

**Multi-Brand Loyalty: Three Essays
on the concept and its impact
on loyalty strategies effectiveness**

– Focus on FMCG retail sector –

Doctoral thesis

presented to the Faculty of Management, Economics and Social Sciences
at the University of Fribourg (Switzerland)

by

Ghizlane Arifine

from Morocco

in fulfilment of the requirements for the degree
of Doctor of Economics and Social Sciences

Accepted by the Faculty of Management, Economics and Social Sciences

On December 14th, 2020, at the proposal of

Prof. Dr Olivier Furrer (1st advisor)

Prof. Dr Dirk Morschett (2nd Advisor)

Zürich (Switzerland), 2020

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The Faculty of Management, Economics and Social Sciences at the University of Fribourg neither approves nor disapproves the opinions expressed in a doctoral thesis. They are to be considered those of the author. (Decision of the Faculty Council as of January 23rd 1990).

Dedication

To my husband and Son

Acknowledgements

I started this journey in March 2015. It has been a long way, with ups and downs. Sometimes, I felt so close to achieve my goal, and sometimes I thought I might never make it. I still remember the period when I had serious health issues, but I bounced and became more determined. This was definitely one of the important episodes of this journey!

Having the right people to motivate and support me during all those years was the key! For this reason, I want to say thank you to those who helped me to get to the finish line. First, to my supervisor, Professor. Dr. Olivier Furrer. I want to thank him for being not only an advisor but also a mentor, for his understanding and patience in discussing every part of my thesis. I also want to thank him for his support, during the most difficult and challenging times.

I also want to thank Professor Dr. Dirk Morschett for agreeing to be an assistant coach – my second supervisor, as well as Professor Dr. Eric Davoine for accepting to be the president of the Jury.

I want to thank also my co-author, Dr. Reto Felix, for the time he has invested to help me improve the second essay and for his insightful remarks to bring it to an end, that is, a publication in European Journal of Marketing, after two years of hard work and peer reviews.

I do not know if I can thank enough, my husband Ralph Graesslin, who was always on my side, who was always ready to listen to me, and to provide me with advice. I express my special gratitude to him. I would like to thank him for his endless attention and sacrifice, for giving me consistently confidence to keep going. I thank him for inspiring me with his permanent good mood, happy attitude and balanced mind-set. I could not wish for better partner and companion in this long track.

Last but not least, I would like to thank my family in Morocco for giving me the mental support, although not living with me in Switzerland. To my sisters and mother being always there to remind me why I have chosen that path and why I should not forget it. And finally, big thanks to my uncle who has always been my role model, and who gave me all the support in needed to pursue my studies in Switzerland.

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Contributions to the dissertation Essays

1. My contribution to Essay 1

The first essay of this Ph.D. dissertation is a conceptual paper on the concept of MBL. The essay provides a literature review, a conceptual framework of MBL concept including relationships with antecedents and outcomes of brand loyalty and comparing them in the SBL and MBL setting. Research propositions are provided with this regard and a research agenda is proposed for future research.

Being the main author of this paper, I have made a substantial contribution to the design of the article and decided on the scope of the literature review. I conceived the idea of focusing on a systematic comparison of MBL and SBL concepts while analysing the extant literature. A number of conceptual and empirical articles on brand loyalty published the last decades have been selected, reviewed and analysed to address conflicting studies and develop a theoretical framework of MBL and take a first step in the theory of MBL.

Prof. Dr. Olivier Furrer (second author) was involved in supervising the work. He has made few revisions on different versions of the article until approving on the final version to be submitted to a journal.

The essay was also accepted and presented in the European Marketing Academy conference in 2016, in Oslo, Norway. Based on the audience feedback, I worked further on the essay and prepared it for submission to a journal. I have selected the *Journal of Marketing Management* being a good choice for conceptual papers in relationship marketing field.

Essay 1 was submitted to *Journal of Marketing Management* on the 25th of July 2020 and is currently under review.

2. My contribution to Essay 2

The second essay of this Ph.D. dissertation was the next step after establishing the conceptual framework on the concept of MBL. The essay provides insights on what is MBL concept, how it is defined in term of customer attitude and behaviour, its characteristics and facets.

As the main author of this paper, substantial work has been done on the design and on the scope of the paper. On the one hand, developing the theoretical part of the paper including the literature review and the research questions. On the other hand, developing the entire research methodology including the interview guide and the questionnaire, carried out the pre-tests, the interviews and the surveys, transcribed the interviews and performed the analysis, and finally reported the findings and drafted the figures to present the outcomes of the study. I also took the lead in writing the manuscript to target publication in the *European Journal of Marketing*. I was in charge of the overall direction and planning of the publication.

The study was firstly carried out in Switzerland. Dr. Reto Felix, who is the second author of this essay, encouraged further investigating on MBL using U.S. sample and comparing it with the Swiss sample. He also supported to check the analytical methods and contributed to a part of the literature review. I used his input to improve the writing and the theoretical part of the paper.

Prof. Dr. Furrer (the third author of this essay) supervised the work and also provided critical feedback on the structure and the content of the paper. All authors helped improving the research, analysis, and manuscript.

Essay 2 went through a long process of publication. It was submitted for the first time to the *European Journal of Marketing* on July 20th, 2017. The authors received the first feedback on October 11th, 2017. Modifications have been made on the essay, specifically on the data collection, where reviewers recommended a mixed method instead of focusing only on a qualitative approach. Therefore, additional survey using U.S. sample via MTurk platform, was developed and reported in the new version of the essay. The manuscript was submitted on February 6th, 2018. A response letter to the reviewers was prepared and all authors agreed on the decisions and justifications included in the letter. A second review has been received on June 5th,

2018, where reviewers recommended conducting data collection in Switzerland instead of the U.S., such that the qualitative study was also run in Switzerland. Thus, the main author of the manuscript collected new data in Switzerland, worked on the new version of the manuscript with support from the second and third author, who provided feedback on the response letter to reviewers and the manuscript. This version was submitted for a second review on October 31st, 2018. The manuscript was accepted for publication in the *European Journal of Marketing* on January 18th, 2019.

3. My contribution to Essay 3

The third essay of this Ph.D. dissertation consisted of an empirical testing of the MBL framework (developed in Essay 1). The focus of the study was on a single factor of customer loyalty that is loyalty rewards (as explained in the introductory chapter of the thesis). The Essay provides insights on how MBL customers respond to soft/hard rewards compared to SBL customers.

As the main author of this paper, I have performed substantial work on the design and on the scope of the paper. On the one hand, developing the entire theoretical part of the paper including the research questions and the review of the existing literature. On the other hand, developing the entire research methodology by conceiving, planning and carrying out the experiment. I also run the pre-tests and manipulation checks of the experiment instruments, collected the data and analysed them. I finally was responsible for reporting the findings to present the outcomes of the study in the manuscript. I also lead the writing to target publication in the *Journal of Retailing and Consumer Services*.

Prof. Dr. Olivier Furrer (the second author) of this essay supported me to check the analytical methods, provided critical feedbacks, and also helped shaping the research, the analysis and the manuscript. He contributed as a research supervisor.

Essay 3 will be submitted to the *Journal of Retailing and Consumer Services*, in a short term, once the journals guidelines are applied and the manuscript finalized.

Part I: Introductory Chapter

1. Problem definition

Firms invest a substantial effort into enhancing customer loyalty in order to achieve higher profitability from their loyal customers (Kumar and Reinartz, 2018). However, managerial evidence indicates that customer loyalty has declined over the years (Kusek, 2016). This loyalty decline is, to a large extent, due to the fact that customers are becoming more heterogeneous in choosing their brands that is creating difficulties and serious challenges for marketing practice (Casteran et al., 2019). This is particularly the case in competitive markets where there is an abundant choice of products/brands that provide similar value for the customer, and as a result is enticing customers away from being exclusively loyal to a specific brand (Menon and Kahn, 1995), to display loyalty to multiple brands (Felix, 2014). For example, it has been shown that in the tourism sector, travellers are loyal to more than one touristic destination (Almeida- Santana and Moreno-Gil, 2018). Another example is the retailing sector, where shoppers are enrolled in different loyalty programs from different retailing stores in the same product category (Mauri, 2003).

The multi-brand loyalty (MBL) phenomenon has been identified as a problem in different sectors and industries such as retailing, tourism, and services (Almeida-Santana and Moreno-Gil, 2018; Dawes, 2014; Felix, 2014; McMullan and Gilmore, 2008; Quoquab et al., 2014; Uncles and Kwok, 2013). MBL means that customers are loyal to several brands and only these brands (Uncles et al., 2003). Total loyalty (or 100% loyalty) is described by Uncles et al. (2003) as having fervent beliefs and attitudes toward a single brand and to only buy that brand in the future.

Managers perceive MBL as an undesirable state of loyalty (Felix, 2014) that impedes customers from implementing successful loyalty strategies (Dowling and Uncles, 1997; Mägi, 2003; Uncles et al., 2010), and from achieving favourable outcomes of loyalty programs such as a higher 'share of wallet' (Keiningham et al., 2015). For example, marketers invest large budgets to implement loyalty programs in order to enhance customer loyalty and to achieve satisfying loyalty outcomes such as increased sales. However, many of them fail to achieve the expected loyalty outcomes

because of MBL (Mägi, 2003). MBL customers tend to commit to few brands, share their budget among these brands and simultaneously enrol in loyalty programs to maximize loyalty advantages, and as a result, the impact on the firm's profitability remains low (Mägi, 2003).

The fact that multi-brand loyalty has become a very common trend nowadays in a number of industries is not really a surprise. An ICLP study called 'Deeply Devoted' compared interactions between consumers on the one hand, and humans and brands on the other hand, and found that consumers are in less committed relationships with their favourite brands than ever before, with only 3% feeling totally devoted to their preferred retail brands and not willing to commit to another brand. This trend results in a number of managerial questions: What can marketers do to overcome MBL and to keep maximizing their loyalty return on investments? And how can firms deal with MBL customers especially when they represent the highest portion of their loyalty base (Dawes, 2008; Dowling and Uncles, 1997; Hofmeyr and Parton, 2010; Uncles et al., 2010)?

The literature regarding MBL stems primarily from early studies between the 70s to 90s. These studies have covered conceptual ground related to definitions and descriptions of the MBL phenomenon (Dick and Basu, 1994; Fournier and Yao, 1997; Jacoby, 1971; Jacoby and Kyner, 1973). More recent studies have taken an interest in MBL and provided further knowledge about the MBL occurrence in several different contexts and industries, its types and the reasons why it occurs (Almeida-Santana and Moreno-Gil, 2018; Dawes, 2014; Felix, 2014; McMullan and Gilmore, 2008; Quoquab et al., 2014; Uncles and Kwok, 2013). Despite this, research is still lacking a clear understanding of the MBL concept and specifically how it differs from single brand loyalty (SBL). Previous research is also lacking about knowledge on MBL facets, characteristics and concrete consequences of the firm's loyalty outcomes.

While this field of research (MBL) still appears to be a 'hot topic' in the relationship marketing literature, with a number of authors calling for future research on the topic (Breugelmans et al., 2015; Mägi, 2003), a number of questions remain unanswered. Therefore, it is important to further investigate the MBL concept and to understand how it differs from SBL. From an academic point of view, it is necessary to build on existing knowledge so as to develop a complete MBL theory. For managers and practitioners there is an urgent need to address this topic that may

become a threat to the effectiveness of their loyalty strategies and to their sustainability in the market.

2. Research objectives and methodologies

Given that MBL has resulted in a negative impact on the company's business on the one hand, and the scarcity of academic work on this topic on the other hand, a decision was taken to undertake this Ph.D. dissertation on MBL aiming specifically to: (1) explore and provide a clear definition of the MBL concept, (2) investigate whether MBL differs than SBL in terms of their definitions, conceptualization, antecedents and outcomes, and (3) provide suggestions to managers on how to address SBL and MBL customers in order to achieve a higher level of effectiveness of loyalty strategies. In other words, the research questions (RQ) that have been developed as the focus of this dissertation are the following:

RQ (1) How does MBL differ from SBL in terms of definitions and conceptualization, antecedents and outcomes?

RQ (2) What is MBL, its facets and types?

RQ (3) How does MBL occur?

RQ (4) How effective are loyalty rewards programs for MBL customers compared to SBL customers?

RQ (5) How should managers implement loyalty programs when serving both SBL and MBL customers to achieve a higher return on their investment?

These research questions are answered through three essays, one conceptual study with a literature review and a proposed research agenda; as well as two empirical studies using quantitative and qualitative research approaches (see Figure 1). The three essays are designed as follows:

Essay 1:

The main objective of the first Essay is to answer the first research question: how does MBL differ from SBL in terms of its definition and conceptualization, antecedents and outcomes? To do so, the paper reviews the literature on the differences between SBL and MBL. The essay then summarises the most important research gaps in the relationship marketing literature and provides a nomological net of MBL by addressing its relationship using a number of loyalty antecedents and

outcomes. The paper develops a conceptual framework with a number of research propositions and provides a detailed agenda for future research. The focus of this Essay is on the most common loyalty antecedents that are influencing attitudinal and behavioural loyalty, namely loyalty incentives, commitment, perceived value and satisfaction (Cater and Cater, 2010; Helgesen, 2006; Sirdeshmukh et al., 2002; Watson et al., 2015), and on the more commonly analysed loyalty outcomes in the extent literature, such as price premium (Evanschitzky et al., 2012), 'share of wallet' (Evanschitzky et al., 2012; Keiningham et al., 2015) and word-of-mouth (see the Meta-Analysis by Watson et al., 2015).

To summarize, Essay 1 represents the first part of the dissertation in which two major themes are addressed at the conceptual level: (1) thesis on the definition and conceptualization of MBL compared to SBL (2) thesis on the effects of loyalty antecedents and on loyalty outcomes in MBL compared to an SBL setting. The next part of the dissertation consists of two essays (Essays 1 and 2) that provide empirical evidence on a number of developed propositions and theories in Essay 1.

Essay 2:

The first thesis of Essay 1 is related to MBL definitions and its conceptualization. This thesis is developed further in Essay 2 by answering the research questions 2 and 3: What is MBL, its facets and types? And how does MBL occur?

Essay 2 empirically and qualitatively explores and investigates the concept of MBL in order to provide a deeper and richer understanding of its characteristics and facets, by means of drawing on the conceptualisation by Felix (2014) and further testing of the propositions of Essay 1 on the MBL definition and its conceptualization.

To achieve this, a mixed method using interviews and a survey is carried out. The findings highlight on the one hand, MBL types and on the other its different facets. Empirical evidence is then provided on the characteristics of MBL customers and how they react toward their preferred brands compared to SBL customers. Switzerland is selected as the country to conduct the mixed method study (Essay 2), to simplify the data collection using in person in-depth interviews. Additional online survey using Qualtrics platform is also conducted to test the occurrence of MBL in a small sample.

Essay 3:

Once the meaning and characteristics of the MBL concept clarified in Essay 2 using empirical investigation, a third study (Essay 3) is implemented to address the second thesis of Essay 1, the effects of loyalty antecedents and their outcomes in a MBL setting. To do so, Essay 3 focuses on one of the main important antecedents of customer loyalty, that is, loyalty rewards and empirically tests its impact on MBL compared to SBL settings.

The topic of loyalty rewards has been addressed in several studies and found to be one of the more critical antecedents of customer loyalty (Yoo and Singh, 2016). However, the effectiveness of those loyalty strategies has been questioned in a number of studies. Some authors have reported that the positive impact of loyalty reward programs on customer loyalty have acknowledged that MBL may be the main reason for the failure of these loyalty strategies (Dowling and Uncles, 1997; Leenheer et al., 2007; Liu, 2007; Meyer-Waarden, 2006, 2007; Mägi, 2003; Uncles et al., 2010). Appendix A reports on a number of studies that focus on loyalty rewards programs and they have found mixed results.

Therefore, this antecedent was chosen to be at the focus of the third Essay of this dissertation. In Essay 3, a scenario-based experiment with two types of loyalty rewards (Hard/ Soft) is designed to empirically test their impact on customer loyalty for both MBL and SBL context. The research model also considers the link between attitudinal loyalty and behavioural loyalty as a differentiator between SBL and MBL based on the developed research propositions of Essay 1.

The study of Essay 3 is conducted in the U.S. using an online survey with MTurk platform. The decision was taken because the U.S. offers great better conditions for the study as the retailing market includes FMCG products and has more than 2 billion loyalty program memberships (Sisolak, 2012).

3. Outline of the thesis

The thesis is structured into six parts:

Part I marks the starting point of this dissertation by explaining what the managerial problem is and why it is important to address the MBL concept from the managerial and academic perspectives. It also provides a brief overview on how this

dissertation will focus on analysing MBL in comparison with SBL, and how the research questions will be answered based on three independent essays.

Part II primarily focuses on the overall topic of loyalty in academic research and how MBL has been addressed in this area of research. It specifically discusses how MBL has been defined and conceptualized in the current research and highlights the main research gaps. It also presents a summary of the research state of the factors of MBL and why addressing MBL is therefore relevant in the context of loyalty reward programs.

