty has greater face validity than that of disregard loyalty, when assessing loyalty as a process of attitude formation.

To date, existing measures of consumer loyalty failed to explicitly capture the consumer's attitude toward, and affection for the provider/service/product. In contrast however, another field of enquiry appears to have successfully captured the affective essence of loyalty. Organisational research, or research within the workplace, describes loyalty as sub-component of organisational commitment. Where loyalty is defined as an attachment toward the organisation (Buchanan, 1974; Graham & Keeley, 1992). Loyalty as a sub-component of commitment is theoretically supported within Oliver's (1997) phases of loyalty. Oliver stated that each phase of consumer loyalty (Cognitive,

Affective, Conative and Action) represents a different level of commitment. Unfortunately, however, Oliver did not describe a reliable way of measuring affective loyalty. Subsequently, a reliable, robust measure of loyalty as an attachment toward the organisation from within organisational research was successfully applied to a consumer context.

Having identified a potential measure of affective loyalty (attachment loyalty) it was also important to establish whether process measures of loyalty contribute further to our understanding of the consumer experience. In order to determine whether it is useful to have a process measure of loyalty within the consumer sequence, the relationships between attachment loyalty, and the outcome measures (repurchase intentions and repurchase) were tested within the presence of satisfaction. Previous research indicates that satisfaction is the most important determinant of consumer intentions (e.g. Oliver, 1980, 1987; Blodgett, Granbois & Walters, 1993). Furthermore, it was necessary to directly compare attachment loyalty with satisfaction, as satisfaction is also used as a reflection of the affective stage within the attitude-behaviour sequence.

As expected, attachment loyalty demonstrated the ability to contribute to the unique variance associated with repurchase intentions. In turn, within the first sample, the effect of attachment loyalty upon the Behavioural Indicator was completely mediated through repurchase intentions. This study indicated that attachment loyalty consistently accounted for an additional 2% of unique variance associated with repurchase intentions, above that already explained by satisfaction.

Initially, an additional 2% of explained variance associated with behavioural intentions seems hardly worth the effort of measuring attachment loyalty as well as satisfaction. However, the concept of practical significance provides support for the importance of the additional 2% of explained variance. Practical significance has been defined as the "value judgement about (the) importance (of the effect) for theory or application", also referred to as "clinical significance" (Whitley, 1996:445, brackets added). Jacobson and Truax (1991:12) stated that "the clinical significance of a treatment refers to its ability to meet standards of efficacy set by consumers, clinicians, and researchers". It is important to determine levels of practical efficacy because "in some situations even a small effect size can have practical significance" (Whitley, 1996:445). For example, Fishbein and Ajzen (1975) found that although correlations between the trait of religiosity and individual religious behaviours were small, on average .10, when the cumulative effect of these correlations were examined over time and across situations, the correlations increased dramatically to .63. Therefore, "small effects can sometimes add up over time to result in large effects"(Whitley, 1996:445).

Small effect sizes can also have practical significance when applied to large populations. For example, Yeaton and Sechrest (1981) demonstrated that, on average, people with a particular type of personality tend to arrive at appointments approximately 3.85 minutes earlier than other types of personalities. This difference resulted in a relationship between personality and arrival time of .13, defined by Cohen (1988) as a small effect size. However, Yeaton and Sechrest considered the effects of this difference within a large population, such as a company employing 1,000 people:

> "If a typical person worked 220 days during the year at a wage of $10 per hour, the 3.85-minute mean difference would translate into a difference of approximately $140,000 of additional work per year for the whole firm under the hypothesis that there is only one occasion each day when the 3.85-minute difference would occur. This difference strikes us as impressive" (Yeaton & Sechrest, 1981:766).

This thesis has argued that consumer loyalty is a predictor of consumer outcomes, and is therefore, indeed an indicator of an organisation's future profit. Bain & Company (in Oliver, 1997) indicated that a five percent increase in loyalty results in a seventy-three percent increase in lifetime profits per customer. Furthermore, the strong, yet independent relationship between satisfaction and attachment loyalty suggests that attachment loyalty does appear to successfully reflect the process of attitude formation, and in particular the affective stage. Therefore, attachment loyalty successfully predicted consumer behaviour, through behavioural intention.

However, when compared to satisfaction, attachment loyalty was not as powerful a predictor of Behavioural Intention. Examination of the beta weights revealed that attachment loyalty contributed approximately one fifth of the variance associated with behavioural intentions when compared to satisfaction. This suggests that although attachment loyalty enhances our understanding of, and ability to predict consumer behaviour, satisfaction remains an important construct within the consumer process.

In summary, this current study highlighted the need to assess measures of loyalty within a framework of attitude and behaviour. Once placed in this framework, deficiencies

within measurement of consumer loyalty became apparent. Previous consumer research had failed to address the process of attitude formation (cognition and affect). Instead, existing measures of loyalty focused on the outcomes of the sequence, repurchase intentions (intention) and repurchase (behaviour). Without tapping into the process, these outcome measures of loyalty are unable to differentiate between intentional and spurious loyalty (Day, 1980). Therefore, this piece of research identified a reliable process measure of attitude, or attachment loyalty, and successfully applied this measure to a consumer context.

The importance of capturing the process of loyalty formation as well as the behavioural outcomes of loyalty may provide some insight into why loyalty programs such as point reward schemes (e.g. frequent fliers) have failed to increase consumer loyalty (Dugan, 2000; Saba, 2000). Traditionally, loyalty programs reward consumers based on the outcome measures of loyalty, including behavioural indicators such as repeat purchase. However, as indicated previously, outcome measures are unable to distinguish between intentional loyalty and spurious loyalty (Day, 1980). Subsequently, loyalty programs fail to influence the consumers' attitude and feelings about the provider.

Furthermore, the failure of disregard loyalty, a common measure of loyalty within consumer research, to adequately reflect the cognitive appraisal associated with attitude formation highlights the need to identify alternative precursors of affective loyalty. Subsequently, the cognitive determinants of the affective component of consumer loyalty will be explored within the next chapter, including perceived approachability, responsiveness, exit barriers, quality of alternatives, importance and attitude toward complaining.

Chapter 7: Study 2: The Cognitive Determinants of Consumer Loyalty

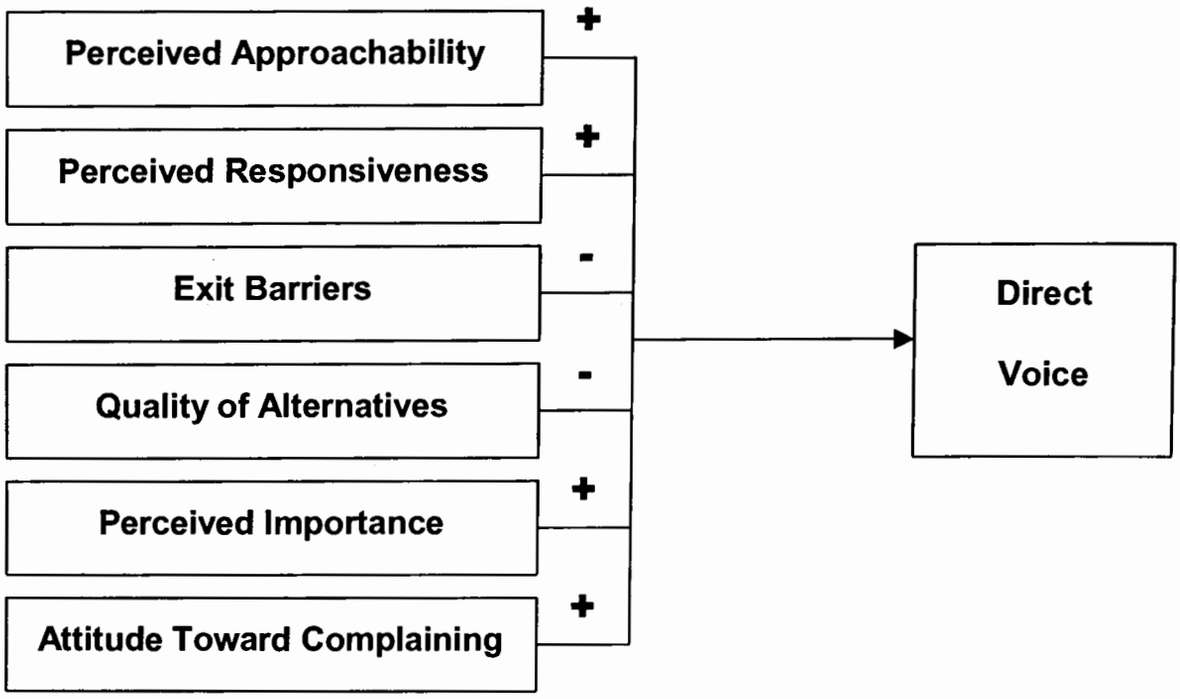
"The time to stop talking is when the other person nods his head affirmatively but says nothing" - Anonymous.

As previously discussed, loyalty is an important construct because of its link to future behaviour and subsequent organisational profit (e.g. Fornell & Wernerfelt, 1987). Unfortunately, previous attempts to actively increase consumer loyalty through traditional loyalty programs have failed (Dugan, 2000; Saba, 2000). As alluded to within the previous chapter, this failure may be due to a sole focus on outcomes of consumer loyalty, rather than recognition of the process of consumer loyalty (cognition and affect). The previous chapter established a useful measure of affective loyalty, attachment loyalty. However, based on the results of the previous chapter, as well as the poor performance of traditional loyalty programs, it is also important to determine the cognitive determinant(s) of affective loyalty, in order to identify ways to successfully increase consumer loyalty.

Traditionally, consumer satisfaction research outlines satisfaction as the determinant of loyalty (e.g. Oliver, 1997; Martensen, Gronholdt, Kristensen, 2000). However, results have been inconsistent, with many researchers concluding that satisfaction is not sufficient, by itself, to influence loyalty (e.g. Taher, Leigh & French, 1998; Abdullah, Al-Nasser, & Husain, 2000). Alternatively, research into responses to consumer dissatisfaction places direct voice as the determinant of loyalty (e.g. Hirschman, 1970). Subsequently, providers have been encouraged to increase consumer complaints in order to enhance consumer loyalty (Fornell & Wernerfelt, 1987). Previous research has traditionally focused on dissatisfied consumers, where the relationship between encouraging complaints and loyalty is mediated by the act of complaining (Blodgett et al., 1993; Oliver & Bearden, 1985).

However, this traditional relationship appears limited to the minority of consumers who have experienced a dissatisfying experience (Andrew & Withey, 1976). In contrast, little research has examined the direct relationship between encouraging complaints and loyalty. Furthermore, the little research that has been conducted revealed inconsistent results (e.g. Farrell & Rusbult, 1992; Saunders et al., 1992), probably due to a potential moderation effect of satisfaction. Satisfaction as a moderator is supported within previous research in which Ping (1994) demonstrates the moderation effect of satisfaction upon behavioural intentions. Therefore, this second study will examine the relationship between encouraging voice and loyalty, in light of the traditional mediating variable, direct voice, for those consumers that are satisfied with the service. Surprisingly, the direct relationship between encouraging complaints and loyalty is yet to be tested for satisfied consumers.

As indicated previously, consumer and organisational research highlights approachability, responsiveness, exit barriers, quality of alternatives, attitude toward complaining, and perceived importance as key determinants of direct voice (e.g. Saunders et al., 1992; Maute & Forrester, 1993; Singh, 1990; Blodgett et al., 1993) (Figure 27).

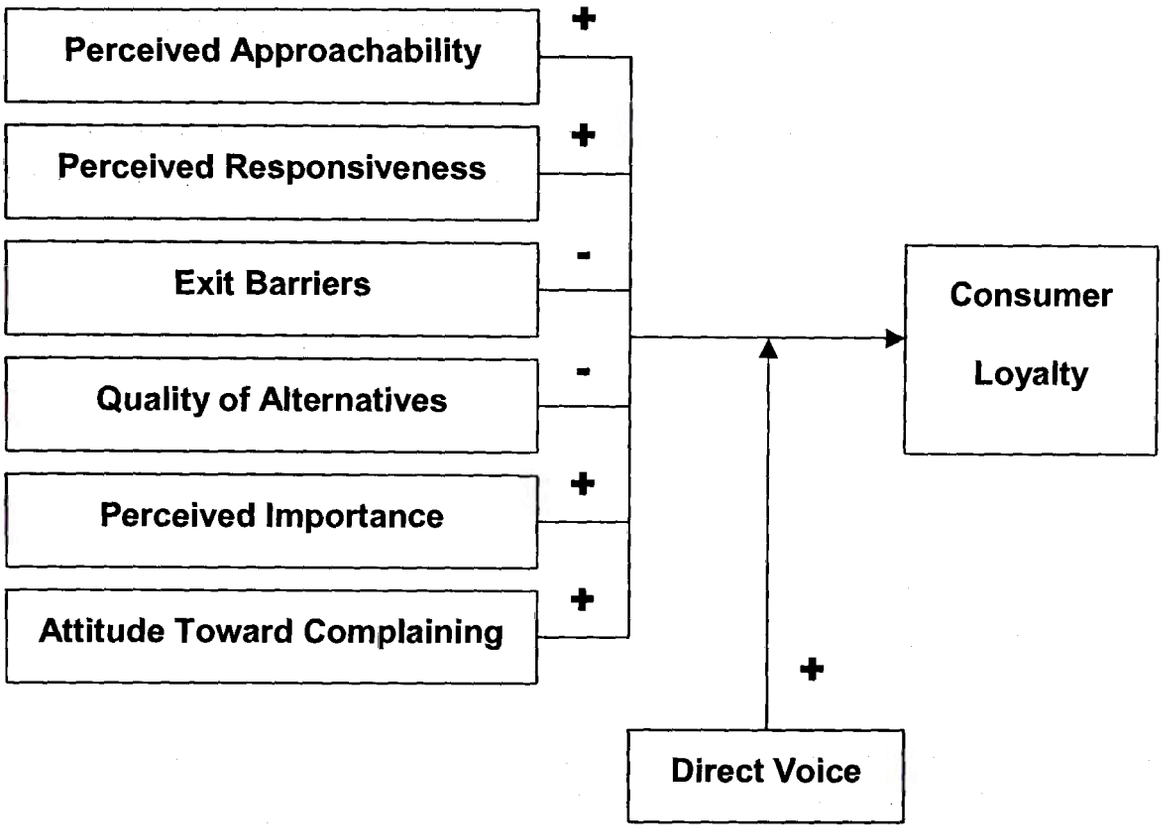


Figure, 27. **Relationship between the Predictors of Voice and Voice.**

This study begins by assessing these constructs as possible cognitive determinants of consumer loyalty, in light of direct voice (Figure 28). Based on previous research within the consumer communication literature, as well as attachment research, it is hypothesised that when controlling for the relationship between direct voice and loyalty, perceived approachability and responsiveness will be positively associated with consumer loyalty (e.g. Saunders et al., 1992: Johnson & Marano, 1994). That is, consumer loyalty will increase as perceived approachability and responsiveness increase.

In contrast, exit barriers is expected to demonstrate negative associations with consumer loyalty (e.g. Maute & Forrester, 1993). Consumer loyalty will increase as the perceived barriers to exit decrease. Initial support for the negative relationship between exit barriers and loyalty is found within the work of Maute and Forrester (1993) who

demonstrated a negative relationship between disregard loyalty and exit barriers.



Figure, 28. **Relationship between the Predictors of Voice and Loyalty for satisfied consumers.**

Maute and Forrester (1993) also outlined a negative relationship between Attractiveness of alternatives and disregard loyalty. Therefore, it is expected that attachment loyalty will be negatively associated with high quality alternatives. That is, an increase in the quality of alternatives will result in greater exit and less loyalty. This negative relationship between alternatives and loyalty is supported within the early work of Hirschman (1970) into alternative relationships and voice. Hirschman states that voice requires a great deal of effort on the consumer part. Therefore, if alternatives are available and acceptable, then it is hypothesised that the consumer is more likely to leave than stay (behavioural loyalty) and voice. As loyalty is associated with voice,

the negative relationship between voice and alternatives may also indicate a negative relationship between alternatives and loyalty.

Finally, based on the communication research into voice, perceived importance and attitude toward complaining (e.g. Blodgett et al., 1993; Singh, 1990), it is hypothesised that perceived importance and attitude toward complaining will demonstrate positive relationships with consumer loyalty. Consumer loyalty will increase as the perceived importance of the purchase, and the general attitude toward complaining increase.

In summary, it is typically assumed that the relationship between encouraging complaints and loyalty is mediated by direct voice. This sequence is largely due to the previous research that outlines a direct relationship between the act of complaining (direct voice) and loyalty (e.g. Hirschman, 1970; Fornell & Wernerfelt, 1987). However, previous research has tended to focus on consumers that have experienced a dissatisfying episode. This may limit the findings to the minority of consumers who are, or have been dissatisfied. In order to expand the applicability of these findings, this study examines those consumers that are currently satisfied with the service. In contrast, to previous research, this current research will examine the direct relationship between encouraging complaints and loyalty, controlling for direct voice within a sample of satisfied consumers. That is, this second study will explore the direct relationship between encouraging consumer complaints (approachability, responsiveness, exit barriers, quality of alternatives, attitude toward complaining, and perceived importance) and consumer loyalty (attachment loyalty). Specifically, the research hypotheses within this second study include:

H1: Approachability will directly predict attachment loyalty in the presence of the other predictors of voice, and direct voice, when consumers are satisfied.

H2: Responsiveness will directly predict attachment loyalty in the presence of the other predictors of voice, and direct voice, when consumers are satisfied.

H3: Exit barriers will directly predict attachment loyalty in the presence of the other predictors of voice, and direct voice, when consumers are satisfied.

H4: Quality of alternatives will directly predict attachment loyalty in the presence of the other predictors of voice, and direct voice, when consumers are satisfied.

H5: Attitude toward complaining will directly predict attachment loyalty in the presence of the other predictors of voice, and direct voice, when consumers are satisfied.

H6: Perceived importance will directly predict attachment loyalty in the presence of the other predictors of voice, and direct voice, when consumers are satisfied.

H7: Direct voice will not directly predict attachment loyalty in the presence of the predictors of voice, when consumers are satisfied.

7.1 The Samples

Analogous to the study within the previous chapter, the research sample for this second study encompassed subscription patrons of the Canberra Theatre Centre, a regional theatre located in Canberra, Australia. Each customer that subscribed to the 1999 Canberra Theatre season, or the 2000 Canberra Theatre season was invited to participate in the research sample. This research sample naturally created two sub-samples of

consumers, 1999 Subscribers and 2000 Subscribers. However in contrast to the study outlined within the previous chapter, those subscribers who completed both 1999 and 2000 surveys were excluded from this analysis due to participation in a separate study to be discussed in the next chapter.

7.1.1 1999 Season Subscribers

The initial research sample consisted of 659 customers of the Canberra Theatre's subscription season, who purchased 1999 season tickets, minus the hold out sample of 70 respondents. The response rate for this study was 237 useable questionnaires (36%). Several techniques were employed to increase the response rate, including a personalised cover letter, consent form, follow-up letter, and was explicitly branded as university research (Whitley, 1996; Fox, Crask, & Kim, 1988; Yammarino, Skinner, & Childers, 1991; Yu & Cooper, 1983; Kerin & Peterson, 1977; Jones & Linda, 1978). As previously discussed, a comparison of the behavioural indicators for respondents and non-respondents typically indicated that the final sample was not significantly biased by non-response (Appendix F).

Sixty-nine percent (163) of the sample were female, whilst thirty-one percent (74) were male. The age of participants ranged from 24 to 86 years, with a mean of 49 years. The total reported income for each household ranged from AUS $14,000-$500,000 per annum, with a mean of $83,000. On average, each patron reported that they had lived in Canberra for 20 years, had attained a tertiary level of education, and had purchased a subscription approximately three times before.

The 1999 sample was then separated into Satisfied and Dissatisfied sub-samples. Nineteen (8%) of the 1999 respondents demonstrated a mean satisfaction score below the midpoint (4), and were subsequently considered dissatisfied. Two hundred and twelve (92%) of the 1999 respondents demonstrated a mean satisfaction score at or above the theoretical midpoint (4), and were considered satisfied.

7.1.2 2000 Season Subscribers

The second research sample consisted of 760 customers of the Canberra Theatre's 2000 subscription season, minus the hold out sample of 70 respondents. The response rate for this study was 22% (170 useable questionnaires). Analogous to the 1999 survey, the second survey utilised a personalised cover letter, consent form, a follow-up reminder letter, and was branded as university research. As previously discussed, a comparison of the behavioural indicators for respondents and non-respondents indicated that the final sample was not significantly biased by non-response (Appendix F).

Sixty-seven percent (103) of the sample was female, whilst thirty-three percent (50) were male. The age of participants ranged from 24 to 86 years, with a mean of 51 years. The total reported income for each household ranged from AUS $10,000-$250,000 per annum, with a mean of $86,050. On average, each patron reported that they had lived in Canberra for 21 years, had attained a tertiary level of education, and had purchased a subscription from the Canberra Theatre approximately three times before.

Analogous to the 1999 sample, the 2000 sample was then separated into Satisfied and Dissatisfied sub-samples. Eight (5%) of the 2000 respondents demonstrated a mean satisfaction score below the midpoint (4), and were considered dissatisfied. One

hundred and forty-three (95%) of the 2000 respondents demonstrated a mean satisfaction score at or above the theoretical midpoint (4), and were considered satisfied.

7.2 Materials

This current research examines the theoretical predictors of direct consumer voice as direct predictors of consumer loyalty, including approachability, responsiveness, exit barriers, quality of alternatives, attitude toward complaining, and perceived importance. The study also examines direct voice and attachment loyalty. Satisfaction was also addressed in order to identify and exclude those participants who were dissatisfied with the service (Appendix B). Analogous to the earlier work of Blodgett, Granbois and Walters (1993), the scales within this study were submitted to five "expert judges" (Appendix C) to pre-test and comment on their face-validity and readability. The predictors of voice, satisfaction and loyalty were measured using strongly disagree/strongly agree anchors, whilst direct voice used very unlikely/very likely anchors. Each item utilised a seven point numerical scale. Cox (1980) stated that seven points optimises the relationship between the distribution of scores, and ease of responding.

Furthermore, each of the scales utilised multiple items or questions to enhance the reliability and internal validity of the measures. Multi-item scales have several advantages over single-item scales, including the ability to address multiple aspects of a construct; greater reliability and validity; and greater sensitivity (Whitley, 1996). Nunnally (1978) stated that coefficients greater than .60 are considered acceptable for research and developmental purposes. Therefore, the internal consistency of the scales

were assessed against Nunnally's criteria. Several of the items were also negatively worded to minimise response bias, and were reverse coded prior to establishing the global score. A global score for each scale was calculated by averaging the response to each item. Therefore, the potential range for each scale was also between one and seven. Previous reliability and validity data is unavailable for some of the modified scales.

7.2.1 Direct Voice

Within this study, *Direct voice* encompasses the likelihood of discussing concerns or making suggestions directly to the theatre staff. This scale was derived from a literature search within the communication area. Although, voice is difficult to predict because it requires an appraisal of the recipient's response (Withey & Cooper, 1989), several reliable measures of voice could be found within previous research. The final items included were selected and modified from the work of Singh (1990), Leck and Saunders (1992), Farrell and Rusbult (1992), and Saunders, Sheppard, Knight and Roth (1992). However, the final scale used was purpose derived for this research setting. Five items were used, including "Contact the Canberra Theatre to communicate my suggestions and concerns", and "Contact the Canberra Theatre to praise their service".

7.2.2 Approachability and Responsiveness

Approachability encompasses the extent to which participants perceive the theatre staff would listen to consumer voice. For example, "It would be difficult to take a suggestion to the Canberra Theatre" (reverse coded). In contrast, *responsiveness* tapped into the extent to which respondents perceive the theatre staff would act on customer voice. For example, "I would take any concerns to a Canberra Theatre service clerk, as they would

be dealt with effectively". The items for approachability and responsiveness were taken from the work of Saunders et al. (1992). The final five items for each scale were chosen using the highest factor coefficient loadings demonstrated within Saunders et al's (1992) factor analysis of the approachability and responsiveness scale. Typically, factor loadings greater than .61 were selected. The selected items were then modified to suit this research setting.

7.2.3 Exit Barriers and Quality of Alternatives

Exit barriers encompassed the extent to which participants believed that terminating the subscription relationship with the theatre was difficult. Although the scale for exit barriers was based on the work of Maute and Forrester (1993), the specific items were purpose derived for this research setting. For example, "I am locked into the choices I made at the start of the season", and "It costs too much to exchange my tickets to another performance".

Within this study, *quality of alternatives* tapped into the extent to which participants' perceived alternative services to be better than the subscription. Once again, the quality of alternatives scale was based on the work of Maute and Forrester (1993), yet the items were purpose derived for this research setting. For example, "The flexibility of buying one show at a time far out-weighs the benefits of a subscription program", and "The subscription seasons available at other theatres are not as good as that of the Canberra Theatre".

7.2.4 Attitude Toward Complaining

Attitude toward complaining (personal norms) encompassed the individual's norms regarding direct communication with the service provider. For example, "It bothers me quite a bit if I do not complain about unsatisfactory service". *Attitude toward complaining (social benefits)* encompasses an individual's beliefs about the societal benefits that result from direct communication with the service provider. For example, "By complaining about unsatisfactory components of a theatre, I may prevent other patron's from experiencing the same problem". The items employed for attitude toward complaining were selected from Singh's (1990) research, based on the work of Richins (1982). Singh demonstrated internal consistencies from .66 through to .72. The items were modified slightly to suit this research context.

7.2.5 Perceived Importance

Perceived importance tapped into the extent to which participants believed that the service was an important purchase to them. Three items were used, based on the work of Blodgett et al. (1993: 415), yet the final items were modified to suit this research context. For example, "This product means a lot to me" was modified slightly to "The subscription package means a lot to me". Blodgett et al. (1993) demonstrated an internal consistency coefficient of .81, and the expected relationship with voice.

7.2.6 Satisfaction

Satisfaction has been defined as the "evaluation rendered that the experience was at least as good as it was supposed to be" (Hunt, 1977: 459). Satisfaction was measured

using a six item global measure developed by Oliver (1980). For example, "I am satisfied with my decision to purchase a season subscription". Oliver's (1980) satisfaction scale has previously been successfully used as a measure of satisfaction within consumer contexts, including medical consumers of a flu inoculation (Oliver, 1980, 1997). Oliver (1980) demonstrated internal consistency of .82, and the expected relationships with expectations and behavioural intention. However, the specific items were adapted to suit this research setting.

7.2.7 Attachment Loyalty

Attachment loyalty was measured utilising the loyalty component of Buchanan's (1974) Organisational Commitment scale, modified for this consumer setting. Loyalty is defined as a feeling of affection for and attachment to the organisation (Buchanan, 1974). Seven of the nine items were included within the study. Two of the items were excluded from the analysis, as previous research indicated that these two items consistently loaded onto both satisfaction and loyalty (see Chapter Six). Attachment loyalty was utilised within this study to measure participant loyalty toward the theatre. For example, "I feel a strong sense of loyalty toward the Canberra theatre Centre", and "Few organisations can match the Canberra Theatre as a good place to see shows". Buchanan demonstrated internal consistency of .92, and the expected relationships with personal importance and commitment norms.

7.3 Procedure

Each of the customers who purchased a 1999 or 2000 Season Subscription at the Canberra Theatre were sent the nine page questionnaire, a letter seeking informed

consent, and a reply-paid envelope. Those customers who responded to both the 1999 and 2000 questionnaires were excluded from this analysis as a hold out sample for a study to be described later (Chapter Eight). After approximately two weeks, each participant received a follow-up reminder. This reminder thanked those individuals who had already completed and returned the questionnaire, and reminded those who had not about the importance of their information. The respondents were requested to return the questionnaire and the signed letter of consent in the reply-paid envelope. The 1999 and 2000 samples were then split into Satisfied and Dissatisfied sub-samples. All statistical analysis was conducted using the SPSS statistical computer package.

7.4 Results

7.4.1 Scale Development

7.4.1.1 Descriptive Statistics

The scales were formed and the descriptive statistics examined (Tables 11 and 12). An analysis of the missing data process indicated that the missing data were scattered randomly throughout the responses (Hair, Anderson, Tathom & Black, 1995) (Appendix D). Therefore, non-response to the survey questions were scattered randomly throughout the data set. All of the scales demonstrated Cronbach Alpha coefficients greater than .62, except attitude toward complaining within the 2000 sample (.58).

Direct voice was measured on a one to seven (very unlikely/very likely) numerical scale. The mean scores associated with direct voice within both samples (3.46 and 3.58, respectively) indicated that, on average, respondents did not intend to communicate

directly with the Canberra Theatre.

In contrast, approachability, responsiveness, exit barriers, quality of alternatives, attitude toward complaining, perceived importance, satisfaction and attachment loyalty were measured on a one to seven (strongly disagree/strongly agree) numerical scale.

Examination of the mean scores for these measures ranged from 3.13 to 5.88 across both samples (Table 11 and Table 12). This suggests that on average, participants perceived the Theatre to be relatively approachable (4.52, 4.48) and responsive (4.51, 4.26) to customer voice. In contrast, subscribers generally perceived the exit barriers (3.72, 3.62) and quality of alternative providers (3.13, 3.16) as low. Across both samples, the respondents held positive attitudes toward complaining (4.76, 4.46), perceived the subscription program as important (5.33, 5.25) and overall were satisfied with the subscription package (5.83, 5.88). However, the respondents generally indicated a relatively ambivalent level of loyalty toward the Theatre (3.92, 3.81), that is respondents indicated that they were neither loyal nor disloyal.