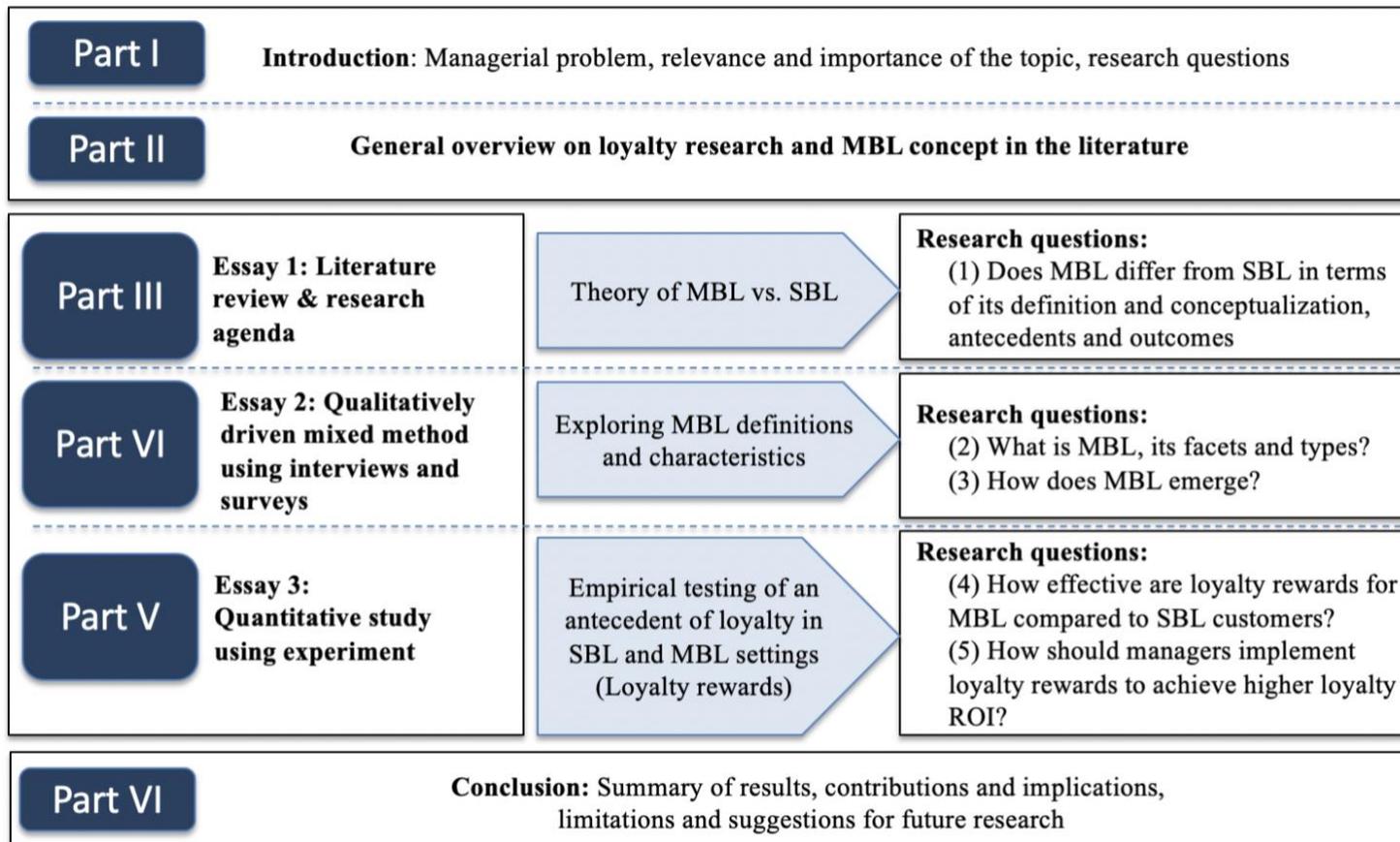
Part III forms the literature centred section of the dissertation. It is the first Essay of the thesis that presents a literature review and a proposed research agenda of the existing work on MBL.

Parts IV and V are the empirical parts of this research. In doing so, the second and third Essays provide empirical results that attempt to answer the proposed research questions in the introductory part. Each essay is presented as an independent article including the abstract, the related research objectives, methodologies, findings and contribution.

Part VI summarises the most important findings of the dissertation, highlights the contributions and implications of the research. It also elaborates on the limitations as well as suggestions for future research.

Figure 1 is a graphical illustration of the thesis structure, research questions, and the essays where each of them is addressed including the methodologies that are used.

Figure 1: Research questions and where and how they are addressed in the thesis



Source: Author

Part II: Loyalty and Multi-Brand Loyalty in the relationship marketing literature

Relationship marketing represents an evolution of marketing placing emphasis on building long-term relationships with customers instead of individual transactions (Koi-Akrofi et al., 2013). Sheth (2017) redefines relationship marketing saying that this emphasis must shift from “share of wallet” to “share of heart”. In other words, the key objective of relationship marketing is cultivating high level of loyalty with existing customers and developing a strong relationship with them. While this practice seems easy to implement, relationship-marketing research has shown that multi-brand loyalty (i.e., when customers are loyal to a set of brands instead of one single brand (Felix, 2014)), is reshaping the way relationships between brands and customers are maintained and optimized (Arifine et al., 2019; Felix, 2014).

1. Relationship marketing literature and brand loyalty

Relationship marketing (RM) is widely acknowledged as a useful tool in gaining customer loyalty in various sectors (Gupta and Sahu, 2012). From the firm’s perspective, relationship marketing strategies aim maintaining strong relationships to customers and attract and convert non-loyal into loyal (Berry and Parasurarnan, 1991). From the customers perspective, relationship marketing offers social benefits (e.g., sharing information), economic benefits (e.g., discounts) and customized services (tailored products) (Sheth and Parvatiyar, 1995).

Relationship marketing literature represents different areas and streams. Gupta and Sahu (2012) classified it into five categories: First stream focuses on relationship marketing concept including its objectives, definitions and different models; second stream addresses industry and firms initiatives to implement relationship marketing strategies and their practices for a competitive market strategy; another third stream addresses the relationship between relationship marketing and the market development including customer retention, customer loyalty and satisfaction as well as how to increase the customer base and the market share; the fourth one contains research on firm performance in terms of B2B exchange, customer-firm affection,

corporate brand development. While another stream addresses technology including the development of online feedback system and E-CRM concept of relationship marketing. Customer loyalty remains one of the most important areas of research of relationship marketing.

This Ph.D. dissertation covers therefore three research streams of relationship marketing while addressing them in the context of multi-brand loyalty:

- **Market:** by analysing how customers perceive multi-brand loyalty benefits compared to single brand loyalty.
- **Industry:** by analysing loyalty programs implementation in the context of multi-brand loyalty and comparing their impact on customers attitudes and behaviours for multi-brand loyalty and single brand loyalty.
- **Performance:** by looking at how firms can increase loyalty programs effectiveness when they have multi-brand and single brand loyals in their customer loyalty base.

2. Loyalty and multi-brand loyalty existing research

Previous research shows that managing customer loyalty is one of the main priorities for most managers (Kumar and Reinartz, 2018; Gremler et al., 2020). Customer loyalty is a source of favourable business outcomes leading to several benefits such as creating long-term relationships with the customer (Ruiz-Mafe et al., 2014), spreading positive word of mouth (Watson et al., 2015) and paying premium prices (Reinartz et al., 2005). However, in saturated and competitive markets, customers tend to be more often loyal to several brands at the same time instead of one single brand (Felix, 2014). Leenher et al. (2007) suggested that consumers vary in their predisposition to being loyal. The marketing literature identifies different profiles of loyal customers; some are exclusively loyal to a single brand of a product category (SBL), while others are loyal to a few brands at the same time (MBL) (Arifine et al., 2019; Almeida-Santana and Moreno-Gil, 2018; Quoquab et al., 2014). This phenomenon has been labelled in several previous studies as MBL (Felix, 2014).

Based on the existing research on MBL, there are two main research streams: The first one focuses on multi-brand loyalty from the firm's perspective, looking at its negative impact on the effectiveness of loyalty strategies (e.g., Mägi, 2003). The second stream focuses on MBL from the customer perspective, addressing customers

behaviour and attitudes, the reasons and motivators of MBL and what advantages that it provides for the customer, such as flexibility in purchase decision making (Arifine et al., 2019). Despite that, both research streams do not provide a deeper understanding of the MBL definition and its conceptualization.

3. MBL definitions in the literature

MBL reflects a preferential, attitudinal and behavioural response to more than one brand in a product category (Jacoby, 1971; Oliver, 1999). Multi-brand loyalty is also defined as when a customer shops at only several locations that offer similar products (Aggarwal and Shi, 2018) , and as, "...the act of being loyal to several brands simultaneously" (Dowling and Uncle, 1997, p. 74) and shares the budget between these brands (Uncles et al., 2003). Multi-brand loyalty has also been named in the literature divided loyalty (Sharp and Sharp, 1997; Yim and Kannan, 1999); dual loyalty (Cunningham, 1956); polygamous loyalty (Dowling and Uncles, 1997), or transferred loyalty (Pearce and Kang, 2009).

The existing literature does not provide a univocal definition of MBL. Some researchers agree on a common definition of SBL and MBL, as a mix of attitudinal and behavioural aspects of loyalty toward one/few brands (Arifine et al., 2019; Engel et al., 1982; Oliver, 1999). However, other authors have defined MBL as a special phenomenon with different characteristics to SBL (Dick and Basu, 1994; Obeidat and Abulhaija, 2013; Yim and Kannan, 1999). For example, Obeidat and Abulhaija (2013) defined MBL as loyalty toward two brands (in their study of TV channels) to satisfy different needs (cognitive needs with a TV news channel and entertainment needs with a movie channel) without experiencing any conflict between the two brands. Such a contrast has created confusion about how multi-brand loyalty is conceptualized compared to SBL. Therefore, one of the main goals of this study is to resolve the confusion about the definition of MBL concept compared to SBL and to begin by discussing its facets and main characteristics.

4. Multi-brand loyalty conceptualization in the literature

As stated previously, both behavioural and attitudinal dimensions of loyalty define both SBL and MBL. Behavioural loyalty is defined as when a customer purchases the

same brand on a regular basis despite the availability of other options (Usas, 2019). While attitudinal loyalty relates to psychological factors, that is; consumers buy the brand because they like and prefer it, they are willing to accept the brand if it is a higher price, they resist competitor's offers and spread good word of mouth about company (Dick and Basu, 1994, Warleta et al., 2016). Cheng (2011) stated that behavioural loyalty guarantees the conversion of a customer's loyalty to sales, while attitudinal loyalty could impact positively and indirectly on sales through positive word of mouth. Researchers are generally in agreement that attitudinal loyalty has a positive impact on behavioural loyalty (Bennett and Thiele, 2002; Dick and Basu, 1994; Oliver, 1999; Watson et al., 2015).

Although it has been acknowledged that SBL and MBL have the same components (attitude and behaviour) in the previous research, the literature is still lacking on the clarification on how SBL and MBL differ conceptually. The literature presents different views of the conceptualization of MBL and SBL. On the one hand, it has been argued that MBL is a level below SBL on a customer loyalty continuum (Aaker, 1991; West et al., 2015). On the other hand, MBL and SBL are presented in a number of different studies as two distinct concepts (e.g., Dick and Basu, 1994). In other words, multi-brand loyal customers and single brand loyal customers are presented as separate customers categories with different characteristics. In this study, gaps in the conceptualization of MBL compared to SBL will be addressed based on a review and analysis of the extant literature.

5. Antecedents and outcomes of MBL in the literature

Some scholars have explored the reasons why customers are loyal toward several brands within the same product category (Arifine et al., 2019; Felix, 2014; Quoquab et al., 2014). A number of antecedents have also been addressed such as family influence, freedom and flexibility to make purchase decisions (Felix, 2014), purchasing according to different occasions (Taylor et al., 2004), and the seeking out of variety (Keningham et al., 2015). Although researchers have identified such MBL antecedents, none of those studies had relied on grounded theory and an empirical framework to describe how MBL develops and is deeply understand.

There is also a lack of understanding about how such antecedents of MBL differ from those of SBL. Based on the relationship marketing literature, a controversy has

occurred about the antecedents and outcomes of single brand and multi-brand loyalty. On the one hand, some scholars have argued that the antecedents of MBL are different than SBL (e.g., Dick and Basu, 1994; Sirdeshmukh et al., 2002). On the other hand, other scholars have argued that the antecedents of SBL and MBL are the same, but with different levels of strength (Keiningham et al., 2015). For example, Keiningham et al. (2015) argued that satisfaction has a weak effect on customer spending when customers are multi-brand loyal.

Taylor and colleagues (2004) and Mägi (2003) stated that there is a need to seriously consider MBL when implementing relationship-marketing strategies such as loyalty programs. This is because these traditional relationship marketing tools might not be as effective when customers are multi-brand loyal (Mägi, 2003). Despite these arguments, empirical evidence is missing in the literature about the effectiveness of loyalty antecedents in an MBL setting compared to an SBL setting.

Similar to loyalty antecedents, the relationship-marketing literature has found the loyalty outcomes may also be the same for MBL and SBL, and they only differ in term of their strengths. For example, word of mouth has been defined as one of the main outcomes of customer loyalty (Berger and Schwartz, 2011; Watson et al., 2015). However, none of the previous studies have identified to what extent do MBL customers spread word of mouth about their preferred brands.

A part of this study (Essay 1) analyses the antecedents and outcomes of loyalty, and the strength of their effects for SBL and MBL. To do so, a limited number of antecedents and outcomes of loyalty has been selected based on specific criteria:

- The research focuses on antecedents that have been acknowledged in the literature having direct effects on attitudinal and behavioural loyalty, namely (satisfaction, perceived value, commitment, loyalty incentives). Other antecedents that indirectly impact loyalty such as trust (Morgan and hunt, 1994), or that are components of other variables such as price (as a component of the functional perceived value (Sweeney and Soutar, 2001)) is not subject of a research proposition in Essay 1 such that it does not focus on interrelations between antecedents, and only focuses on effects on loyalty components (attitude and behaviour). Similar logic applied for the outcomes, where Essay 1 addresses only direct effects of loyalty on word of mouth (Watson et al., 2015), price premium (Evanschitzky et al., 2012) and share of wallet (Keiningham et al., 2015).
- Essay 1 also focuses on the variables that have differential effects rather than

similar for MBL compared to SBL. For example, trust has been argued to have similar impact on loyalty when customers are multi-brand loyal or single brand loyal. Therefore, the trust variable was not included in the research. Essay 1 focuses only on the differences (and not similarities) of the effects between loyalty and its antecedents and outcomes in the two loyalty conditions (SBL and MBL). The same selection process has been applied for loyalty outcomes. This selection process resulted in thirteen research propositions including seven antecedents and three outcomes of loyalty, and a related research agenda (see Essay 1).

6. Relevance of MBL concept in the context of loyalty programs

From a managerial perspective, marketers perceive MBL to be an undesirable loyalty situation (Felix, 2014). Understanding how loyalty antecedents and outcomes impact on MBL customers is critical to efficiently implement loyalty strategies and adapt them to different types of loyal customers (SBL and MBL). By adapting and adjusting relationship-marketing strategies, firms can achieve better loyalty outcomes (such as financial performance). While a lack of introspection of their loyalty base (this may include both SBL and MBL segments) and the absence of targeted loyalty strategies may lead to weaker results.

One of the most popular loyalty strategies implemented by firms today are loyalty programs (Yoo and Singh, 2016). The number of loyalty programs is increasing in many sectors, particularly in the retailing sector. Finaccord (2014) found that more than 60% of European retailers offered a loyalty program to its customers.

Although managers spend a great deal of money implementing loyalty schemes, they do not necessarily achieve higher brand loyalty (Leenheer et al., 2007; Liu, 2007; Meyer-Waarden, 2006, 2007). Studies have shown that consumers do not hesitate to take the opportunity to purchase several brands and to enrol in multiple loyalty programs to maximize their loyalty benefits (Mägi, 2003). Xiong et al. (2014) showed that the flexibility of a loyalty program is indeed an important factor for consumers in selecting it but will only remain a member of this program when they have the flexibility to enrol in other programs at the same time (Xiong et al., 2014).

The issue of MBL and its ineffectiveness on loyalty programs has already been acknowledged by several researchers, stating that customers are often members of

several competing programs (Van der Spuy, 2011), and that this has a negative impact on repurchase behaviour (Dowling and Uncles, 1997; Mägi, 2003; Uncles et al., 2010). Nevertheless, empirical testing of the effect of MBL compared to SBL in regard to loyalty programs to the best of the researcher's knowledge is non-existent.

This dissertation also addresses the impact of the MBL phenomenon on loyalty rewards programs and provides recommendations about how marketers should be aware of the implications of MBL on marketing practices.