Table 11: Descriptive Statistics 1999 Sample

Scale	N	Items	M	SD	α
Approachability	223	5	4.52	1.15	.73
Responsiveness	212	5	4.51	.86	.75
Attitude Toward Complaining	219	6	4.76	.86	.63
Perceived Importance	228	5	5.33	.87	.75
Exit Barriers	222	5	3.72	1.32	.78
Quality of Alternatives	228	5	3.13	.98	.70
Direct Voice	227	5	3.46	1.35	.83
Satisfaction	231	6	5.83	1.06	.90
Loyalty	229	7	3.92	1.07	.79

Note. Changes in N are due to some respondents not responding to all of the survey questions.

Table 12: Descriptive Statistics 2000 Sample

Scale	N	Items	M	SD	α
Approachability	144	5	4.48	1.14	.80
Responsiveness	145	5	4.26	.80	.67
Attitude Toward Complaining	138	6	4.46	.89	.52
Perceived Importance	148	5	5.25	.88	.73
Exit Barriers	145	5	3.62	1.32	.84
Quality of Alternatives	147	5	3.16	.99	.71
Direct Voice	149	5	3.58	1.36	.86
Satisfaction	151	6	5.88	1.00	.90
Loyalty	143	7	3.81	1.03	.82

Note. Changes in N are due to some respondents not responding to all of the survey questions.

7.4.1.2 Bivariate Correlations

Examination of the bivariate correlations across both samples (Tables 38 and 39, Appendix A) reveal a positive relationship between attachment loyalty and perceived importance (.31, .41), approachability (.27, .34), responsiveness (.30, .37), and direct voice (.15, .21). That is, loyalty toward the Theatre increased as perceived importance,

approachability, responsiveness, and intention to voice directly to the theatre increased. Loyalty demonstrated a direct, negative relationship with exit barriers (-.15, -.27) and quality of alternatives (-.49, -.47). Loyalty toward the Theatre increased as the quality of alternatives and barriers to exit decreased. However, attitude toward complaining failed to demonstrate a direct relationship with attachment loyalty within either of the samples. Furthermore, attachment loyalty demonstrated a positive relationship with satisfaction (.37, .27).

Direct voice demonstrated a positive relationship with perceived approachability (.29, .43), responsiveness (.23, .26) and attitude toward complaining (.40, .41). That is, intention to communicate directly with the Theatre increased, as the respondents' perceptions about approachability, responsiveness and attitude toward complaining became more positive. Direct voice also demonstrated a negative relationship with exit barriers (-.18, -.26). Intention to communicate directly with the Theatre increased, as the exit barriers decreased.

Perceived importance demonstrated inconsistent results across both samples. Within the 1999 sample, importance demonstrated a direct relationship with voice (.21). However within the 2000 sample, perceived importance did not demonstrate a direct relationship with voice.

Like the inconsistent relationship between direct voice and perceived importance, direct voice also failed to demonstrate a direct relationship with overall satisfaction, and the perceived quality of alternatives. However, this failure to demonstrate a direct association between voice and satisfaction may be due to the small number of respondents who indicated that they were dissatisfied (8%). Only having a small

number of dissatisfied consumers may have resulted in a truncated variable for satisfaction.

In contrast, the lack of a direct relationship between voice and quality of alternatives may be due to a few outlying observations. The dispersion of the observations for direct voice and quality of alternatives was examined within a scatter-plot (Appendix G). However, the scatter-plot revealed only one or two outlying cases, and these outliers were unlikely to have dramatically affected the relationship between direct voice and quality of alternatives.

7.4.2 A Difference Between Satisfied and Dissatisfied Respondents

In order to determine whether the relationships between encouraging complaints, loyalty and direct voice were different for satisfied and dissatisfied consumers, the two samples were compared. Due to the small number of dissatisfied consumers (n_{1999}=19; n_{2000}=8), the possible moderation effect of satisfaction could not be examined. Instead, this research employed a one-way Analysis of Variance (ANOVA) to compare the key variables within the satisfied and dissatisfied consumers. Typically, the general rule of thumb for a comparison of means requires greater than fifteen cases per group. However, Cohen (1988) outlines the power associated with a sample size for the group of eight. Subsequently, the analysis will be conducted recognising the relatively low power of the test, and as such increasing the conservative nature of any differences found.

The perceived exit barriers within the 1999 sample $F_{1999}(1,217)=4.71$, $p<.05$; and the perceived quality of alternatives within both samples $F_{1999}(1,223)=58.22$, $p<.001$; $F_{2000}(1,143)=38.85$, $p<.001$ were lower for satisfied participants compared to dissatisfied participants. In contrast, within both samples perceived importance $F_{1999}(1,223)=16.32$, $p<.001$; $F_{2000}(1,144)=14.03$, $p<.001$, and loyalty $F_{1999}(1,227)=7.89$, $p<.01$; $F_{2000}(1,139)=3.18$, $p<.10$ were higher for satisfied participants compared to dissatisfied participants (Table 13).

Table 13: Descriptive Statistics for the Analysis of Variance for Satisfied compared to Dissatisfied Respondents

Construct		1999 Sample			2000 Sample		
		N	M	SD	N	M	SD
Exit Barriers	Dissatisfied	16	4.49	1.20	7	4.50	1.44
	Satisfied	203	3.66	1.32	136	3.58	1.31
Alternatives	Dissatisfied	17	4.71	.66	8	5.04	.94
	Satisfied	208	3.00	.89	137	3.04	.88
Importance	Dissatisfied	17	4.46	1.02	7	3.82	.57
	Satisfied	208	5.41	.81	139	5.33	.82
Loyalty	Dissatisfied	19	3.28	.87	8	3.03	.56
	Satisfied	210	3.98	1.07	133	3.86	1.04

Based on these differences between those participants who were satisfied and those who were dissatisfied, those respondents who indicated an overall rating of 4 or below for the satisfaction scale (n_{1999}=19, n_{2000}=8), were considered dissatisfied. In order to test the direct relationship between encouraging complaints and loyalty for satisfied consumers, those participants considered dissatisfied were excluded from further analysis.

7.4.3 The Relationship Between Encouraging Complaints and Loyalty, in Light of Intention to Voice for Satisfied Consumers.

A hierarchical multiple regression was conducted within both the 1999 and 2000 sub-samples to determine whether direct voice predicted loyalty. This relationship was then tested in the presence of the theoretical predictors of consumer voice. To ensure the efficiency of the model, the predictor measures were entered into the equation in a two-step fashion. Based on the direct relationship between voice and loyalty outlined in previous research (e.g. Hirschman, 1970), voice was entered in the first step in a blocked fashion. As no a priori hypothesis exists regarding the predictors of voice and loyalty, these predictors were entered in the second step, in a stepwise fashion.

The resultant model was highly significant across both samples. Within the 1999 sample, the first step accounted for 3% of the explained variance, r^2=.03, $f(1,181)$ = 4.64, p< .05, the second step accounted for 25%, r^2=.25, $f(8,180)$ = 3.68, p< .001, and the final step accounted for 27% of the explained variance associated with attachment loyalty, r^2= .27, $f(1,179)$ = 22.35, p< .001. Within the 2000 sample, the first step accounted for 4%, r^2= .047, $f(1,121)$ = 5.40, p< .05, the second step accounted for 26%, r^2= .26, $f(2,120)$ = 2.87, p< .001, and the final step accounted for 30% of the

explained variance associated with attachment loyalty, $r^2 = .30, f(1,119) = 16.71, p < .001$. Table 14 and Table 15 present the t-test scores associated with these multivariate regressions.

Table 14: Summary of Hierarchical Regression Analysis for the Variables Predicting Loyalty within 1999 (n = 182)

Variable	β	SE	Beta	t	α
Step 1					
Direct Voice	.12	.06	.16	2.15*	.032
Step 2					
Direct Voice	.11	.05	.14	2.19*	.030
Quality of Alternatives	-.57	.08	-.48	-7.44***	.000
Step 3					
Direct Voice	.09	.05	.11	1.70	.090
Quality of Alternatives	-.47	.09	-.40	-5.29***	.000
Importance	.21	.10	.16	2.12*	.035

Note *p<.05., ***p<.001.

As can be seen within the 1999 sample presented in Table 14, direct voice initially demonstrates a direct relationship with attachment loyalty. Direct voice continues to

demonstrate a direct relationship with attachment loyalty in light of quality of alternatives. This result appears logical in light of the lack of a bivariate association between alternatives and direct voice. However, when perceived importance is entered into the equation, direct voice no longer contributes to the unique variance associated with attachment loyalty.

Table 15: Summary of Hierarchical Regression Analysis for the Variables Predicting Loyalty within 2000 (n = 122)

Variable	β	SE	Beta	t	α
Step 1					
Direct Voice	.15	.07	.21	2.32*	.023
Step 2					
Direct Voice	.14	.06	.18	2.31*	.022
Quality of Alternatives	-.54	.09	-.46	-5.90***	.000
Step 3					
Direct Voice	.09	.06	.12	1.49	.138
Quality of Alternatives	-.49	.09	-.42	-5.34***	.000
Responsiveness	.27	.11	.21	2.55*	.012

Note *p<.05., ***p<.001.

Analogous to the 1999 sample, the results within the 2000 sample presented in Table 15 reveal a direct relationship between direct voice and attachment loyalty within the first step. Direct voice continues to demonstrate a direct relationship with attachment loyalty in the presence of quality of alternatives. However, when perceived responsiveness is entered into the equation, direct voice no longer contributes to the unique variance associated with attachment loyalty.

As indicated by the t-tests (Table 14 and Table 15), quality of alternatives consistently demonstrated itself as the key determinant of attachment loyalty, across both samples. Perceived importance also contributed directly to the unique variance associated with attachment loyalty within the 1999 sample. Responsiveness contributed directly to the unique variance associated with attachment loyalty within the 2000 sample.

Examination of the standardised beta weights indicated a negative relationship between quality of alternatives and attachment loyalty. Attachment loyalty increased as the quality of alternatives decreased. In contrast, importance and responsiveness demonstrated positive relationships with attachment loyalty. Attachment loyalty increased as perceived responsiveness or importance increased. In both cases, however, quality of alternatives appears to explain approximately twice the amount of variance associated with attachment loyalty, compared to either perceived responsiveness or importance.

7.5 Discussion

This research examined the relationship between encouraging consumer complaints (predictors of voice) and attachment loyalty for satisfied consumers, in light of intention

to voice. First, satisfied respondents were compared to dissatisfied respondents in order to determine whether levels of loyalty, intention to voice, and the predictors of voice were different within these two groups. Generally, satisfied consumers perceived the barriers to exit, and the quality of alternative services as lower. In contrast, satisfied consumers perceived the subscription offering to be important and were more loyal towards the theatre compared to dissatisfied consumers. These differences lend initial support to the hypothesis that the relationship between encouraging complaints and attachment loyalty is different for satisfied consumers compared to dissatisfied consumers.

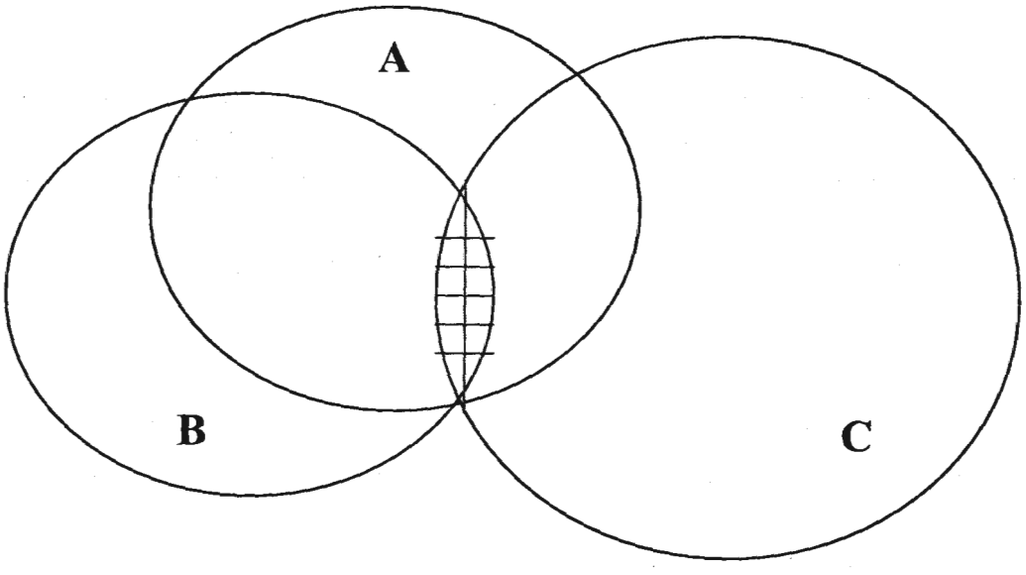
Second, the relationship between the predictors of voice and loyalty was examined, in light of voice. As hypothesised, direct voice demonstrated a direct relationship with attachment loyalty across both samples. Furthermore, this relationship remained stable within the presence of quality of alternatives. However, when this relationship was tested within the presence of the predictors of voice (e.g. perceived importance or responsiveness), the direct relationship between voice and attachment loyalty became non-significant (H7). As a result, it appears that the quality of alternatives and perceived importance were the key determinants of attachment loyalty within the 1999 sample, providing support for the fourth and sixth research hypotheses (H4 & H6). Within the 2000 sample, quality of alternatives and perceived responsiveness were the key determinants of consumer attachment loyalty (H4 & H2). Therefore as hypothesised, for those subscribers that are satisfied with the service, the predictors of voice have a direct relationship with attachment loyalty.

Examination of the relative contribution of each predictor indicated that quality of alternatives explained approximately twice the amount of variance associated with attachment loyalty, as perceived importance or responsiveness. This additional variance may have been influenced by the consumer context selected. The current consumer context examined consumers of a regional theatre, with only a few direct competitors within the local region. Furthermore, these competitors were typically smaller in operation. Therefore, the importance placed upon the quality of alternatives may have been influenced by the small number and low comparative quality of alternative theatres within the region.

Unexpectedly, this study failed to provide multivariate support for a direct relationship between attachment loyalty and approachability (H1), exit barriers (H3), or attitude toward complaining (H5). Failure to demonstrate a multivariate relationship between attitude toward complaining and attachment loyalty can, in part, be explained by the lack of a bivariate relationship between these two measures, which may have been due to the low internal consistency demonstrated by the attitude toward complaining scale.

In contrast, the lack of empirical support for a direct relationship between approachability and attachment loyalty, as well as exit barriers and attachment loyalty when the predictors were considered together, may be due to the theoretical relationships these constructs hold with responsiveness and quality of alternatives, respectively. The aim of the exploratory statistical technique used within this study (multivariate regression) is to identify the unique contribution of the independent variables (Variable A and B) in light of any common contributions to the prediction of the dependent variable (Variable C, Figure 29) (Tabachnick & Fidell, 1996). As can be

seen within Figure 29, the contribution of Variable B (as represented by red shading) to the prediction of Variable C does not account for any additional variance above that already accounted for by Variable A. Within this consumer context, a similar relationship may have occurred with approachability. That is, in light of the contribution of responsiveness (Variable A), approachability (Variable B) may not have demonstrated enough unique variance to indicate a significant, direct relationship with attachment loyalty (Variable C). Therefore, the direct effect of approachability and exit barriers may not have been unique when examined in the presence of their theoretically related partners, responsiveness and quality of alternatives.



Figure, 29. **Multivariate regression.**

Previous research had indicated a positive relationship between direct voice and loyalty (e.g. Oliver, 1997; Hirschman, 1970). That is, increased direct communication with the provider, when dissatisfied, resulted in greater loyalty due to the provider's reaction, and the cathartic effect of complaining (Bearden & Oliver, 1985). Initially, this research into satisfied consumers also provided empirical support for a positive relationship

between voice and loyalty within the first step of the equation. However, when the predictors of voice were also considered (e.g. perceived importance and responsiveness), the direct relationship between voice and loyalty became non-significant (H7). Interestingly, little research has addressed the effect of encouraging complaints upon attachment loyalty for satisfied consumers. Even though it would seem that satisfied consumers are a preferable outcome to dissatisfied consumers, since it costs a great deal more to attract new customers should the dissatisfied customers leave (Finkleman, 1993), and providing effective redress to resolve dissatisfaction is also resource intensive (Oliver, 1997).

In an attempt to examine the relationship between the predictors of voice, voice and loyalty for satisfied consumers, this study demonstrated a direct relationship between quality of alternatives and attachment loyalty (within both samples) (H4), perceived responsiveness and attachment loyalty (within the 2000 sample) (H2), as well as perceived importance and attachment loyalty (within the 1999 sample) (H6), independent to that of intention to voice directly to the provider. Therefore, as key determinants of attachment loyalty, it appears that the perceived quality of alternatives, importance and responsiveness of the organisation may have an effect on levels of consumer loyalty.

7.5.1 Quality of Alternatives and Loyalty

Previous research within Organisational Psychology has also indicated a direct relationship between quality of alternatives and loyalty (e.g. Hirschman, 1970). Farrell and Rusbult (1992) argued that better quality of alternatives decreases loyalty. These researchers conducted five separate studies to examine the effect of quality of

alternatives upon organisational loyalty, including a simulation experiment, a cross sectional survey, a laboratory experiment, a panel study, and secondary analysis. Unfortunately, these researchers demonstrated inconsistent findings with regard to quality of alternatives and organisational loyalty. That is, only three of the five studies demonstrated a significant relationship between alternatives and loyalty. Of those three significant relationships, two were positive and one was negative. Withey and Cooper (1992) also examined the relationship between alternatives and organisational loyalty. Again however, these researchers failed to demonstrate a relationship.

Within a consumer context, Sambandam and Lord (1995) demonstrated a relationship between the number of alternatives and exit (a behavioural outcome). These researchers stated that the greater the number of alternatives, the more likely it is that a consumer will exit (switch providers). Furthermore, Maute and Forrester (1993) examined the relationship between alternatives and loyalty. These researchers demonstrated a significant, negative relationship between alternatives and loyalty. That is, loyalty decreased as the attractiveness of alternatives became greater. However, this study did not examine the perceptions of actual consumers. Instead, the study relied on asking undergraduate students to imagine their responses to fictitious scenarios. An approach which has received a great deal of criticism. For example, Bitner (1990) states that role-playing scenarios can decrease the external validity of the findings.

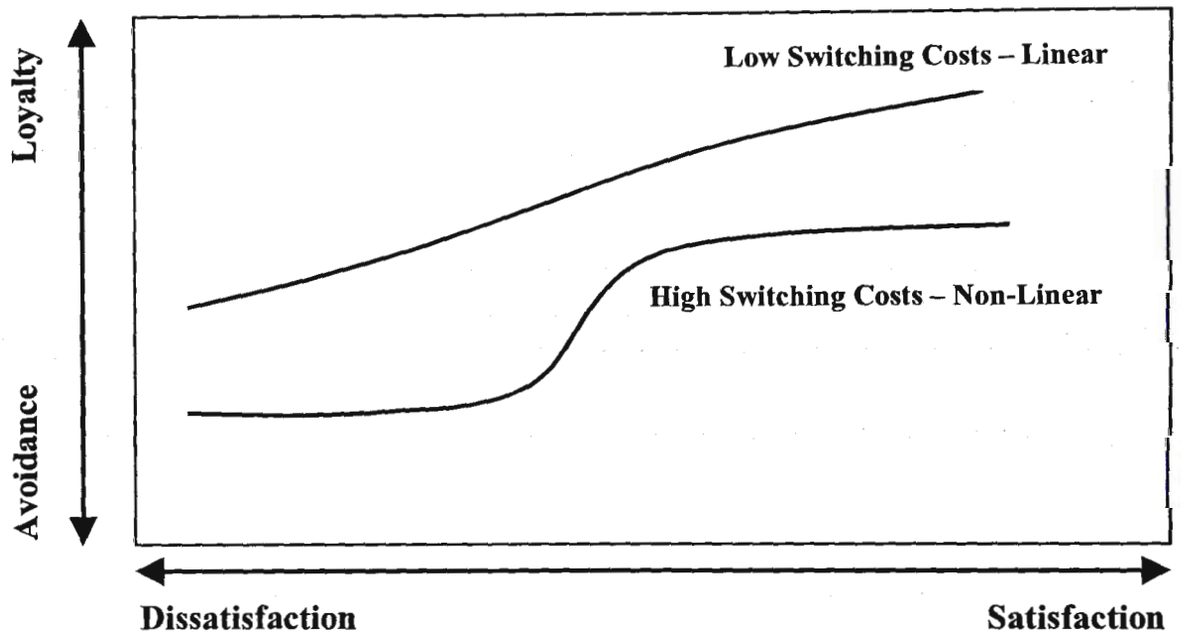
Later, Ping (1994) examined the relationship between alternative attractiveness and exit intentions, and demonstrated a direct relationship between alternatives and intentions. However, this relationship appeared to be moderated by satisfaction. The moderation effect of satisfaction demonstrated by Ping provides further support for the potential

moderating effect of satisfaction on the relationship between voice and loyalty. Ping suggests that alternatives (competition) may only attract those consumers who are dissatisfied with their current provider, yet have little effect on consumers who are satisfied.

Therefore, although previous research has suggested a direct relationship between quality of alternatives and loyalty, empirical evidence for this relationship remained unclear, until now. This research consistently found support for the argument that quality of alternatives has a direct, negative effect on consumer loyalty. Therefore, as hypothesised, consumer loyalty decreased as the quality of alternative providers increased, for subscribers to a theatre subscription.

A direct effect of perceived quality of alternative services upon loyalty is also supported within the work of Oliva et al. (1992). These researchers examined the effect of 'sticky influences' such as switching costs upon the relationship between satisfaction and loyalty. With Farrell and Rusbult (1992) outlining the association between switching costs, exit barriers and the quality of alternatives. Switching costs are made up of exit barriers and quality of alternatives. Oliva et al. (1992) argued that when switching costs are low, the relationship between satisfaction and loyalty is linear. This suggests that when the quality of alternative services is high (e.g. the cost of going to another provider is low), consumer loyalty and subsequent re-patronage will decrease as satisfaction decreases. That is, when there are plenty of alternative services of a similar quality, the consumer can exit the relationship without forgoing the benefits of using the service.

In contrast to low switching costs, Oliva et al. (1992) argued that when switching costs are high, the relationship between satisfaction and loyalty becomes non-linear (Figure 30). This suggests that when the quality of alternative services is low (e.g. the cost of going to another provider is high), the consumer will continue to purchase the service from the provider even though they are slightly dissatisfied with the service. However, when the level of dissatisfaction reaches a critical cut-point, the consumer will abruptly exit the exchange relationship and will begin to actively avoid the service provider.



Figure, 30. **The effect of switching costs upon the relationship between Satisfaction and Loyalty.**

Oliva et al's (1992) non-linear relationship between satisfaction and loyalty is supported within the work of Garbarino and Johnson (1999), who argued that the relationship between organisational commitment and satisfaction is dependent upon the relational orientation of the consumer. Based on the work of McNeil (1980), these researchers divided consumers into two groups, those with high relational orientation, and those

consumers with low relational orientation. Low relational orientation, or transactional exchanges can be characterised by discrete buyer-seller exchanges, with minimal personal buyer-seller relationships (Garbarino & Johnson, 1999). Logically, the quality of alternative exchanges is likely to be high within low relational orientation exchanges. The required quality of such relationships is likely to be low based on the low level of personal interaction. Therefore, the number of alternative providers of similar quality is likely to be relatively high.

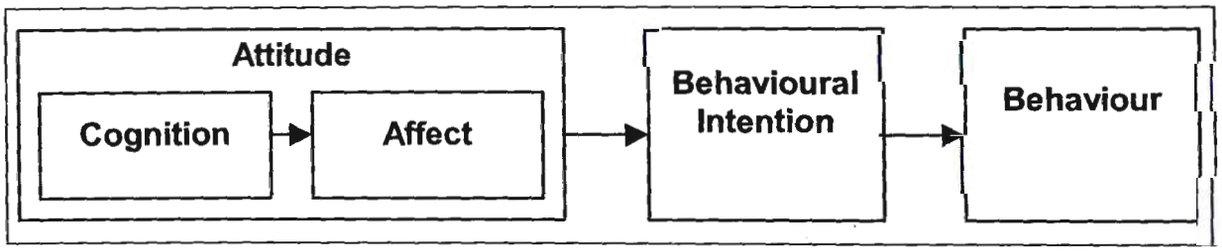
In contrast to low relational orientation, high relational orientation exchanges can be characterised by cooperative, mutual adjustments from both the buyer and seller, with plans for future exchanges (Garbarino & Johnson, 1999). Subsequently, the quality of alternative exchanges is likely to be low within high relational orientation exchanges. The quality of such relationships is high based on the high level of personal interaction. Therefore, the number of alternative providers of similar quality is likely to be relatively low.

Like Oliva et al. (1992) who outlined a direct relationship between satisfaction and loyalty for low switching costs, Garbarino and Johnson (1999) argued that satisfaction is directly related with organisational commitment within low relational orientation exchanges. That is, when the quality of alternative services is high (low switching costs/low relational orientations), satisfaction demonstrates a direct, linear relationship with commitment (the superordinate of loyalty).

Again, analogous to Oliva et al. (1992) who outlined a non-linear relationship between satisfaction and loyalty for high switching costs, Garbarino and Johnson (1999) argued that satisfaction is not directly related to organisational commitment within high

relational orientation exchanges. That is, when the quality of alternative services is low (high switching costs/high relational orientations), satisfaction demonstrates an indirect, non-linear relationship with commitment (the superordinate of loyalty). Therefore, based on the proposition of Oliva et al. (1992) and Garbarino and Johnson (1999), the quality of alternative providers appears to have an important influence on commitment, and consumer loyalty.

The direct relationship between the perceived quality of alternatives and attachment loyalty may be better understood in light of the attitude-behaviour framework. As indicated within the previous chapter, the generic model of attitude formation argues that the consumptive experience progresses through a sequential process (Figure 31). Firstly, consumers form an attitude toward the object (product/provider). This attitude is made up of both a cognitive appraisal of the object (beliefs), and an affective response toward the object (affect) (Fishbein, 1963). The attitude then leads to a behavioural intention, or an intention to perform a specific act (Fishbein & Ajzen, 1975; Crosby & Taylor, 1983; Oliver, 1997; Vaughan & Hogg, 1995). In turn, behavioural intentions are considered one of the best predictors of actual behaviour (Fishbein & Ajzen, 1975; Bagozzi, 1981).



Figure, 31. **The attitude-behaviour framework.**

This generic model of attitude formation can help us understand the relationship between quality of alternatives and loyalty. The predictors of consumer voice appear to encompass beliefs the consumer holds about the provider or service/product. For example, the extent to which the consumer believes the provider provides the best product/service available (quality of alternatives) represents a cognitive appraisal about the provider or product/service, as well as the product/service of competitors. Subsequently, these beliefs regarding the quality of alternatives appear to fall within the cognitive stage of the attitude-behaviour framework.

In turn, attachment loyalty reflects the affective stage of the attitude-behaviour framework. For example, Hirschman (1970) defined loyalty as an affective attitude. As did Buchanan (1974:533), who stated that loyalty is the "feeling of affection for and attachment to the organisation". This suggests that loyalty, a feeling, represents the affective component of a consumer's attitude toward the product/service. In light of the attitude-behaviour framework, a consumer's beliefs about the quality of alternatives (cognition) influences attachment loyalty (affect), which in turn affects behavioural intentions, and actual behaviour. Subsequently, the generic model of attitude formation provides theoretical support for the direct relationship between perceived quality of alternatives and loyalty, and indeed the cognitive determinants of voice and loyalty, such as importance and responsiveness. Perceived importance and perceived responsiveness are both cognitive beliefs about the service/product/provider, and therefore, have a direct effect on attachment loyalty (affect). The direct relationship between the other predictors of voice and loyalty appears supported by Ping (1994). Ping demonstrated the importance of alternative competitors upon repurchase intentions, but also recognised the need identify other antecedents of loyalty.

"Unmodeled antecedents of...intention may remain to be identified" (Ping, 1994:368).

7.5.2 Perceived Importance and Loyalty

Analogous to quality of alternatives, theoretical support for the direct relationship between perceived importance and loyalty has also been developed. However, this relationship has demonstrated inconsistent results. Hirschman (1970) suggested that complaint behaviour is dependent upon the 'value of voicing the complaint'. Based on Hirschman's early work, Blodgett et al. (1993) examined the direct relationship between repurchase intentions and perceived importance. As indicated within the previous chapter, repurchase intentions reflects the link between the process and outcome of consumer loyalty. Although, Blodgett et al. hypothesised a direct, negative relationship between perceived importance and loyalty, these researchers failed to demonstrate a statistically significant relationship. In contrast, Webster and Sundaram (1998) examined the criticality of a service, or the perceived importance of the purchase. These researchers demonstrated a direct link between criticality and customer satisfaction and loyalty. Although Webster and Sundaram demonstrated a negative relationship between service criticality and loyalty, these researchers used a composite measure of loyalty that included word of mouth and behavioural intention items, and consequently introduced criterion contamination into the measurement of loyalty. Contrary to Blodgett et al. (1993) and Webster and Sundaram (1998), yet as expected, this research demonstrated a direct, positive association between perceived importance and loyalty. As perceived importance increased, subsequent levels of consumer loyalty also increased.

A positive relationship between perceived importance and loyalty is supported within the work of Graham and Keeley (1992) and Vroom and Yetton (1973). Vroom and Yetton (1973) examined the effect of the importance of an issue upon voice in participatory decision-making. Based on the assumption that loyal employees will voice (participate in decision making), these researchers concluded that issue importance influenced participation (loyalty and voice). Furthermore, Graham and Keeley (1992:197) outlined a differential effect upon loyalty. These researchers argued that "as issue importance increases ...a divergence between (the) types of loyalty is likely to appear". Therefore, a direct relationship between perceived importance and loyalty has been touched upon within previous organisational research.

7.5.3 Responsiveness and Loyalty

Analogous to quality of alternatives and perceived importance, a direct relationship between responsiveness and loyalty has also received theoretical support. Yet like quality of alternatives and importance, the responsiveness-loyalty association has demonstrated some inconsistent results. Saunders et al. (1992) examined the relationship between perceived responsiveness and organisational commitment. Although these researchers did not examine loyalty directly, previous organisational research has indicated that loyalty is the affective dimension of organisational commitment (e.g. Buchanan, 1974; Leck & Saunders, 1992). Saunders et al. (1992) examined the relationship between the perceived approachability and responsiveness of supervisors and subsequent levels of employee commitment to the organisation. Yet, these researchers failed to demonstrate a relationship between perceived responsiveness and organisational commitment. However, this unexpected result may have been due to

methodological influences. Saunders et al. (1992) examined responsiveness in a combined scale with approachability. Subsequently, the relationship between responsiveness and commitment may have been masked by perceived approachability. This appears likely, in light of the strong direct relationship between perceived responsiveness and attachment loyalty demonstrated within this study. This thesis represents the first consumer study to examine perceived approachability and responsiveness as separate constructs. When these two constructs were examined separately, a direct, positive relationship between responsiveness and attachment loyalty within the 2000 sample was demonstrated. This suggests that attachment loyalty increased as perceived responsiveness increased. Furthermore, the effect of responsiveness upon loyalty within Saunders et al's (1992) study may have also been influenced by the measurement of commitment, rather than loyalty. That is, the involvement and identification components of commitment (e.g. Porter et al., 1974) may have masked the effect of responsiveness upon loyalty.

Unlike the inconsistent results demonstrated by Saunders et al. (1992), theoretical support for the direct effect of responsiveness upon consumer loyalty may be found within research considering the complaint handling process. Although some consumer research indicated that the effectiveness of the complaint handling process is irrelevant (e.g. Richins, 1983), the majority of previous research recognises the importance of effective complaint handling upon consumer behaviour (e.g. Stewart, 1994; Moyer, 1984). For example, "effective complaint handling can have a dramatic impact on customer retention rates"(Tax et al., 1998: 60). Oliver (1997) reported that approximately fifty percent of complainants remain dissatisfied after receiving redress from the organisation. This percentage is supported within the work of Heskett, Sasser

and Hart (1990), who reported that more than half of complainants feel stronger negative attitudes toward the organisation after they experienced the service complaint process. Based on the significance of the complaint handling process upon subsequent attitudes, the direct relationship between perceived responsiveness and loyalty may be better understood in light of the Perceived Justice Theory.

Perceived Justice encompasses three distinct elements, distributive, procedural and interactional justice. The first of these - **Distributive Justice**, based on the work of Adams' (1963) Equity Theory, refers to the comparison of the input to output ratio experienced by the individual, against the input to output ratio of relevant others (Novelli, Kirkman & Shapiro, 1995). "Did I get my fair share of outcomes" (Novelli, Kirkman & Shapiro, 1995: 23)? The second - **Procedural Justice** is "the perceived fairness of the *methods* or *procedures* used to determine who gets what outcomes, not the fairness of the outcomes themselves... Was the decision made using fair criteria" (Novelli et al., 1995: 25)? Folger (1977 in Novelli et al., 1995) operationalised procedural justice as "voice", the opportunity to express one's views regarding a decision or to actively influence the decision. Within a consumer context, procedural justice may help explain the need to present the organisation as approachable and responsive. Perceived approachability is related to 'the opportunity to express one's views', and responsiveness encompasses the ability to 'actively affect the decision'. Furthermore, within previous research, procedural justice has been associated with such constructs as organisational commitment (Folger & Konovsky, 1989), job satisfaction and behavioural intentions (McFarlin & Sweeney, 1992).

The third and most significant element of Perceived Justice for the current research is **Interactional Justice**. Based on the work of Bies & Shapiro (1987), Novelli et al. (1995: 27) define Interactional Justice as "the perceived fairness of the interpersonal intervention received in a decision process", including explanations for decisions. For example, was the individual treated differently to relevant others, and was the decision adequately explained. Within a consumer context, interactional justice becomes relevant once the consumer has voiced, including interactions with customer service centres and help desks (Sparks & McKoll-Kennedy, 2000; Collie, Sparks & Bradley, 2000).

The importance of interactional justice within consumer complaints is evident within research into the consumer complaint process (e.g. Greenberg, 1990; Conlon & Murray, 1996). Bies and Shapiro (1986) suggested that explanations could decrease the anger and resentment of the customer toward the organisation. Greenberg (1990), who examined explanations, excuses, apologies and justifications, demonstrated that excuses tend to remove the organisation from responsibility of the problem, yet do not decrease the severity of the problem. Apologies occur when the organisation accepts responsibility and indicates remorse for the problem. Justifications occur when the organisation accepts responsibility, yet plays down the negative aspects of the event. Based on Greenberg's work, Conlon and Murray (1996) later examined the type of explanation provided, the presence of compensation, problem severity and speed of reply. These researchers found that both justifications and apologies increase complaint satisfaction and repurchase intentions (a component of loyalty). "It is important that the retailer apologise and take responsibility for any problems that may have occurred" (Blodgett et al., 1993:423). Conlon and Murray (1996) also demonstrated that compensation increases satisfaction and repurchase intentions, as does timely response.

However, high levels of dissatisfaction and cost of the product/service decrease complaint satisfaction and repurchase intentions. Therefore, the ways organisations interact with their customers within the complaint handling process have a dramatic impact upon consumer attitudes, such as satisfaction and loyalty.

In light of the obvious effect of the complaint process upon subsequent consumer loyalty, Tax, Brown and Chandrashhekaran (1998) explicitly applied the three components of the justice theory to the consumer complaint handling process. These authors used *Distributive Justice* to refer to the allocation of benefits and costs, including the correction of charges, repairs, refunds, replacements, credits and apologies. Tax et al. applied *Procedural Justice* to the process by which outcomes are arrived at. These authors consider a complaint handling service as 'procedurally just' if the complaint procedure was fair, easy to access, gave the complainant control over outcomes, was flexible, and was conducted within a timely manner. Finally, Tax et al. (1998:61), refer to *Interactional Justice* as "the fair interpersonal intervention of the complainant", and includes politeness, concern, honesty, an explanation and meaningful effort. Subsequently, Interactional Justice comes into play after the consumer has voiced, and therefore provides an effective framework for perceived responsiveness. Further support for the application of *Interactional Justice* to the consumer process is found within the work of Mittal and Lassar (1996), who reported that interpersonal interaction is the key determinant of satisfaction and repatronage. Therefore, the perceived justice theory provides theoretical support for the relationship between responsiveness and loyalty, within a consumer context.

Empirical support for the relationship between responsiveness and loyalty has also been demonstrated within previous consumer literature. For example, Conlon and Murray (1996) indicated a positive relationship between the speed of the response (responsiveness) and repurchase intentions (an outcome of loyalty). Davidow (2000:484) demonstrated that "how a complaint was handled… and what the company intend to do about it" (responsiveness) had a positive impact upon repurchase intentions (loyalty outcome). Sparks and McKoll-Kennedy (2000) and Collie, Sparks and Bradley (2000) demonstrated a positive relationship between behaviours associated with interactional justice (e.g. politeness and concern) and satisfaction, when responding to complaints. Therefore, it appears that interactional justice, or how the provider actually responds to consumer complaints influences the consumer process and subsequent consumer loyalty.

Furthermore, this thesis also demonstrates a relationship between *perceived* responsiveness (how the consumer *thinks* the provider would respond to voice) and consumer loyalty. This suggests that satisfied consumers make assumptions about the complaint handling process prior to the process being required. In turn, even the assumptions made about responsiveness have an influence on consumer loyalty.

This relationship between *perceived* responsiveness and consumer loyalty may be better understood in light of Ajzen's (1988) Theory of Planned Behaviour, and in particular the relationship between perceived behavioural control and behavioural intention. Perceived control reflects an individual's beliefs about the ease with which a behaviour can be performed. Subsequently, perceived control is influenced by the perceived obstacles or resources available in order to perform the behaviour. It would seem logical

then, that if an organisation decreases the perceived obstacles associated with consumer complaints by increasing perceived responsiveness, the consumer would feel greater perceived control about complaining. Therefore, increased perceived responsiveness may influence loyalty due to the sense of control it provides. The relationship between perceived control and subsequent consumer attitudes is supported within Van Raaj and Pruyn's (1998) work into complaint processes. As well as Schindler (1998) who demonstrated a relationship between perceived control over obtaining a discount and subsequent repurchase.

In summary, previous researchers have argued strongly that encouraging consumer complaints results in enhanced loyalty (Fornell & Wernerfelt, 1987). Many of these researchers have assumed that the relationship between encouraging complaints and loyalty is fully mediated by the consumer actually complaining (e.g. Blodgett et al., 1993). Unfortunately, this assumption ignores the experience of satisfied consumers who are unlikely to complain. Before, providers rush out and encourage their patrons to complain, it is necessary to determine the effect of encouraging complaints on loyalty for all of their customers, satisfied as well as dissatisfied. This thesis indicates that in contrast to research into dissatisfied consumers, the relationship between encouraging complaints and loyalty for satisfied consumers appears to be a direct relationship, independent to that of voice. This provides initial support for further analysis into the effect of encouraging customers to complain upon loyalty. Further research into the effect of constructs such as the quality of alternatives, perceived importance and responsiveness upon subsequent loyalty, needs to be undertaken within a more controlled, yet realistic environment. Therefore, the next chapter will examine the effect of manipulating two of these potential determinants of loyalty, responsiveness and

approachability, upon subsequent levels of process loyalty (attachment loyalty) and outcome loyalty (purchase behaviour), within a field experiment.

Chapter 8: Study 3: Actively Influencing Consumer Loyalty

"Never believe that a few caring people can't change the world. For indeed, that's all who ever have". – Margaret Mead.

As previously discussed, consumer loyalty is considered an important key to organisational success and profit (Oliver, 1997). Selin, Howard, Udd and Cable (1987) stated that those consumers that demonstrate the greatest levels of loyalty toward the product, or service activity, tend to repurchase more often, and spend more money. As a result, a great deal of research attention has been focused upon identifying effective methods of actively influencing loyalty, including loyalty programs such as point reward schemes (Lach, 2000). Unfortunately, the effectiveness of such programs has failed to meet expectations (e.g. Saba, 2000; Dugan, 2000).

In contrast to these reward schemes, several researchers have argued, that "customer loyalty can be increased by encouraging consumers to complain" (Fornell & Wenerfelt, 1987:344), a relationship that received empirical support within the previous chapter. Although within the prior study, quality of alternatives explained the larger proportion of loyalty variance when compared to responsiveness or importance, the practical implications of these findings are susceptible to the level of control organisations have over influencing perceived quality of alternatives, responsiveness and importance.

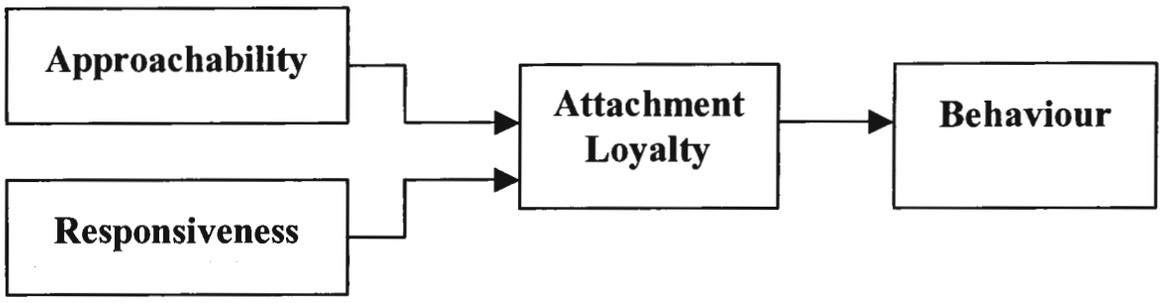
Logically, it would appear that providers have greater control over influencing consumer perceptions of responsiveness, than consumer perceptions of the quality of their competitors. Since responsiveness refers to the behaviour of the organisation itself, and perceptions of the quality of competitors relates the service and behaviour of other organisations. Therefore, it may be useful to begin with attempting to influence consumer perceptions of responsiveness, rather than actively trying to modify perceptions of the quality of alternative services. Likewise, organisations have greater control over perceptions of responsiveness, compared to their influence over the

perceived importance an individual places on a purchase. Again, perceived responsiveness reflects and is influenced by the behaviour of the organisation, whereas perceived importance for the individual is a complex, personal evaluation. Therefore, the effect of manipulating perceived responsiveness, as opposed to the quality of alternatives or importance, is addressed within this third study.

Theoretical support for the effect of cognitive beliefs about the provider upon loyalty, such as the perceived approachability and responsiveness, can be found within the attitude-behaviour framework. This model outlines a direct relationship between beliefs and affect (Fishbein, 1963). The extent to which a consumer believes that the provider is open to voice, and will respond effectively, has a direct effect upon the way the consumer feels about the provider. Furthermore, previous research into the Perceived Justice Theory applied to the complaint handling process also provides theoretical support for the direct relationship between approachability, responsiveness and loyalty. Procedural Justice (the perceived fairness of the process) and Interactional Justice (the perceived fairness of the personal interaction) influence subsequent repurchase intentions (e.g. Tax et al., 1998; Davidow, 2000). With the exception of this thesis, the direct effect of approachability and responsiveness on subsequent loyalty has not yet been addressed within consumer research.

Traditionally, the relationship between approachability, responsiveness and loyalty has been examined within the context of direct voice. Perceived responsiveness and approachability are often cited as key determinants of complaining (e.g. Richins, 1983; Saunders, Sheppard, Knight & Roth, 1992; Singh & Wilkes, 1996; Blodgett, Walters & Granbois, 1993). However, the previous chapter also revealed a strong, direct

association between responsiveness and attachment loyalty. Therefore, in light of the relationship between responsiveness and loyalty demonstrated within the previous study, this chapter will test the relationship further. To date, however, responsiveness and approachability have been addressed within a combined scale (e.g. Saunders, Sheppard, Knight & Roth, 1992). Therefore, based on the theoretical association between approachability and responsiveness this study will examine the effect of approachability as well as responsiveness upon consumer loyalty (process and outcome) (Figure 32).



Figure, 32. **The effect of Approachability and Responsiveness upon Loyalty (process and outcome).**

8.1 Approachability, Responsiveness and Loyalty

Responsiveness and approachability are believed to not only increase the prevalence of direct voice (Saunders et al., 1992), but also decrease other responses to dissatisfaction (Richins, 1987), including exit or not repurchasing (a loyalty outcome). Furthermore, when loyalty is viewed as an attachment to the organisation, the same precursors of attachment may also apply to consumer loyalty. Based on Bowlby's Attachment Theory, Johnson and Marano (1994:32) stated that the "bond between two people

hinges on two things…their accessibility and responsiveness to each other". Therefore, approachability and responsiveness appear to be important determinants of loyalty.

As mentioned within the previous chapter, **approachability** encompassed how open to voice the recipient is perceived to be, and **responsiveness** was defined as the extent to which the recipient is perceived to be responsive to voice (Saunders et al., 1992). Theoretical support for these two determinants is provided within the work of Richins (1983), who examined retailer responsiveness and word of mouth communication. Consumers who perceived the retailer to be responsive and approachable were more likely to complain (Richins, 1983). Furthermore, Singh and Wilkes (1996) and Blodgett et al. (1993) also supported the direct relationship between responsiveness, approachability, and direct voice.

To date, however, very little research has examined the direct relationship between the approachability, responsiveness and loyalty. With the exception of Saunders et al. (1992), who examined the bivariate association between approachability, responsiveness and organisational commitment. Organisational commitment is generally recognised as the superordinate construct of loyalty (e.g. Porter et al., 1974; Buchanan, 1974; Garbarino & Johnson, 1999). Yet Saunders et al. were unable to demonstrate a direct relationship between approachability, responsiveness and organisational commitment.

Like Saunders et al. (1992), existing research addressing the direct relationship between approachability, responsiveness and loyalty has typically relied on correlational research. Even much of the research examining the relationship between approachability, responsiveness and direct voice itself has been based upon correlational

research (e.g. Saunders et al., 1992; Richins, 1983). Unfortunately, correlational research is unable to establish the cause and effect relationship underlying the constructs. In order to establish cause and effect, the time precedence of the relationship must be determined (Whitley, 1996).

To address this limitation within existing research, this study will attempt to manipulate consumer levels of perceived approachability and responsiveness, and determine the effect on subsequent attachment loyalty. This study will test the hypothesis that an increase in perceived approachability and responsiveness for those subscribers who experienced the intervention will result in an increase in attachment loyalty and subsequent purchase behaviour, compared to those subscribers who did not experience the intervention. Specifically:

H1: Perceived approachability will be greater for those who experienced the intervention, compared to those who did not.

H2: Perceived responsiveness will be greater for those who experienced the intervention, compared to those who did not.

H3: Direct voice will be greater for those who experienced the intervention, compared to those who did not.

H4: Attachment loyalty will be greater for those who experienced the intervention, compared to those who did not.

H5: Purchase behaviour will be greater for those who experienced the intervention, compared to those who did not.

8.2 The Design for Study Three

This study attempts to actively manipulate levels of perceived approachability and responsiveness by opening up a formal feedback channel. The study will then examine the effect of increasing approachability and responsiveness upon subsequent levels of attachment loyalty. It seems logical that the opportunity to provide formal feedback to an organisation through an annual questionnaire is likely to affect consumers' perceptions of perceived approachability, or how open the organisation is to customer feedback. In order to minimise the potential effect of pre-test sensitisation, a Solomon Four-Group Design (Campbell & Stanley, 1963; Huck & Sandler, 1973; Walton Braver & Braver, 1988) was used to test the efficacy of the intervention. A Solomon Four Group Design has been described as "the most desirable of all... the basic experimental designs" (Helmstadter, 1970:110). The Solomon Four design can determine the effect of pre-test sensitisation upon post-test levels, and as such, provides a level of control for threats to validity (Walton Braver & Braver, 1988).

The Solomon Four-Group Design requires four separate research groups, in which selection is randomised. Group 1 is pre-tested, receives the intervention, and then is post-tested. Group 2 is pre-tested, does not receive the intervention, and then is post-tested. Group 3 is not pre-tested, receives the intervention, and then is post-tested. Group 4 is not pre-tested, does not receive the intervention, and then is post-tested (Table 16). Group 1 establishes the effect of the intervention, with Group 2 acting as the control. Group 3 assesses the effect of the pre-test upon the intervention, with Group 4 acting as a control for the pre-test/intervention interaction.

Table 16: Solomon Four Group Design

Group	Pre-test (1999 Survey)	Intervention	Post-test (2000 Survey)
1	O_1	X	O_2
2	O_3		O_4
3		X	O_5
4			O_6

Note. O = outcome measures, X = intervention (taken from the work of Walton Braver & Braver, 1988).

8.3 The Samples

The research sample for the study encompassed subscription patrons of the Canberra Theatre Centre, a regional theatre located in Canberra, Australia. This study employed a holdout sample that had not been used within the previous study. Fifty percent of the 284 subscribers who subscribed in 1999 and responded to the 1999 questionnaire were randomly selected to receive the research intervention (142 respondents). Fifty percent of the 432 subscribers that subscribed in 1999 and did not respond to the 1999 questionnaire were also randomly selected to receive the research intervention (216 subscribers). As indicated within the previous two studies, a comparison of the behavioural indicators for respondents and non-respondents indicated that the final sample was not significantly biased by non-response (Appendix F).

8.3.1 Group 1

Within this study, Group 1 represented those season subscribers who responded to both the 1999 and 2000 annual surveys, and were randomly selected to receive an Intervention Pamphlet. Forty-three respondents participated in both the 1999 survey and the 2000 survey, and were also randomly selected to be in the Group 1. Of the forty-three respondents within Group 1, thirty-five percent (15) were male, and sixty-five percent (28) were female. The age of participants ranged from 27 through to 79, with a mean of 54 years. The total reported income for each household ranged from AUS $15,000-$180,000 per annum, with a mean of $75,000. On average, each patron reported that they had lived in Canberra for 24 years, had attained a tertiary level of education, and had purchased a subscription approximately four times before.

8.3.2 Group 2

Group 2 represented those season subscribers who responded to both the 1999 and 2000 annual surveys, yet did not receive the Intervention Pamphlet. Twenty-seven respondents were randomly selected to participate in Group 2. Of the twenty-seven respondents within Group 2, twenty-three percent (6) were male, and seventy-seven percent (20) were female. The age of participants ranged from 32 through to 68, with a mean of 50 years. The total reported income for each household ranged from AUS $27,000-$290,000 per annum, with a mean of $88,000. On average, each patron reported that they had lived in Canberra for 21 years, had attained a tertiary level of education, and had purchased a subscription approximately four times before.

8.3.3 Group 3

Group 3 represented those subscribers who responded to the 2000 annual survey, and were randomly selected to receive the Intervention Pamphlet, yet did not respond to the 1999 survey. Sixteen subscribers responded to the 2000 questionnaire, and received the Intervention, yet did not respond to the 1999 survey. The general rule of thumb for group sample sizes is greater than 15 cases, however Cohen (1988) outlines the power associated with 8 cases, and Aron and Aron (1994) outline the power associated with 10 cases. Therefore, Group 3 provides an adequate sample size for the current analysis. Twenty-five percent (4) were male, and seventy-five percent (12) were female. The age of participants ranged from 25 through to 71, with a mean of 56 years. The total reported income for each household ranged from AUS $24,000-$200,000 per annum, with a mean of $82,000. On average, each patron reported that they had lived in Canberra for 24 years, had attained a tertiary level of education, and had purchased a subscription approximately four times before.

8.3.4 Group 4

Group 4 represented those subscribers who responded to the 2000 annual survey, yet did not respond to the 1999 survey, nor did they receive the Intervention. One hundred and fifty-four subscribers responded to the 2000 questionnaire, yet did not complete the 1999 questionnaire, nor did they receive the Intervention Pamphlet. These respondents were selected to participate in Group 4. Thirty-three percent (50) were male, and sixty-seven percent (103) were female. The age of participants ranged from 24 through to 86, with a mean of 51 years. The total reported income for each household ranged from

AUS $10,000-$250,000 per annum, with a mean of $87,000. On average, each patron reported that they had lived in Canberra for 21 years, had attained a tertiary level of education, and had purchased a subscription approximately three times before.

8.4 Materials

This study examines two elements of encouraging consumer voice, approachability and responsiveness. In order to establish the criterion-related validity of the Intervention, direct voice, or the likelihood that participants would voice directly to the theatre, was also addressed. The study examined loyalty (process and outcome) toward the provider (attachment loyalty and the Indicators of purchase behaviour) (Appendix B). Approachability, responsiveness and attachment loyalty were measured using strongly disagree/strongly agree anchors. Direct voice was measured using very unlikely/very likely anchors. Cox (1980) stated that seven points optimises the relationship between the distribution of scores, and ease of responding. Therefore, all of the measures utilised a seven point numerical scale. Furthermore, each of the scales utilised multiple items to enhance the reliability and internal validity of the measures. Multi-item scales have several advantages over single-item scales, including the ability to address multiple aspects of a construct; greater reliability and validity; and greater sensitivity (Whitley, 1996). A global score for each scale was calculated by averaging the response to each item. Therefore, the potential range for each scale was also between one and seven.

8.4.1 Approachability (A) and Responsiveness (R)

As indicated within the previous chapters, *approachability* encompasses the extent to which participants perceived the theatre staff would listen to consumer voice. For

example, "It would be difficult to take a suggestion to the Canberra Theatre" (reverse coded). In contrast, *responsiveness* tapped into the extent to which respondents perceived the theatre staff would act on customer voice. For example, "I would take any concerns to a Canberra Theatre service clerk, as they would be dealt with effectively". The same scales employed within the previous chapter were utilised again within this final study.

8.4.2 Direct Voice (V)

Direct voice encompasses the likelihood of discussing concerns or making suggestions directly to the theatre staff. For example, "Contact the Canberra Theatre to communicate my suggestions and concerns", and "Contact the Canberra Theatre to praise their service". Again, the same scale employed within the previous chapter was used within this study.

8.4.3 Attachment Loyalty (L)

Attachment loyalty was measured utilising the loyalty component of Buchanan's (1974) Organisational Commitment scale, modified for this consumer context. Loyalty is defined as a feeling of affection for and attachment to the organisation (Buchanan, 1974). For example, "I feel a strong sense of loyalty toward the Canberra Theatre Centre". The same attachment loyalty scale used within the previous two chapters was utilised again within this study.

8.4.4 Behavioural Indicators

Several indicators of actual behaviour were measured electronically through the theatre ticketing software application (BOCS). These included the amount of money spent by the participant (Purchase); the number of tickets purchased (Seats); and the type of subscription package purchased (Package). The type of subscription package purchased was recoded from the discount codes within the ticketing system into a numerical scale (Appendix H). In order to ensure the correct time precedence of subsequent consumer behaviour, the behavioural indicators within the 2000 subscription season were linked to the 1999 self-reported information. The behavioural indicators within the 2001 subscription season were linked to the 2000 self-reported information.

8.5 The Intervention

Many organisations, particularly those within the finance industry (e.g. banking institutions), seek to encourage direct communication from their customers through pamphlets and brochures. In a similar fashion, a pamphlet was used as the medium for the manipulation of perceived approachability and responsiveness within this current study. Specifically, the Intervention attempted to increase levels of perceived approachability and responsiveness in order to establish a formal voice mechanism.

The pamphlet was introduced with a personalised letter to increase level of involvement (Kerin & Peterson, 1977). Gotlieb, Grewal and Brown (1994) stated that greater involvement increases the effect size between variables. The pamphlet referred to the participants as season subscribers rather than customers, in order to make the pamphlet as relevant to the type of customer as possible. Greater relevance also increases the level

of involvement, which in turn enhances the effect size (Gotlieb et al., 1994).

The Intervention Pamphlet (Appendix I) consisted of two sections. The first section outlined the theatre as approachable. The pamphlet stated that theatre understood that it was important to listen to their subscribers. This section also outlined the various ways in which the theatre could be contacted, and identified specific personnel who would be more than happy to speak with them. The names of specific personnel within the theatre were provided in order to create the impression of a more personalised relationship with each subscriber, and consequently, greater involvement.

The second section outlined the theatre as responsive to subscriber voice by providing some examples of subscribers voicing to the theatre, and the outcomes of this voice. This section conveyed how the theatre had responded to voice in the past in an attempt to increase perceptions of responsiveness without the subscriber needing direct voice experience with the theatre. The examples chosen were specifically selected to be reflective of common concerns within the season subscription, to ensure greater relevance of the stories and outcomes. Again, greater relevance leads to greater involvement, which in turn increases the effect size (Gotlieb et al., 1994).

Finally, several examples of these industry brochures were collected from within different organisations (e.g. Westpac, Target, NRMA, Woolworths, National Australia Bank) in order to ensure that the manipulation brochure had a similar look and feel to that currently being used within industry.

8.6 Procedure

Each of the theatre patrons that subscribed to the 1999 theatre season was mailed a personalised letter of introduction and informed consent, a questionnaire, and a reply paid envelope (the pre-test). Half of the 1999 subscribers that responded to this survey were then randomly selected to receive the intervention. Furthermore, fifty-percent of those 1999 subscribers that did not respond to this survey were also randomly selected to receive the intervention. Approximately, three months after the initial survey, those subscribers randomly assigned to the intervention group were mailed a personalised letter, and an Intervention Pamphlet that was designed to portray the organisation as approachable and responsive to consumer voice (Appendix I). Within the following year, each of the theatre patrons that subscribed to the 2000 theatre season were mailed a personalised letter of introduction and informed consent, a questionnaire, and a reply paid envelope (the post-test). The behavioural indicators were collected automatically through the theatre ticketing system (BOCS) within 2000 and 2001. All statistical analysis was then conducted using the SPSS statistical computer package.

8.7 Scale Development

Previous research has suggested that encouraging consumer complaints will enhance loyalty (Fornell & Wenerfelt, 1987). A focused approach to testing this relationship requires the manipulation of consumer perceptions of approachability and responsiveness to determine how this flows through to subsequent loyalty. As indicated within the previous chapter, using a larger sample of subscribers, the study demonstrated Cronbach Alpha coefficients greater than .67, and were therefore considered acceptable (Nunnally, 1978). As previously discussed, an analysis of the

missing data process indicated that the missing data were scattered randomly throughout the responses (Hair et al., 1995) (Appendix D).