Part III: Single Brand Loyalty versus. Multi-Brand Loyalty in Consumer Market: Literature Review and Research Agenda (Essay 1)

1. Abstract of essay 1

Despite the acknowledgment of multi-brand loyalty in the relationship marketing literature, little is actually known about how this multi-brand loyalty differs from single brand loyalty. Understanding the differences between these two concepts is critical for firms as multi-brand loyalty is less profitable than single brand loyalty. This paper reviews the literature based on the conceptualization, antecedents, and outcomes of multi-brand loyalty in comparison to single brand loyalty. The results of this review demonstrate that single brand loyalty and multi-brand loyalty should be considered to be two separate concepts that are sharing common antecedents and outcomes, but their antecedents and outcomes seem to differ in terms of the strength of the effects. The paper provides future research propositions and managerial implications.

Keywords

Relationship marketing, polygamous loyalty, multi-brand loyalty, single brand loyalty, customer loyalty.

2. Introduction

The relationship marketing literature has widely supported the value of firms having a loyal customer base (Kumar and Reinartz, 2018). Loyal customers engage in positive word of mouth (Watson et al., 2015) and are usually willing to pay more for their preferred brand compared to non-loyal customers (Evanschitzky et al., 2012). The positive effects of customer loyalty is associated with a firm's increased revenue and profitability (Srivastana and Rai, 2018).

Although it is every firm's desire to attract customers who are exclusively loyal to its own brands, anecdotal evidence has found that customers are often simultaneously loyal to more than one brand of the same product category (Felix, 2014; Ramaswami and Arunachalam, 2016; Uncles et al., 2010). Empirical studies have shown that in some categories, more than two thirds of a brand's customers are loyal to multi-brands (Dawes, 2008; Dowling and Uncles, 1997; Hofmeyr and Parton, 2010; Uncles et al., 2010). This has been referred to as a phenomenon of multi-brand loyalty (Oliver, 1999), divided loyalty (Yim and Kannan, 1999), and polygamous loyalty (Uncles et al., 2003). The term that will be used in this paper is multi-brand loyalty.

Although multi-brand loyalty (MBL) has been explored and defined in the relationship marketing literature, the distinction between the concepts of multi-brand (MBL) and single brand loyalty (SBL) remains unclear. Some researchers have provided only one single definition for MBL and SBL as a combination of attitudinal and behavioural responses toward one or several brands (Engel et al., 1982; Oliver, 1999). In contrast, other scholars tended to distinguish between SBL and MBL definitions, considering them to be two distinct concepts with different characteristics (Dick and Basu, 1994; Yim and Kannan, 1999). These two contrasted approaches to MBL and SBL gives rise to ambiguities in their conceptualizations. To date, the literature on loyalty shows a lack of consensus on the conceptualizations of SBL and MBL. Dick and Basu (1994) and Jensen (2011) considered SBL and MBL to be two separate and distinct concepts, a number of authors have argued that they only represent two levels of a single customer loyalty continuum (Aaker, 1991; West et al., 2015). This lack of consensus has impeded the development of the MBL concept. In addition, there are also two different views presented in the literature about the

antecedents and outcomes of SBL and MBL. On the one hand, some scholars argue that the most critical antecedents of SBL differ from those that are influencing MBL (Dick and Basu, 1994; Sirdeshmukh et al., 2002): For example, commitment has been shown to be one of the most important antecedents of SBL (Morgan and Hunt, 2004; Ulaga et al., 2006; Cater and Cater, 2010). In contrast, other studies were not able to identify commitment as a key factor that fostered MBL. However, they found other facets explaining MBL such as identity enhancement and mood congruence (Arifine et al., 2019).

Several other authors have argued that the antecedents of SBL and MBL are similar, and only vary in regard to the strength of their effects (Keiningham et al., 2011; Keiningham et al., 2015; Mägi, 2003). For example, Keiningham et al. (2015) argued that satisfaction has a strong and positive influence on brand loyalty, but only when customers are loyal to a single brand; while satisfaction becomes a weak predictor of customer spending, when customers are loyal to multi-brands. This is similar to loyalty-building tools such as loyalty cards, that have been found to have a strong positive influence on customer loyalty according to several authors (Wirtz et al., 2007; Yi and Jeon, 2003). However, empirical studies have revealed that their effect on customer spending is weaker when customers simultaneously use cards from multiple brands (Meyer Waarden and Benavent, 2006; Shukla, 2009; Uncles et al., 2003). This lack of consensus between research studies has resulted in a misunderstanding between the antecedents and outcomes of MBL.

Based on the previous discussion, it remains critical to understand the concept of MBL and to identify how it differs from SBL. Significant differences between SBL and MBL may give rise to ineffective SBL-focused relationship marketing strategies for multi-brand loyal customers. This may result in less favourable outcomes for firms, such as a loss in profits (Keiningham et al., 2011; Mägi, 2003). Therefore, this paper aims to answer the following questions:

RQ 1. How does MBL differ from SBL in terms of its definition and conceptualization?

RQ 2. How do antecedents and outcomes of customer loyalty differ in regard to MBL compared to SBL?

RQ 3. If MBL and SBL are found to be different, how can marketers manage both multi-brand and single brand loyal customers, and to develop specific relationship-marketing strategies for each of these two segments?

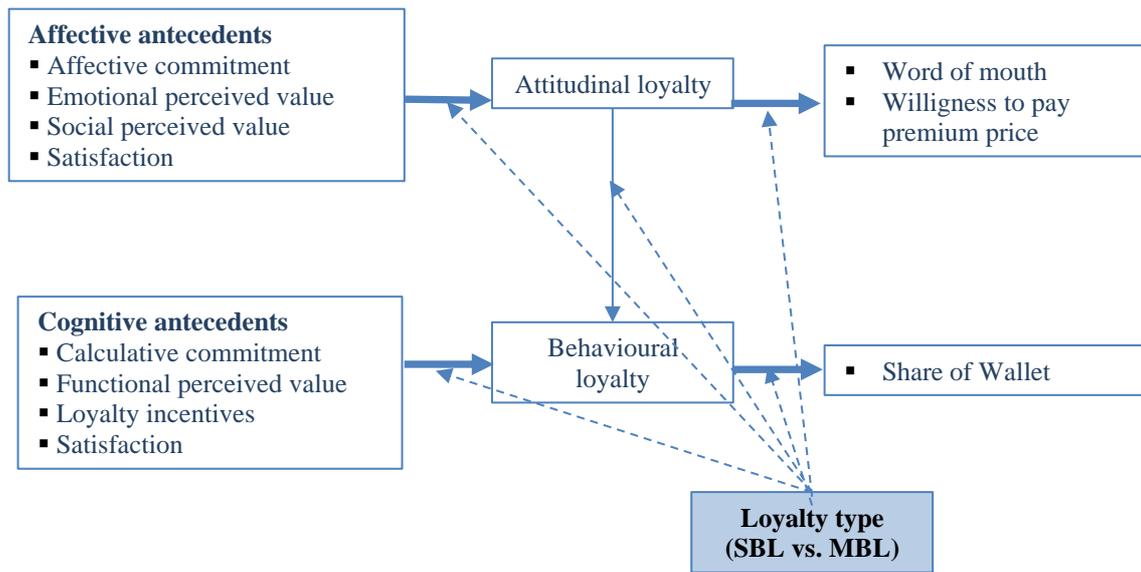
Overall, this paper seeks to make three key contributions to the relationship marketing literature. Firstly, by analysing and clarifying the literature on MBL, it advances an understanding of the MBL concept showing how it differs from SBL in terms of attitudinal and behavioural aspects, as well as helping to clear apparent confusion about the similarities and differences between SBL and MBL. Secondly, by developing a conceptual framework for MBL and its nomological net, this paper provides a first step in the development of a theory of MBL. Thirdly, this paper provides an impetus for researchers to explore and empirically test the MBL framework for future research and an agenda to stimulate future research.

In the following section, this paper will firstly address the differences between MBL and SBL in terms of their definitions, conceptualizations, antecedents, and outcomes by an analysis of the existing literature. Secondly, based on this literature review, a conceptual framework will be developed to illustrate the antecedents and outcomes of MBL along with several research propositions. The paper concludes with a discussion of the key topics that relate to MBL and a detailed research agenda.

3. Theoretical domain and conceptual framework

Based on the extant literature, this section presents a conceptual framework and research propositions that focuses on the comparative differences between SBL and MBL (Figure 2). MBL and SBL are seen to be two distinct concepts (Bove and Johnson, 2009; Dick and Basu, 1994; Jensen, 2011), and their common antecedents differ in the strength of their effects. Research propositions have only focussed on the antecedents that directly influence attitudinal and behavioural loyalty (Keiningham et al., 2015; Xiong et al., 2014) and not on the antecedents that are indirectly impacting on brand loyalty. For example, previous research has shown that trust has only resulted in an indirect effect on attitudinal loyalty through a sense of commitment (e.g., Russell-Bennett and McColl-Kennedy, 2011). Therefore, the concept of trust has not been addressed in this paper.

Figure 2: Conceptual framework – Single brand loyalty Vs. Multi-brand loyalty



Source: Author

3.1 Single brand loyalty and multi-brand loyalty: Definitions

The concept of MBL has been ambiguously defined in the relationship marketing literature. That is, MBL has been referred to a combination of the regular purchase of two or more brands within the same product category, and a high commitment to those brands (Felix, 2014), and to the buying behaviour of several brands for use on different occasions and to add variety (Dowling and Uncles, 1997).

Furthermore, how does the MBL definition differ from SBL remains ambiguous. This is because the literature found two opposing approaches to the similarities and differences between MBL and SBL. One approach focuses on the similarities between MBL and SBL and provides a single definition of both. For example, early studies by Engel and colleagues (1982) defined MBL and SBL as preferential, attitudinal and behavioural responses toward one or more brands in a specific product category over a period of time. Oliver (1999) also defined SBL and MBL as a deeply held commitment to consistently rebuy one or a few preferred product(s) in the future.

In contrast, the other approach focuses on the differences between them and defines them separately. For example, Yim and Kannan (1999) defined MBL as a characteristic of a customer segment that exhibits loyalties between several alternatives and repeat purchases of these alternatives to a significant extent. On the

other hand, SBL is, “the proportion of a product’s alternative’s purchase that is accounted by customers who exclusively purchase this alternative” (p. 76). This difference in approaches to define SBL and MBL leads to ambiguities and a lack of understanding of the conceptualizations of SBL and MBL.

3.2 Single brand loyalty and multi-brand loyalty: Importance of attitudinal loyalty

Brand loyalty is a complex and multi-dimensional construct (Felix, 2014). There are two influential schools of thoughts addressing the loyalty construct: one in which scholars have focussed their attention on the behavioural dimension, arguing that only repeat purchases contribute to a firm’s performance (Watson et al., 2015). This stochastic approach to loyalty has been criticised and considered to be insufficient to explain the psychological factors associated with customers repurchase behaviour and ignores the possibility that repetitive purchases might arise from other factors than situational (Watson et al., 2015).

A second approach has suggested that both attitudinal and behavioural dimensions are necessary to define the concept of loyalty (Chaudhuri and Holbrook, 2001; Dick and Basu, 1994; Ngobo, 2017). Dick and Basu (1994) stressed the need to include the attitudinal dimension in the conceptualization of loyalty and argued that customer’s positive attitudes are necessary to build loyalty, as they represent the result of conscious efforts to evaluate competing brands. As such, attitudinal loyalty is defined as the customer’s psychological disposition toward the same brand, or the same brand-set and reflects favourable attitudes toward this/those brand(s) (Dick and Basu, 1994). In a similar vein, Thiele and Bennett (2001) considered that behavioural loyalty was the only observable outcome of attitudinal loyalty.

Similar to the analysis of SBL, some authors have only focussed on the behavioural aspect while analysing MBL (Day, 1969; Ehrenberg and Goodhardt, 1990; Sharp et al., 2002). However, other scholars have agreed that both an attitudinal and a behavioural dimension are necessary to understand MBL (Dick and Basu, 1994; Felix, 2014; Ngobo, 2017; Oliver, 1999; Ramaswami and Arunachalam, 2016; Shukla, 2009). In previous studies focusing on MBL, attitudes have been described as a relevant indicator to infer loyalty to few brands from psychological involvement, to understand past behaviours and also to predict future customer patronage (Dick and Basu, 1994). Shukla (2009) posited that MBL does not occur only when customers switch between a few brands, but also when they have a strong positive attitude

toward them. Dick and Basu (1994) represented MBL as a loyalty type, which includes a behavioural component (purchase proportion of several preferred brands) and an attitudinal component (showing commitment and identification to these preferred brands). Oliver (1999) asserted that the conceptual logic that applies to SBL, includes attitudinal and behavioural dimensions that also applies to MBL, so that a customer prefers and to have a positive attitude toward a few brands over others, and simultaneously repurchases them: and that attitudinal loyalty results in behavioural loyalty in the cases of both SBL and MBL.

3.3 Distinctions between the conceptualizations of single brand and multi-brand loyalty

Some scholars have presented SBL and MBL as two levels of the same construct; that is, brand loyalty. Aaker (1991) argued that brand loyalty has five levels: The first level represents noncustomers who buy competitor brands or are not product class users; the second level represents price switchers, who are price-sensitive; the third level consists of passively loyal customers who buy out of habit rather than reason; the fourth level contains fence sitters who are indifferent between two or more brands, they correspond to multi-brand loyal customers; and lastly the fifth level that represents highly committed customers to a brand, they correspond to single loyal customers.

In another study, West and colleagues (2015) found similar results, that there are also five levels of brand loyalty: (a) No loyalty which corresponds to the non-loyal customers to the brand, they are variety focused and are similar to the first level of Aaker's pyramid; (b) Shifting loyalty represents customers who shift loyalty from a brand for a period of time to another, and are similar to the second or third level of Aaker's pyramid; (c) Split loyalty that reflects loyal customers to more than one brand (multi-brand loyal customers), they are similar to customers of the fourth level in Aaker's pyramid (1991); (d) Brand loyalty, which represents customers who regularly buy a brand, but might buy another one instead when their favourite brand is not available; and finally (e) Brand insistence which is similar to the fifth level of Aaker's pyramid (highly committed customers and single loyal customers) who do not buy any other alternative even if their favourite brand is not available. Despite the conceptualizations of West and colleagues (2015) and Aaker (1991), there has been no empirical validation of those theories in the relationship marketing literature.

In contrast to those two studies, further research has suggested that SBL and MBL should be conceptualized as two separate constructs (Dick and Basu, 1994; Quoquab et al., 2014). For example, based on a study by Dick and Basu (1994) on repurchase behaviour and relative attitudes, they developed a loyalty matrix with four main conditions (true loyalty, latent loyalty, spurious loyalty, and no loyalty) in which SBL fell under ‘true loyalty’ construct while MBL under the ‘spurious or/and latent loyalty.’ This conceptualization was found to be similar to the conclusions drawn by Felix (2014) who suggested that there were three forms of MBL that were based on the relationship between customer preferences and their purchase behaviour. (1) A ‘biased form’ when a differential in preference leads to a stronger repurchase of one brand over the other(s); (2) a ‘specialized form’ when two (or more) alternatives within the product category are preferred, differentiated and fulfil slightly different needs; and (3) a ‘perfect substitute form’ when two (or more) alternatives within the product category are although highly attractive, are not or very little differentiated from each other.

Based on the previous discussion, SBL and MBL have been conceptualized as two levels of the same construct: customer loyalty (Aaker, 1991; West et al., 2015), even if the conceptualizations were not empirically tested; and as two distinct concepts (Dick and Basu, 1994; Quoquab et al., 2014). The theoretical framework of Dick and Basu (1994) has been tested and empirically supported in several studies (Bove and Johnson, 2009; Jensen, 2011). Based on this, a number of research studies have differentiated between multi-brand loyalty and single brand loyalty customers as distinct segments of the consumer market (Bandyopadhyay and Martell, 2007; Jensen, 2011; Yim and Kannan, 1999). Based on the results of these studies it is proposed that:

Proposition 1: SBL and MBL should be treated as two distinct concepts.

3.4 Single brand loyalty and multi-brand loyalty: The link between attitudinal and behavioural loyalty

Previous studies have agreed on the significant link between attitudinal and behavioural loyalty (Bennett and Thiele, 2002; Dick and Basu, 1994; Oliver, 1999; Watson et al., 2015). That is, attitudinally loyal customers express positive affects toward a brand (Bowen and Chen, 2001) and have a strong brand preference (Bennett

and Thiele, 2002). This preference results in behavioural loyalty (Bennett and Thiele, 2002). While some scholars have argued for a strong and positive correlation between attitudinal and behavioural loyalty (Geçti and Zengin, 2013; Rundle-Thiele and Mackay, 2001), others have empirically demonstrated that there is a weak linkage between the two constructs (Evanschitzky et al., 2006; Watson et al., 2015). Some authors have already concluded that a high level of attitudinal loyalty does not necessarily lead to a high level of repurchase (Evanschitzky et al., 2006; Watson et al., 2015). When customers are attitudinally loyal to several brands, they do not exclusively spend their budget on a single brand, they would rather divide it among other preferred brands (Felix, 2014; Oliver, 1999). It has been suggested that when customers are multi-brand loyal, an increase in their attitude toward the focal brand, would not be the main reason to increase their purchase behaviour of this brand, so that they will have similar feelings toward other preferred brands. Thus:

Proposition 2: Attitudinal loyalty has a stronger influence on behavioural loyalty for single brand loyal customers compared to multi-brand loyal customers.