8.8 Results

Table 17 presents the descriptive statistics by each group within the Solomon Four Design. As can be seen within Table 17, the obtained mean scores for the two pre-test groups (Group 1 and Group 2) range from 3.76 through to 4.61. Overall, respondents indicated within the 1999 survey that they perceived the theatre to be relatively open (G1=4.56, G2=4.61) and responsive (G1=4.36, G2=4.43) to consumer voice, and were also relatively loyal toward the theatre (G1=4.41, G2=4.23).

In contrast, within Groups 1 and 2 the respondents indicated that they were unlikely to voice directly to the theatre (G1=3.76, G2=3.89). The obtained mean scores for the post-test survey conducted in 2000 (Groups 1 to Group 4) ranged from 3.53 through to 4.90. On average, within the 2000 survey, respondents perceived the theatre to be relatively open (G1=4.90, G2=4.77, G3=4.76, G4=4.48) and responsive (G1=4. 63, G2=4.31, G3=4.50, G4=4.26) to consumer voice, yet indicated that they were unlikely to voice directly to the theatre (G1=3.99, G2=3.82, G3=3.90, G4=3.58).

Respondents within the pre-tested groups (Group 1 & Group 2) indicated that they were mildly loyal toward the theatre (G1=4.41, G2=4.08). Respondents within the un-pretested groups (Group 3 & Group 4) indicated that they were not loyal toward the theatre (G3=3.53, G4=3.81).

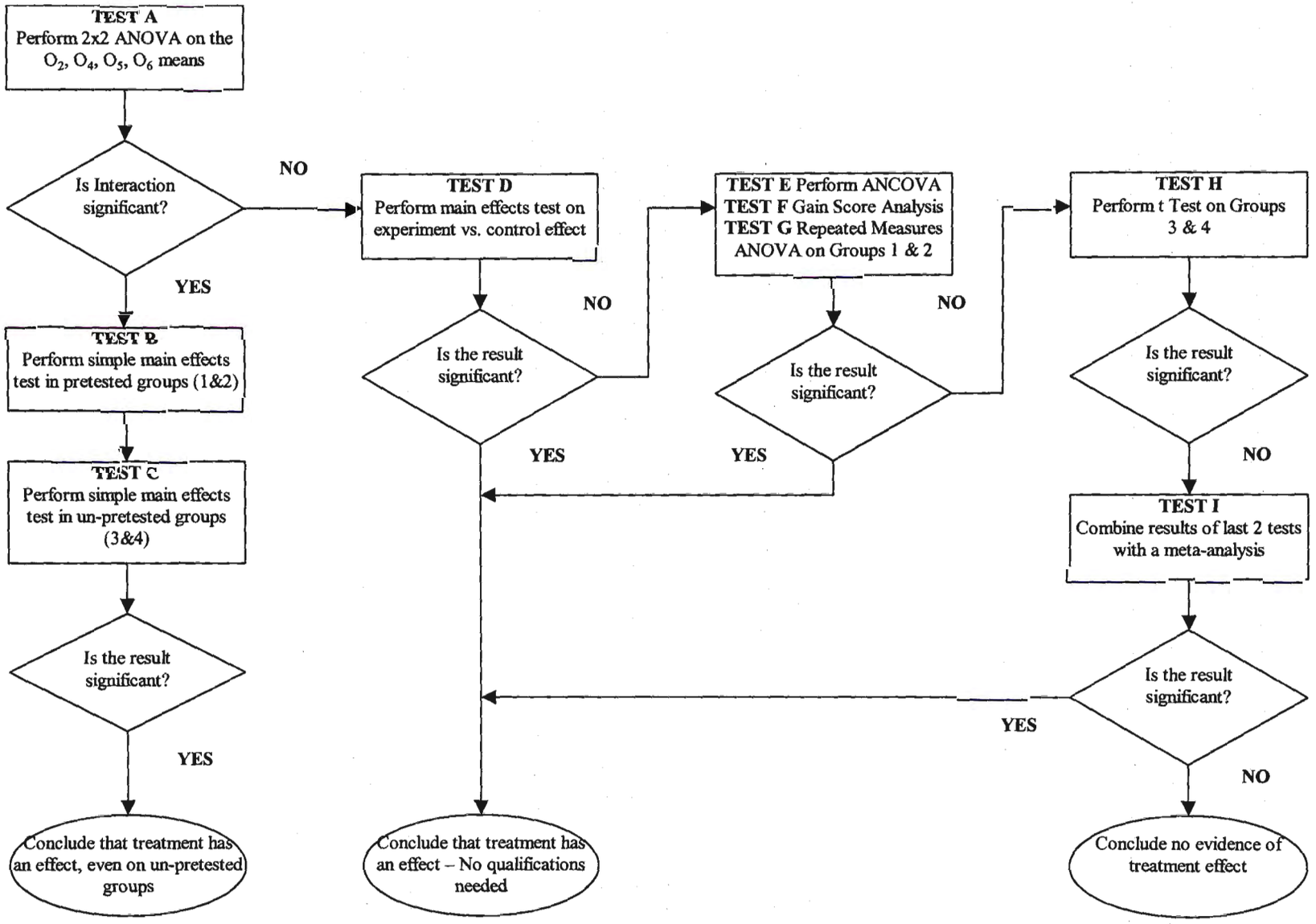
Table 17: Descriptive Statistics for Approachability, Responsiveness and Loyalty, by Group

Group	Construct	Pre-test (1999 Survey)			Pre/Post-Test Correlation	Post-test (2000 Survey)		
		N	Mean	SD		N	Mean	SD
1	Approachability	43	4.56	1.19	.526***	41	4.90	.74
	Responsiveness	43	4.36	.69	.226*	39	4.63	.78
	Direct Voice	43	3.76	1.53	.672***	41	3.99	1.29
	Loyalty	42	4.41	.99	.631***	42	4.41	.95
2	Approachability	24	4.61	1.09	.678***	26	4.77	.88
	Responsiveness	24	4.43	.83	.828***	27	4.31	.82
	Direct Voice	26	3.89	1.69	.613**	26	3.82	1.38
	Loyalty	24	4.23	1.05	.558**	25	4.08	.76
3	Approachability	-	-	-	-	16	4.76	1.16
	Responsiveness	-	-	-	-	16	4.50	.81
	Direct Voice					16	3.90	1.25
	Loyalty	-	-	-	-	16	3.53	1.13
4	Approachability	-	-	-	-	144	4.48	1.14
	Responsiveness	-	-	-	-	145	4.26	.80
	Direct Voice					149	3.58	1.36
	Loyalty	-	-	-	-	143	3.81	1.03

Note. *p< .10, **p< .05, ***p< .001.

8.8.1 The Effect of the Intervention on Approachability, Responsiveness and Direct Voice

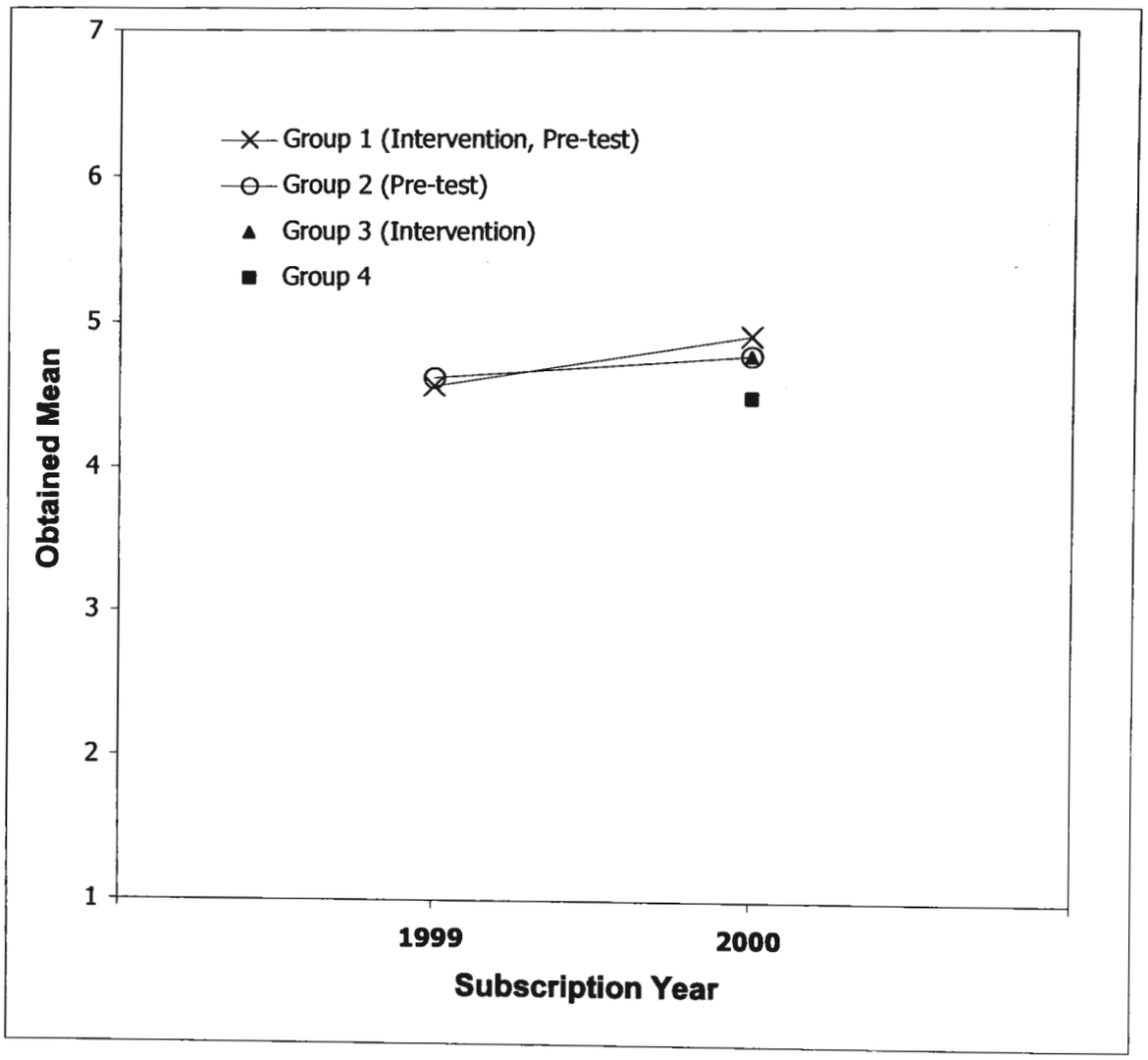
Based on the work of Campbell and Stanley (1963), and Huck and Sandler (1973), Walton Braver and Braver (1988) outlined the statistical tests to be conducted within a Solomon Four-Group Design (Figure 33). These researchers outlined a number of Analysis of Variance (ANOVA) techniques to establish whether the effect of the intervention is influenced by pre-test sensitisation. If the intervention effect is not influenced by pre-test sensitisation, then Walton Braver and Braver, outlined the subsequent statistical techniques that can be used to determine whether the intervention has an effect itself.



Figure, 33. **Flowchart of tests and conclusions (taken from the work of Walton Braver & Braver, 1988:152).**

8.8.1.1 Approachability

A graphic representation of the obtained mean scores for perceived approachability within each of the Solomon Four Groups is presented in Figure 34. For the two groups that experienced the pre-test and post-test, the figure links the obtained mean score in 1999 with the obtained mean score in 2000 using a line.



Figure, 34. **Approachability by group and over time.**

As can be seen within Figure 34, the two experimental groups (those that received the intervention, Group 1 & Group 3) demonstrated a higher level of approachability when

compared to their comparison group. That is, Group 1 (intervention, pre-test) demonstrated a higher mean score compared to Group 2 (control, pre-test). Group 3 (intervention, no pre-test) also demonstrated a higher mean score than Group 4 (control, no pre-test).

The first statistical test outlined by Walton Braver and Braver (1988), a 2 x 2 Analysis of Variance (ANOVA) conducted on the post-test means for each of the four groups (Test A, Figure 33), establishes whether pre-test sensitisation exists. The factors examined included the intervention (Intervention versus non-Intervention) and pre-test (1999 survey versus no 1999 survey) for the obtained approachability scores (Table 18).

Table 18: Results of the Analysis of Variance on Post-test Scores for Approachability

Source	SS	df	MS	F	*p*
Pre-test vs. non-Pretest	1.39	1	1.39	1.26	.262
Intervention vs. non-Intervention	1.30	1	1.30	1.18	.278
Pre-test/Intervention Interaction	.17	1	.17	.15	.699
Error	246.02	223	1.10		

As indicated within Table 18, the Pre-test/Intervention interaction for approachability failed to demonstrate statistical significance. This suggests that there is no evidence of pre-test sensitisation within the approachability effect. That is, the experience of

participating in the 1999 survey did not influence the effect of the intervention upon participants' levels of perceived approachability within the 2000 survey. Having ruled out pre-test sensitisation, it is important to determine whether the intervention itself had an effect on participants' levels of perceived approachability. As outlined by Walton Braver and Braver (1988) (Test D, Figure 33), a one-way ANOVA was conducted to examine the main effects for the experimental versus the control groups (Table 19).

Table 19: Results of the Analysis of Variance for the Approachability Main Effect

	SS	df	MS	F	*p*
Between Groups	4.89	1	4.89	4.44*	.036
Within Groups	248.08	225	1.10		
Total	252.97	226			

Note. *$p < .05$.

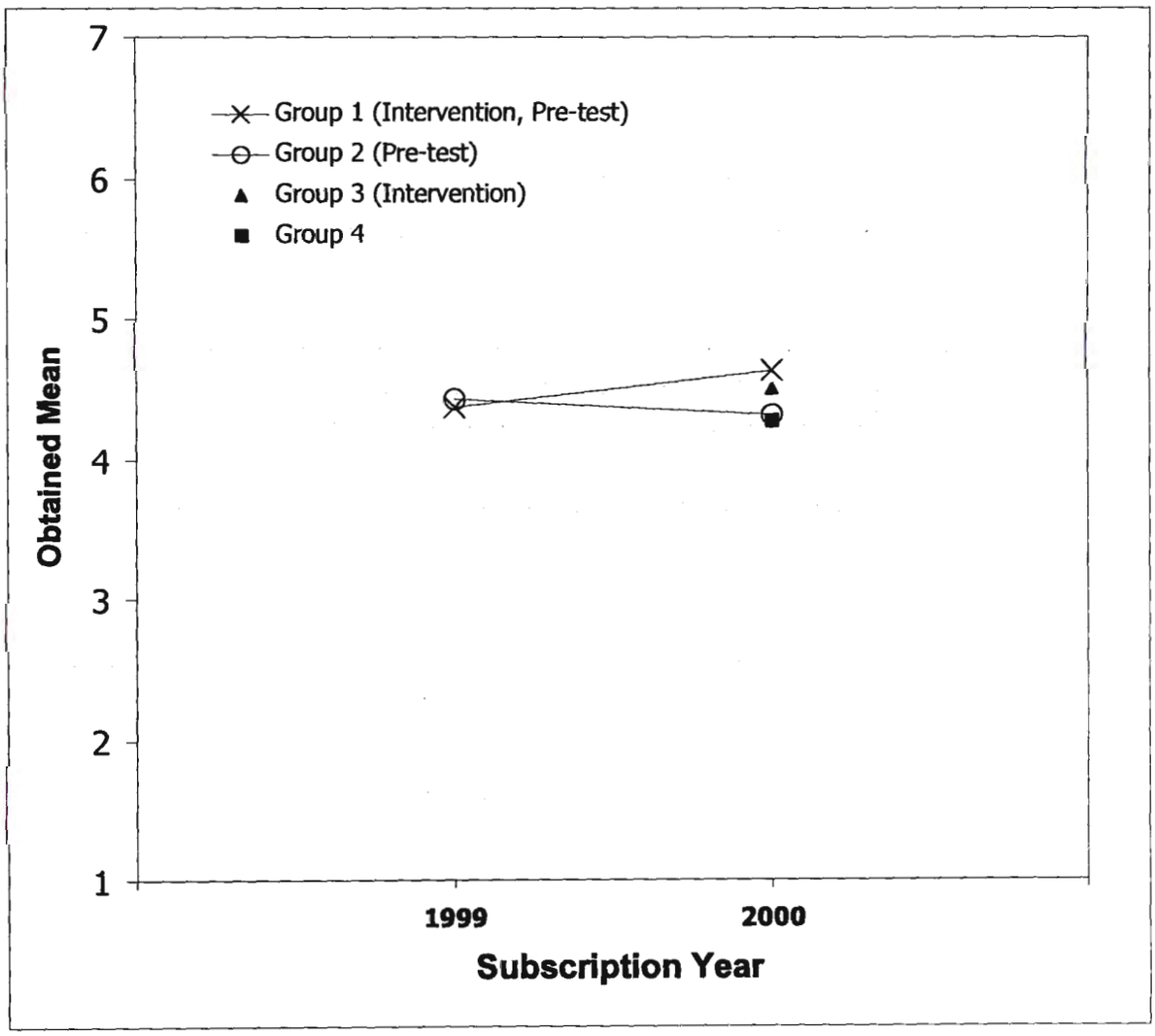
As can be seen within Table 19, the main effect for the approachability intervention demonstrated statistical significance. This suggests that the intervention had an effect on subsequent levels of perceived approachability. That is, the overall level of perceived approachability was higher for those participants who experienced the intervention (experimental groups 1 & 3), compared to those participants who did not experience the intervention (control groups 2 & 4).

Although the pre-test, control group (Group 2) appeared to demonstrate an increase in levels of approachability, over-time (Figure 34), this result was not statistically significant, $t(22) = 1.44$, $p = .08$. Therefore, the opportunity to participate in a formal

channel of voice (an annual questionnaire) did not dramatically affect perceptions of approachability.

8.8.1.2 Responsiveness

A graphic representation of the obtained mean scores for perceived responsiveness within each of the Solomon Four Groups is presented in Figure 35.



Figure, 35. **Responsiveness by group and over time.**

As can be seen within Figure 35, the two intervention groups (Group 1 & Group 3) demonstrated a higher level of responsiveness when compared to the two control groups. That is, Group 1 (intervention, pre-test) and Group 3 (intervention, no pre-test) demonstrated a higher mean score compared to Group 2 (control, pre-test) and Group 4 (control, no pre-test).

Analogous to approachability, evidence of pre-test sensitisation within the responsiveness effect was also tested. A 2 x 2 Analysis of Variance (ANOVA) was conducted on the post-test responsiveness mean scores for each of the four groups (Test A, Figure 33). The factors examined included the intervention (Intervention versus no-Intervention) and pre-test (1999 survey versus no 1999 survey) for the obtained responsiveness scores (Table 20).

Table 20: Results of the Analysis of Variance on Post-test Scores for Responsiveness

Source	SS	df	MS	F	*p*
Pre-test vs. non-Pretest	.26	1	.26	.41	.522
Intervention vs. non-Intervention	2.29	1	2.29	3.59	.059
Pre-test/Intervention Interaction	.051	1	.051	.08	.779
Error	142.44	223	.64		

Again, as with approachability, the Pre-test/Intervention interaction for responsiveness did not reach statistical significance. This suggests that there is no evidence of pre-test sensitisation. That is, the experience of participating in the 1999 survey did not influence the effect of the intervention upon participants' levels of responsiveness within the 2000 survey. Having ruled out pre-test sensitisation, it is important to determine whether the intervention itself had an effect. As outlined by Walton Braver and Braver (1988) (Test D, Figure 33), a one-way ANOVA was conducted to examine the main effects for the experimental versus the control groups (Table 21).

Table 21: Results of the Analysis of Variance of the Responsiveness Main Effect

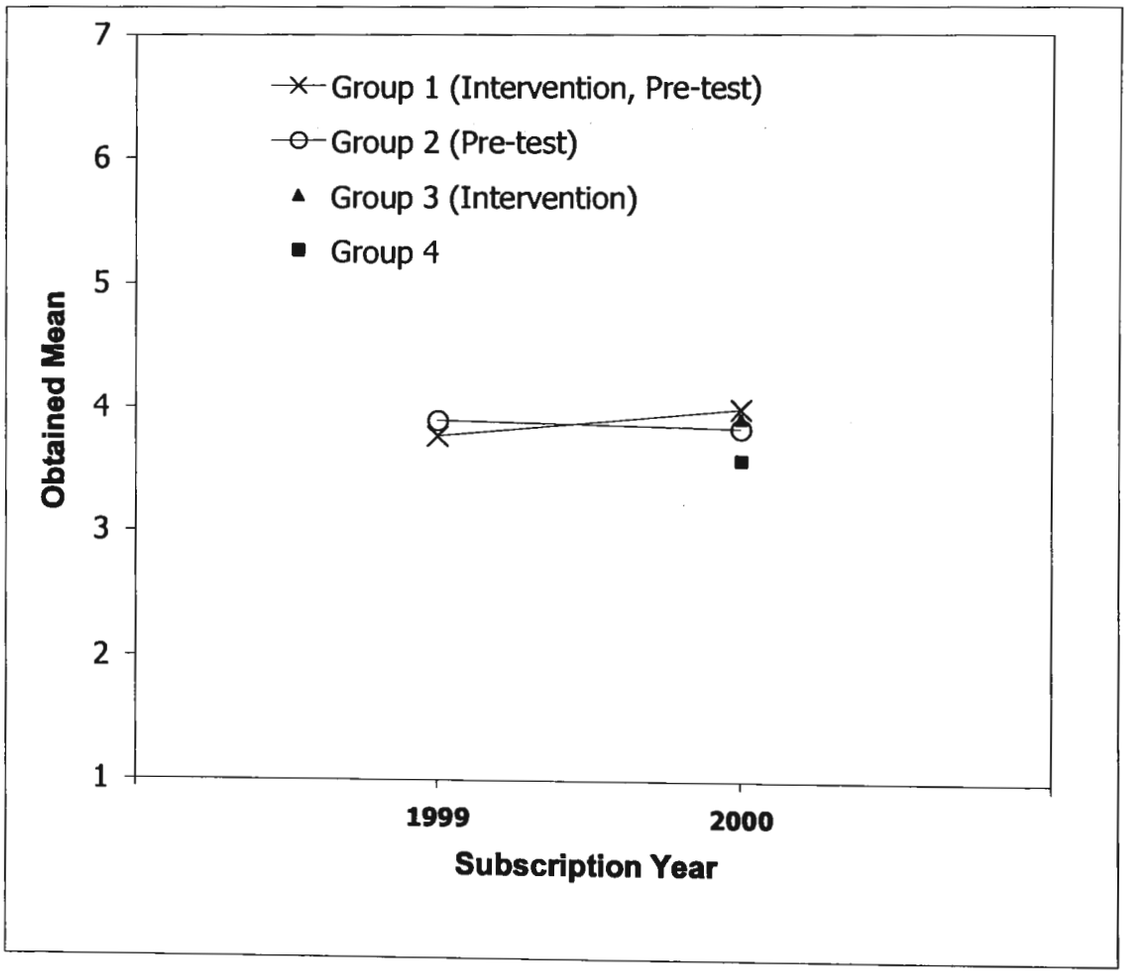
	SS	df	MS	F	*p*
Between Groups	4.30	1	4.30	6.77*	.010
Within Groups	142.70	225	.63		
Total	147.00	226			

Note. *$p < .05$.

As can be seen within Table 21, the main effect for the responsiveness intervention also demonstrated statistical significance. This suggests that the intervention had an affect on subsequent levels of responsiveness. That is, the overall level of perceived responsiveness was higher for those participants who experienced the intervention (experimental groups 1 & 3), compared to those participants who did not experience the intervention (control groups 2 & 4).

8.8.1.3 Direct Voice

Having established that the manipulation upon approachability and responsiveness was successful, it is important to assess the validity of the manipulation. Previous research has stated that perceived approachability and responsiveness affects the likelihood that respondents will voice directly to the organisation (e.g. Richins, 1983; Saunders et al., 1992). Therefore, the criterion-related validity of the manipulation will be evident in an effect upon likelihood to voice. That is, evidence of the validity of the manipulation will be established if the increase in approachability and responsiveness also results in an increase in direct voice. Figure 36 graphically plots the obtained mean scores for direct voice within each of the four groups.



Figure, 36. **Direct Voice by group and over time.**

As can be seen in Figure 36, the two intervention groups (Group 1 & Group 3) demonstrated a higher level of direct voice when compared to the two control groups. That is, Group 1 (intervention, pre-test) and Group 3 (intervention, no pre-test) demonstrated a higher mean score compared to Group 2 (control, pre-test) and Group 4 (control, no pre-test).

Analogous to approachability and responsiveness, it is necessary to identify whether the direct voice effect was influenced by pre-test sensitisation. Again as outlined by Walton Braver and Braver (1988), a 2 x 2 ANOVA was conducted on the post-test direct voice means for each of the four groups (Test A, Figure 33).

Table 22: Results of the Analysis of Variance on Post-test Scores for Direct Voice

Source	SS	df	MS	F	*p*
Intervention vs. non-Intervention	1.85	1	1.85	1.02	.314
Pre-test vs. non-Pretest	.80	1	.80	.44	.507
Pre-test/Intervention Interaction	.16	1	.16	.09	.768
Error	413.01	228	1.81		

Again, the Pre-test/Intervention interaction for direct voice failed to reach statistical significance (Table 22). This indicates that the effect of the intervention upon direct voice was not influenced by pre-test sensitisation. Having ruled out pre-test sensitisation, it is important to determine whether the intervention itself had an effect. As outlined by Walton Braver and Braver (1988) (Test D, Figure 33), a one-way

ANOVA was conducted to examine the main effects for the experimental versus the control groups (Table 23).

Table 23: Results of the Analysis of Variance of the Direct Voice Main Effect

	SS	df	MS	F	*p*
Between Groups	5.24	1	5.24	2.91	.089
Within Groups	414.32	230	1.80		
Total	419.56	231			

Interestingly, the main effect for the direct voice outcome measure for experimental versus control groups failed to reach statistical significance. In response to a non-significant main effect, Walton Braver and Braver (1988) outlined a t-test on the gain score for Group 1 and Group 2 (e.g. post-test minus pre-test scores). This statistical test is likely to be more sensitive, as it takes into account the pre-test information (Walton Braver & Braver, 1988). Based on the relationship between approachability, responsiveness and direct voice, it is expected that those respondents who have experienced the intervention are more likely to voice than those who have not. Subsequently, a one-tailed t-test was conducted. Initial support is provided within the positive mean gain score for Group 1, indicating that the post-test scores were greater than the pre-test scores (Table 24).

Table 24: Descriptives for the Gain Score Analysis of Direct Voice

	N	Mean	SD
Group 1	41	.22	1.18
Group 2	25	-.32	1.30

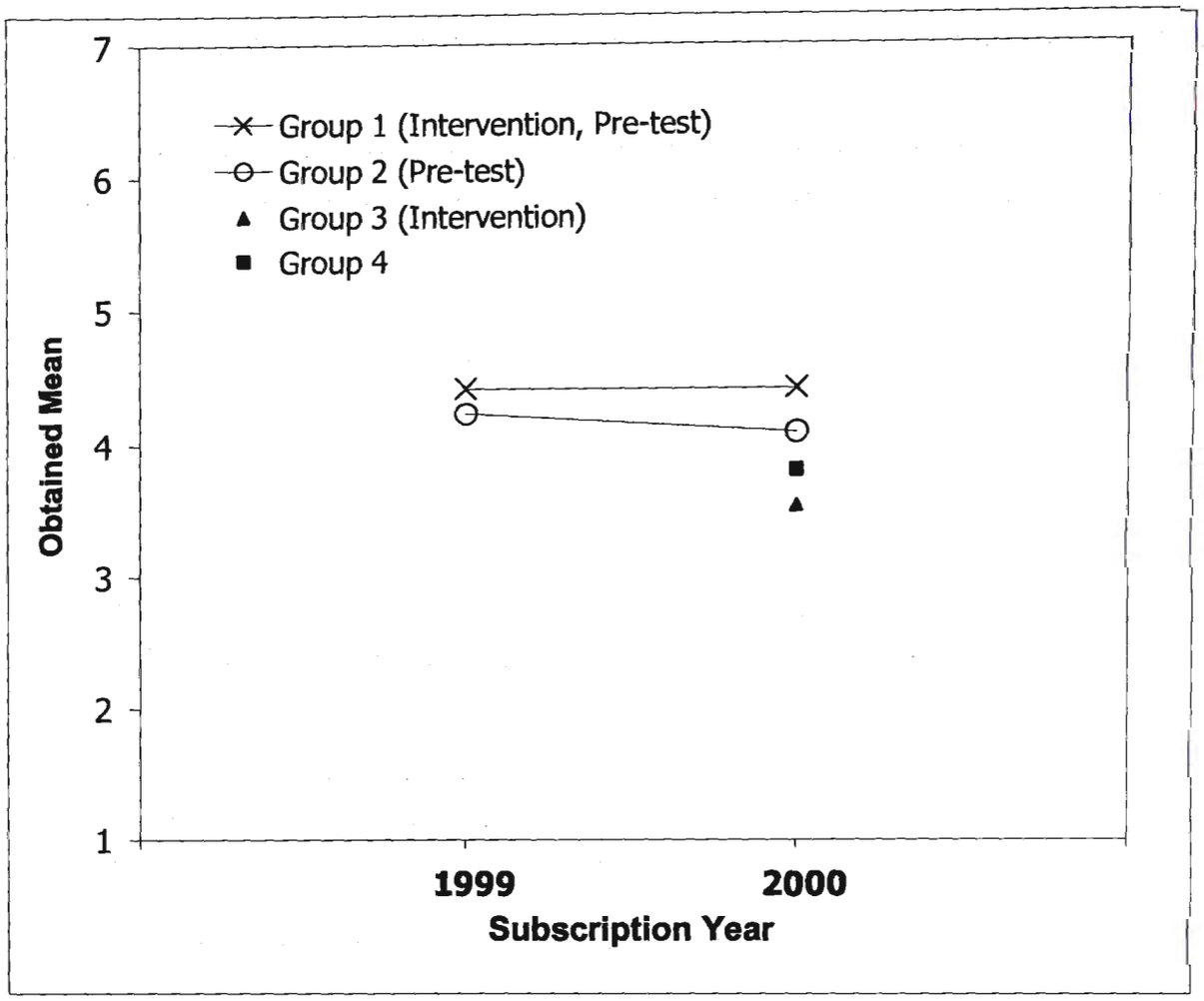
The results of this gain score analysis revealed a significant difference between the obtained mean gain score within Group 1 and Group 2, in the expected direction, t (47) = 1.71, p< .05. Those respondents within the intervention group (Group 1) indicated that they were more likely to voice directly to the theatre, compared to those respondents within the control group (Group 2). This more sensitive statistical test establishes the criterion-related validity of the manipulation.

8.8.1.4 Attachment Loyalty

Having established that the manipulation was successful, and the criterion-related validity of the manipulation, it is essential to determine the affect of the manipulation upon attachment loyalty. Figure 37 graphically plots the obtained mean scores for attachment loyalty within each of the four groups.

Analogous to approachability and responsiveness, the respondents within the intervention, pre-tested group (Group 1) demonstrated a higher level of loyalty compared to those within the control, pre-tested group (Group 2). However, in contrast to approachability and responsiveness, the respondents within the intervention, un-pretested group (Group 3) demonstrated a lower level of loyalty compared to those

within the control, un-pretested group (Group 4).



Figure, 37. **Loyalty by group and over time.**

Based on the unexpected result demonstrated by Group 3 and Group 4, it becomes even more important to determine whether the loyalty effect was influenced by pre-test sensitisation. Again as outlined by Walton Braver and Braver (1988), a 2 x 2 ANOVA was conducted on the post-test attachment loyalty means for each of the four groups (Test A, Figure 33) (Table 25).

Table 25: Results of the Analysis of Variance on Post-test Scores for Loyalty

Source	SS	df	MS	F	*p*
Pre-test vs. non-Pretest	9.93	1	9.93	9.93*	.002
Intervention vs. non-Intervention	.01	1	.01	.01	.905
Pre-test/Intervention Interaction	2.76	1	2.76	2.76	.098
Error	221.81	222	1.00		

Note. *$p < .05$.

Again, the Pre-test/Intervention interaction for attachment loyalty failed to reach statistical significance. This indicates that the effect of the intervention upon attachment loyalty was not influenced by pre-test sensitisation. Having ruled out pre-test sensitisation, it is necessary to determine whether the intervention itself had an effect on levels of consumer loyalty. As outlined by Walton Braver and Braver (1988) (Test D, Figure 33), a one-way ANOVA was conducted to examine the main effects for the experimental versus the control groups (Table 26).

As hypothesised, the main effect of attachment loyalty for the experimental versus the control groups did reach statistical significance. Therefore, those respondents within the intervention group (Group 1 & Group 3) indicated greater levels of attachment loyalty, compared to those respondents within the control group (Group 2 & Group 4).

Table 26: Results of the Analysis of Variance of the Loyalty Main Effect

	SS	df	MS	F	*p*
Between Groups	4.28	1	4.26	4.11*	.044
Within Groups	232.32	224	1.04		
Total	236.58	225			

Note. *$p < .05$.

8.8.2 The Effect of the Intervention upon Attachment Loyalty

Initially, it was hypothesised that an increase in perceived approachability and responsiveness would result in an increase in attachment loyalty. Furthermore, this initial hypothesis appears to have received support within the Solomon Four Group Design. In contrast however, examination of Figure 37 suggests that levels of attachment loyalty within the experimental group (Group 1) remain stable, whereas levels of attachment loyalty within the control group (Group 2) decrease over-time. Therefore, instead of the control, group remaining stable, and the experimental group demonstrating an increase, the experimental group appears to have remained stable, and the control group appears to have declined. This unexpected result may suggest that overall levels of loyalty decreased within the research sample, but not within the experimental group.

In order to statistically test this interpretation, it is important to establish that the experimental group (Group 1) and the control group (Group 2) are similar at time one,

prior to the intervention. As expected, Group 1 and Group 2 demonstrated similar levels of attachment loyalty prior to the intervention, $F(1, 64) = .48$, $p = .493$.

It is then necessary to establish whether the difference in obtained mean scores between Group 1 and Group 2 at time two is statistically significant. Unexpectedly, Group 1 and Group 2 demonstrated similar levels of attachment loyalty at time two, $F(1, 65) = 2.12$, $p = .15$. Based on the mean difference of .38 between the obtained mean score for Group 1 and Group 2 at time two (Table 17), it is likely that this initial non-significant result is influenced by the size of the samples. Whitley (1996) stated that type II error, or incorrectly concluding that the intervention had no effect, is influenced by statistical power, which is in turn affected by the size of the sample.

Another factor that influences the statistical power is the effect size of the independent variable upon the dependent variable (Whitley, 1996). Based on the effect size conventions outlined by Cohen (1988), previous research into approachability, responsiveness and commitment demonstrated a small effect size (e.g. Saunders et al., 1992). Therefore, due to the relatively small sample, and small effect size, it is important to test the difference between Group 1 and Group 2 using a more powerful, or sensitive test. A test that incorporates the pre-test information is likely to be a more sensitive statistical test (Walton Braver & Braver, 1988). Therefore, a t-test gain score analysis (post-test scores minus pre-test scores) will be conducted upon attachment loyalty within Group 1 and Group 2 (Table 27).

Table 27: Descriptives for the Gain Score Analysis upon Loyalty

	N	Mean	SD
Group 1	39	.08	.91
Group 2	24	-.40	.59

Based on the relationship between approachability, responsiveness and loyalty, it is expected that those respondents who have experienced the intervention will demonstrate greater loyalty than those who have not. Subsequently, a one-tailed t-test was conducted. Initial support is provided within the positive obtained mean score for the gain difference within Group 1, indicating that overall, post-test scores were greater than pre-test scores. Conversely, Group 2 demonstrated a negative mean score, indicating that overall pre-test scores were greater than post-test scores.

The results of this gain score analysis revealed a significant difference between the obtained mean gain score within Group 1 and Group 2, in the expected direction, t (61) = 2.32, $p < .05$. Those respondents within the intervention group (Group 1) demonstrated greater attachment loyalty toward the theatre, compared to those respondents within the control group (Group 2). This more sensitive statistical test provides evidence for the difference between the experimental and control group after exposure to the intervention. This result indicates that the control, group did indeed experience a decline in attachment loyalty over time, and the experimental group remained stable.

Having established a decline in overall attachment loyalty within the control group, it is then necessary to establish whether the control group (Group 2) is representative of the rest of the research sample (Group 4). As expected, the control group (Group 2) and the research sample (Group 4) were indeed similar at time two, $F(1, 166) = 1.575$, $p=.211$. That is, levels of attachment loyalty within the control group were representative of the rest of the research sample.

Finally, it is important to check that the levels of attachment loyalty within the experimental group (Group 1) are indeed higher than those within the research sample (Group 4). Based on the larger sample size, a more sensitive test was not required to demonstrate the statistical difference between those respondents that experienced the intervention (Group 1) and those within the research sample (Group 4), $F(1, 183) = 11.223$, $p<.001$, at time two. As expected, overall levels of attachment loyalty for those who experienced the intervention (Group1) were higher than those respondents that did not experience the intervention (Group 2 and Group 4). Therefore, rather than the increasing the level of loyalty, as initially hypothesised, it appears that the intervention prevented subscribers from becoming less loyal toward the theatre.

8.8.3 The Effect of Increased Attachment Loyalty upon Purchase Behaviour

Having established that the intervention successfully increased levels of perceived approachability and responsiveness, and influenced levels of attachment loyalty, it is necessary to assess the impact of this intervention upon subsequent consumer behaviour. Previous research has stated that loyalty influences actual consumer behaviour (e.g. Tellis, 1988), and organisational profit (Oliver, 1997). Therefore, the impact of the manipulation will be evident in an effect upon the indicators of actual

purchase behaviour, including the type of subscription repurchased (Package), the number of tickets repurchased (Seats), and the dollar amount repurchased (Purchase). That is, evidence of the practical significance of the intervention will be established if the increase in approachability and responsiveness, which resulted in higher levels of attachment loyalty, also translates into greater levels of purchase behaviour.

As can be seen within Table 28, the obtained mean scores for the two experimental groups (Group 1 and Group 3) indicated a slight increase in the type of subscription purchased (Package), the number of tickets purchased (Seats), and the dollar amount spent (Purchase). In contrast, the obtained mean scores for the control groups (Group 2 & Group 4) indicated a slight decrease in the type of subscription purchased (Package), the number of tickets purchased (Seats), and the dollar amount spent (Purchase).

Table 28: Descriptive Statistics for Package, Seats and Purchase, by Group

Group	Construct	Pre-test (2000 Indicators)			Post-test (2001 Indicators)		
		N	Mean	SD	N	Mean	SD
1	Package	34	2.03	1.60	33	2.12	1.47
	Seats	34	12.50	6.43	33	14.30	7.51
	Purchase	34	328.29	141.01	33	425.75	221.50
2	Package	22	2.18	1.47	19	2.00	1.53
	Seats	22	15.91	13.48	19	14.89	11.05
	Purchase	22	386.65	242.23	19	435.51	198.65
3	Package	12	2.00	1.60	14	2.07	1.49
	Seats	12	14.25	7.94	14	12.36	5.77
	Purchase	12	334.17	113.88	14	369.96	155.03
4	Package	64	3.02	1.71	38	2.82	1.54
	Seats	64	15.81	9.30	38	13.84	7.94
	Purchase	64	380.65	181.12	38	430.80	268.11

Analogous to the previous analyses, it is important to determine whether the effect upon the behavioural indicators was influenced by pre-test sensitisation. Again as outlined by Walton Braver and Braver (1988), a 2 x 2 ANOVA was conducted on the post-test means (2001 behavioural data) for the Package, Seats and Purchase within each of the four groups (Test A, Figure 33). Table 29 presents the results of this 2 x 2 ANOVA for the Package behavioural indicator.

Table 29: Results of the Analysis of Variance on Post-test Scores for Package

Source	SS	df	MS	F	*p*
Pre-test vs. non-Pretest	3.25	1	3.25	0.78	0.539
Intervention vs. non-Intervention	2.15	1	2.15	0.52	0.603
Pre-test/Intervention Interaction	4.15	1	4.15	1.82	0.181
Error	228.15	100	2.28		

Table 29 reveals that the Pre-test/Intervention interaction for Package did not reach statistical significance. This indicates that the effect of the intervention upon Package was not influenced by pre-test sensitisation. Table 30 presents the results of this 2 x 2 ANOVA for the Seats behavioural indicator.

Table 30: Results of the Analysis of Variance on Post-test Scores for Seats

Source	SS	df	MS	F	*p*
Pre-test vs. non-Pretest	49.76	1	49.76	11.27	0.184
Intervention vs. non-Intervention	23.87	1	23.87	5.40	0.259
Pre-test/Intervention Interaction	4.42	1	4.42	0.07	0.799
Error	6773.03	100	67.73		

Analogous to the Package indicator, Table 30 indicates that the Pre-test/Intervention interaction for Seats did not reach statistical significance. This indicates that the effect of the intervention upon Seats was not influenced by pre-test sensitisation. Table 31 presents the results of this 2 x 2 ANOVA for the Purchase behavioural indicator.

Table 31: Results of the Analysis of Variance on Post-test Scores for Purchase

Source	SS	df	MS	F	*p*
Pre-test vs. non-Pretest	0.40	1	0.40	0.28	0.689
Intervention vs. non-Intervention	1.23	1	1.23	0.87	0.522
Pre-test/Intervention Interaction	1.41	1	1.41	0.89	0.359
Error	28.64	18	1.59		

Like the Seats indicator, the Pre-test/Intervention interaction for Purchase did not reach statistical significance. This indicates that the effect of the intervention upon Purchase was not influenced by pre-test sensitisation. Therefore, pre-test sensitisation did not influence any of the indicators of behaviour addressed within this study (Package, Seats and Purchase).

Having ruled out pre-test sensitisation, it is important to determine whether the intervention itself had an effect on subsequent purchase behaviour. As outlined by Walton Braver and Braver (1988) (Test D, Figure 33), a one-way ANOVA was conducted to examine the main effects for the experimental versus the control groups for each of the behavioural indicators (Package, Seats and Purchase). Table 32 presents the results of this one-way ANOVA for the Package indicator.

Table 32: Results of the Analysis of Variance for the Package Main Effect

	SS	df	MS	F	*p*
Between Groups	4.93	1	4.93	2.13	0.148
Within Groups	236.61	102	2.32		
Total	241.54	103			

Interestingly, the main effect for the Package indicator of behaviour for experimental versus control groups failed to reach statistical significance. Table 33 presents the results of this one-way ANOVA for the Seats indicator.

Table 33: Results of the Analysis of Variance for the Seats Main Effect

	SS	df	MS	F	*p*
Between Groups	5.68	1	5.68	0.08	0.771
Within Groups	6824.28	102	66.90		
Total	6829.96	103			

Like the Package indicator of behaviour, the main effect for the Seats for experimental versus control groups failed to reach statistical significance. Table 34 presents the results of this one-way ANOVA for the Purchase indicator.

Table 34: Results of the Analysis of Variance for the Purchase Main Effect

	SS	df	MS	F	*p*
Between Groups	1.61	1	1.61	0.97	0.336
Within Groups	33.16	20	1.66		
Total	34.77	21			

Analogous to Package and Seats, the main effect for the Purchase indicator of behaviour for experimental versus control groups failed to reach statistical significance. Therefore, the main effect for experimental versus control groups within all three indicators of

repurchase behaviour failed to demonstrate statistical significance.

In response to a non-significant main effect, Walton Braver and Braver (1988) outline a t-test on the gain score for the experimental groups versus the control groups (e.g. post-test minus pre-test scores). This statistical test is likely to be more sensitive, since it takes into account the pre-test information (Walton Braver & Braver, 1988).

Based on the relationship between loyalty and repurchase behaviour outlined within previous research (e.g. Tellis, 1988), it is expected that those respondents who have experienced the intervention: will repurchase a greater number of shows within their subscription package (Package); will repurchase a greater number of tickets (Seats); and will spend more (Purchase), than those who have not experienced the intervention. Therefore, based on this directional hypothesis, a one-tailed t-test was conducted. Initial support for this hypothesis is provided within the positive mean gain score for the experimental group, indicating that the post-test scores (2001 behavioural data) were greater than the pre-test scores (2000 behavioural data).

As can be seen in Table 35, the results of this gain score analysis for each of the behavioural indicators (Package, Seats, and Purchase) revealed a significant difference between the obtained mean gain score within the experimental group and the control group, in the expected direction. That is, respondents within the experimental group obtained a greater number of shows within their subscription package (Package) than respondents within the control group, t (229) = -3.48, p< .001. Respondents within the experimental group repurchased more tickets (Seats) than respondents within the control group, t (229) = -4.04, p< .001. Respondents within the experimental group also spent more money on their subscription package (Purchase) than respondents within the

control group, t (229) = -3.49, p< .05. This more sensitive statistical test provides empirical support for the effect of actively influencing loyalty upon subsequent repurchase behaviour.

Table 35: Descriptives of the Gain Score Analysis for the Package, Seats and Purchase

Indicator	Group	N	Mean	SD	Minimum	Maximum
Package	**Control**	129	-0.74	1.91	-6.00	5.00
	Experimental	102	0.06	1.51	-4.00	5.00
Seats	**Control**	129	-4.29	9.73	-33.00	14.00
	Experimental	102	0.48	7.76	-28.00	36.00
Purchase	**Control**	129	-63.74	255.89	-948.70	987.40
	Experimental	102	39.78	175.61	-389.00	984.00

8.9 Discussion

In order to test the assumption that encouraging consumer complaints actively increases loyalty, this study examined the effect of manipulating perceived approachability and responsiveness upon subsequent levels of consumer loyalty (process and outcome). First, it was determined whether the manipulation was successful, that is, whether the intervention successfully increased levels of perceived approachability and

responsiveness. As expected, levels of perceived approachability and responsiveness were greater within the experimental group when compared to the control group (H1 & H2).

Furthermore, as indicated by a Solomon Four Group design, the effect of the intervention upon subsequent levels of approachability and responsiveness was not influenced by pre-test sensitisation. That is, the increased levels of approachability and responsiveness within the 2000 survey were not affected by the experience of participating in the 1999 survey. The lack of a pre-test sensitisation effect is supported within the work of Swan, Trawick and Carroll (1981) who examined the effect of participating in market research upon subsequent consumer attitudes. Therefore, it appears that levels of perceived approachability and responsiveness were successfully increased using the intervention.

Having established that the manipulation was successful, it was then necessary to establish the validity of the manipulation. Based on the original relationship between approachability, responsiveness and voice outlined by Saunders et al. (1992), Richins (1983), Singh and Wilkes (1996) and Blodgett et al. (1993), evidence for the validity of the manipulation was established by testing whether the increase in approachability and responsiveness, increased the likelihood that subscribers would voice. As expected, intention to voice was greater for those respondents within the experimental group, compared to the respondents within the control group, when the pre-test information was considered (H3). That is, increased approachability and responsiveness increased intention to voice, providing evidence for the criterion-related validity of the manipulation. Again, the effect of the intervention upon levels of intention to voice was

not influenced by pre-test sensitisation.

Having established that the manipulation was effective (successful and valid), it was vital to determine whether the increase in approachability and responsiveness influenced levels of attachment loyalty. As hypothesised, levels of attachment loyalty were greater for those respondents within the experimental group compared to those respondents within the control group (H4). Furthermore, as indicated by the Solomon Four Group design, this effect was not influenced by pre-test sensitisation. Therefore, this research successfully established a relationship between approachability, responsiveness and loyalty as a process.

Unexpectedly however, a plot of the mean scores indicated that attachment loyalty within the experimental group appeared to remain the same, whereas attachment loyalty within the control group appeared to decreases over-time. Further, analysis confirmed that unlike those respondents within the control group and the rest of the research sample, respondents that received the intervention did not demonstrate a drop in loyalty. This suggests that although the intervention did not increase levels of attachment loyalty as hypothesised, the intervention did appear to prevent the subscribers from becoming less loyal.

Finally, the impact of actively influencing loyalty through increased approachability and responsiveness upon subsequent repurchase behaviour (loyalty as an outcome) was evaluated. Results indicated that greater levels of attachment loyalty led to greater repurchase. Specifically, those respondents that experienced the intervention repurchased a greater number of shows within their subscription package, repurchased more tickets, and spent more money on their subscription packages, when compared to

respondents who did not experience the intervention (H5). The majority of previous consumer research has relied on behavioural intentions as a substitute measure of actual consumer behaviour (e.g. Maute & Forrester, 1993). In contrast, this thesis addressed actual purchase behaviour, and provided additional empirical support for the relationship between attitudinal loyalty (attachment loyalty) and loyalty outcomes (purchase behaviour). These results lend support to the link between loyalty and organisational success and profit as postulated within previous consumer research (e.g. Oliver, 1997; Fornell & Wernerfelt, 1987). Furthermore, as this study examined subsequent purchase behaviour demonstrated within the following year, these findings provide empirical support for the cause and effect relationship between approachability, responsiveness, attachment loyalty and purchase behaviour.

Consequently, increased levels of perceived approachability and responsiveness were able to prevent subscribers from becoming less loyal. The unexpected drop in loyalty is likely to be due to historical effects as outlined within the final chapter of this thesis, and may indicate a perceived decline in service. This research also indicates that greater levels of attachment loyalty are indeed associated with greater repurchase behaviours. It appears that enhancing levels of perceived approachability and responsiveness is as simple as providing theatre patrons with information about how to contact the organisation, and the examples of previous voice experiences for other patrons of the organisation. The implication for practitioners appears clear. It is important to establish channels for patron feedback. However, it is also important to communicate with your customers about how to use these channels, and provide examples of how your organisation has previously responded to customer voice.

Theoretical support for the direct relationship between approachability, responsiveness and loyalty is found within the application of the Perceived Justice Theory to complaint handling processes (e.g. Sparks & McColl-Kennedy, 2001; Conlon & Murray, 1996), as well as Ajzen's (1988) Theory of Planned Behaviour. Simply put, consumers' perceptions regarding how easy it is to voice, and how the organisation will respond to consumer voice has a direct effect upon consumer loyalty. Although Saunders et al. (1992) failed to demonstrate a direct relationship between approachability, responsiveness and commitment, this research successfully demonstrated a direct, positive relationship between approachability, responsiveness and loyalty (process and outcome) within a consumer context.

8.9.1 Real Changes to Approachability and Responsiveness

The obvious implication of these findings for practitioners is that consumer loyalty can be affected by raising perceptions of the organisation's approachability and responsiveness to consumer communication. However, based on the earlier of work of Oliver (1980) into the Expectations Disconfirmation Model, it is important not to raise perceptions of approachability and responsiveness if the organisation is unable to consistently meet these higher levels of promised approachability and responsiveness. That is, telling customers that the organisation is extremely approachable and responsive to customer feedback, when the organisation does not have the resources in place to effectively cope with customer feedback, will negatively disconfirm customer expectations regarding the organisation's service. In turn, these disconfirmed expectations would result in dissatisfaction. This suggests that, in the long term, it is not only important to increase *perceived* approachability and responsiveness, but to also

actually ensure that the organisation is approachable and responsive in order to enhance consumer loyalty.

There is a paucity of research into actually increasing the approachability and responsiveness of providers. However, Sparks and Bradley (1997) examined a related construct- **Perceived Provider Effort**. Specifically, these researchers demonstrated a strong relationship between perceived provider effort and consumer attitudes, such as satisfaction. Sparks and Bradley examined the role of *empowerment* and an *accommodating communication style* upon perceptions of provider effort and consumer satisfaction in complaint handling situations. Sparks and Bradley define empowerment as providing autonomy and discretion to personnel at the customer front. These researchers define an accommodating communication style as 'customer friendly' language, and personalised forms of address in order to "accommodate the needs of the customer" (Sparks & Bradley, 1997:20). Sparks and Bradley demonstrated that perceived effort was greatest when personnel demonstrated full empowerment and an accommodating style of communication. However, these researchers concluded that communication style only became important when personnel were empowered.

Conceptually, Sparks and Bradley's empowerment appears to support the organisation's responsiveness to voice. In that, fully empowered front-line personnel are likely to be more responsive to customer feedback, since they are able to make decisions on behalf of the organisation. Furthermore, an accommodating communication style appears to also support the interpersonal interaction component of perceived responsiveness. An accommodative style indicates to the consumer a "willingness to show understanding or interest in the customers concern" (Sparks & Bradley, 2000:20). Therefore, it appears

that Sparks and Bradley's (1997) model of perceived effort is conceptually similar to perceived responsiveness. As such, effective techniques to increase actual approachability and responsiveness may be found within the work of Sparks and Bradley (1997).

Based on the work of Sparks and Bradley (1997), developing interpersonal and communication skills within frontline staff through training, as well as providing an empowering structure to respond to consumer voice, is likely to also improve an organisation's perceived approachability and responsiveness. However, Dipboye, Smith and Howell (1994) also outline the importance of appropriate job descriptions, recruitment and selection to ensure that suitable personnel are in place to work at the customer front.

Finally, previous research has also demonstrated the significance of monitoring performance and providing feedback about the key objectives (Zairi, 1992). For example, Dale, Boaden, Wilox and McQuater (1997:399) state that "it is important to have measures in place" in order to monitor the key variables. Therefore, by being aware of levels of perceived approachability and responsiveness, providers are in a position to make potential improvements and evaluate the effect of these improvements. In summary, it appears that having the right personnel, appropriate training programs, an empowering structure, and feedback about performance enables organisations to provide an approachable and responsive service.

Although this research was unable to demonstrate that increasing approachability and responsiveness increased subsequent consumer loyalty, this study did find that enhancing perceived approachability and responsiveness prevents subscribers from

becoming less loyal. Furthermore, higher levels of loyalty indeed translated into greater repurchase behaviour. These findings demonstrate the effectiveness of encouraging consumers to complain by enhancing perceived approachability and responsiveness upon levels of consumer loyalty (process and outcome). Therefore, the practical implications of these results are that providers should be outlining the ways in which the organisation can be contacted, as well as providing examples of the positive experiences of those who have approached the provider in the past. In light of these implications, the next chapter will address the limitations associated with the current research in order to identify ways in which the findings can be accurately interpreted, and enhanced through future research and practice.

Conclusion

"When I'm working on a problem, I never think about beauty. I think only how to solve the problem. But when I am finished, if the solution is not beautiful, I know it is wrong" – Richard Buckminster Fuller.

A review of the relevant theoretical models and empirical research indicated the need to clarify the measurement of consumer loyalty within a sequence of attitude and behaviour, to identify the determinants of consumer loyalty, and to use the determinants to actively influence consumer loyalty. Subsequently, in response to the research gaps evident within the field, this thesis developed three major research questions. The first research question addressed within this thesis clarified the measurement of consumer loyalty within a framework of attitude and behaviour. The second research question addressed within this thesis identified several determinants of consumer loyalty. Finally, the third research question addressed within this thesis effectively manipulated two of the determinants to actively influence both the process and outcomes of consumer loyalty.

Significance of the Findings

Empirical Significance

In the search for a better understanding of the relationship between loyalty and profit, and of the loyalty construct itself, the measurement of loyalty by researchers has taken many forms. Loyalty has been measured through behavioural indicators (e.g. Neal, 2000; Reichheld & Schefter, 1996), through repurchase intentions (e.g. Dube & Maute, 1998; Tellis, 1988), and as a tendency to disregard problems (e.g. Ping, 1993; Maute & Forrester, 1993). Initially, the various measures appear to contradict one another, fuelling the debate surrounding the nature of loyalty (behaviour or attitude). However, once these seemingly disparate measures were placed within the attitude-behaviour framework (e.g. Oliver, 1997; Fishbein & Ajzen, 1975), it became clear that the

measures simply represented different stages of loyalty formation.

The attitude-behaviour model begins with the formation of beliefs about the organisation/product/service, which result in feelings that affect specific intentions to act, subsequently influencing actual behaviour (Oliver, 1997). Behavioural indicators are outcome measures of this process, because they indicate the outcome of a loyalty decision. In contrast, beliefs about the organisation/product/service, and the corresponding emotions are process measures of attitude formation, because they indicate the motivation behind the loyalty decision. repurchase intentions represent the behavioural intention stage of the attitude-behaviour sequence, and provide a link between the process and outcome. In order to capture the entire loyalty construct, it is important to use measures that reflect each stage of loyalty formation, process as well as intention and outcome. Therefore, as indicated by the attitude sequence framework, loyalty is both an attitude and a behaviour (e.g. Hirschman, 1970; Leck & Saunders, 1992; Withey & Cooper, 1992), resolving previous debate surrounding the nature of loyalty (e.g. Neal, 2000; Graham & Keeley, 1992). The attitude component merely reflects the process of attitude formation, and the behavioural component represents the outcome of this process.

Of the existing consumer loyalty measures, behavioural indicators have been established as effective measures of the outcome (e.g. Neal, 2000), and repurchase intentions have also been used to predict behaviour (e.g. Sirohi et al., 1998). In contrast, however, this thesis indicated that another common measure of consumer loyalty, the tendency to disregard problems, was unable to reflect either the process or the outcome of loyalty formation. This suggests that although a commonly used tool, the tendency to

disregard problems may not be an effective measure of consumer loyalty, as it is unable to enhance our understanding or ability to predict consumer behaviour.

As indicated by the attitude-behaviour framework and previous empirical research, it is necessary to capture the process of loyalty formation in order to differentiate between intentional loyalty and spurious loyalty (Day, 1980). To reflect the affective stage of the process, this thesis borrowed a useful measure of affective loyalty (attachment loyalty) from Organisational Psychology and successfully applied this measure to a consumer context. Consequently, this research demonstrated attachment loyalty as an effective measure to include within the consumer process. Attachment loyalty explained additional variance associated with consumer behaviour, above that already explained by satisfaction, the traditional determinant of consumer behaviour (e.g. Oliver, 1980). Therefore, this thesis contributed to our empirical understanding of consumer loyalty by identifying an effective measure of process loyalty, attachment loyalty. Furthermore, this thesis demonstrated that greater purchase behaviour was associated with higher levels of attachment loyalty. To date, previous research has largely employed behavioural intentions as a substitute measure for actual behaviour. In contrast, this thesis examined actual consumer behaviour. Therefore, this research provides further empirical support for the relationship between consumer loyalty and organisational profit, as outlined by the attitude-behaviour sequence (e.g. Oliver, 1997).