3.5 The antecedents of single brand loyalty versus. multi-brand loyalty

When MBL and SBL antecedents are compared in the literature, two different views become evident: On the one hand, several studies show that critical antecedents of SBL differ from those that are influencing MBL (Dick and Basu, 1994; Sirdeshmukh et al., 2002). Commitment strongly influences SBL (Cater and Cater, 2010; Morgan and Hunt, 2004; Ulaga et al., 2006). While it is not a key antecedent of MBL, as multi-brand loyal customers are influenced by their need to adapt their purchases to occasions or to seek variety. On the other hand, some authors have asserted that the antecedents influencing brand loyalty are the same for SBL and MBL, and they only vary in terms of the strength of their effects (Keiningham et al., 2015; Mägi, 2003). Indeed, a number of authors have highlighted the existence of common factors for both SBL and MBL, such as loyalty programs (Xiong et al., 2014) and satisfaction (Keiningham et al., 2015), and found a weak effect when customers are loyal to multi-brand loyal, although without any evidence to support how this effect will differ between SBL and MBL.

The focus of this review is on the main antecedents that are influencing attitudinal and behavioural loyalty, which includes loyalty incentives, commitment, perceived value and satisfaction (Cater and Cater, 2010; Helgesen, 2006; Sirdeshmukh et al., 2002; Watson et al., 2015). Based on previous research, there is no consensus among researchers about how these antecedents are driving attitudinal and behavioural loyalty for MBL in comparison to SBL.

3.5.1 Loyalty incentives

Loyalty incentives aim at enhancing behavioural loyalty and encourage customers to repeat purchase (Watson et al., 2015). The results from empirical studies on loyalty incentives effectiveness are mixed. Some scholars have supported the findings that loyalty incentives significantly increase behavioural loyalty, so as to encourage customers to continue purchasing the brand even if other competitors are offering similar products (Beggs and Klemperer, 1992; Bolton et al., 2000; Dick and Basu, 1994; Evanschitzky et al., 2012; Lewis, 2000; Meyer-Waarden, 2006; Smith et al., 2003; Taylor and Neslin, 2005; Yi and Jeon, 2003).

However, other studies have shown that loyalty rewards often fail to increase customer retention (Leenheer et al., 2007, Liu, 2007; Meyer-Waarden, 2007), specifically when customers are loyal to two or more competing brands. Incentives may motivate them to choose several alternative brands in their repertoire and divide loyalty among them to maximize the reward advantages (Dowling and Uncles, 1997; Shukla, 2009; Uncles et al., 2003). In contrast to SBL customers, MBL customers purchase their few preferred brands simultaneously because they search for possibilities to accumulate incentives and loyalty benefits (Mägi, 2003; Meyer Waarden and Benavent, 2006b; Uncles et al., 2003). Consequently, when one of the preferred brands offers loyalty rewards, this may not generate the expected outcome that is expected to increase behavioural loyalty (Mägi, 2003). Hence:

Proposition 3: Loyalty incentives have a stronger effect on behavioural loyalty of single brand loyal customers compared to multi-brand loyal customers

3.5.2 Commitment

Commitment is defined as an enduring desire to maintain a valued relationship (Cater and Cater, 2010). Morgan and Hunt (1994) also defined commitment as a central

construct in the social exchange literature, which is linked to psychological attachment that affects the brand. Scholars generally agree that commitment takes three different forms: (a) affective, (b) calculative, (c) and normative commitment (Allen and Meyer, 1990; Cater and Cater, 2010; Keiningham, et al., 2015; Meyer et al, 2004; Morgan and Hunt, 1994). In the relationship marketing literature, most scholars have focused on affective and calculative commitment, rather than on normative commitment. This is because normative commitment is an obligation-based reflection of what customers feel they ‘should do’ rather than what they ‘want to do’ for a specific brand (Allen and Meyer, 1996; Bansal et al., 2004; Fullerton, 2005). Previous research has shown that normative and affective commitment dimensions are strongly correlated (Fullerton, 2005). Although it has been found that normative commitment influences brand loyalty, it has a weaker effect compared to affective commitment (Gruen, Summers and Acito, 2000). Therefore, most scholars did not test normative commitment separately and only focused on affective and calculative commitment (Gruen, Summers and Acito, 2000).

Generally, scholars have agreed that commitment is one of the key factors influencing customer loyalty (Cater and Cater, 2010; Morgan and Hunt, 2004; Ulaga et al., 2006). However, a broad consensus has yet to emerge in the literature about what is the effect of each commitment dimension on multi-brand loyalty compared to single brand loyalty customers.

(a) Affective commitment occurs when committed customers feel psychologically bound to the firm that they have a relationship with. Previous studies have found a consensus of the direct and positive effect of affective commitment on attitudinal loyalty (Cater and Cater, 2010; Evanschitzky, 2006; Morgan and Hunt, 1994; Richard and Zhang, 2012). Beatty and Kahle (1988) and Kelley et al. (1994) asserted that commitment holds informational, identification, and volitional processes that increase the tendency to resist changing brand preference. Therefore, this resistance to change translates into affective loyalty toward a brand.

Single loyalty customers continue the relationship with the brand because they are affectively committed to this brand. This relationship involves emotional connection based on identification to this brand and their shared values (Allen and Meyer, 1990; Evanschitzky et al. 2006). This pattern may not apply to multi-brand loyal customers. Customers who are affectively committed to a specific brand are

expected to build an exclusive relationship with this brand. This exclusivity may be difficult to achieve when customers are multi-brand loyal, and are emotionally attached to a set of brands, and will not dedicate a full emotional attachment and to focus on only one of the preferred brands. Ramaswami and Arunachalam (2016) explained that MBL customers (called divided-loyal customers) are loyal to two or more competing brands because they exhibit strong and favourable levels of pre-dispositional commitment toward them. Thus, Proposition 4 is as follows:

Proposition 4: Affective commitment has a stronger effect on attitudinal loyalty for single brand loyal customers compared to multi-brand loyal customers

(b) *Calculative commitment* relates to economic and rational reasons for staying with the same provider (Gilliland and Bello, 2002). Calculative commitment occurs when a customer maintains a relationship with a firm to receive future values and benefits, such as anticipating future gains in terms of time, efforts, and money (Sharma et al., 2006). Calculative commitment is shown to be a stronger factor for behavioural loyalty compared to attitudinal loyalty (Cater and Cater, 2010; Richard and Zhang, 2012).

When SBL customers are calculatively committed to a specific brand, they regularly purchase it (Cater and Cater, 2010), because they perceive a higher value and benefits from the relationship with the brand (Sharma et al., 2006). However, MBL customers may also be committed to two or more competing brands and are behaviourally loyal to these brands. In contrast with affective commitment, the role of calculative commitment in increasing repurchase behaviour which may be more important for MBL customers compared to SBL customers. MBL customers tend to think rationally when selecting brands; as they compare brands and rely on economic and rational calculation to improve their brand loyalty (Arifine et al., 2019). When MBL customers perceive a higher value for a relationship with one of their preferred brands, meaning that there will be more possible future advantages, they immediately will increase their purchase within this focal brand, even at the expense of purchasing other brands that they are loyal to. Thus, the fifth proposition is as follows:

Proposition 5: Calculative commitment has a weaker effect on behavioural

loyalty for single brand loyal compared to multi-brand loyal customers.

3.5.3 *Perceived value*

Perceived value is a customer's assessment of costs and obtained benefits from purchasing a product or a service (Yang and Peterson, 2004). There is a general consensus in the literature about the multidimensionality of the concept of perceived value (Sweeney and Soutar, 2001). Scholars have identified three main dimensions of perceived value: (a) Emotional, (b) social, and (c) functional dimensions (De Ruyter, et al., 1997; Gwinner et al., 1998; Sweeney and Soutar, 2001). The overall influence of perceived value on customer loyalty is significant and positive according to several studies (e.g., Aziz, 2016; Koller et al., 2011). A higher perceived value decreases the customer's search intentions (Hellier et al., 2003).

(a) *Emotional dimension* relates to the affective feelings generated by a product/brand (Sweeney and Soutar, 2001). While emotional perceived value appears to have a significant impact on attitudinal loyalty for SBL customers (Ruiz-Molina and Gil-Saura, 2008), there is no clear evidence in the literature that this dimension has a similar or different effect for multi-brand loyalty customers. SBL customers who perceive an emotional value toward a brand, also show positive attitudes toward the brand (Ruiz-Molina and Gil-Saura, 2008). Arifine et al. (2019) reported by using a qualitative research approach, a mechanism where some SBL customers relate a specific brand to feelings of nostalgia and souvenirs from their childhood. Therefore, the emotional value that the brand generates makes them internalize a positive attitude toward the brand. In contrast for MBL customers, this emotional aspect may have less influence, due to the fact that they are more rational than emotionally driven in consuming brands. They may still like a brand for the emotional value it generates but would be more willing to expand their brand set to include more convenient options. Thus, the following proposition:

Proposition 6: Perceived emotional value has a stronger effect on attitudinal loyalty for single brand loyal than multi-brand loyal customers.

(b) *Social dimension* is linked to the utility derived from the product/brand's ability to

enhance the consumer's social self-concept, such as status (Sweeney and Soutar, 2001). Perceived social value influences directly influence attitudinal loyalty for SBL customers (Ruiz-Molina and Gil-Saura, 2008). SBL customers are likely to be attitudinally loyal to a brand when perceiving the high social value of this brand (Sweeney and Soutar, 2001). Several studies have shown how self-congruity with the brand positively influences brand loyalty for SBL customers (He et al., 2012, Sirgy et al., 2008) and explains that loyal customers to a specific brand consider this brand to be a part of their individual identity projects; their brands shape and to communicate their identities to society (Ulver and Ostberg, 2014). This process may not apply to customers who believe that a combination of several brands (and not just one single brand) would better represent them in society, especially when they tend to construct a different sense of self (Arifine et al., 2019). This may apply to MBL customers who are attitudinally loyal toward a set of brands and would adapt their consumption of the preferred brand to their different social representations on different occasions. A number of authors have identified this phenomenon in postmodern societies (Cova and Cova, 2002). Thus, the next proposition:

Proposition 7: Perceived social value has a stronger influence on attitudinal loyalty for single brand loyal customers compared to multi-brand loyal customers.

(c) *Functional value* is composed of quality and product/brand performance (Sweeney and Soutar, 2001). Functionally perceived value directly influences repurchase behaviour (Cronin et al., 2000; Sirdeshmukh et al., 2002). Customers are behaviourally loyal toward a brand as long as it provides superior functional value compared to its competitors. Otherwise, they are motivated to disengage, demonstrating a lack of behavioural loyalty (Sirdeshmukh et al., 2002). In a similar line of thought, Sheth et al. (1991a) and Sweeney and Soutar (2001) argued that customers perceive and compare functional, utilitarian, and the physical performance of different brands, and choose to be loyal to the one that is providing the highest functional performance (Sheth et al., 1991a; Sweeney and Soutar, 2001). Although the impact of functional value on behavioural loyalty has been previously acknowledged in the literature, none of the existent research has analysed this effect for MBL.

Additional to emotional value, functional value (composed of the sub-dimensions of price and quality) (Sweeney and Soutar, 2001) positively impacts on the behavioural loyalty of single loyal customers (Cronin et al., 2000; Sirdeshmukh et al., 2002). SBL customers dedicate their budget to a brand that has a convenient price/quality ratio. MBL customers have a set of preferred brands as they perceive them to be a similar level in terms of their quality and performance (Arifine et al., 2019). However, they also tend to make a comparison between brands, and use this simultaneously to reach the best combined value. MBL customers may therefore be more sensitive to functional value changes of their brand set compared to SBL customers. When MBL customers perceive a higher functional value within one of their preferred brands, meaning a lower price, or higher performance compared to others of their brand set, they will immediately increase their purchase within this focal brand, at the expense of other brands purchased. This is because they are continuously in a rational mechanism, seeking to maximize the combined value of their preferred brands. In contrast, a higher functional value (better quality or lower price) may not be an important factor for SBL customers to repurchase the brand; they may be more driven by the emotional value that the brand provides for them. Thus, the next proposition is as follows:

Proposition 8: Perceived functional value has a weaker effect on behavioural loyalty for single brand loyal customers compared to multi-brand loyal customers.

3.5.4 Satisfaction

Satisfaction is defined as consumer senses that consumption fulfils some of his/her needs, desires, goals and that this fulfilment is pleasurable (Oliver, 1997). A large number of scholars agree on a significant and positive effect of both attitudinal and behavioural loyalty toward a particular brand (Fornell et al., 1996; Kassim, 2001; Musa, 2004; Taylor et al., 2004). Several scholars argue that this relationship cannot be that simple and question the strength of the satisfaction effect on loyalty dimensions (both attitudinal and behavioural) (Jones and Sasser, 1995; Mittal, Ross and Baldasare, 1998).

Research has found that satisfaction is an important driver of attitudinal loyalty (Bennett and Rundle-Thiele, 2004; Bennett et al., 2005; Rauyruen and Miller, 2007)

so that customers, who have positive experience with a brand, will form a positive attitude toward this brand (Fornell et al., 1996). While other scholars have reported a low level of impact of satisfaction on attitudinal loyalty (e.g., Kuikka and Laukkmen, 2012). When customers are loyal to a single brand, and highly satisfied with the brand experience, this enhances their positive attitude toward the brand (Anderson, Fornell, and Mazvancheryl, 2004; Jones and Suh, 2000). This pattern may not apply for multi-brand loyalty customers. Attitudinal loyalty includes three aspects (cognitive, affective, and conative) that may differ for MBL customers compared to SBL customers. According to Oliver (1997, p. 392), attitudinal loyalty is a process in which SBL customers first become cognitively loyal based on their beliefs about the brand attributes, and then they become affectively loyal when the brand performance fulfils them and finally, when they become conatively loyal exhibiting specific brand commitment. MBL customers may have a good experience and be satisfied with one of their preferred brands (A) but are also satisfied at similar level with their other preferred brands. Therefore, MBL customers may become cognitively loyal to those preferred brands as they perceive them having similar attributes and may also equally form positive affects toward them and become equally committed to them. Thus, their attitudinal loyalty toward brand (A) may not considerably increase compared to the other brands. It is therefore proposed that:

Proposition 9: Satisfaction has a stronger effect on attitudinal loyalty for single brand loyal customers than multi-brand loyal customers.

The literature has also shown a positive and direct impact of satisfaction on behavioural loyalty for SBL customers (Keiningham et al., 2015; Rauyrueen et al., 2007). Keiningham and colleagues (2015) found that some customers may be very satisfied with a brand but might like it as much and purchase other competitor's brands, and this applies to MBL customers. For MBL customers, a change in their satisfaction level with one of their preferred brands may not be enough to encourage them to purchase it more often. MBL customers would rather 'share their wallet' among all their preferred brands so that they perceive almost the same level of satisfaction with them. Hence:

Proposition 10: Satisfaction has a stronger effect on behavioural loyalty for single brand loyal than multi-brand loyal customers.

3.6 Outcomes of single brand loyalty and multi-brand loyalty

In recent years, there has been a growing interest in determining not only the factors that influence the development of customer loyalty, but also the loyalty outcomes that firms are able to benefit from. The objectives of this review are on three main outcomes that are differentially influenced by attitudinal and behavioural loyalty: Price premium (Evanschitzky et al., 2012; Srinivasan, Anderson, and Ponnnavolu, 2002), and ‘Share of Wallet’ (Evanschitzky et al., 2012; Keiningham et al., 2015) which are driven by behavioural loyalty, and word of mouth which is strongly influenced by attitudinal loyalty (see the meta-analysis by Watson et al., 2015). Based on previous research, there is no consensus among researchers about the power of loyalty in driving such outcomes of MBL compared to SBL.

3.6.1 Word of mouth

Word of mouth has been defined as, “informal communications directed at other consumers about the ownership, usage, or characteristics of particular goods and services and/or their sellers” (Westbrook, 1987, p. 261). When customers are SBL, they recommend their preferred brand (Berger and Schwartz, 2011; Srinivasan et al., 2002; Watson et al., 2015) that results in attitudinal loyalty being linked to positive evaluations of a brand, and evaluations are easy to communicate (Watson et al., 2015). Despite this acknowledgement, none of the existent studies identify implications of loyalty for WOM of MBL customers. When customers are MBL, they may also recommend each of their preferred brands. However, WOM may not be at a similar extent than for SBL customers, so that recommending several brands becomes more costly in terms of time and efforts compared to a single brand recommendation. WOM requires not only sharing information about common interests, but also an examination and advanced interaction with other consumers about the brand (Granitz and Ward, 1996). Therefore, the next proposition states that:

Proposition 11: Attitudinal loyalty has a stronger effect on word of mouth for single brand loyal than multi-brand loyal customers.