Based on this relationship between loyalty and profit, many organisations have attempted to actively enhance consumer loyalty within their own customer markets using Loyalty Programs, such as point reward schemes. Unfortunately, however, the effectiveness of these programs at enhancing intentional loyalty has fallen far short of

expectations (e.g. Saba, 2000; Dugan, 2000). Jardine (2000) suggests that the low effectiveness of these loyalty programs may be due to a saturation of programs within the market. Alternatively, the disappointing performance of these programs may be due to a narrow focus on the wrong stage of loyalty. To date, loyalty programs appear to focus on repurchase behaviour, which is an outcome of the loyalty decision. As such, traditional loyalty programs are unable to differentiate between intentional and spurious loyalty. For example, Selin, Howard, Udd and Cable (1987:221) stated that "repeat purchase does not necessarily represent commitment, it merely represents a level of acceptance with the manner in which activity is conducted as well as its price, location, and time of offering". Instead, this research indicates the need to address the process of loyalty formation, as well as the outcomes. Having established an effective measure of the loyalty process, attachment loyalty, as an alternative focus to simply measuring the outcome, this thesis then examined potential determinants of attachment loyalty.

Loyalty is often addressed in terms of its direct relationship with either satisfaction or voice (e.g. Oliver, 1997; Hirschman, 1970; Blodgett et al., 1993). However, the performance of satisfaction in influencing loyalty has been inconsistent, which may be due to a possible moderation effect (e.g. Ping, 1994). That is a difference in relationship for satisfied compared to dissatisfied consumers. In contrast, direct voice, or direct communication with the organisation, is positively related to loyalty. Voice increases as loyalty increases (Hirschman, 1970). Furthermore, voice provides the organisation with the opportunity to remedy the failure (e.g. Oliver, 1997).

Consequently, a great deal of research has highlighted the importance of encouraging voice with the organisation. For example, "if complaints are encouraged, the retailer has

the chance to remedy legitimate complaints and win back a customer who may also make positive reports to others, enhancing goodwill" (Richins, 1983:76). Voice is particularly important today in light of the emphasis placed on flexibility, innovation and constant improvement for organisations (Howard, 1995). For example, Nemeth and Straw (1989 in Le Pine & Van Dyne, 1998) argued that voice becomes even more important when the organisation's environment is dynamic and new ideas are needed to facilitate continuous improvement. Zairi (1992:184) also argued that "customers are the main deciders on future levels of competitiveness and are the main beneficiaries of goods and services. If business organizations are to assess their performance standards, they should positively encourage and welcome customer feedback".

In light of the importance placed on encouraging direct voice, previous consumer research has identified several key determinants of voice, including approachability and responsiveness (Saunders et al., 1992), exit barriers and the quality of alternatives (e.g. Maute & Forrester, 1993), attitude toward complaining (Singh, 1990), and perceived importance (Blodgett et al., 1993).

Previous research recognised the effect of encouraging complaints upon loyalty. For example, Fornell and Wernerfelt (1987) stated that encouraging consumer complaints increases consumer loyalty. However, traditionally, it was assumed that the effect of the predictors of voice upon loyalty is mediated through actual complaints (direct voice). Unfortunately, this relationship continues to demonstrate inconsistent results. Therefore, based on inconsistent results of previous research, and the idea of satisfaction as a moderator, this research tested the direct relationship between the determinants of voice (approachability, responsiveness, exit barriers, quality of alternatives, attitude toward

complaining, and perceived importance) and consumer loyalty for satisfied consumers. As expected, a direct relationship was demonstrated between the quality of alternatives and loyalty, perceived importance and loyalty, as well as perceived responsiveness and loyalty. Therefore, this thesis contributed further to our empirical understanding of satisfaction as a potential moderator within the consumer process, and the predictors of voice as determinants of loyalty for satisfied consumers.

Based on the initial empirical support for the direct relationship between responsiveness and loyalty, as well as research into approachability and responsiveness (Saunders et al., 1992), this thesis then assessed the effect of increasing perceived approachability and responsiveness upon levels of consumer loyalty. It was hypothesised that increasing perceived approachability and responsiveness would result in increased levels of consumer loyalty.

Two manipulation checks were conducted to determine whether the intervention was successful and valid. Firstly, the effectiveness of the manipulation was tested. As expected, the experimental group demonstrated higher levels of approachability and responsiveness, compared to the control group. Next, the validity of the manipulation was tested. As expected (e.g. Saunders et al., 1992), the experimental group demonstrated greater intentions to voice than the control group. Having established the manipulation as successful and valid, the study then demonstrated the effectiveness of enhancing perceptions of the approachability (how open the organisation is to voice), and responsiveness (how the organisation responds to voice), upon levels of loyalty toward the provider. As expected, the experimental group demonstrated higher levels of attachment loyalty compared to the control group. However, further examination of the

mean scores indicated that the increased levels of approachability and responsiveness enabled levels of loyalty to remain stable, rather than increasing loyalty. Instead of an increase in loyalty, it appeared that an increase in approachability and responsiveness within theatre subscribers prevented a decrease in loyalty. Finally, the effect of higher levels of attachment loyalty upon subsequent repurchase behaviour was tested. The experimental group demonstrated greater repurchase behaviour compared to the control group. It appears that encouraging consumer complaints through increased approachability and responsiveness does have a direct effect on consumer loyalty, and in turn consumer behaviour. Therefore, the intervention successfully influenced the process of loyalty (attachment loyalty), as well as the outcome of consumer loyalty (repurchase behaviour). This provides further empirical support for the use of the predictors of voice as effective triggers to actively influence consumer loyalty. The practical implications of this relationship, is to encourage subscribers to voice by enhancing perceived approachability and responsiveness, in order to actively influence attachment loyalty, and repurchase behaviour.

Theoretical Significance

This thesis also contributed further to the theoretical understanding of consumer loyalty. Previous consumer research has recognised the common attitude-behaviour framework associated with the dominant consumer satisfaction process, and used this framework to clarify the nature and measurement of consumer loyalty (e.g. Oliver, 1997). However, researchers have failed to address the existing loyalty measures within such a framework. This thesis examined existing measures of consumer loyalty within the attitude-behaviour framework in order to enable researchers to clarify the contribution

of previous loyalty research to our understanding of the nature of consumer loyalty.

Although, Oliver's (1997) phases of loyalty suggested new ways of measuring each stage of the attitude sequence, his theory failed to adequately address the role of satisfaction within the new framework of loyalty. The similarities between Oliver's satisfaction and affective loyalty are remarkable, including similar determinants and characteristics. In light of this theoretical similarity, this thesis explored both consumer loyalty and satisfaction in order to assess the theoretical implications of a comprehensive view of loyalty within an attitude-behaviour framework. This thesis demonstrated that affective loyalty and satisfaction are indeed distinct attitudinal constructs that both have a role to play within the consumer process.

A great deal of consumer research has explored service or product failure (e.g. Collie, Sparks & Bradley; Ping, 1994; Hirschman, 1970). However, there remains a paucity of research into theoretical understanding of successful service delivery. In order to identify the important theoretical relationships between encouraging complaints and consumer loyalty for satisfied consumers, this thesis identified a direct relationship between the predictors of voice and loyalty when consumers were satisfied with the service. Specifically, quality of alternatives, importance and responsiveness directly impacted attachment loyalty within the current consumer context. This provides a theoretical link between encouraging voice and consumer loyalty.

Finally, previous research into the relationship between attitude and behaviour outlined intention as the theoretical link between the process and the outcome (e.g. Fishbein & Ajzen, 1975). Oliver (1997) applied this framework to consumer loyalty, and identified four essential phases of loyalty, cognitive, affective (attitude), conative (intention) and

action (behaviour). This thesis provides further support to the use of attitude, intention and behaviour as the theoretical framework for consumer loyalty and the consumer experience. Specifically, this thesis did not demonstrate direct relationship between attitude (loyalty and satisfaction) and behaviour (repurchase) as outlined by Bentler and Speckart (1979). Analogous to the relationship outlined by Fishbein and Ajzen (1975) intention, or the conative stage of the sequence, provides an essential theoretical link between attitude (cognitive and affective) and behaviour. Therefore, intention is a construct that is necessary for academics conducting any theoretical research into consumer loyalty. However, capturing the theoretical link between attitude and behaviour may not be necessary for practitioners within applied settings. That is, instead of measuring attitude, intention and behaviour, it may be more efficient within applied settings to only measure attitude (the process) and behaviour (the outcome). It may not be necessary to also capture intention as a link if the process explains why the behaviour occurred, and the outcome monitors whether the behaviour occurred.

Support for a more efficient assessment within applied settings is provided within previous research which indicated that it is essential to capture both the process as well as the outcome in order to determine why the behaviour occurred (e.g. Day, 1980; Oliver, 1997). This thesis also provides further support for the availability of an efficient assessment of the consumer loyalty process. The third study successfully demonstrated the effect of several determinants of consumer loyalty (approachability and responsiveness), upon process loyalty (attachment loyalty), as well as on outcome loyalty (purchase behaviour). Therefore, although it is important for academics to address the three components of attitude sequence when considering theoretical implications of consumer loyalty (attitude, intention and behaviour), a more efficient

assessment of consumer loyalty (attitude and behaviour only) may be useful for practitioners within applied settings, where the brevity of survey questions is particularly important.

Limitations

This thesis employed a mailed survey style, which enabled the researcher to effectively ask respondents about their attitudes and feelings toward the provider. Thompson, Locander and Pollio (1989) state that examining consumer experiences is best achieved when using methods that enable the consumer to express themselves through 'first person accounts'. A mailed survey approach also possesses inherent weakness, including selection bias introduced through the non-random assignment associated with those participants who volunteer to participate by responding to the survey. Rosenthal and Rosnow (1975) stated that people who volunteer to participate in psychological research tend to be better educated, of higher socioeconomic status, demonstrate higher scores on IQ tests, demonstrate a higher need for social approval, tend to be more sociable, seek more excitement, are more unconventional, are less authoritarian, are less conforming, tend to be from smaller towns, are more interested in religion, demonstrate more altruism, are more self-disclosing, are younger, and tend to be women. Several of these elements appear to be echoed within this samples, including the higher proportion of women, high levels of education, and a high socioeconomic status. However, these characteristics may reflect the consumer context, as well as the geographical location of the study. That is, previous research within the regional Theatre indicated that subscribers tend to be female, with high levels of education and socioeconomic status (Collins, 1999). Furthermore, census information about the city of Canberra, the

geographical location of the research, also indicates that Canberra has a high socioeconomic status, and a population with high levels of education (The Australian Bureau of Statistics, Catalogue No. 1314.8, 2001). Therefore, the self-selection biases evident may simply reflect the consumer context chosen. In order to test the external validity of the findings it will be important to replicate the studies within other consumer contexts.

Collecting self-reported information through a survey can also be influenced by reactivity to being observed (Whitley, 1996). However, within this research, providing respondents with the opportunity to respond anonymously minimised reactivity.

This research also employed correlational techniques. The two assumptions associated with correlational research are that the relationships are linear, and that there are no interactions between the independent variables. These assumptions were tested within each study and were successfully met. This research also employed comparisons of means through independent sample t-tests and analysis of variance (ANOVA). The assumptions associated with such comparisons include normal distributions, and equal variances. Again, this research successfully met each of the statistical assumptions.

The third study utilised a longitudinal, or panel design, to establish baseline (pre-test), intervention, and post-test data. Several threats to internal validity can be associated with a longitudinal design, including historical effects, and maturation. "History refers to events that occur outside the research situation while the research is being conducted that affect participant's responses to the dependent measure" (Whitley, 1996:208). For example, Mules (1998) and Faulkner (1990) outlined the effect of several historical effects upon consumer behaviour within the Australian tourism industry, including

major events (e.g. EXPO 88), and employee strikes (e.g. airline pilot strikes in 1989 & 1990). Within this thesis, a possible historical effect was evidenced by a decrease in loyalty for the control group. This suggests that the service was influenced by an effect outside of the research situation, which may have resulted in the perceived decline in service. Unfortunately, little can be done to minimise the influence of historical effects within a field experiment. Field experiments offer realism at the price of control.

Like historical effects, longitudinal designs can also be affected by maturation. "Maturation refers to natural change over time" (Whitley, 1996:208). The very nature of loyalty may require a cumulative effect of consumer experiences over time (Oliver, 1997). Maturation effects may inherently influence loyalty research. Analogous to historical effects, little can be done to minimize the effect of maturation within longitudinal designs. Therefore, researchers should be aware that maturation and history effects may be acting upon the results of loyalty research.

Another time-related threat is testing confound, where the experience of the pre-test effects the post-test scores (Whitley, 1996). However, within this research, testing confound was controlled for using a Solomon Four Group Design. Instrumentation changes can also affect longitudinal designs. Instrumentation changes occur "when the measure used to assess the dependent variable changes over time" (Whitley, 1996:209). Therefore, in order to control for this threat to internal validity, the dependent measures, and method of collecting the information, remained consistent over the course of the study.

The third study also employed a field experiment design. "Field experiments attempt to achieve a balance between control and naturalism in research by studying people's

natural behavioral responses to manipulated independent variables in natural settings" (Whitley, 1996:370). Threats to the field experiment include the construct validity of the measures and manipulation used. However, the validity of the measures and manipulation can be evaluated using effective manipulation checks (Whitley, 1996). Therefore, this research incorporated two manipulation checks: a test of the effect upon the independent variables; and a criterion-related check. Field experiments are also vulnerable to a lack of control over extraneous variables, and outside interference as indicated within the possible historical effect. Unfortunately, in order to capture the realism of a natural consumer setting, little can be done to minimise the effect of unknown extraneous variables. Another typical threat to field experiments is the influence of pre-existing groups. However, this research attempted to minimise the effect of pre-existing groups within the field experiment through random assignment of participants to the experimental groups and control groups.

Future Research Directions

Previously, this thesis highlighted the apparent similarities between Oliver's (1997) hierarchical model of consumer loyalty, and his (1980) conceptualisation of the consumer satisfaction process (Expectations/Disconfirmation Model). It appears that both satisfaction and attachment loyalty represent the emotional facet of attitude, both are determined by a cognitive appraisal, and both directly influence behavioural intention. This would suggest that, conceptually, affective loyalty and satisfaction are placed within the same temporal location of the consumer process. Furthermore, a factor analysis of the satisfaction and attachment loyalty scales indicated two distinct constructs. Yet, Oliver also states that each of the phases of loyalty is determined by

satisfaction. This raises some conceptual issues regarding the role of satisfaction and loyalty within the consumer process. Previous research suggested that satisfaction is a relatively fleeting affective response that is episode specific (Oliver, 1997; Gotlieb et al., 1994). In contrast, the concept of loyalty appears to be more stable, and not as affected by specific service episodes (e.g. Ping, 1993; Hirschman, 1970). This is supported within Webster and Sundaram's (1998) research into service failure recovery efforts. These researchers demonstrated that service failure had a greater negative effect upon satisfaction scores, compared to loyalty scores. Therefore, satisfaction may occur prior to loyalty. However, it is recommended that future research explore the temporal sequence of satisfaction and loyalty within the consumer process.

This thesis also demonstrated the effectiveness of placing current measures of consumer loyalty within the attitude-behaviour framework. The obvious implication of these findings for future research and industry is the need for practitioners to capture the process by which consumers reach their decision to repurchase, rather than relying solely on collecting the outcomes of this process. To enable future researchers and practitioners to differentiate between intentional loyalty and spurious loyalty, it is important to tap into the motivation for the eventual behaviour through the use of process measures. Consequently, it is recommended that future research test attachment loyalty as a process measure of consumer loyalty within alternative consumer contexts including other service contexts (e.g. services with high cycle times), and products (e.g. durable and non-durable products). Attachment loyalty may be a process measure of consumer loyalty that enhances our understanding of the consumptive experience. In contrast, this research failed to demonstrate disregard loyalty as a relevant process or outcome measure of consumer loyalty. It is also recommended that future research test

the applicability of disregard loyalty as a valid measure of consumer loyalty within alternative consumer contexts.

This thesis also addressed the cognitive determinants of consumer loyalty. Traditionally, voice (Hirschman, 1970) or satisfaction (Oliver, 1997) are considered the key determinants of consumer loyalty. However, previous research has demonstrated inconsistent results for both voice and satisfaction as determinants of loyalty (e.g. Withey & Cooper, 1992; Dube & Maute, 1998). In response to these inconsistent results and the moderation effect of satisfaction as outlined by Ping (1994), this thesis postulated satisfaction as a moderator of the relationship between the predictors of voice, direct voice and loyalty. Although initial support for satisfaction as a moderator was demonstrated for perceived exit barriers, quality of alternatives, perceived importance and loyalty for satisfied respondents compared to dissatisfied respondents, this thesis was unable to explicitly test the moderation effect of satisfaction directly upon the voice-loyalty relationship due to the small number of respondents within the study who were dissatisfied. Therefore, it is recommended that future research explore the possible moderation effect of satisfaction upon the voice and loyalty relationship further.

The final study of this thesis demonstrated the direct effect of approachability and responsiveness upon consumer loyalty. However, a direct comparison of traditional methods of increasing loyalty (e.g. loyalty programs) and the method of increasing perceived approachability and responsiveness, has not been addressed. It is recommended that future research seek to directly compare traditional loyalty programs, such as point reward schemes with the method presented in this thesis as a way to

increase consumer loyalty.

This thesis also demonstrated the direct relationship between the perceived quality of alternatives and loyalty, as well as perceived importance and loyalty. Due to a limited capacity for organisations to have direct control over these two determinants, this thesis did not explore alternatives and importance as a way of actively influencing loyalty. Although potentially more difficult, it is recommended that future research address the effect of manipulating perceptions about the quality of alternatives and perceived importance upon subsequent levels of loyalty.

Initially, any attempt to manipulate perceptions about the quality of alternative services appears extremely difficult. For example, the efficacy associated with the provider telling its customers that it is the best alternative is likely to be low. Richins (1983) stated that consumers are more readily influenced by non-marketing sources when making evaluations, that is, sources other than the provider. Furthermore, Gilly, Graham, Wolfinbarger and Yale (1998) stated that personal sources of information are rated as the most important sources of information. Subsequently, a message from the providers about their own service lacks verification of the content by an independent source. The provider has too much vested interest in the success of such a message to be considered independent.

Despite these initial hurdles, like approachability and responsiveness, it may also be possible to manipulate perceptions about the quality of alternative services through a brochure. Previous communication research has indicated that word of mouth communication from friends and family who have had experience with the organisation is one of the most powerful sources of information (Vavra, 1992), and is considered

independent to the provider. Furthermore, Reichheld (1993) stated that customers who purchase based on word of mouth recommendations tend to be more loyal than those who were attracted by advertising. Therefore, a manipulation that attempts to harness some of the power of word of mouth might present quotes from previous customers indicating that the service/product is the best compared to others they have tried.

However, it is likely that the efficacy of this type of manipulation would be influenced by the extent to which the quotes were seen as unsolicited by the provider, and that the sources of information are perceived as relevant and similar to those receiving the message. Consequently, it would be important to identify the sources. Despite the obvious obstacles associated with any attempt to influence perceptions regarding the quality of alternative services, it is recommended that future research examine the effect of manipulating the quality of alternatives upon subsequent levels of consumer loyalty.

Analogous to quality of alternatives, it initially appears extremely difficult influence an individual's perceptions of purchase importance. Perceived importance is a complex construct influenced by many personal characteristics. However, it may be possible to manipulate perceived importance, using a brief survey and feedback approach. A short survey could ask the customers to indicate what elements of the purchase/service are the most important for them. For example, such a survey could ask subscribers what elements of the subscription are the most important for them. Asking the subscribers to think about the importance of the subscription elements, may prime the respondents to begin thinking that the subscription itself is important. The overall findings of this survey could then be presented back to all subscribers within a glossy brochure. That is, common elements of the subscription that are important to subscribers. Therefore, it is

recommended that the effect of influencing perceived importance upon subsequent levels of consumer loyalty also be addressed within future research.

Furthermore, initial empirical support for an interaction between quality of alternatives and perceived importance can be found within the work of Robin, Reidenbach and Forrest (1996). These researchers found that when the decision was perceived as important, individuals evaluated alternative options more. Therefore, it is also recommended that future research examine the interaction effect of the determinants upon loyalty.

This thesis also demonstrated a direct relationship between perceived approachability and loyalty, as well as responsiveness and loyalty. Even though the relationship between approachability, responsiveness and loyalty is supported by base psychological theories, including Perceived Justice Theory (e.g. Tax et al., 1998) and the Theory of Planned Behaviour (Ajzen, 1988), it is important to test the external validity of these results within other consumer segments, including consumers of products, and high cycle services (e.g. supermarkets). For example, the effect of responsiveness upon loyalty may be particularly evident within service, as opposed to product industries. Nikolich and Sparks (1995) reported that services are greatly influenced by the interpersonal skills of the service provider. In contrast, Collie and Sparks (1999) reported that product related factors, rather than staff or customer related factors (service), were outlined by providers as the major success factor for running a business. Therefore, different consumer contexts (e.g. product versus service) may demonstrate a different relationship between approachability, responsiveness and loyalty. It is recommended that future research assess the generalisability of the relationship between

approachability, responsiveness and loyalty within other types of exchange relationships.

Having established responsiveness and approachability as active determinants of loyalty, issues are raised regarding the sequential effect of these two constructs. Perceived approachability may be an important pre-requisite for the manipulation of responsiveness, as it seems logical that beliefs about approachability are appraised temporally before beliefs about responsiveness. The provider must listen to consumer voice (be approachable), in order to react to consumer voice (be responsive). Therefore, this sequential effect may suggest that approachability is a prerequisite for perceived responsiveness. Perceived approachability may need to be increased, before levels of perceived responsiveness can be influenced. Unfortunately, however, this thesis is unable to test this assumption as approachability and responsiveness were not tested within separate groups due to the increased complexity, and increased likelihood of introducing error into results associated with such a design. Therefore, it is recommended that the temporal relationship between approachability and responsiveness be tested within future research.

Despite the obvious benefits of encouraging direct voice demonstrated within this research as well as previous research, many organisations are hesitant to actively encourage their customers to complain. Generally, this hesitation is influenced by a fear of Fraudulent Complaining. Oliver (1997:369) defined Fraudulent Complaining as "illegitimate requests for redress from nonpurchasers or from individuals who have abused the product, causing it to fail". Based on the high incidence of this criminal act within both product and service firms (Oliver, 1997), it seems that fraudulent

complaining is a legitimate concern for organisations. In response to organisations' concerns, Oliver (1997) outlined a mathematical process to determine the appropriate level of redress within each organisation before investigation into the claim is required. The direct effect of encouraging complaints upon subsequent loyalty, and on actual repurchase behaviour indicated that even though a small proportion of consumers may engage in fraudulent complaining, the benefits of encouraging complaints appear to far outweigh the costs of fraudulent complaining. The practical implication of this thesis is for organisations to encourage their customers to complain by increasing the perceived approachability and responsiveness of the organisation. However, it is also important to take into account the providers fears of fraudulent complaining. Therefore, it is recommended that future research examine the percentage and cost to the organisation of fraudulent complaints, compare organisations that actively encourage consumer complaints to those that do not, and compare the associated benefits of encouraging complaints (e.g. loyalty) with the costs associated with fraudulent complaining.

It should also be noted that most of the research into voice and loyalty has focused on consumer complaints. In contrast to the complaints of dissatisfied consumers, much less research attention has been allocated to the positive aspects of direct voice, the compliments of satisfied consumers. "Compliments occur when the firm's product or service provides surprisingly exceptional performance, at least in the minds of some consumers" (Oliver, 1997:373). Typically, it is assumed that compliments are enacted less often than complaints (Oliver, 1997). However, this assumption appears to contradict the prevalence of satisfied consumers compared to dissatisfied consumers. Peterson and Wilson (1992) outlined a high incidence of satisfaction compared to dissatisfaction with consumers. Furthermore, a greater prevalence of compliments

compared to complaints is supported within the work of Cadotte and Turgeon (1988), who outline a 2 to 1 ratio of compliments to complaints. The lower number of complaints compared to compliments is also supported within Richins' (1983) work. Richins found that the incidence of complaints was lower than either exit or word of mouth responses. Therefore, it appears that a lower prevalence of complaints to compliments may also be due to consumers enacting responses other than complaints when dissatisfied, including exit or terminating the purchase relationship. Alternatively, Oliver (1997) suggested that the most common response to a dissatisfying experience is to do nothing. With between 24% and 60% of consumers doing nothing in response to a dissatisfying experience (Andreasen, 1985; Andreasen & Best, 1977; Day, 1980). As such, consumers may do nothing in response to dissatisfaction, whereas they may be more likely to compliment the provider when satisfied. Whatever the reason, compliments appear to be more prevalent than complaints.

Previous research appears to suggest that providers who encourage post-purchase communication are more likely to receive compliments as well as complaints. Surprisingly, little empirical research has addressed consumer compliments, the ways in which to encourage compliments, or even the effect compliments have, as well as how they are handled, upon subsequent loyalty. Instead, previous research has concentrated on encouraging complaints. Therefore, it is recommended that future research into voice and loyalty also address the positive aspects of voice, compliments.

Although this research has concentrated on direct voice, previous research has also demonstrated a strong relationship between loyalty and another facet of voice, word of mouth communication (e.g. Oliver, 1997). Richins (1983:71) defined word of mouth as

the "act of telling at least one friend or acquaintance" about the experience. Reichheld (1993) reported that those customers who purchase the service/product based on word of mouth communication, tend to be more loyal than those attracted by advertising. As indicated by Oliver's (1997) phases of loyalty, this may be due to the likely addition of affect when processing the information, rather than simple cognition. Therefore, it is recommended that future research address the relationship between word of mouth communication and loyalty.

It should be noted that in comparison to direct voice, word of mouth communication is a harder behaviour to successfully measure, since the recipients of the message are usually outside the circle of influence for the organisation (Gilly, Graham, Wolfinbarger & Yale, 1998; Reingen & Kernan, 1986). Furthermore, word of mouth communication is highly variable in content and is dependent upon personal and situational factors (Higie, Feick & Price, 1987; Fitzgerald Bone, 1995).

However, word of mouth communication may be particularly useful when attempting to manipulate the perceived quality of alternatives and perceived importance. Therefore, future research should also address the potential interaction between encouraging positive word of mouth and direct voice, particularly within organisations that disseminate the following sentiment to their customers: *'If you think we are doing things wrong, tell us!, If you think we are doing things right, tell others!'*

Unlike current loyalty programs that have failed to increase consumer loyalty (reward schemes), this research provides empirical evidence for the effectiveness of encouraging consumers to voice directly to the provider upon subsequent consumer loyalty. Specifically, this thesis had three major research questions: identification of effective

measures of consumer loyalty; identification of the key determinants of consumer loyalty; and identification of an effective way to actively influence consumer loyalty. In response to these three questions, this research recognised the importance of capturing both the process as well as the outcomes of consumer loyalty, and identified a useful measure of the loyalty process, attachment loyalty. Then, based on the relationship between loyalty and voice, this research identified a direct relationship between several of the determinants of voice upon consumer loyalty, including the perceived Quality of Alternative services, the perceived importance of the purchase, and the responsiveness of the provider to consumer voice. Finally, in response to this initial empirical support, the thesis examined the effect of actively increasing perceived approachability and responsiveness upon subsequent levels of consumer loyalty. As expected, increasing perceived approachability and responsiveness directly affected subsequent levels of consumer loyalty, both the process (attachment loyalty) and the outcome (repurchase behaviour). Therefore, an alternative approach to traditional loyalty programs should address the process of loyalty formation, as well as the outcomes. Furthermore, examining the ways in which to encourage consumer voice appears to be a fruitful place for the development of effective ways to actively influence consumer loyalty.

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Appendix A: Bivariate Correlation Tables

Table 36 presents the bivariate correlations demonstrated within the first pilot study, The Mall. Table 37 presents the bivariate correlations demonstrated within the second pilot study, The Course. Table 38 presents the bivariate correlations demonstrated for the 1999 sample within the second research study, The Cognitive Determinants of Consumer Loyalty. Finally, Table 39 presents the bivariate correlations demonstrated for the 2000 sample within the second research study, The Cognitive Determinants of Consumer Loyalty.

Table 36: Bivariate Correlations for the Scales within The Mall, Pilot Study One

Scale	Traffic	Delivery	Purchase	Behavioural Intentions	Direct Voice	Approach-ability	Respons-iveness	Satisfactio n	Exit Barriers	Quality of Alternatives	Attitude toward Complaining
Delivery	.78										
	.000										
	115										
Purchase	.72	.91									
	.000	.000									
	115	115									
Behavioural Intentions	.44	.49	.50								
	.000	.000	.000								
	113	113	113								
Direct Voice	.32	.34	.24	.23							
	.001	.000	.010	.001							
	113	113	113	189							
Approachability	.20	.20	.14	.24	.18						
	.044	.046	.149	.001	.014						
	104	104	104	179	179						
Responsiveness	.12	.13	.08	.19	.19	.30					
	.213	.203	.450	.013	.013	.000					
	103	103	103	177	177	173					
Satisfaction	.26	.33	.33	.69	.24	.31	.23				
	.005	.000	.000	.000	.001	.000	.002				
	112	112	112	188	188	179	177				
Exit Barriers	.19	.27	.24	.52	.16	.26	.27	.48			
	.045	.004	.013	.000	.029	.000	.000	.000			
	111	111	111	186	186	179	177	186			
Quality of Alternatives	-.26	-.31	-.35	-.55	-.24	-.41	-.23	-.59	-.37		
	.006	.001	.000	.000	.001	.000	.002	.000	.000		
	111	111	111	186	186	179	177	186	186		
Attitude toward Complaining	.10	.11	.05	.00	.29	.15	.30	-.03	.15	-.06	
	.315	.246	.600	.952	.000	.051	.000	.671	.042	.414	
	111	111	111	186	186	179	177	186	186	186	
Disregard Loyalty	-.18	-.10	-.03	-.12	-.14	-.04	.06	-.05	.03	.01	-.04
	.050	.302	.739	.113	.054	.624	.398	.478	.732	.867	.583
	113	113	113	189	189	179	177	188	186	186	186

Table 37: Bivariate Correlations for the Scales within The Course, Pilot Study Two

	Re-enrolment	Satisfaction	Disregard Loyalty	Direct Voice	Responsiveness	Importance	Approachability	Attitude toward complaining	Exit Barriers	Behavioural Intentions
Satisfaction	.22									
	.012									
	134									
Disregard Loyalty	.06	-.17								
	.472	.046								
	134	134								
Direct Voice	.07	.23	-.17							
	.395	.008	.047							
	134	134	134							
Responsiveness	.15	.30	-.09	.29						
	.088	.000	.316	.001						
	134	134	134	134						
Importance	.40	.48	-.10	.10	.21					
	.000	.000	.267	.238	.015					
	134	134	134	134	134					
Approachability	.16	.39	-.30	.30	.60	.15				
	.069	.000	.000	.000	.000	.083				
	134	134	134	134	134	134				
Attitude toward complaining	.00	.28	-.30	.40	.30	.25	.23			
	.980	.001	.000	.000	.000	.003	.008			
	133	133	133	133	133	133	133			
Exit Barriers	-.04	-.23	.12	-.25	-.01	-.12	-.18	-.18		
	.652	.008	.167	.004	.877	.156	.038	.043		
	134	134	134	134	134	134	134	133		
Behavioural Intentions	.55	.45	-.10	.11	.22	.74	.19	.19	-.09	
	.000	.000	.274	.187	.011	.000	.030	.029	.277	
	134	134	134	134	134	134	134	133	134	
Quality of Alternatives	-.28	-.56	.10	-.11	-.33	-.59	-.27	-.23	.08	-.59
	.001	.000	.265	.209	.000	.000	.001	.008	.337	.000
	134	134	134	134	134	134	134	133	134	134

Table 38: Bivariate Correlations Between Direct Voice, the Predictors and Loyalty for the 1999 Sample, Study 2

	Voice	Approachability	Responsiveness	Exit Barrier	Alternatives	Attitude Toward Complaining	Importance	Satisfaction
Approachability	.29***							
	.000							
	223							
Responsiveness	.23**	.49***						
	.001	.000						
	212	212						
Exit Barriers	-.18**	-.38***	-.30***					
	.009	.000	.000					
	221	219	209					
Alternatives	-.04	-.20**	-.38***	.30***				
	.557	.002	.000	.000				
	225	223	212	222				
Attitude Toward Complaints	.40***	.28***	.25***	-.19**	-.04			
	.000	.000	.000	.006	.510			
	216	213	203	213	217			
Importance	.21**	.08	.29***	-.12	-.45***	.28***		
	.002	.226	.000	.076	.000	.000		
	225	223	212	222	228	217		
Satisfaction	.10	.23***	.30***	-.31***	-.65***	.10	.43***	
	.118	.000	.000	.000	.000	.142	.000	
	224	220	209	219	225	216	225	
Loyalty	.15*	.27***	.30***	-.15*	-.49***	.03	.31***	.37***
	.028	.000	.000	.027	.000	.671	.000	.000
	222	219	208	218	224	216	224	229

Note *p<.05. **p<.01.***p<.001.

Table 39: Bivariate Correlations Between Direct Voice, the Predictors and Loyalty for the 2000 Sample, Study 2

	Voice	Approachability	Responsiveness	Exit Barrier	Alternatives	Attitude Toward Complaining	Importance	Satisfaction
Approachability	.43*** .000 143							
Responsiveness	.26** .002 144	.50*** .000 143						
Exit Barriers	-.26** .002 144	-.37*** .000 143	-.37*** .000 142					
Alternatives	.00 .997 146	-.24** .004 144	-.25** .003 143	.33*** .000 145				
Attitude Toward Complaints	.41*** .000 137	.28** .001 135	.17* .049 135	-.26** .002 135	-.04 .650 137			
Importance	-.04 .607 147	.06 .460 144	.28** .001 145	-.13 .129 145	-.66*** .000 146	.06 .488 136		
Satisfaction	.05 .510 147	.22** .008 142	.30*** .000 143	-.33*** .000 143	-.65*** .000 145	.04 .672 136	.50*** .000 146	
Loyalty	.21* .013 141	.34*** .000 137	.37*** .000 137	-.27** .001 138	-.47*** .000 140	.15 .078 137	.41*** .000 140	.27** .001 141

Note *p<.05. **p<.01.***p<.001.

Appendix B: Research Surveys

Pilot Study One Survey

On-line Supermarket Survey

Thank you for agreeing to take part in this survey. The aim of the research is to better understand peoples' expectations and attitudes about on-line grocery shopping. This information will help us provide better services to you and future on-line grocery shoppers. As this is a new form of shopping there are a number of sections covering a wide range of topics, such as information about you, your attitudes, expectations and satisfaction with the service. All information is voluntary and you may skip any question, or questions, that you do not want to answer.

Please state the date and time you are completing this questionnaire

Date: _____ Time: _____

About yourself and your family.

Age (in years)			Number of adults in the household	
Total number of individuals in the household			Number of adults in the household in paid employment	
Combined household income ($,000)			Number of times you grocery shop per month	

Satisfaction with the service

Please relate how you feel about the following aspects of the on-line supermarket service:

		Terrible	Unhappy	Mostly dissatisfied	Mixed	Mostly satisfied	Pleased	Delighted
1	The convenience of using The Mall.	1	2	3	4	5	6	7
2	Monetary savings by using The Mall.	1	2	3	4	5	6	7
3	Time savings by using The Mall.	1	2	3	4	5	6	7
4	Visual inspection of produce.	1	2	3	4	5	6	7
5	Price of the packing and delivery of goods.	1	2	3	4	5	6	7
6	Quality of the packaging and delivery service.	1	2	3	4	5	6	7
7	Price of produce.	1	2	3	4	5	6	7
8	Quality of produce.	1	2	3	4	5	6	7
9	Overall value for money.	1	2	3	4	5	6	7
10	In an overall general sense, my satisfaction with the home-based shopping service has been.	1	2	3	4	5	6	7

Consumer attitudes applied to The Mall

The following questions relate to your experience with *The Mall* electronic shopping

service. Please indicate how likely or unlikely you are to:

		Very unlikely						Very likely
11	Definitely shop with *The Mall* from now on.	1	2	3	4	5	6	7
12	Do all of your shopping through *The Mall.*	1	2	3	4	5	6	7
13	Contact the personal shoppers and give special instructions.	1	2	3	4	5	6	7
14	Directly contact *The Mall* to express your satisfaction or dissatisfaction.	1	2	3	4	5	6	7
15	Terminate your relationship with *The Mall.*	1	2	3	4	5	6	7
16	Wait and see if services at *The Mall* improve.	1	2	3	4	5	6	7
17	Wait and hope that any problems which occur will be discovered and resolved.							

The following questions relate to your impressions of *The Mall.* Please circle the response that indicates how much you agree or disagree with each statement:

		Strongly disagree						Strongly agree
18	I'm not sure how The Mall will react to my suggestions.	1	2	3	4	5	6	7
19	It would be a waste not to use The Mall now that I have the software.	1	2	3	4	5	6	7
20	The Mall is by far the best electronic shopping mall service available.	1	2	3	4	5	6	7

		Strongly disagree						Strongly agree
21	The Mall responds to the suggestions I make, effectively.	1	2	3	4	5	6	7
22	It feels good to get my dissatisfaction and frustration with the product off my chest by complaining.	1	2	3	4	5	6	7
23	By complaining about unsatisfactory products, in the long run the quality of the products will improve.	1	2	3	4	5	6	7
24	The help desk is very approachable so contacting them is easy.	1	2	3	4	5	6	7
25	Physically shopping myself is much more expensive than shopping electronically with The Mall.	1	2	3	4	5	6	7
26	Physically shopping at a supermarket is still unbeatable.	1	2	3	4	5	6	7
27	I often complain when I'm dissatisfied with business or products because I feel it is my duty to do so.	1	2	3	4	5	6	7
28	I find offering suggestions to The Mall very stressful.	1	2	3	4	5	6	7
29	The Mall perceives client suggestions as critical to ensuring a better service.	1	2	3	4	5	6	7
30	By complaining about defective products, I may prevent other consumers from experiencing the same problem.	1	2	3	4	5	6	7
31	People have a responsibility to tell stores when a product they purchase is defective.	1	2	3	4	5	6	7
32	I don't like people who complain to stores, because usually their complaints are unreasonable.	1	2	3	4	5	6	7

Thank your for completing this survey. If you would like to know the results please place a contact name and address below: _____

Table 40: The Measurement Scales, Associated Items, and Corresponding Cronbach Alphas for The Mall, Pilot Study Two

Scale	Previous Research	Corresponding Item Number	Cronbach Alpha
Satisfaction	Roberts, Henderson & Rickwood (1997); Henderson, Rickwood & Roberts (in press).	1, 2, 3, 4, 5, 6, 7, 8, 9, & 10	.86
Behavioural Intention	Purpose Derived	11, 12 & 15	.79
Loyalty	Withey & Cooper (1992)	16 & 17	.65
Direct Voice	Purpose Derived	13 &14	.39
Approachability	Richins (1983); Saunders, Shepherd, Knight & Roth (1992).	18, 24 & 28	.41
Responsiveness	Richins (1983); Saunders, Shepherd, Knight & Roth (1992).	21 & 29	.52
Exit Barriers	Maute & Forrester (1993)	19 & 25	.33
Quality of Alternatives	Maute & Forrester (1993)	20 & 26	.57
Attitude Toward Complaining	Singh (1990)	22, 23, 27, 30, 31 & 32	.69

Pilot Study Two Survey

Personalised Code

Psychology 101 Survey

Please relate how you feel about the following aspects of Psychology 101:

		Terrible	Unhappy	Mostly dissatisfied	Mixed	Mostly satisfied	Pleased	Delighted
1	The help offered.	1	2	3	4	5	6	7
2	The text.	1	2	3	4	5	6	7
3	The tuition.	1	2	3	4	5	6	7
4	The relevance of the material.	1	2	3	4	5	6	7
5	The applicability of examples.	1	2	3	4	5	6	7
6	The lecture times.	1	2	3	4	5	6	7
7	The tutorial times.	1	2	3	4	5	6	7
8	The WeBCT on-line materials (i.e. lecture outlines)	1	2	3	4	5	6	7
9	In an overall general sense, my satisfaction with Psychology 101 course	1	2	3	4	5	6	7

If you had a concern or problem with the course, how likely or unlikely is it that you would:

		Very unlikely						Very likely
10	Say nothing to others and assume things will work out.	1	2	3	4	5	6	7
11	Just try and forget what happened.	1	2	3	4	5	6	7
12	Hang in there and wait for the problem to go away.	1	2	3	4	5	6	7

Please indicate how likely or unlikely you are to:

		Very unlikely						Very likely
13	Use formal procedures (i.e. course feedback) to communicate my suggestions and concerns.	1	2	3	4	5	6	7
14	Contact the lecturer/tutor and discuss a problem	1	2	3	4	5	6	7
15	Feel good after discussing a concern with the lecturer/tutor.	1	2	3	4	5	6	7

Please circle the response that indicates how much you agree or disagree with each statement:

		Strongly disagree						Strongly agree
16	The course convener gives high priority to handling student concerns.	1	2	3	4	5	6	7
17	Psychology 101 is a core unit for me.	1	2	3	4	5	6	7
18	I don't know what to expect when I take a concern to the lecturer/tutor.	1	2	3	4	5	6	7
19	This course means a lot to me.	1	2	3	4	5	6	7
20	The course convener is fair when I take a concern to her.	1	2	3	4	5	6	7
21	I don't know how the course convener will react when I take a concern to her.	1	2	3	4	5	6	7
22	It is difficult to take a concern to the course convener.	1	2	3	4	5	6	7
23	I do not know how to take a concern to the course convener.	1	2	3	4	5	6	7
24	The lecturer/tutor does not take action in response to my concerns.	1	2	3	4	5	6	7
25	I take concerns to the lecturer/tutor because they deal with them effectively.	1	2	3	4	5	6	7
26	Compared to most courses I enrolled in, this was a fairly important course.	1	2	3	4	5	6	7
27	Often concerns that I give to the course convener don't get handled until weeks later.	1	2	3	4	5	6	7
28	I find it quite stressful to take a concern to the lecturer/tutor.	1	2	3	4	5	6	7

Please indicate how much you agree or disagree to the following statements:

		Strongly disagree						Strongly agree
29	It bothers me quite a bit if I do not complain about an unsatisfactory course.	1	2	3	4	5	6	7
30	I am usually reluctant to complain to the lecturer/tutor about a piece of assessment regardless of how much it was worth.	1	2	3	4	5	6	7
31	By making complaints about unsatisfactory aspects of a course, in the long run the quality of the course will improve.	1	2	3	4	5	6	7
32	I don't like people who complain to lecturers/tutors, because usually their complaints are unreasonable.	1	2	3	4	5	6	7
33	By complaining about unsatisfactory components of a course, I may prevent other students from experiencing the same problem.	1	2	3	4	5	6	7
34	It sometimes feels good to get my dissatisfaction and frustration with a course off my chest by complaining.	1	2	3	4	5	6	7

We are interested in getting your opinion of Psychology 101. Please indicate how much you agree or disagree to the following statements:

		Strongly disagree						Strongly agree
35	Knowing what I do now, if I had to do it all over again, I would not enrol in this course.	1	2	3	4	5	6	7
36	The Applied Psychology faculty is O.K., but I think there are others that are better.	1	2	3	4	5	6	7
37	It would be too much effort to try and change out of my degree now.	1	2	3	4	5	6	7
38	I would definitely enrol in an Applied Psychology course again.	1	2	3	4	5	6	7
39	The Psychology 101 course is simply unbeatable.	1	2	3	4	5	6	7
40	It is easy to change into a different course.	1	2	3	4	5	6	7
41	Other introductory courses have been much better than Psychology 101.	1	2	3	4	5	6	7
42	I will continue with Applied Psychology courses.	1	2	3	4	5	6	7
43	I will enrol in another faculty next time.	1	2	3	4	5	6	7

Thank your for completing this survey.

Table 41: The Measurement Scales, Associated Items, and Corresponding Cronbach Alphas for The Course, Pilot Study Two

Scale	Previous Research	Corresponding Item Number	Cronbach Alpha
Satisfaction	Purpose Derived	1, 2, 3, 4, 5, 6, 7, 8 & 9	.76
Behavioural Intention	Blodgett, Granbois & Walters (1993)	35, 33, 42 & 43	.80
Loyalty	Withey & Cooper (1992)	10, 11 & 12	.90
Direct Voice	Singh (1990); Leck & Saunders (1992); Farrell & Rusbult (1992); Saunders, Shepherd, Knight & Roth (1992).	13, 14 & 15	.44
Approachability	Richins (1983); Saunders, Shepherd, Knight & Roth (1992).	18, 21, 22, 23 & 28	.78
Responsiveness	Richins (1983); Saunders, Shepherd, Knight & Roth (1992).	16, 20, 24, 25 & 27	.80
Exit Barriers	Maute & Forrester (1993)	37 & 40	.60
Quality of Alternatives	Maute & Forrester (1993)	36, 39 & 41	.73
Attitude Toward Complaining	Singh (1990)	29, 30, 31, 32, 33 & 34	.56
Perceived Importance	Blodgett, Granbois & Walters (1993)	17, 19 & 26	.78

Study One, Two and Three Survey

												Personalised Code
First 2 letters of given name		Date of Birth							No. of brother and sisters			

Canberra Theatre Season Subscriber's Survey

Thank you for agreeing to take part in this survey. The aim of this survey is to better understand the expectations and attitudes of Canberra Theatre subscribers. This information will help the Canberra Theatre to provide a better service for you, and future season subscribers. All information is voluntary, and you may skip any question, or questions, that you do not wish to answer. Once again, thank you for your time. Your responses are very important to this research.

Please state the date that you are completing this survey _____.

Information about yourself.

Age (in years)

Gender (M or F)

Combined Household Income ($,000)

How many times have you purchased a season subscription?

Approximately, how many years have you lived in (or near) Canberra?

What is the highest level of education that you have obtained?

Please indicate how much you **agree** or **disagree** with each of the following statements.

		Strongly disagree						Strongly agree
1.	I am satisfied with my decision to purchase a season subscription	1	2	3	4	5	6	7
2.	I feel bad about my decision to purchase the subscription program	1	2	3	4	5	6	7
3.	I think I did the right thing by purchasing the subscription program from the Canberra Theatre	1	2	3	4	5	6	7
4.	I am not happy with my choice to purchase a subscription program	1	2	3	4	5	6	7
5.	If I had it to do all over again, I would feel differently about the season subscription program	1	2	3	4	5	6	7
6.	My decision to get a subscription was a wise one	1	2	3	4	5	6	7

Please indicate how much you **agree** or **disagree** with each of the following statements.

		Strongly disagree						Strongly agree
7.	As long as I can see the types of shows I enjoy, it doesn't matter whether they are at the Canberra Theatre Centre, or another theatre centre	1	2	3	4	5	6	7
8.	I feel a strong sense of loyalty toward the Canberra Theatre Centre	1	2	3	4	5	6	7

		Strongly disagree						Strongly agree
9.	I will not say anything to the Canberra Theatre about some problems because they seem to go away by themselves	1	2	3	4	5	6	7
10.	If another theatre offered a less expensive subscription, I would almost certainly accept	1	2	3	4	5	6	7
11.	Sometimes I ignore problems at the Canberra Theatre	1	2	3	4	5	6	7
12.	I have always felt that the Canberra Theatre centre was cold and unfriendly	1	2	3	4	5	6	7
13.	I disregard problems at the Canberra Theatre because they just seem to work themselves out	1	2	3	4	5	6	7
14.	I have warm feelings toward the Canberra Theatre Centre	1	2	3	4	5	6	7
15.	I have no particular feelings or sentiments toward the Canberra Theatre Centre	1	2	3	4	5	6	7
16.	My loyalty is toward patronising the arts, not any particular theatre	1	2	3	4	5	6	7
17.	Few organisations can match the Canberra Theatre as a good place to see shows	1	2	3	4	5	6	7
18.	Over the years I have grown fond of the Canberra Theatre Centre	1	2	3	4	5	6	7
19.	Problems at the Canberra Theatre will often fix themselves	1	2	3	4	5	6	7
20.	I often overlook problems at the Canberra Theatre because they frequently fix themselves	1	2	3	4	5	6	7

Please indicate how much you **agree** or **disagree** with each of the following statements.

		Strongly disagree						Strongly agree
21.	It bothers me quite a bit if I do not complain about unsatisfactory service.	1	2	3	4	5	6	7
22.	I am usually reluctant to complain to a theatre regardless of how bad the problem was.	1	2	3	4	5	6	7
23.	By making complaints about unsatisfactory aspects of a subscription program, in the long run the quality of the program will improve.	1	2	3	4	5	6	7
24.	I don't like people who complain to service clerks, because usually their complaints are unreasonable.	1	2	3	4	5	6	7
25.	By complaining about unsatisfactory components of a theatre, I may prevent other patrons from experiencing the same problem.	1	2	3	4	5	6	7
26.	It sometimes feels good to get my dissatisfaction and frustration with an aspect of a theatre off my chest by complaining.	1	2	3	4	5	6	7

We are interested in the type of actions typical for you. Please indicate how **unlikely** or **likely** you are to.....

		Very unlikely						Very likely
27.	Make recommendations about particular aspects of the service or subscription.	1	2	3	4	5	6	7
28.	Contact the Canberra Theatre to communicate my suggestions and concerns.	1	2	3	4	5	6	7
29.	Tell others about my subscription program.	1	2	3	4	5	6	7

		Very unlikely						Very likely
30.	Think about ending my subscription relationship with the Canberra Theatre.	1	2	3	4	5	6	7
31.	Contact a radio station and tell them about the Canberra Theatre subscription season.	1	2	3	4	5	6	7
32.	Contact the Canberra Theatre to make a complaint.	1	2	3	4	5	6	7
33.	Contact my local government official about the Canberra Theatre.	1	2	3	4	5	6	7
34.	Contact the Canberra Theatre to praise their service.	1	2	3	4	5	6	7
35.	Communicate my opinions of the service or subscription to others even if his/her opinion is different.	1	2	3	4	5	6	7
36.	Write a letter to the newspaper so that they can let others know about the Canberra Theatre.	1	2	3	4	5	6	7
37.	Discuss a concern or make a suggestion to a Canberra Theatre service clerk.	1	2	3	4	5	6	7
38.	Contact an outside agency (ie government, newspaper, or radio) and tell them about the Canberra Theatre	1	2	3	4	5	6	7
39.	Definitely purchase one of the 2001 subscription programs.	1	2	3	4	5	6	7
40.	Tell my friends and relatives about my experiences with the subscription program.	1	2	3	4	5	6	7
41.	Only pay for performances one show at a time.	1	2	3	4	5	6	7
42.	Not attend performances at the Canberra Theatre Centre again.	1	2	3	4	5	6	7
43.	Tell my friends and family how I felt about the 2000 subscription season.	1	2	3	4	5	6	7

		Very unlikely						Very likely
44.	Contact a newspaper and let them know my impression of the subscription season.	1	2	3	4	5	6	7
45.	Tell my friends and family not to become a subscriber.	1	2	3	4	5	6	7
46.	Continue being a Canberra Theatre Subscriber	1	2	3	4	5	6	7

Please circle the response that best indicates how much you **disagree** or **agree** with each statement

		Strongly disagree						Strongly agree
47.	The Canberra Theatre gives high priority to handling patron concerns	1	2	3	4	5	6	7
48.	The subscription program means a lot to me	1	2	3	4	5	6	7
49.	I don't know what to expect if I took a concern to the Canberra Theatre.	1	2	3	4	5	6	7
50.	It costs too much to exchange my tickets to another performance.	1	2	3	4	5	6	7
51.	The Canberra Theatre subscription season is O.K, but I think there are others that are much better.	1	2	3	4	5	6	7
52.	It is too much effort to change my tickets to another performance.	1	2	3	4	5	6	7
53.	It would be difficult to make a suggestion to the Canberra Theatre.	1	2	3	4	5	6	7
54.	The subscription seasons available at other theatres are not as good as that of the Canberra Theatre.	1	2	3	4	5	6	7

		Strongly disagree						Strongly agree
55.	The Canberra Theatre would not make changes in light of my suggestions.	1	2	3	4	5	6	7
56.	I would take any concerns to a Canberra Theatre service clerk, as they would be dealt with effectively.	1	2	3	4	5	6	7
57.	Purchasing a subscription program is much better than buying each show singly.	1	2	3	4	5	6	7
58.	The choices I make at the start of the season can be easily changed.	1	2	3	4	5	6	7
59.	I would find it quite stressful taking a complaint to the Canberra Theatre.	1	2	3	4	5	6	7
60.	The savings associated with the subscription program are important to me.	1	2	3	4	5	6	7
61.	The Canberra Theatre service clerk would be fair if I were to take a concern to him/her.	1	2	3	4	5	6	7
62.	The flexibility of buying one show at a time far out-weighs the benefits of a subscription program.	1	2	3	4	5	6	7
63.	I am locked into the choices I made at the start of the season.	1	2	3	4	5	6	7
64.	I don't know how the Canberra Theatre service clerk would react if I took a concern to him/her.	1	2	3	4	5	6	7
65.	Better seating associated with the subscription program is important to me.	1	2	3	4	5	6	7
66.	The Canberra Theatre takes action to correct concerns that I tell them.	1	2	3	4	5	6	7
67.	The individual attention I receive as a subscriber is important to me.	1	2	3	4	5	6	7
68.	I value the subscription program a great deal.	1	2	3	4	5	6	7
69.	The Canberra Theatre subscription season is simply unbeatable.	1	2	3	4	5	6	7

		Strongly disagree						Strongly agree
70.	It is easy to make changes to my subscription program throughout the season.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
71.	I do not know how to take a concern to the Canberra Theatre.	**1**	**2**	**3**	**4**	**5**	**6**	**7**

Please **tick** the most appropriate box.

Have you had any problems or concerns with the 2000 Subscription Season?

No. ☐

Yes. ☐

If yes, please describe your concern or problem and it will be forwarded to the Canberra Theatre Centre. As your responses remain completely anonymous, please do not hesitate to contact the Canberra Theatre if you would like individual attention to this problem.

_____

_____

_____

_____

Thank you for your time and patience. Your responses are very important to future services at the Canberra Theatre.

Table 42: The Measurement Scales, Associated Items, and Corresponding Cronbach Alphas for The Theatre, Study One, Two and Three

Scale	Previous Research	Corresponding Item Number	Cronbach Alpha
Satisfaction	Oliver (1980)	1, 2, 3, 4, 5 & 6	.89 & .90
Behavioural Intention	Blodgett, Granbois & Walters (1993)	30, 39, 41, 42 & 46	.85 & .84
Attachment Loyalty	Buchanan (1974)	7, 8, 14, 15, 16, 17 & 18 (minus 10 & 12)	.77 & .80
Disregard Loyalty	Ping (1993)	9, 11, 13, 19 & 20	.85 & .79
Direct Voice	Singh (1990); Leck & Saunders (1992); Farrell & Rusbult (1992); Saunders, Shepherd, Knight & Roth (1992).	27, 28, 32, 34 & 37	.83 & .86
Approachability	Richins (1983); Saunders, Shepherd, Knight & Roth (1992).	49, 53, 59, 64 & 71	.73 & .80
Responsiveness	Richins (1983); Saunders, Shepherd, Knight & Roth (1992).	47, 55, 56, 61 & 66	.75 & .67
Exit Barriers	Maute & Forrester (1993)	50, 52, 58, 63 & 70	.78 & .84
Quality of Alternatives	Maute & Forrester (1993)	51, 54, 57, 62 & 69	.70 & .71
Attitude Toward Complaining	Singh (1990)	21, 22, 23, 24, 25 & 26	.63 & .52
Perceived Importance	Blodgett, Granbois & Walters (1993)	48, 60, 65, 67 & 68	.75 & .73

Appendix C: Five Expert Survey Judges

I. Prof Marie Carroll

Head Centre for Applied Psychology

University of Canberra, Australia

Research Interests: Applied Cognitive Psychology, Memory, Reality Monitoring, Eyewitness testimony, Unconscious processes, Meta-memory

II. Dr Debra Rickwood

Senior Lecturer

University of Canberra, Australia

Research Interests: Help Seeking behaviour, Stress and coping, Adolescent mental health, Substance use, Self-efficacy theory, Depression, Dependence in the aged.

III. Associate Professor Anita Mak

Senior Lecturer

University of Canberra, Australia

Research Interests: Personality, stress, coping and health, Occupational and academic stress, Migrants career development, International students social efficacy,

Effectiveness of social competency training, Adolescent adjustment, Delinquency and alcohol use, Youth hopelessness.

IV. Dr Patricia Brown

Lecturer

University of Canberra, Australia

Research Interests: Experimental social psychology, Self categorisation theory/social identity theory, Group processes and leadership/productivity, Prejudice and stereotyping, Stress and Social identity.

V. Dr Ron Henderson

Research Consultant

Cuetel Pty Ltd, Australia

Research Interests: Industrial/Organisational Psychology, Technology Uptake, Performance Benchmarking, Organisational Performance, Online Research, E-commerce Performance, and Call Centre Performance.

Appendix D: Missing Data Process Analysis For the 1999 and 2000 Samples

Hair, Anderson, Tathom and Black (1995:43) defined a missing data process as "any systematic event external to the respondent (such as data entry errors or data collection problem), or action on the part of the respondent (such as refusal to answer) that leads to missing values". In order to determine whether the current data sets were affected by systematic error within the missing values, independent sample t-tests were conducted between the key variables. Specifically, Hair et al. (1995) stated that two groups should be formed, including the missing data within a single variable (Y) against the data with valid values for Y. The t-tests are then performed to determine whether significant differences exist for the two groups on the other variables of interest. These researchers argue that t-tests are the most appropriate for missing value analysis when the comparison variable is of interval level or above.

The current analysis demonstrated nine significant differences, out of a possible one hundred and ten analyses. "Remember that some differences will occur by chance, but any series of differences … indicate an underlying pattern" (Hair et al., 1995:46). Subsequently, it was concluded that the current data set was not affected by systematic error associated with the missing values.

Table 43: Missing Versus Valid Values within the Satisfaction Variable

	1999 Sample			2000 Sample		
Variable	**t**	**df**	**p**	**t**	**df**	**p**
Disregard Loyalty				0.93	212	0.417
Attitude Toward Complaining	-0.74	285	0.484	-0.25	215	0.814
Direct Voice	-0.66	294	0.531	-0.75	230	0.493
Behavioural Intention	1.27	297	0.242	1.09	232	0.330
Responsiveness	-0.58	277	0.564	0.92	225	0.398
Importance	-1.07	295	0.325	0.63	230	0.554
Exit Barriers	0.72	287	0.505	-1.64	227	0.157
Quality of Alternatives	-0.29	295	0.780	1.21	228	0.291
Approachability	-0.97	288	0.373	-0.01	225	0.989
Attachment Loyalty	-1.89	293	0.059	0.43	223	0.688

Note. Blank spaces indicate variables that did not demonstrate missing values for the selected variable.