3.6.2 Price premium

Price premium is defined as the customer's willingness to pay for a product from a particular provider as opposed to another provider offering the same product (Aaker, 1996; Evanschitzky et al., 2012). Evanschitzky and colleagues (2012) argued that a customer's willingness to pay a price premium as an important financial outcome of behavioural loyalty. Reichheld and Sasser (1990) also revealed that customers that are behaviourally loyal to a brand have lower price elasticity than non-loyal customers, so that they are not willing to pay more for this preferred brand, specifically when they are focused only upon the economic aspects of their transactions (Srinivasan et al., 2002). From a firm's perspective, loyalty has an influence on price premium by segmenting customers into different price sensitivity levels and offering dissimilar products (Sayman and Hoch, 2014). For most of the time, loyal customers tend to regularly buy products from the same firm and maintain the firm's market position by buying additional products and migrate to premium options (Reinartz et al., 2005). Although price premium is shown to be a strong outcome of SBL, little is known about how MBL customers react in regard to an increase in their preferred brand prices. When customers are MBL, they might be less willing to pay higher prices to continue buying their most preferred brand, as they can easily purchase another brand from their brand set at a lower price. Thus, the next proposition states that:

Proposition 12: Behavioural loyalty has a stronger effect on the willingness to pay a price premium for single brand loyal customers than multi-brand loyal customers.

3.6.3 Share of wallet (SOW)

Share of wallet is a measure of how customers divide their purchases across competing brands (Keiningham et al., 2015). It is defined as the percentage of the purchase values by a customer to the total value of purchases of all other brands in the same product category (Keiningham et al., 2015). Most of the time loyal customers tend to regularly buy products from the same firm (Reinartz et al., 2005). The level of customer SOW for a specific brand is strongly influenced by behavioural loyalty, which is associated to readiness to act and directly to purchase the brand (Watson et al., 2015). When customers are behaviourally loyal to a single brand, they spend a large amount, if not the total of their budget on this brand (Keiningham et al., 2011).

SOW is also influenced by customer repurchase intention in the case of MBL, albeit to a weaker extent, so that MBL customers split their budget between several brands instead of only one (Keiningham et al., 2015), meaning the absolute value of the share of wallet for a focal brand in a brand set is weaker for a MBL customer compared to a SBL customer who exclusively spends his budget on a single brand. Therefore, this proposition states that:

Proposition 13: Behavioural loyalty has a stronger effect on share of wallet for single brand loyalty than multi-brand loyalty customers.

4. Research agenda

The literature review and proposed conceptual framework have revealed that although MBL is important to differentiate it from SBL, the concept of MBL requires further studies for its conceptualization, and empirical testing. The following research agenda focuses on three research topics that have been derived from the review of literature and the suggested research propositions. Each of the research topics presents specific research questions (RQ) on the MBL concept:

4.1 MBL conceptualization

Early research has explored the concept of MBL and defined it from a behavioural perspective as, “consistent repurchase of more than one brand from among a set of brands” (Olson and Jacoby, 1974, p. 447). Later, other scholars have highlighted the importance of including the attitudinal aspect to define MBL, arguing that SBL and MBL have similar components (i.e., attitude and behaviour) (Dick and Basu, 1997, Oliver, 1997). Those definitions have played an important role in understanding and identifying the MBL phenomenon. However, scholars have not yet developed a conceptual basis that clearly demonstrated whether SBL and MBL are distinct concepts, or two levels of the same brand loyalty continuum. Based upon the literature review, it is proposed that SBL and MBL should be treated as two distinct concepts. Providing a more precise definition and clear conceptual distinction between MBL and SBL concepts is crucial in the marketing relationship research, as it will simplify measurements and empirical testing of MBL and its relationships with its antecedents and outcomes.

Therefore, future research should empirically test our proposed conceptualization, and to examine the occurrence of MBL and SBL in order to evaluate if customers can be categorized and profiled into two separated segments. By doing so, a clearer conceptualization of MBL based on its theoretical foundations and empirical validation should be achieved. Furthermore, this will help managers to better understand how to address MBL customers, either as a separate segment that differs from the SBL segment, where managers will adapt their loyalty strategies to this specific segment. In addition, it may occur as a loyalty phase where customer loyalty decreases, and in this situation, managers should focus on loyalty factors that may encourage MBL customers to become exclusively loyal to the brand. Such research should answer the following research question (RQ):

RQ 1. Are SBL and MBL different concepts?

4.2 MBL operationalization and validation

MBL is a sum of favourable attitudes and behaviour toward a set of brands (Engel et al., 1982; Oliver, 1999). On the one hand, previous research, has suggested several measurement approaches, however they are derived from the conceptual basis of MBL that focuses on the behavioural dimension (Day 1969; Jacoby and Kyner, 1973). On the other hand, researchers who have defined MBL as similar to SBL, including both attitudinal and behavioural components (Dick and Basu, 1997) did not develop measurement techniques that include both types of loyalty. Using a qualitative approach, Arifine and colleagues (2019) identified several characteristics of MBL, and developed items that measure and test MBL using qualitative techniques. However, there is still a need to provide a more robust measurement of MBL and refine its measurement objects. Future research is necessary to identify and test a series of items that measure MBL and to clarify how those metrics will differ from the existing measurements of brand loyalty. Departing from existing definitions of MBL that lacked validity and reliability, a multi-dimensional scale for MBL needs to be developed and empirically tested in different settings using both qualitative and quantitative techniques. This will also provide managerial implications, creating a stronger measurement scale of MBL that would be valuable for marketing managers to further distinguish the MBL segments among other loyal customer profiles (spuriously loyal, exclusively loyal, latent loyal customers) (Dick and Basu, 1997) and to develop more efficient loyalty strategies to fulfil their specific needs. Such

research on an MBL measurement scale will therefore attempt to answer the following research questions:

RQ 2. What are the different dimensions of MBL?

RQ 3. What is the relative importance of each MBL dimension on loyalty strategies effectiveness?

RQ 4. How should managers address each of MBL characteristics/dimensions to improve loyalty strategies return on investment?

4.3 Link between attitudinal and behavioural loyalty

Previous studies on the attitude–behaviour link are based on the assumption that this linkage becomes weaker when customers are MBL compared to when they are SBL (e.g., Evanschitzky et al., 2006; Felix, 2014; Oliver, 1999; Watson et al., 2015). However, this weaker effect has not been empirically tested. In light of previous research, a similar effect is proposed in this paper. Future research should dedicate attention to this attitudinal–behavioural loyalty linkage considering it as the main differentiator between SBL and MBL concepts, and that both attitudinal and behavioural loyalty are key elements that define MBL (Dick and Basu, 1997). By empirically testing this link, research will advance an understanding of the repurchase behaviour of MBL customers and determine how their level of attitudinal loyalty impacts on their behavioural loyalty. It will also provide a meaningful and complete picture of MBL patterns offering insights to managers in formulating effective customer retention strategies that either will focus on attitudinal loyalty or behavioural loyalty. Therefore, the following research question need to be addressed:

RQ 5. How does attitudinal loyalty impact on behavioural loyalty when customers are multi-brand loyal?

4.4 Dual management of SBL and MBL

The literature review has shown that scholars have paid a great deal attention to the antecedents and consequences of brand loyalty including both attitudinal and behavioural loyalty dimensions (Cater and Cater, 2010; Helgesen, 2006; Keiningham et al., 2015; Sirdeshmukh et al., 2002; Watson et al., 2015). However, similar studies on MBL relationships including antecedents and outcomes are largely non-existent. This may be due to the literature gaps in regard to conceptualisations of MBL. This study takes a step forward by developing a conceptual framework with propositions

on the interrelationships between loyalty types (SBL and MBL) and loyalty antecedents and their outcomes. The proposed conceptual framework is based on a review of the past research and from anecdotal evidence. In the wake of its proven significance, future research should test the robustness of this research model and subject it to empirical testing. Researchers should test each of the common antecedents of SBL and MBL using quantitative techniques to compare their relevance for each loyalty type. Similarly, the impact of SBL and MBL on common outcomes should also be further investigated and empirically tested. Industry related studies could also be developed to compare SBL and MBL attitudes and behaviour in different settings and validate the conceptual framework. By doing so, further results about how firms should manage SBL and MBL and what factors and loyalty strategies are necessary so as to focus on for each loyalty type, will occur. Comparative studies in food retailing and grocery versus. Hard-line retailing (e.g., appliances, electronics), where the product life cycle is longer could be used as an example. The research questions that could be answered are:

RQ 6. How do perceive value dimensions (emotional, social and functional) impact on customer attitudinal and behavioural loyalty across different loyalty segments (SBL and MBL)?

RQ 7. How do commitment dimensions (affective and calculative) impact on customer attitudinal and behavioural loyalty across loyalty segments (SBL and MBL)?

RQ 8. How does customer satisfaction impact on attitudinal and behavioural loyalty of customers across different loyalty segments (SBL and MBL)?

RQ 9. Do multi-brand loyal customers spread by word of mouth?

RQ 10. Are multi-brand loyal customers willing to pay premium price?

RQ 11. How effective is behavioural loyalty in driving share of wallet when customers are multi-brand loyal?

4.5 Contextual, situational and individual antecedents of MBL

Previous study highlighted the role of situational and contextual factors in fostering either SBL or MBL. For example, in highly competitive market, customers seem to have a tendency to become multi-brand loyal rather than single brand loyal due to the abundant number of alternatives in the market (Arifine et al., 2019). Specifically,

customers who do not have a high propensity for variety seeking, they would choose the middle point of MBL rather than being non-loyal (Arifine et al., 2019). Variety seeking is also an important personal characteristic that has been addressed in previous literature and considered as a moderator in loyalty frameworks. Homburg and Giering (2001) argue that variety seeking has a moderating effect on the relationship between satisfaction and loyalty. When customers are variety seekers, satisfaction has a weaker impact on loyalty because variety seekers may be multiple loyal only for the sake of variety, even if they are satisfied with the actual brand. Similar to product involvement that is the level of interest of a product to a customer (Day, 1969). Scholars argue that it has a strong factor of single brand loyalty (Goodman et al., 1995). Highly involved customers invest time and energy in their relationship with firms (Goodman et al., 1995), therefore, they are more likely to be loyal to only one brand rather than several ones, because being involved with several brands is likely to be very costly and time consuming. Despite those arguments, there is no empirical study that analyses the impact of those variables in the case of MBL.

Other situational aspects have also been acknowledged as indicators of customer loyalty (Dick and Basu, 1994). For example, Dick and Basu (1994) argue that, social norms have an influence on single loyal customers' purchase, because they might not purchase a brand even when they have a strong attitude toward this brand to conform to the preferences of their family and/or friends (Dick and Basu, 1994). However, none of the previous studies empirically assessed the effect of social norms on attitudinal and behavioral loyalty in the case of MBL.

This study therefore suggests for future research to include those variables in MBL frameworks, to understand their impact on the interrelationships between loyalty and its antecedents and their outcomes. The research question that could be answered are:

RQ 12. How do product involvement, variety seeking, social norms, competition impact loyalty toward brands for SBL and MBL customers?

5. Discussion and conclusions

This literature review presents a deeper conceptualisation of the different issues related to the differences between SBL and MBL and the effects of their antecedents and outcomes. Based on this review, SBL and MBL are seen as two distinct concepts

and should be treated differently in future research. The two concepts have common antecedents and outcomes, and they vary in terms of the strength and mechanisms of their effects.

This essay suggests that most of the affective loyalty antecedents (affective commitments, emotional and social value) have a stronger impact on attitudinal loyalty for SBL compared to MBL customers. In contrast, factors requiring high cognitive reasoning (e.g., customers' calculative commitment, functional value) strongly impact on MBL customers and specifically on their behavioural loyalty. Loyalty outcomes are proposed to differ for MBL compared to SBL. SBL customers exhibit stronger loyalty outcomes than MBL customers, and tend to be brand ambassadors by recommending the brand on all occasions (Berger and Schwartz, 2011; Srinivasan et al., 2002; Watson et al., 2015), pay more for the brand (Reichheld and Sasser, 1990) and exclusively purchase it (Keiningham et al., 2015). It is finally argued that in an MBL setting, the relationship between attitudinal loyalty and behavioural loyalty is weak (Dick and Basu, 1994); therefore, the effects of loyalty antecedents on outcomes become more complex in an MBL setting compared to an SBL setting.

This essay advances the conceptualization of research in the field of relationship marketing at several different levels. It represents a relating and differentiating conceptualization of customer loyalty, by defining the two dimensions of loyalty (SBL and MBL) and highlighting their conceptual differences. As described by MacInnis (2011), this type of conceptual paper is a comparative reasoning indicating how entities are different, and why their differentiation matters; and indicating novel insights that can be gleaned and findings that can be reconciled from this differentiation.

The theoretical contribution of this essay is threefold: (1) It seeks to clarify the confusion in the extent literature on similarities and differences between SBL and MBL, representing them as two distinct dimensions, even if they have the same components; attitude and behaviour. Therefore, a better understanding of MBL phenomenon has been provided; (2) The essay also provides a first stage in the development of MBL theory by drawing a nomological network that connects this concept to its factors and outcomes; and (3) it shows how researchers should approach empirical testing of brand loyalty considering the differences between SBL and MBL. From a conceptual standpoint, brand loyalty, as perceived by researchers, is the sum

of positive attitudes and repurchases behaviour, which are influenced by several affective and cognitive antecedents, and impact performance outcomes. However, scholars should include the loyalty types (SBL and MBL) as a moderator while empirically testing such a loyalty framework, and this is because MBL substantially changes how loyalty is psychologically and cognitively processed and generated, and also changes its impact on marketing performance outcomes. Ignoring this differentiation could lead to misleading empirical results.

Brand loyalty is considered to be a strong indicator of a firm's profitability and success (Watson et al., 2015; Wieseke et al., 2014). The introspection of the loyalty base within a firm is essential for managers to understand the impact and roles of loyalty factors in increasing the firm's financial performance. In contrast, poor monitoring of loyalty motivators might lead to weak financial performance. Therefore, differentiating between single brand and multi-brand loyal customers is essential when establishing relationship-marketing strategies. Firms' loyalty base is often composed of different customer profiles: some customers are attitudinally and behaviourally loyal to the firm, while others are only attitudinally loyal to the firm and even to other competing firms, while others are only behavioural loyal to the brand. Each group exerts significantly different effects on the firm's performance outcomes (Dick and Basu, 1994). From this perspective, achieving performance goals depends on what category of loyal customers the firm focuses on while investing in relationship marketing strategies. Thus, the reported studies in this paper can help to guide practitioners in further discussion and formulation of specific loyalty strategies for MBL. From the managerial perspective, this literature review is guiding firms toward better loyalty outcomes, increased customer values and higher competitive advantage and business performance.

Part IV: Multi-Brand Loyalty in Consumer Markets: A Qualitatively-Driven Mixed Methods Approach (Essay 2)

1. Abstract of Essay 2

Purpose—Although multi-brand loyalty (MBL) in consumer markets has been identified in previous brand loyalty research, empirical studies have not yet explored the facets of its different types. This article seeks a deeper understanding of MBL by investigating its different types and facets.

Design/methodology/approach—This study uses a sequential, qualitatively-driven mixed method design consisting of in-depth interviews and supplementary survey research.

Findings—The findings of this study suggest that mood congruence, identity enhancement, unavailability risk reduction and market competition are the most important facets that explains the two types of MBL (complementary-based and product substitutes). Furthermore, the findings show that the family factor can motivate consumers to be multi-brand loyal by adding brands to an initially family-endorsed brand.

Research limitations/implications—This study advances the conceptual foundations of MBL and extends previous research on brand loyalty. Some of the findings may be limited to the economic and cultural context of relatively affluent countries with an abundance of market offers.

Practical implications—Marketing managers gain insights into how to manage brand loyalty as well as how to transition from MBL to single-brand loyalty.

Originality/value—The study generates novel insights into the facets of different types of MBL.

Keywords: Multi-brand loyalty, relationship marketing, decision-making heuristics, mixed method design, grounded theory, thematic analysis

Paper type: Research paper

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2. Introduction

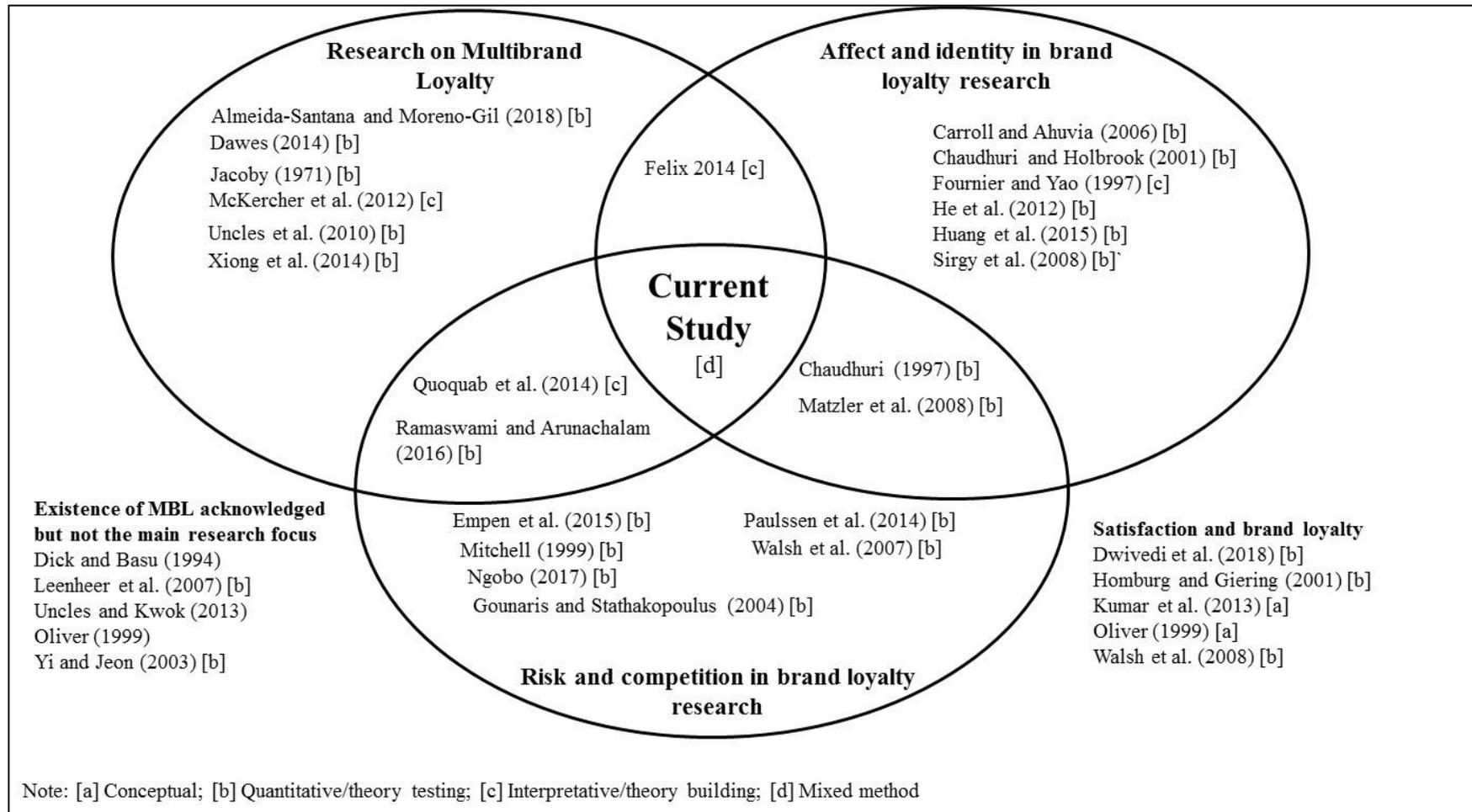
Achieving customer loyalty is a central goal for most firms (Ngobo, 2017; Watson *et al.*, 2015) due to its contribution to their profitability (Reinartz *et al.*, 2005) and long-term survival (Agustin and Singh, 2005). Relative to non-loyal customers, loyal customers engage more in positive word-of-mouth communication (Roy *et al.*, 2014), are less price sensitive (Yoon and Tran, 2011) and resist competitive offers, even when they are objectively better (Ahluwalia, 2000). However, across various consumer markets, many customers appear to be loyal to more than just one brand (Uncles and Kwok, 2013), which runs counter to a firm's interests in fully exploiting the potential benefits of customer loyalty. As Quoquab and colleagues (2014) observe in the telecommunication industry, many users subscribe to multiple mobile phone service providers. Similarly, most households use two or more financial service providers (Ngobo, 2004), and a substantial number of smokers are loyal to more than one brand (Dawes, 2014). In the tourism industry, consumers are frequently loyal to more than just one tourist destination (Almeida- Santana and Moreno-Gil, 2018) or service provider (McKercher *et al.*, 2012).

The phenomenon of customers being loyal to more than one brand has been described in the literature using various terms, such as multi-brand loyalty (MBL) (Dick and Basu, 1994; Fournier and Yao, 1997; Jacoby, 1971; McMullan and Gilmore, 2008; Oliver, 1999;), divided loyalty (Uncles *et al.*, 2003) and polygamous loyalty (Uncles and Kwok, 2013). Despite previous efforts to identify different types of MBL (Felix, 2014; Ramaswami and Arunachalam, 2016), little progress has been made in terms of developing a theoretically sound and empirically grounded framework that describes how MBL emerges. Research exploring the underlying facets of different MBL types is virtually non-existent, suggesting the need for a better understanding of MBL for both theoretical and managerial reasons.

The present study seeks to contribute to the brand loyalty literature by filling this gap and by positioning our research at the confluence of three complementary streams of research: multi- brand loyalty, affect and identity in brand loyalty, and risk and competition in brand loyalty. Figure 3 shows the position of previous research related to brand loyalty and illustrates the original positioning of our study in a neglected area. The current literature on single-brand loyalty has focused strongly on

issues such as the relationship between customer satisfaction and brand loyalty (e.g., Dwivedi et al., 2018; Homburg and Giering, 2001; Kumar et al., 2013; Oliver, 1999; Walsh et al., 2008). In addition, an important stream of research on brand loyalty is informed by a predominantly cognitive representation of decision-making, such as risk and competition (e.g., Empen et al., 2015; Ngobo, 2017; Uncles et al., 2003; Walsh et al., 2007). Complementing the cognitive perspective on brand loyalty is another stream of loyalty research that relates to affect (i.e., moods and emotions) and consumer identity (e.g., Carroll and Ahuvia, 2006; Chaudhuri and Holbrook, 2001; Fournier and Yao, 1997; He et al., 2012, Huang et al., 2015; Sirgy et al., 2008). A presence of both cognitive and emotional aspects can be observed in some studies, such as Chaudhuri (1997) and Matzler et al. (2008).

Figure 3: Overview of the previous literature on brand loyalty and research gaps



Source: Author

As Figure 3 shows, the concept of MBL has received only limited attention in the literature. Some authors acknowledged the existence of MBL, but without making it the focus of their research (Dick and Basu, 1994; Leenheer et al., 2007; Uncles and Kwok, 2013; Oliver, 1999; Yi and Jeon, 2003). Among those studies that further investigate MBL (Almeida-Santana and Moreno-Gil, 2018; Dawes, 2014; Jacoby, 1971; McKerchner et al., 2012; Uncles et al., 2010; Xiong et al., 2014), very few (Felix, 2014; Quoquab et al., 2014; Ramaswani and Armachalam, 2016) combine insights from research on affect and identity, and risks and competition, respectively. To the best of our knowledge, no study has simultaneously combined insights from the three streams of research to enrich our understanding of multi-brand loyalty. Thus, the current literature on MBL remains fragmented and additional research is needed to integrate MBL research with other relevant research streams from marketing and consumer decision-making. Moreover, from a methodological point of view, most studies on MBL have adopted quantitative approaches (Almeida-Santana and Moreno-Gil, 2018; Dawes, 2014; Jacoby, 1971; Ramaswani and Armachalam, 2016; Uncles et al., 2010; Xiong et al., 2014), which are not particularly well suited to distinguish between different facets of MBL. Qualitative studies investigating MBL from a discovery-oriented perspective with the objective of providing a richer and more nuanced understanding of the phenomenon and its different facets (Felix, 2014; McKerchner et al., 2012; Quobab et al., 2014) are very sparse and remain limited in their scope. Despite the merits of both quantitative and qualitative MBL studies, there exists a need to overcome their respective limitations and reconcile their findings. Specifically, on the one hand, quantitative studies on MBL have, so far, not been successful with integrating the insights of the affect-focused perspective of consumer decision-making, which acknowledges that consumers are frequently driven by emotions and apparently irrational identity projects. On the other hand, the very few qualitative studies on MBL suffer from highly contextualized findings with potentially limited generalizability. To address this gap in the literature, the current study adopts a qualitatively-driven mixed methods approach (Leech and Onwuegbuzie, 2009) with a core component consisting of in-depth interviews, followed by a supplementary component based on survey research. This procedure allows us to present a nuanced and theoretically grounded account of MBL as well as providing initial estimations regarding the transferability of our findings. That is, our

mixed methods approach enhances credibility and integrity of the results, increases completeness through the analysis of both qualitative and quantitative data, and provides opportunities for triangulation and corroboration of the findings (Harrison and Reilly, 2011). Thus, we follow McDonald's (2011) argument, which points out the advantages of mixed-methods designs by explaining that a mixed-methods approach serves "as a means of gaining both an in-depth understanding of the range of relevant attitudes and behaviours, and then to quantify the extent to which they are held or undertaken" (p. 783).

Consequently, the contribution of this research is twofold. First, the findings of current study advances brand loyalty theory by extending previous work on brand loyalty in a consumer context (Dick and Basu, 1994; McMullan and Gilmore, 2008; Oliver, 1999; Walsh et al., 2008) and specifically focusing on the meaning of MBL and addressing facets of two of its different types. More specifically, this research identifies mood congruence, identity enhancement, unavailability risk reduction and market competition as foundational facets of two types of MBL, perfect substitutes MBL (PS-MBL) and complements-based MBL (CB-MBL). Second, the results of the study illustrate how family influences can either promote or attenuate MBL through processes of adherence, expansion and rebellion. The insights gained provide marketing practitioners with suggestions on how to increase brand loyalty in increasingly competitive marketplaces, characterized by customers with more complex, sometimes ambivalent motivations and personality configurations. Overall, the findings address an important gap in the literature by integrating both cognitive and emotional accounts into our understanding of different types of MBL.

3. Theoretical framework: From single- to multi-brand loyalty

3.1 Brand loyalty: Conceptualization and definitions

In the extant literature, brand loyalty appears as a two-dimensional construct that includes attitudes and behaviours (Brunner et al., 2008; Chaudhuri and Holbrook, 2001; Ngobo, 2017; Walsh et al., 2008; Watson et al., 2015). Keller (1993, p. 8) suggested that brand loyalty occurs "when favorable attitudes for a brand are manifested in repeat buying behavior", and Oliver (1999, p. 34) defined it as "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand purchasing, despite

situational influences and marketing efforts having the potential to cause switching behavior”. The behavioural dimension of brand loyalty thus is based on purchase frequency and sequences. The measure of customer repeats purchase was used widely in previous studies because it captures obvious benefits for a firm’s financial performance (Watson et al., 2015). The attitudinal dimension instead addresses factors associated with repurchase behaviour other than those derived from the situation (e.g., lack of viable alternatives, habit) (Dick and Basu, 1994; Watson et al., 2015). Dick and Basu (1994) suggested that this dimension distinguishes between “true loyalty” and “spurious loyalty.” Specifically, behaviourally loyal customers who have consistent attitudes tend to stay loyal to the same brand, but behaviourally loyal customers who have inconsistent attitudes are more likely to switch to other brands. Similarly, Rundle- Thiele and Bennett (2001) posited that without an understanding of attitude toward the brand, it would be difficult to design marketing programs to modify behavioural loyalty because they consider behavioural loyalty the observable outcome of attitudinal loyalty. It is indeed the decoupling between attitude and behaviour that distinguishes MBL from SBL.

3.2 Risk and competition in brand loyalty research

Risk reduction has been acknowledged as one of the fundamental motives for brand loyalty (Mitchell and Boustani, 1993; Verhage et al., 1990). For example, Gounaris and Stathakopoulos (2004) found that risk-averse consumers show higher levels of both attitudinal and behavioural loyalty to a specific brand. Previous research suggested that brand loyalty works as a decision heuristic for risk-averse consumers because it builds trust (Mitchell, 1999). This notion is supported by a recent study showing that when perceived consumer risk is low, brand satisfaction alone is a strong predictor of brand loyalty, whereas when perceived risk is high, brand trust is a better determinant of brand loyalty (Paulssen et al., 2014). Importantly, the risk- reducing effect of brand loyalty may be attenuated or even completely eroded when the target brand is not available at the point of purchase (Matzler et al., 2008). Further, competitor’s actions have shown to influence brand loyalty. For example, Ngobo (2017) found that feature advertising, end-of-aisle product displays, and pricing influence how consumers transition between true loyalty, latent loyalty, and no-loyalty conditions. In support of the notion of loss leadership, recent research also suggested that companies target price promotions for sub-brands towards loyal

consumer segments (Empen et al., 2015). These important streams of research lead to the question how risk and the availability of competing brands in the market are related to multi-brand loyalty.

3.3 Affect and identity in brand loyalty research

The important roles of affect and identity have been widely recognised in research on brand loyalty. Previous research demonstrated that positive affect in the form of emotional attachment relates positively to both attitudinal and behavioural loyalty (Chaudhuri and Holbrook, 2001). In some instances, the emotional attachment can be so strong that the extant literature has coined the notion of brand love (Batra et al., 2012; Carroll and Ahuvia, 2006). The positive relationship between emotional attachment and brand loyalty has been shown not only for branded products, but also in the context of human brands, such as famous artists and athletes (Huang et al., 2015). Further, previous research suggested that social identity and identification with the brand influences brand loyalty (He et al., 2012). For example, the positive effect of self-congruity with the brand-on-brand loyalty has been shown in different contexts, such as conventional consumer products or sponsorship events (Sirgy et al., 2008). In fact, consumers have been shown to be loyal to specific brands as part of their individual identity projects. For example, Fournier and Yao (1997) described how one of their informants, 23-year-old Sara, develops loyalty to the Gevalia coffee brand to express taste and separate her from her frugal and conservative upbringing at a farmer family. Whereas the extant literature provides compelling evidence that affect, and identity are important aspects of SBL, very little is known on how these factors relate to MBL.

3.4 Multi-brand loyalty

Multi-brand loyalty reflects a preferential, attitudinal and behavioural response to more than one brand in a product category (Jacoby, 1971; Oliver, 1999). Similar to SBL, MBL thus combines attitudinal and behavioural aspects (Dick and Basu, 1994; Felix, 2014; Oliver, 1999). Oliver (1999) asserted that the same conceptual logic that applies to SBL, including attitudinal and behavioural dimensions, should apply to MBL: a customer can prefer and express positive attitudes toward two or more brands over all others, and also simultaneously repurchase them. For the purpose of this study, we draw on the conceptualisation provided by Felix (2014) and define MBL as

consistent and repetitive purchase of two or more brands, accompanied by high commitment and involvement, while ignoring any other brands. We further define the multi-brand loyalty set as the set of brands that meet the criteria above.

Few researchers distinguished different types of MBL and their facets. For example, Felix (2014) identified three types of MBL: “perfect substitute loyalty,” which occurs when customers perceive two or more brands in a given product category as virtually identical and divide their loyalty between them; “specialized loyalty”, such that customers differentiate among brands and combine them to fulfil different needs or adapt their purchases to different contexts; and “biased loyalty,” which develops when customers are loyal to several brands, but prefer one over the others. Similarly, drawing on customer value and brand equity theory, Ramaswami and Arunachalam (2016) proposed two explanations of MBL that align with Felix’s first two types of MBL. The “equivalence explanation” suggests that customers develop high, similar levels of attitudinal loyalty to several brands when they perceive the firms’ value propositions as similar, and the “comparative advantage explanation” posits that customers believe firms offer differential value propositions, whose combined value is similar. Notwithstanding the merits of these classifications, little progress has been made with regard to how specific facets of MBL emerge.

Furthermore, some authors have speculated about factors that might influence MBL (e.g., Dick and Basu, 1994; Jacoby, 1971), though without sufficient empirical grounding. Early conceptual studies argued that MBL occurs when customers cognitively organize brands in a given product category into acceptance, rejection and neutral categories. For example, Jacoby (1971) proposed that MBL may appear when customers select more than one brand in the acceptance region, and Dick and Basu (1994) suggested that strong attitudes toward two or more brands, coupled with little perceived differentiation, may lead to MBL because the alternatives are perceived as equally satisfying. Moreover, Walsh et al. (2007) noted some conditions, such as information overload or ambiguous product information that may motivate consumers to become less loyal to a single brand. When customers are multi-brand loyal, they may also benefit from the additional advantage of flexibility. In a study of loyalty programs, Xiong and colleagues (2014) found that customers choose to join multiple loyalty programs to gain more flexibility in accumulating their loyalty points. However, empirical evidence in support of these predictions is limited and little is known regarding the specific facets of different MBL types. Addressing this research

gap, the current study seeks to provide a better understanding of different MBL types and facets, based on empirical evidence from the field.