Table 44: Missing Versus Valid Values within the Disregard Loyalty Variable

	1999 Sample			2000 Sample		
Variable	**t**	**df**	**p**	**t**	**df**	**p**
Satisfaction	1.21	294	0.232	1.06	230	0.298
Attitude Toward Complaining	-1.34	285	0.187	-0.48	215	0.630
Direct Voice	-3.58	294	0.001	-0.03	230	0.976
Behavioural Intention	0.59	297	0.557	0.38	232	0.704
Responsiveness	0.62	277	0.537	1.59	225	0.114
Importance	-0.37	295	0.715	1.51	230	0.144
Exit Barriers	0.30	287	0.765	0.97	227	0.341
Quality of Alternatives	-1.48	295	0.146	-0.27	228	0.786
Approachability	0.27	288	0.787	-0.39	225	0.704
Attachment Loyalty	-1.05	293	0.303	-0.08	223	0.935

Note. Blank spaces indicate variables that did not demonstrate missing values for the selected variable.

Table 45: Missing Versus Valid Values within the Attitude Toward Complaining Variable

	1999 Sample			2000 Sample		
Variable	**t**	**df**	**p**	**t**	**df**	**p**
Satisfaction	-1.29	294	0.199	1.22	230	0.225
Disregard Loyalty	-0.06	264	0.950	-0.12	212	0.914
Direct Voice	-1.28	294	0.202	-0.79	230	0.437
Behavioural Intention	0.56	297	0.588	0.64	232	0.523
Responsiveness	2.46	277	0.015	0.81	225	0.419
Importance	0.84	295	0.418	0.69	230	0.500
Exit Barriers	-0.82	287	0.411	0.53	227	0.605
Quality of Alternatives	-1.10	295	0.292	-0.95	228	0.355
Approachability	0.53	288	0.598	-0.10	225	0.919
Attachment Loyalty	0.70	293	0.493	0.00	223	0.997

Note. Blank spaces indicate variables that did not demonstrate missing values for the selected variable.

Table 46: Missing Versus Valid Values within the Direct Voice Variable

	1999 Sample			2000 Sample		
Variable	**t**	**df**	**p**	**t**	**df**	**p**
Satisfaction	-3.75	294	0.000	3.52	230	0.016
Disregard Loyalty	0.14	264	0.899	1.25	212	0.426
Attitude Toward Complaining	1.65	285	0.237	-2.64	215	0.009
Behavioural Intention	-4.28	297	0.000	1.58	232	0.353
Responsiveness				2.55	225	0.236
Importance	-0.62	295	0.595	13.89	230	0.008
Exit Barriers	-1.30	287	0.195	-0.25	227	0.804
Quality of Alternatives	2.37	295	0.018	-0.87	228	0.386
Approachability				-1.53	225	0.128
Attachment Loyalty	-1.49	293	0.185	-0.15	223	0.893

Note. Blank spaces indicate variables that did not demonstrate missing values for the selected variable.

Table 47: Missing Versus Valid Values within the Behavioural Intention Variable

	1999 Sample			2000 Sample		
Variable	**t**	**df**	**p**	**t**	**df**	**p**
Satisfaction	-2.42	294	0.093	2.01	230	0.169
Disregard Loyalty	-0.16	264	0.881	1.38	212	0.168
Attitude Toward Complaining	0.87	285	0.385	0.32	215	0.747
Direct Voice				3.37	225	0.001
Responsiveness				1.93	230	0.055
Importance				-2.03	227	0.043
Exit Barriers						
Quality of Alternatives						
Approachability						
Attachment Loyalty	-0.59	293	0.599	-0.21	223	0.837

Note. Blank spaces indicate variables that did not demonstrate missing values for the selected variable.

Table 48: Missing Versus Valid Values within the Responsiveness Variable

	1999 Sample			2000 Sample		
Variable	**t**	**df**	**p**	**t**	**df**	**p**
Satisfaction	-2.10	294	0.036	0.69	230	0.505
Disregard Loyalty	-0.51	264	0.615	-1.21	212	0.280
Attitude Toward Complaining	1.14	285	0.268	-0.87	215	0.446
Direct Voice	-1.55	294	0.138	-0.56	230	0.594
Behavioural Intention	-2.64	297	0.009	0.32	232	0.755
Importance	0.81	295	0.427	1.16	230	0.306
Exit Barriers	2.69	287	0.007	0.71	227	0.511
Quality of Alternatives	1.37	295	0.172	-0.38	228	0.704
Approachability	-2.65	288	0.024	0.83	225	0.492
Attachment Loyalty	-3.71	293	0.001	-0.72	223	0.494

Note. Blank spaces indicate variables that did not demonstrate missing values for the selected variable.

Table 49: Missing Versus Valid Values within the Importance Variable

	1999 Sample			2000 Sample		
Variable	**t**	**df**	**p**	**t**	**df**	**p**
Satisfaction	-3.43	294	0.001	-0.18	230	0.861
Disregard Loyalty	0.57	264	0.593	-0.60	212	0.589
Attitude Toward Complaining	2.29	285	0.259	0.57	215	0.612
Direct Voice	2.47	294	0.242	-1.27	230	0.420
Behavioural Intention	-1.59	297	0.113	-0.18	232	0.875
Responsiveness						
Exit Barriers						
Quality of Alternatives				4.14	228	0.000
Approachability						
Attachment Loyalty	-0.91	293	0.413	-1.37	223	0.262

Note. Blank spaces indicate variables that did not demonstrate missing values for the selected variable.

Table 50: Missing Versus Valid Values within the Exit Barriers Variable

	1999 Sample			2000 Sample		
Variable	**t**	**df**	**p**	**t**	**df**	**p**
Satisfaction	-2.39	294	0.017	-0.07	230	0.946
Disregard Loyalty	0.40	264	0.697	-0.18	212	0.865
Attitude Toward Complaining	0.27	285	0.795	1.20	215	0.311
Direct Voice	0.57	294	0.584	-1.30	230	0.260
Behavioural Intention	-2.85	297	0.005	0.12	232	0.907
Responsiveness	3.19	277	0.084	1.12	225	0.375
Importance	0.55	295	0.580	0.22	230	0.843
Quality of Alternatives	0.83	295	0.406	1.56	228	0.121
Approachability	1.51	288	0.224	2.29	225	0.023
Attachment Loyalty	-1.79	293	0.097	-0.51	223	0.633

Note. Blank spaces indicate variables that did not demonstrate missing values for the selected variable.

Table 51: Missing Versus Valid Values within the Quality of Alternatives Variable

	1999 Sample			2000 Sample		
Variable	**t**	**df**	**p**	**t**	**df**	**p**
Satisfaction	-3.43	294	0.001	1.27	230	0.244
Disregard Loyalty	0.57	264	0.593	0.26	212	0.822
Attitude Toward Complaining	2.29	285	0.259	0.22	215	0.862
Direct Voice	2.47	294	0.242	-0.56	230	0.631
Behavioural Intention	-1.59	297	0.113	2.11	232	0.112
Responsiveness				1.13	225	0.375
Importance				0.54	230	0.643
Exit Barriers				-2.03	227	0.043
Approachability						
Attachment Loyalty	-0.91	293	0.413	-0.73	223	0.519

Note. Blank spaces indicate variables that did not demonstrate missing values for the selected variable.

Table 52: Missing Versus Valid Values within the Approachability Variable

	1999 Sample			2000 Sample		
Variable	**t**	**df**	**p**	**t**	**df**	**p**
Satisfaction	-2.99	294	0.003	0.24	230	0.818
Disregard Loyalty	0.37	264	0.719	-2.02	212	0.045
Attitude Toward Complaining	1.53	285	0.169	-0.87	215	0.446
Direct Voice	0.03	294	0.980	-0.06	230	0.954
Behavioural Intention	-4.22	297	0.000	0.52	232	0.622
Responsiveness				1.13	225	0.375
Importance	0.54	295	0.608	0.93	230	0.402
Exit Barriers	-0.62	287	0.598	-1.23	227	0.342
Quality of Alternatives	2.14	295	0.033	0.92	228	0.361
Attachment Loyalty	-2.59	293	0.024	-1.80	223	0.121

Note. Blank spaces indicate variables that did not demonstrate missing values for the selected variable.

Table 53: Missing Versus Valid Values within the Attachment Loyalty Variable

	1999 Sample			2000 Sample		
Variable	**t**	**df**	**p**	**t**	**df**	**p**
Satisfaction	1.88	293	0.061	0.52	230	0.612
Disregard Loyalty	2.39	264	0.018			
Attitude Toward Complaining	-0.88	285	0.419	-0.02	215	0.986
Direct Voice	-0.13	294	0.896	-0.66	230	0.526
Behavioural Intention	1.33	297	0.183	-0.48	232	0.640
Responsiveness	-1.43	277	0.201	0.96	225	0.358
Importance	-0.06	288	0.953	0.25	230	0.807
Exit Barriers	-1.69	295	0.139	-0.22	227	0.827
Quality of Alternatives	-0.02	287	0.981	1.94	228	0.083
Approachability	-0.70	295	0.508	-1.13	225	0.288

Note. Blank spaces indicate variables that did not demonstrate missing values for the selected variable.

Appendix E: Confirmatory Factor Analysis Scree Plots

1999 Factor Analysis

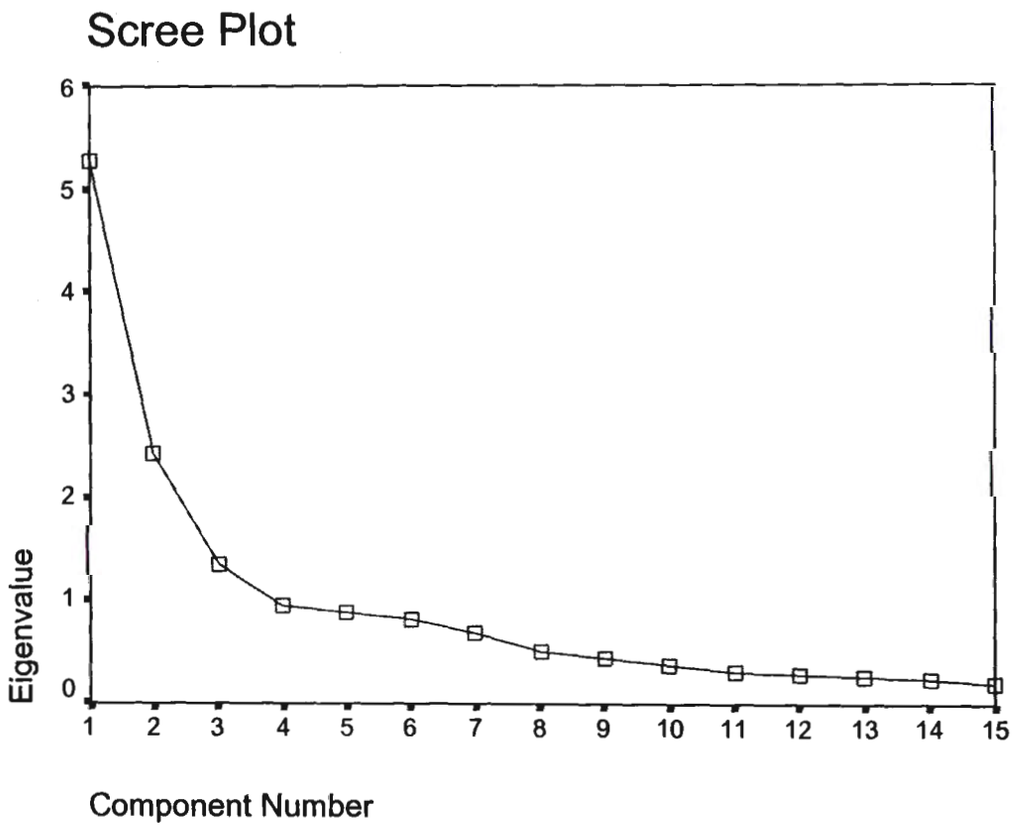
Extraction: Principal Component

Rotation: Varimax with Kaiser Normalization

Bartlett's Test of Sphericity: $x^2(91)=1543.521$, $p<.001$

Determinant: .002

Keiser Meyer Olkin Coefficient: .841



Figure, 38. **1999 sample scree plot.**

2000 Factor Analysis

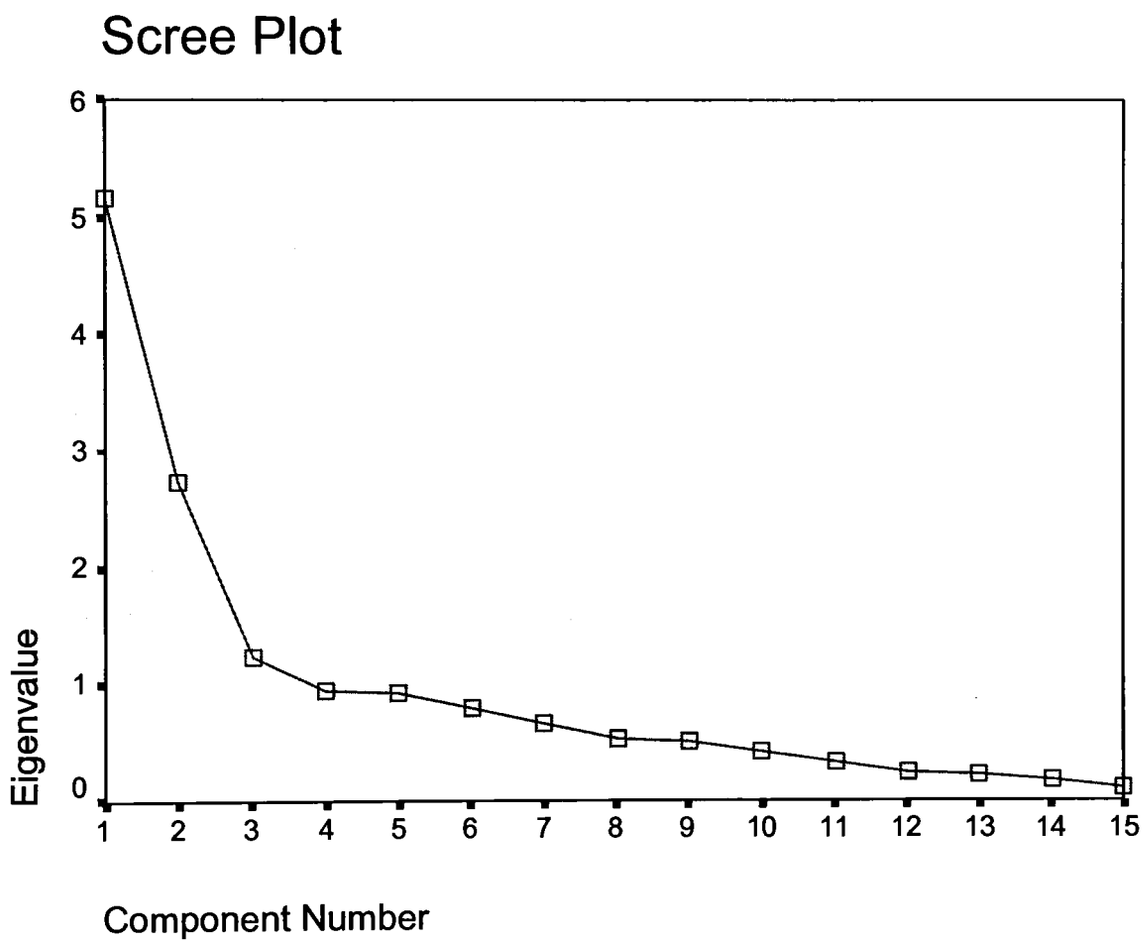
Extraction: Principal Component

Rotation: Varimax with Kaiser Normalization

Bartlett's Test of Sphericity: $\underline{x}^2(105)=1246.422, \underline{p}<.001$

Determinant: .0003

Keiser Meyer Olkin Coefficient: .807



Figure, 39. **2000 sample scree plot.**

Appendix F: Behavioural Indicators for Respondents versus Non-Respondents.

1999 Response versus Non Response

Table 54: Descriptive Statistics for 1999 Subscribers

Indicator	Response	N	Mean	Std. Deviation
PACKAGE	Non Response	433	2.12	1.51
	Response	258	2.34	1.57
SEATS	Non Response	433	11.74	8.31
	Response	258	13.19	9.08
VALUE	Non Response	433	319.53	234.65
	Response	258	348.93	335.54

Table 55: Independent Samples t-Test Statistics for 1999 Subscribers

Indicator	t	df	p
PACKAGE	-1.80	521	0.073
SEATS	-2.10	503	0.037
VALUE	-1.24	408	0.216

2000 Response versus Non Response

Table 56: Descriptive Statistics for 2000 Subscribers

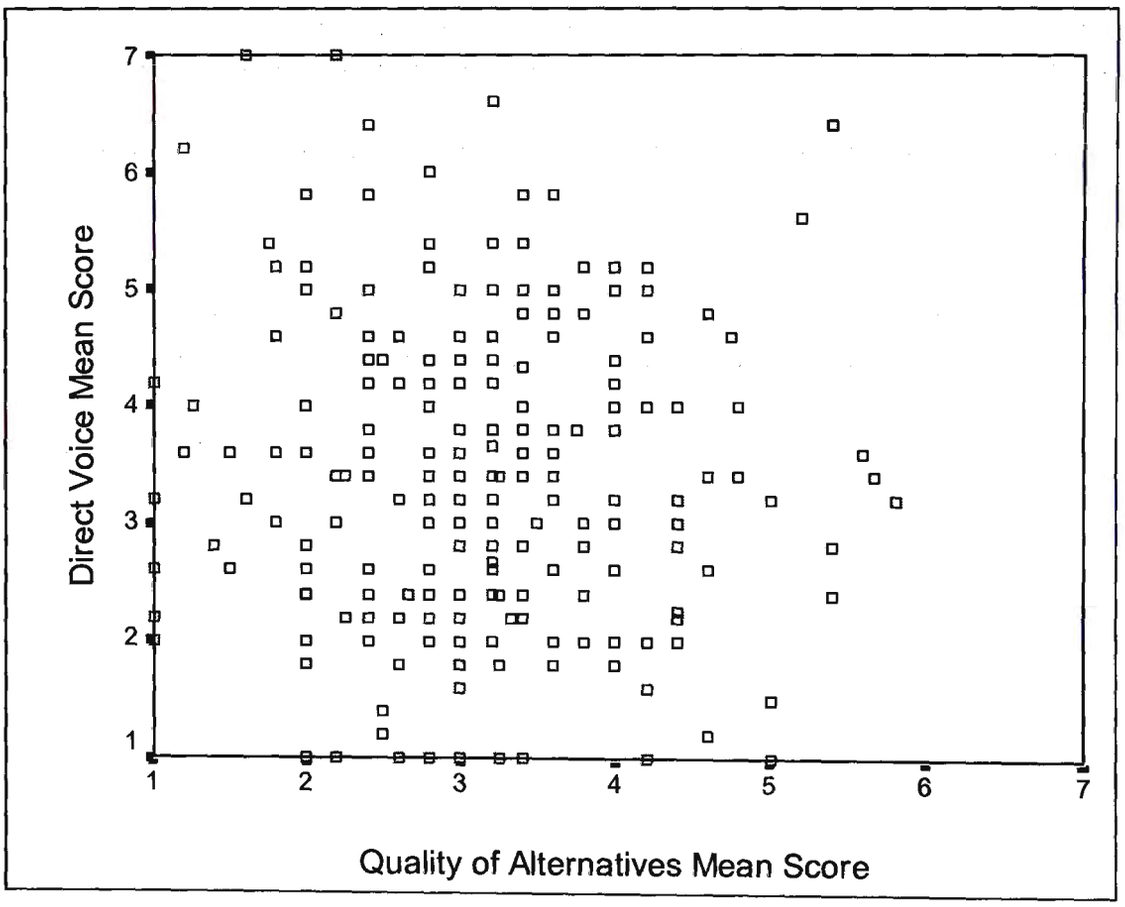
Indicator	Response	N	Mean	Std. Deviation
PACKAGE	Non Response	483	2.33	1.61
	Response	134	2.54	1.69
SEATS	Non Response	483	14.53	15.10
	Response	134	14.85	9.37
VALUE	Non Response	483	373.02	352.83
	Response	134	364.96	178.40

Table 57: Independent Samples t-Test Statistics for 2000 Subscribers

Indicator	t	df	p
PACKAGE	-1.26	204	0.209
SEATS	-0.30	344	0.761
VALUE	0.36	436	0.717

Appendix G: Scatter-plot of Quality of Alternatives and Direct Voice Scores.

Within the third chapter, The Cognitive Determinants of Consumer Loyalty, the direct voice scale unexpectedly failed to demonstrate a bivariate relationship with the Quality of Alternatives scale. This lack of a direct relationship between direct voice and Quality of Alternatives may have been due to a few outlying observations. Subsequently, the dispersion of the observations for direct voice and Quality of Alternatives were examined within a scatter-plot (Figure 40 and Figure 41).

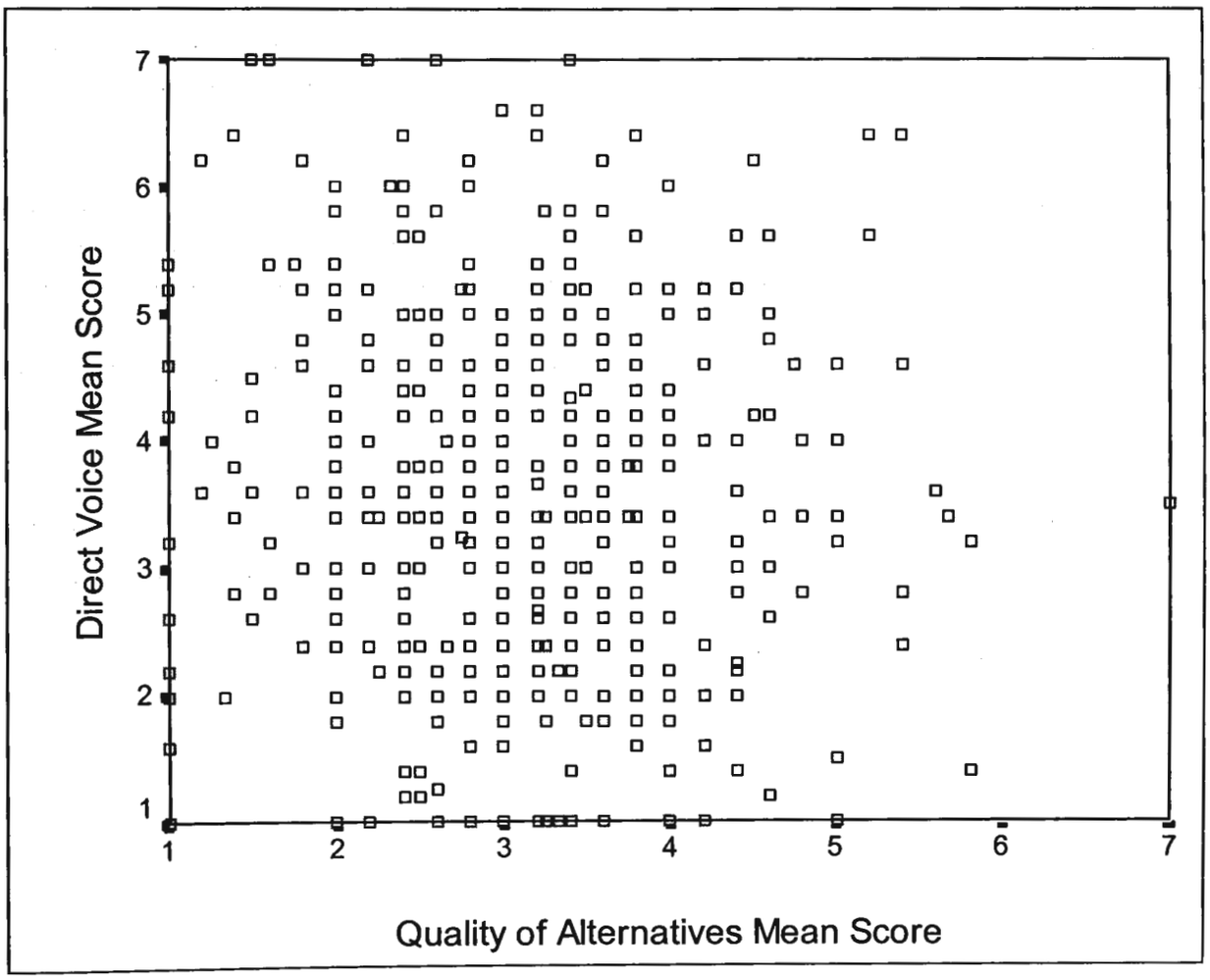


Figure, 40. **Scatter-plot of the Quality of Alternatives and Direct Voice scores**

for 1999.

As can be seen within Figures 40 and 41, the scatter-plots reveal one or two outlying cases that are unlikely to have dramatically affected the relationship between direct voice and Quality of Alternatives.

Alternatively, the lack of a direct relationship between direct voice and Quality of Alternatives may be due to the Quality of Alternatives being a predictor of loyalty rather than direct voice.



Figure, 41. **Scatter-plot of the Quality of Alternatives and Direct Voice scores for 2000.**

Appendix H: Subscription Discount Codes Recoded into a Numerical Scale

The regional theatre offered subscribers a choice of several theatre or dance performance packages. The price of each package was related to the number of shows included, as well as the benefits associated with each package. The discount codes assigned to each subscription were subsequently recoded from alphabetic representations to a numerical scale that reflected the ordinal nature of the packages, based on the increase in associated price. Table 58 outlines this numerical scale and the subsequent packages.

Table 58: Subscription Discount Codes Recoded into a Numerical Scale.

Subscription Package	Discount Code	Numerical Representation
Between three and five theatre performances at the standard price	MIXA	1
Between three and five theatre performances at the concession price	MIXC	1
Three dance performances at the standard price	DANA	1
Three dance performances at the concession price	DANC	1

Subscription Package	Discount Code	Numerical Representation
Opening Night Performances, and an invitation to opening night functions for between three and five theatre performances at the standard price	GMXA	2
Opening Night Performances, and an invitation to opening night functions for between three and five theatre performances at the concession price	GMXC	2
Opening Night Performances, and an invitation to opening night functions for three dance performances at the standard price	GDNA	2
Opening Night Performances, and an invitation to opening night functions for three dance performances at the concession price	GDNC	2
Six theatre performances at the standard price	SIXA	3
Six theatre performances at the concession price	SIXC	3
Opening Night Performances, and an invitation to opening night functions for six theatre performances at the standard price	GSXA	4
Opening Night Performances, and an invitation to opening night functions for six theatre performances at the concession price	GSXC	4

Subscription Package	Discount Code	Numerical Representation
Nine theatre performances at the standard price	NINA	5
Nine theatre performances at the concession price	NINC	5
Opening Night Performances, and an invitation to opening night functions for nine theatre performances at the standard price	GNNA	6
Opening Night Performances, and an invitation to opening night functions for nine theatre performances at the concession price	GNNC	6

Appendix I: Intervention Pamphlet.

Title Page

First Page

Tell Us More

Here at the Canberra Theatre we understand that to make the subscription season a success, we need to know what subscribers want. The best way to do this is to listen to our subscribers.

Please contact us with any suggestions, concerns, or queries you may have. It is also great to let us know when we are doing things well.

Contacting the Canberra Theatre is as easy as 1, 2, 3...

Step 1. Contact the Box Office.

Sometimes you may have a suggestion, or a query that you would like the Canberra Theatre to be aware of. The easiest place to start is contacting the clerks at the Box Office.

Step 2. Contact the Box Office Manager.

However, if you feel that the clerks may be unable to help you. The next person to try is the **Box Office Manager**, Belinda Ogden.

Step 3. Contact Reception.

If you would prefer not to contact the Box Office, please contact our reception. You can simply leave a message, or be transferred to the appropriate person.

The reception is also the easiest way to contact: the **Marketing Supervisor**, Emma Dykes; the **Operations Manager**, Bruce Carmichael; or the **Director**, David Whitney.

Second Page

Different Ways We Can Be Contacted

We understand that sometimes you may want to remain completely anonymous, or you can simply leave your name.

Telephone

Box Office: (02) 6257 1077

Reception: (02) 6243 5711

Free Call: 1800 802 025 (please use our free call number when interstate)

Fax

Reception: (02) 62435721

Email

admin@canberratheatre.org.au

Mail

PO Box 226, Civic Square, ACT 2608

In Person

The **Box Office** is open **9:00am to 5:30pm Monday to Saturday**, plus for evening performances, *until* half an hour after the beginning of each show, and one hour *before* Sunday shows.

The **Reception** is open **9:00am to 5:00pm, Monday to Friday**.

Some Subscriber Experiences

One recent subscriber accidentally attended a performance on the wrong night. Having contacted the Box Office, she was given replacement tickets for another night. Pleased with the response, she expressed her gratitude for the fair procedure.

Several subscribers expressed concerns about not enough toilets in The Playhouse. The Canberra Theatre Centre has now ensured that toilets in the main theatre are open and serviced for Playhouse patrons.

The Canberra Theatre Centre also plan to upgrade the link between the two theatres, to include more toilets, seating, and refreshment bars.

Several subscribers commented on the selection of plays in previous subscription years. In response, the Canberra Theatre Centre increased the choices available to subscribers. During 2000, subscribers will be able to choose from 15 productions, 9 theatre and 6 dance.

Within the dance season, the Canberra Theatre Centre is supporting the development of three brand new dance pieces. This will enable our subscribers to experience fresh, new productions.