4. Methodology

To address the scarcity and fragmented nature of current research on MBL, we used a mixed- methods design to gain an in-depth understanding of the phenomenon of interest and to quantify the extent to which related attitudes or behaviours occur (Coulter et al., 2003; McDonald, 2011). Our specific strategy employed a sequential, qualitatively driven research approach (Leech and Onwuegbuzie, 2009) consisting of a core component of in-depth interviews, followed by a supplementary component based on survey research. Overall, we argue that the lack of empirical, in-depth research into the facets of MBL necessitates an interpretative, discovery-oriented approach to capture deep insights into customers' emotions and cognitive processes (Corbin and Strauss, 2008; Goulding, 1999). However, we follow Mason (2006) in her argument that supplementary quantitative studies not only serve to validate findings, but also open our perspective to the multi-dimensionality of lived experience. That is, the qualitative and quantitative phases in our research are used to expand on one another: On the one hand, the qualitative study allowed exploring MBL meanings and facets and informed scale items for the quantitative phase. On the other hand, the quantitative study provided credibility to the qualitative outcomes and enhanced the integrity of the findings (Harrison and Reilly, 2011).

4.1 Interviews

Following the procedure of grounded theory (Glaser, 1978), the qualitative part of this research builds on the three pillars of theoretical sampling, constant comparison and saturation (Goulding, 2002; Saunders et al., 2018). Theoretical sampling refers to the selection of informants based on developing categories and emerging theory (Coyle, 1997). Similar as in previous research (e.g., Homburg et al., 2017; Raggio et al., 2014), we implemented our sampling strategy through three stages, where findings from previous stages in the field research informed the topics and questions used in the subsequent stages. The first stage aimed at understanding the meaning of the MBL concept, identifying its relevance and importance in a consumer context and exploring its facets. Semi-structured interviews were appropriate as they offer the possibility to

identify concepts, provide structure to the interview process while encouraging interviewees to freely discuss the phenomenon of interest in their own words and allowing the interviewer to probe thoughts as needed (Bernard, 1988). Stage 1 was conducted with 20 customers residing in Switzerland. Representing an affluent economy with annual purchasing power parity per capita of \$80,560 (World Bank, 2017), Switzerland is characterized by the presence of both local and global brands as well as a sophisticated retail infrastructure, indicating that it offers a suitable context for this study. Following established procedures for studies striving for conceptual depth rather than statistical generalizability (Epp and Price, 2010), informants were selected upon the basis of gender, age, job nature to ensure variance in the sample (Shum et al., 2008). Moreover, the selection process focused on participants who were responsible for most of the decision-making in their households and made the purchases in the focal product categories for this study. These pertinent product categories, for which the respondents were multi-brand loyal, emerged out of informal discussions with customers prior to the main study, which produced seven major product groups: non-alcoholic beverages, alcoholic beverages/cigarettes, dairy food products, snacks, personal care/cleaning items, cosmetics/beauty products and consumer durables. Out of the group of sampled informants, 50 per cent were female, and the average age was 33.9 years. Furthermore, 65 per cent were single and 35 per cent were married or in a relationship. The interviews lasted between 25 and 48 minutes (Appendix B – Panel A).

The first part of the semi-structured interviews asked about informants' buying habits for 38 product categories. On the basis of the informants' self-reported buying behaviour, their purchases were classified into four initial loyalty categories (no loyalty, multi-brand loyalty, single-brand loyalty, or no purchase). We repeated this initial classification of buying habits for stages 2 and 3 of our research. Across all product categories, the three aggregated samples provided substantial occurrences of MBL in each category. Appendix C shows the frequencies for a total of 30 informants. A visual inspection of the data did not indicate any specific patterns (e.g., more MBL instances for hedonic versus utilitarian products). Next, the interviewers invited the informants to talk in more detail about the brands they buy in each category. All informants agreed to audiotape the interviews, which resulted in 164 pages of double-spaced, verbatim transcripts.

Based on responses to this initial exploratory phase, we selected topics that

would be important to investigate in more details and conducted a second wave of open-ended, unstructured interviews (Fontana and Frey, 1998) to further advance our theoretical foundation. This second stage allowed us to ask additional clarifying questions based on prior responses and develop a deeper understanding of the MBL facets. Stage 2 of the qualitative study consisted of eight open-ended, unstructured interviews, which produced 82 pages of double-spaced, consumer-driven text. Four interviews were continuations with informants from the first stage, and the other four were with new informants (Appendix B – Panel B). Interviews lasted between 40 and 60 minutes. Of the four new informants, three were women, and the average age was 31.75 years. Two of the informants were single, and the other two were married or in a relationship.

Finally, Stage 3 of the qualitative study aimed at increasing trustworthiness regarding the emerging themes and to probe them in more depth. This stage (Appendix B – Panel C) included unstructured interviews from six additional informants. Four of the informants were female and the average age was 31.5 years. Two informants were single and four in a relationship or married. This part of the data collection process produced 84 pages of double-spaced transcripts. Interviews lasted between 59 to 70 minutes (Appendix B – Panel C). Data and theoretical saturation (Goulding, 2005; Saunders et al., 2018) were achieved because towards Stage 3 of the data collection process, information obtained from the informants became redundant, and the theoretical framework of four facets of MBL became more stable and robust.

To reduce biases, all interviews in the three stages were conducted by the same researcher (Corbin and Strauss, 2008). Informants were assured of confidentiality and no incentive was offered to informants for their participation. To enhance the voice of the informants, the procedure also involved member checks and invitations to informants to comment on the transcripts (Creswell and Miller, 2000). Member checks were initiated by the interviewer and feedback was analysed by the researcher team. For all three stages of the qualitative research phase, member checks produced very few comments from informants, resulting in minor rewording for some of the transcripts without changing their meaning.

4.2 Analysis and coding

Thematic analysis (Boyatzis, 1998) served to identify and report themes derived from the data. Following Epp and Price (2010), the analysis began with a holistic review of

all transcripts, followed by open, axial and selective coding (Corbin and Strauss, 2008; Homburg et al., 2017). Two authors coded the transcripts independently, but also frequently compared their interpretations and insights to enhance reliability (Batonda and Perry, 2003). Open coding, consisting of a line-by-line analysis of words and sentences in the text, uncovered zero-order concepts across interviews (Miles and Huberman, 1994, Homburg et al., 2017) (Appendix D)

During axial coding, we contextualized the zero-order categories with supplementary literature, searched relationships among them and organized them into first-order themes (e.g., adaptation to mood state, Appendix D). Finally, selective coding allowed us to further integrate the first-order categories into second-order categories and develop the themes for the theoretical framework (Corbin and Strauss, 2008). We iterated frequently between data and theory to probe the patterns that materialized from the analysis (Närvänen and Goulding, 2016). Constant comparison, the comparison of each incident in the data with other incidents belonging to the same category and across categories (Spiggle, 1994), helped to explore similarities and differences (Goulding, 2002).

4.3 Survey instrument and sample

Once gaining an in-depth understanding of how MBL emerges, we conducted a quantitative study to assess the occurrence of MBL types and facets (McDonald, 2011). Following Brennan and colleagues (2003), we generated a list of items for each type and facet of MBL based on the topic guides used during the qualitative interviews and the informants' verbatim quotes. Next, we examined content validity by asking five experts (four senior academics and one practitioner) to indicate for each item whether it was (1) clearly representative, (2) somewhat representative or (3) not representative of the underlying construct (Brennan et al., 2003). The experts were further asked to provide additional comments whenever they judged an item to be not representative. Based on the experts' feedback, we deleted items deemed not representative by two or more experts and/or unclear by at least one expert. Thus, we retained only those items that were judged appropriate in regard to the corresponding construct (Delcourt et al., 2016). In addition, the final questionnaire with refined items was pretested prior to data collection with 30 consumers from the same panel as the main sample. Because no changes in the questionnaire were needed, these 30 respondents were retained for the main sample (See questionnaire – Appendix E).

Regarding the sample, a national Swiss sample was drawn from Qualtrics' online platform, one of the largest consumer panel providers in Europe. Previous research (Smith et al., 2016) suggests that the response quality of Qualtrics' consumer panels tends to be superior to those of Amazon's MTurk. Participants were selected randomly from the online panel and paid CHF 5.19 (approximately USD 5.21) for participation in the survey. In total, 629 panel members answered the survey online. Thirty-two questionnaires were incomplete and therefore discarded, resulting in 597 participants who completed the questionnaire (53.1 per cent female, mean age=40.1 years) with an average completion time of about 10 minutes. Participants were first asked if they could remember any product category for which they usually buy more than one brand. Out of the 597 respondents in total, 259 (54.1 percent female, mean age=35 years) responded yes to this question. Only participants who responded yes were considered as multi-brand loyal and were asked to fill in the survey. They were then asked to indicate the product category (e.g., sport shoes) and the brands they buy most frequently (e.g., Nike, Adidas, Puma). Next, they were asked to indicate the degree of their agreement with a series of items related to types and facets of MBL informed by the qualitative phase of our research on seven-point Likert scales (1 = totally disagree to 7 = totally agree) (see questionnaire – Appendix E). We removed 11 respondents who provided non-meaningful information for the product category question. Thus, the final sample consisted of 248 useable cases. This sample size is above the minimum sample size of $n = 200$ recommended by Loehlin (1998) for confirmatory factor analysis and also above previous research using hierarchical cluster analysis (Ouwensloot and Odekerken-Schröder, 2008).

5. Findings from the main study

5.1 Types and facets of multi-brand loyalty

Our analysis uncovers two main types of MBL: perfect substitutes (PS-MBL) and complement-based (CB-MBL). For PS-MBL, brands in the loyalty set are perfect substitutes, and customers see them as identical in their perceived value, image, and utility. For CB-MBL, customers perceive brands as complementary, meaning that the brands in the loyalty set offer identical perceived value overall but differ on specific product attributes. For example, Daniel regarded two chocolate brands, Cailler and Lindt, as complements, but Sophia perceived two brands, Vögele and Dosenbach, as

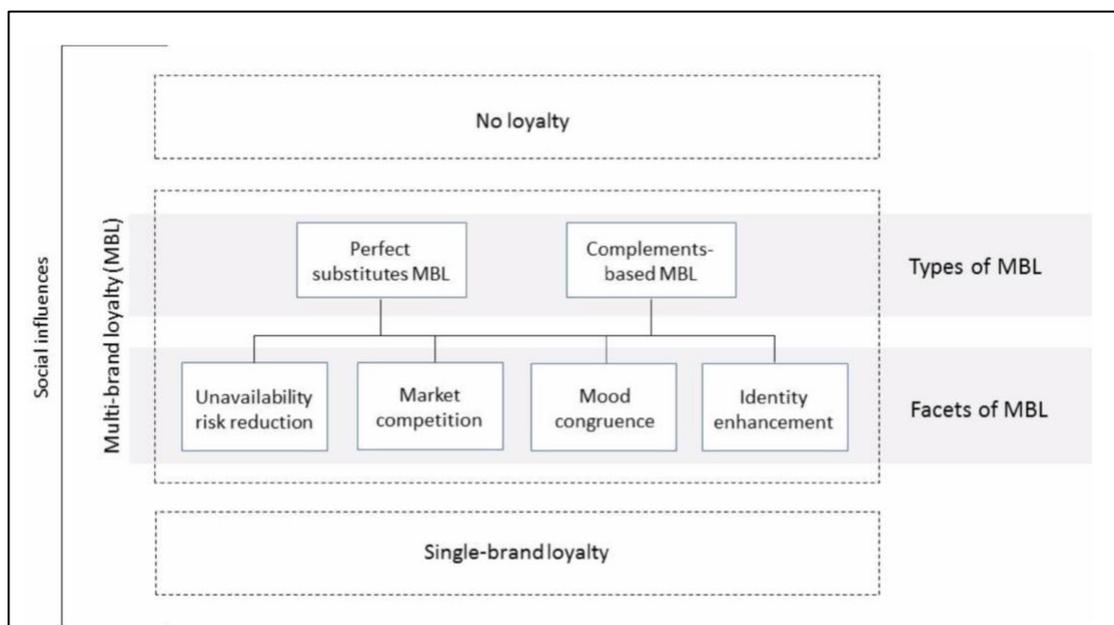
similar brands in their product value and utility:

For chocolate, I prefer two brands. I buy the two brands for different reasons: the expensive one to offer it to my guests at home with a coffee, and the cheaper one for daily consumption, for my family and myself. *[Daniel, first stage]*

I prefer two brands of shoes. Both brands have the same style, the same price level, it is Vögele and Dosenbach. I know if I go there, it is the same style of shoes, almost the same level of quality [...] I just choose these two brands because I know exactly what I can expect in terms of quality. *[Sophia, second stage]*

Moreover, four facets emerged from the data, which may help explain PS-MBL and CB-MBL: unavailability risk reduction, market competition, mood congruence, and identity enhancement (Figure 4). These four facets gain their own specific meaning in the context of MBL and are discussed below.

Figure 4: Types and facets of Multi-Brand Loyalty



5.2 Unavailability risk reduction

Previous studies identify brand loyalty as a dominant heuristic that consumers employ to reduce risk (Mitchell, 1999). Matzler et al. (2008) report that more risk-averse

consumers exhibit higher levels of attitudinal and behavioural loyalty toward a brand, but if the preferred brand is temporarily unavailable, SBL might become an ineffective heuristic for simplifying the purchase decision because customers are forced to put more effort into searching for a new, similar alternative. As evidenced by explanations from several informants, some consumers choose MBL as a decision-making heuristic to reduce the brand unavailability risk inherent to SBL without losing the benefits of brand loyalty for reducing cognitive effort in the purchase decision. In other words, MBL increases the probability that at least one preferred brand is available at the point of purchase:

For example, for clothes, I want to spend as little time and effort as possible for shopping. My loyalty to few clothing brands is an advantage because I know I will find at least one of my preferred brands available, and I am not willing to look at other brands because two options for me are enough. Looking for new brands takes a lot of time. *[Eric, second stage]*

For wine, taste is the important factor for me. I like several different companies for soft wine; I keep those alternatives to be sure to find one of them wherever I go. It is good to know a few brands in case I don't find the one I am looking for. *[Christopher, first stage]*

In this sense, MBL attenuates the risk of brand unavailability because, reiterating the words of the informants, "I know I will find at least one of my preferred brand available" (Eric, second stage), and "it is good to know a few brands in case I don't find the one I am looking for" (Christopher, first stage).

In a store loyalty context, evidence also indicates that MBL works as a risk reduction strategy if consumers shop at more than one store for the same product category. This situation occurs when consumers like two stores equally, and MBL on the store level trickles down to the product level. For example, Emma is loyal to both Migros and Coop, the two prominent retail stores in Switzerland. These two stores frequently have different brands for the same product category in their assortment. In this case, MBL allows consumers to maintain several options on the store level without the risk of failing to find their preferred product or brand:

The reasons I am loyal to two brands of shampoo is that I don't need to try other brands. Now, I want to have those two options because it depends really on the store I visit. Sometimes I go to Migros, but if I go to visit my parents, I go to Coop. So, it really depends on this. I have one brand in Migros, and one brand in Coop, and it gives me flexibility. *[Emma, second stage]*

5.3 Market competition

In addition to reducing the brand unavailability risk, the benefits of free market economies encourage MBL. Market economies usually offer an abundance of product choices, not only when it comes to food (e.g., Marshall, 2005), but in virtually every product category. This context favours customers with a high variety-seeking propensity. Intense competition, coupled with products that consumers perceive as relatively homogenous, may encourage them to be non-loyal rather than loyal. As the testimonials from the informants suggest, the desire to expand consumption beyond a single brand can be driven by rational, economic considerations, such that consumers buy products with similar quality and price:

I think I am quite loyal to different brands in several product categories because I find there is quite a bit of selection in the market. And I tell myself, why not? Why stay with only one? If two or three brands have the same level of quality and price, why not? And as I said, I always have this tendency to challenge my preferred brands to see if I have made a good decision, or if there is a better one. *[Melanie, third stage]*

In addition, hedonic motives appear in the informants' discourses, focused on experiences. This finding resonates with research that emphasizes the importance of hedonic emotions for prompting a relationship between brand experience and brand loyalty (Ding and Tseng, 2015).

For food products, I always want to try different things, have new experiences and try new brands with different tastes since we are such a multicultural country. There are so many kinds of food; it is a good opportunity to try new things. *[Daniel, second stage]*

As the testimonial above shows, market competition may seduce consumers to try other market offers by insinuating that the variety of offers is just too good, too interesting or too exciting to miss. However, consumers with a low propensity to seek variety may not perceive this competition as an advantage and instead turn to MBL to mitigate the competitive pressures. Using MBL helps consumers reduce their cognitive effort, while still allowing them to choose from a brand set to avoid specific brand dependencies. The combined impact of competition and commoditization creates parity perceptions among two or more brands, which results in divided loyalty (Dick and Basu 1994; Uncles et al., 2003).

For food, I think I am in the middle. I don't like too much variety, and not too much being locked into one brand [...]. In Migros, for example, there are too many choices, and I feel lost. So, I go to Coop to buy most of the products I need, and I have my references there. [*Christopher, second stage*]

As the example above shows, MBL seems to serve for some consumers as an ideal middle point that combines the advantage of some variety with the simplified decision heuristics of SBL. Finally, the analysis reveals an interesting tension between opposing market forces. On the one hand, competitive markets seek to lure consumers away from a single brand (Menon and Kahn, 1995). On the other hand, companies strive to keep consumers loyal to their own single brand. Yet to stay competitive, they must offer more choices, which might drive consumers toward no-loyalty or MBL, depending on their variety-seeking propensity.

5.4 Mood congruence

Mood is a type of affect that, compared with emotion, tends to be longer lasting, lower in intensity and unrelated to a specific object or event (Bagozzi et al., 1999). As previous research shows, mood influences product evaluations, consumer preferences and behaviours (Forgas and Ciarrochi, 2001). The interview data also suggest that consumers use MBL, either consciously or unconsciously, as an instrument to align their consumption with their mood states. For example, Peter's chocolate consumption depends on his mood:

For chocolate, I have specific brands that I buy: Cailler, Villars, Lindt and

Ragusa. If any of these brands [are] available, I don't buy another brand. Now if several of them are available or all of them, I buy the one I feel I want to eat [...] To offer to friends, I buy only two of them, and for myself it is more depending on my mood. I wouldn't be able to say exactly which mood for which chocolate, but I have the impression [that] I eat more milk chocolate during autumn and spring, and dark chocolate in summer, I don't know why. *[Peter, second stage]*

I like flavoured beer, like with strawberries for example. So, I know I will buy specific brands, which have this kind of beer. I also like one local brand. I like to have different brands in my fridge for myself and to offer to friends, and I choose one of them according to my mood, when I feel like drinking a beer. *[Olivia, second stage]*

As these examples show, MBL provides consumers with an opportunity to use the decision-making heuristics inherent in brand loyalty while allowing them to adjust their consumption to different mood states. Mood congruency theory thus might provide a framework to explain the underlying mechanism. This theory posits that consumers seek congruence between their mood state and their consumption-related behaviours (Maier et al., 2012). Consumers adjust their consumption to specific mood states, such as a “spring” or a “summer” mood (see Parker and Tavassoli, 2000, for an overview on how consumers adjust consumption to seasonal changes).

5.5 Identity enhancement

Identity refers to facets of the self that enable consumers to express who they are (Bhattacharjee et al., 2014). Through consumption practices and the use of material and symbolic resources, consumers define, shape and communicate their identities (Ulver and Ostberg, 2014). In a postmodern society, consumers may increasingly construct a fragmented sense of self, which can be ambivalent, contradictory and conflicting (Fírat et al., 1995). These consumers accordingly use MBL to combine the effort-reducing heuristic of brand loyalty with the playful opportunities of constructing multiple identities:

For colognes, I am loyal to two brands. I received them the first time as gifts, I

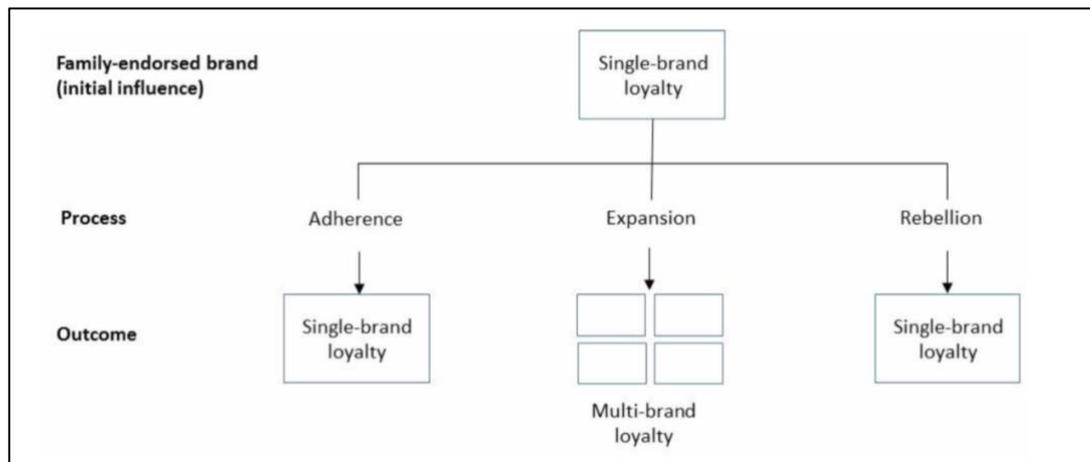
tried them, and I was satisfied. However, I switch between those two; one of them reflects for me maturity, the other one is more fun and young spirit [...] In fact, it gives me the opportunity to have different self-images. So, simply the way I want to be on Monday morning is not the same I want to appear on Saturday evening [laugh]. Monday morning, I attend a class, I want to look serious. For colognes, specifically, for me every cologne smells different. I assign to every one of my cologne's specific elements. One of them, "Terre d'Hermes," is the cologne of the responsible and wise guy, I use it obviously Monday morning. The second one, "La Nuit de L'Homme," I use Saturday evening to go out. [*Philip, second stage*]

Thus, MBL enables consumers to enact predefined personalities and assume different roles without losing the convenience of reducing their cognitive effort through the decision-making heuristic of brand loyalty. For Philip, being loyal to two different brands of colognes constitutes a means to enact two different selves, a mature and responsible one during the week and a more exciting, adventurous, young one on weekends. The accounts from informants thus partially overlap with perspectives on the weekend warrior and the ambivalent consumer. For example, Cova and Cova (2002) identify a segment of customers who enjoy experiencing a distinct car brand on weekends, to break free from the stressful workweek and share the experience of driving a special car. This experience enables them to enact different identity representations during the weekend compared with working days.

5.6 Family influence

The interviews also reveal that family reference group influences, such as traditions, practices and habits (Childers and Rao, 1992), shape brand loyalty through three mechanisms that can foster either SBL or MBL (Figure 5).

Figure 5: Family influence and brand loyalty



The first mechanism reflects the positive influence of family members, such that consumers emulate and internalise brand attitudes and preferences from their parents, siblings or significant others (Pimentel and Reynolds, 2004). These positive influences typically lead to higher levels of attachment, endorsing SBL. For example, Claudia describes how the Mark & Spenser tea brand reconnects her to her home and family in the U.K:

From 14 to 30 years old, I lived in the U.K., so, I think this culture is influencing my loyalty to brands. There is also an important point, for example the brands that I am loyal to, for example Mark & Spencer's tea, it is because they remind me of home. So, it is a kind of homesickness – if I ever have that feeling, I have brands in my home, which connect me to the U.K. and to my family. [Claudia, third stage]

Claudia's narrative describes a process of *adherence* to family values and preferences, which leads to SBL toward a family endorsed brand. Two other outcomes, rebellion and expansion (see Figure 5) move consumers in the opposite direction. *Rebellion* develops when people perceive brands endorsed by their family as representative of patronizing behaviours that restrict their freedom. This theme is prevalent in adolescent consumers who select brands and products that give them a sense of independence and freedom from their parents' influence over their consumption decisions (Noble et al., 2009). Once they achieve the freedom to make their own decisions and develop real agency, these young consumers frequently

abandon the family- endorsed brand as a means to break with the restraints imposed by family conventions, as evidenced in the excerpt below. Typically, rebellion generates SBL for an alternative brand.

My parents worked their whole life for Nestlé, and as you know there are different brands that belong to Nestlé, like Nespresso, Nescafé, some brands of chocolate, and all of these brands are in my blood [laugh], and I never consume brands from competitors. You know, the only time I ever have eaten a competitor's brand of Nestlé was when I was a kid, and it was a "Kinder Surprise" chocolate, not more than 3 or 4 times, and that's it, because I was not allowed to. Now I buy another brand because I am an adult, and I don't live with my parents anymore. *[Philip, second stage]*

Expansion describes a process by which consumers add to the family-endorsed brand rather than substituting for it. For example, Jennifer adhered to one brand of chips that was endorsed by her family and gained symbolic meaning because of its link to family camping trips, but she later added a second brand to her choice set because it represented her boyfriend's favourite brand. This process of expansion commonly results in MBL.

For potato chips for example, I am loyal to two brands. For the first brand, since I was a kid, we went camping, and we had this small package in our bags. I liked the advertising on TV so much at this time, so, I keep buying it because it reminds me of my childhood. The second one, I just like it because my boyfriend likes it, and it gives me a reason to change from time to time, but still my favourite one is the first brand. *[Jennifer, first stage]*

6. Survey findings

As the survey items were developed specifically for this study and based on the qualitative study, we first used exploratory factor analysis (EFA) to assess the dimensionality of the scales (McDonald, 2011). Factor loadings from EFA were substantial and all items loaded on their respective constructs (Table 1). Thus, we continued to investigate the psychometric properties of the scales by running a

confirmatory factor analysis (CFA) with IBM SPSS AMOS 25.0. The overall fit of the model was good ($\chi^2 = 215.97$, d.f. = 108, $\chi^2/\text{df} = 2.00$, RMSEA = .064 [90% CI: .051; .076], SRMR = .086, TLI = .94, CFI = .95). Further, the psychometric properties of the scales based on factor loadings from CFA, Cronbach's alpha, average variance extracted (AVE) and composite reliability (CR) were satisfying (Table 1 and Table 2). To test for discriminant validity, we used the Fornell and Larcker (1981) criterion. Squared AVE values for each construct exceeded the inter-construct correlations between it and any other construct included in the model, with only one exception between mood congruence and market completion with a correlation which is slightly above the square root of the AVE of market competition (Table 2). Nevertheless, we can consider that discriminant validity was overall satisfactory. Table 2 also shows that the occurrence of biased MBL was only slightly correlated to the four facets of MBL, which is consistent with our findings from the qualitative part of this research where biased MBL did not emerge as a distinctive facet of MBL. In summary, the results from confirmatory factor analysis converge with the findings from the qualitative study and provide initial evidence that the four facets are valid representations of consumers' tendency to be multi-brand loyal.

Table 1 : Construct measurement

Constructs and items	Means (M)	Standard deviation (SD)	Factor loadings from EFA	Factor loadings from CFA
Mood Congruence ($\alpha = 0.89$, AVE = 0.67, CR = 0.89)				
Mood 1: I buy different brands in this category based on my mood	3.82	1.908	.762	.820
Mood 2: According to my mood, I buy either one brand or another brand from this category	4.05	1.846	.757	.797
Mood 3: Sometimes, I feel a certain way and prefer one brand among my preferred brands in this category, and sometimes my feelings change, and I buy another brand.	3.97	1.831	.826	.841
Mood 4: Among my preferred brands in this category, I buy the one that fit best with my mood at that time.	3.95	1.817	.820	.820
Identity Enhancement ($\alpha = 0.87$, AVE = 0.60, CR = 0.86)				
Identity 1: The different brands I buy in this category represent my different personalities.	3.71	1.807	.675	.785
Identity 2: To represent the different facets of my personality, I buy different brands from this category.	3.34	1.872	.812	.890
Identity 3: I use different brands from this category to change the way other people perceive me.	2.91	1.893	.811	.699
Identity 4: I buy several brands from this category, and then in a specific occasion I use the one that represents best the image I want to show to other people.	3.26	1.944	.830	.728
Unavailability Risk Reduction ($\alpha = 0.80$, AVE = 0.61, CR = 0.82)				
Unavailability 1: I buy different brands from this category because it reduces the risk of not finding my favourite brand during my shopping trip.	3.38	1.791	.649	.578
Unavailability 2: The brands I like in this category are very similar, therefore I buy the one brand, which is available in the store I shop.	3.86	1.848	.847	.895
Unavailability 3: I don't see much differences between the brands I like in this category, thus I buy the one that is available	3.77	1.856	.871	.837

(continued)

Constructs and items	Means (M)	Standard deviation (SD)	Factor loadings from EFA	Factor loadings from CFA
Market competition ($\alpha = 0.70$, AVE = 0.45, CR = 0.71)				
Competition 1: I buy several brands in this category because there are so many brands available and I want to take advantage of it.	3.85	1.838	.501	.757
Competition 2: I buy several brands in this category because there are so many brands available and I want to take advantage of it.	4.48	1.589	.460	.604
Competition 3: I don't like every brand in this category, but I buy several of them to have a bit of variety.	3.84	1.749	.446	.639
Biased MBL ($\alpha = 0.78$, AVE = 0.61, CR = 0.81)				
Biased 1: Out of the brands I buy in this category, there is one that I like more than the others	5.20	1.359	.914	.888
Biased 2: Among the brands I prefer in this category, there is one that I prefer over the others.	5.02	1.465	.914	.911
Biased 3: I sometimes buy different brands I like in this category, but I always come back to my most preferred brand	4.62	1.426	.622	.465

Factor loadings are standardized factor loadings. $p < 0.001$ for all factor loadings from CFA shown in the Table.

Table 2: Discriminant validity assessment

	Mean	SD	1	2	3	4	5
1. Mood Congruence			.82				
2. Identity Enhancement			.67	.77			
3. Unavailability Risk Reduction			.42	.27	.78		
4. Market competition			.70	.58	.57	.67	
5 Biased MBL			.19	.16	-.07	.19	.78

Note: Bold numbers on the diagonal show the square root of AVE. Numbers on the off diagonal represent the correlations between the constructs

Following the objectives and procedures of previous mixed-methods research (McDonald, 2011), the quantitative part of our research assessed the occurrence of the different MBL facets rather than testing causal relationships. The extant literature has suggested that cluster analysis is appropriate to achieve this objective. For example, Zarantonello and Schmitt (2010) used cluster analysis to assess the occurrence of four different experiential appeals (sensory, affective, intellectual, and behavioural). To explore whether consumers can be profiled based on the MBL facets we identified, we ran a hierarchical cluster analysis in IBM SPSS Statistics 25.0. Regarding the clustering algorithm, we used Ward's method, which is one of the most common measures of similarity (compare, e.g., Ouwersloot and Odekerken-Schröder, 2008).

Based on the inspection of dendrograms (Appendix F), agglomeration schedules and centroid distances, we chose a three- cluster solution as the most appropriate one because it was able to produce distinguishable consumer segments while keeping the number of clusters at a reasonable level for marketing managers. Next, we analysed the means for each cluster on each of the four MBL facets as well as for the occurrence of biased preferences, CB-MBL, and PS-MBL (Table 3).

Cluster 1 includes respondents with high scores on unavailability risk reduction and market competition, a somewhat lower score on mood congruence, and a comparably low score on identity enhancement. The high score of 4.69 on market competition suggests that taking advantage of the variety of market offers seems to be an important aspect of MBL for Cluster 1. Cluster 2 (the largest segment) shows high scores on all four MBL facets. Importantly, Cluster 2 is differentiated from the other two clusters by a substantially higher score (4.08) on identity enhancement. Finally, Cluster 3 scores lower on all four MBL facets. However, the somewhat higher score on unavailability risk reduction suggests that this segment uses MBL predominantly as a strategy to safeguard against the risk of not finding their favourite brand in the store. Overall, these results suggest that the MBL facets identified in this research are able to differentiate between consumer segments.

Table 3: Means and standard deviations of clustering variables

Cluster no.	N (%)	Means (SD)						
		MC	IE	URR	M Comp	Biased	CB-MBL	PS-MBL
1	48 (19.35%)	4.08 (1.18)	2.01 (.83)	4.54 (1.23)	4.69 (1.17)	4.90 (1.26)	4.76 (1.28)	3.76 (1.57)
2	127 (51.21%)	4.95 (.98)	4.57 (.97)	4.42 (1.05)	4.69 (1.03)	5.08 (1.05)	5.03 (1.08)	4.29 (1.25)
3	73 (29.44%)	2.14 (.95)	1.96 (.92)	2.95 (1.38)	2.47 (1.08)	4.74 (1.33)	4.47 (1.77)	3.40 (1.61)
Total	248 (100%)	3.95 (1.58)	3.31 (1.59)	4.01 (1.37)	4.04 (1.47)	4.95 (1.18)	4.82 (1.37)	3.93 (1.47)

CB-MBL = Complements-based multi-brand loyalty; PS-MBL = perfect substitutes multi-brand loyalty.

MC= Mood congruence, IE= Identity enhancement, URR= Unavailability risk reduction, MComp= Market competition

Following the procedure recommended by Hair et al. (2010), we validated the cluster solution by splitting the sample randomly into two groups and ran separate cluster analyses on both samples. A comparison of the two resulting cluster solutions revealed in both cases a relatively small segment with high scores on all four MBL facets (Cluster 1), a relatively large segment with moderate scores on the four MBL facets, and a mid-sized segment with very low scores on the four MBL facets (Table 4a and 4b). For both sub-samples, the identity enhancement score for Cluster 3 is particularly low, indicating that identity enhancement is not a relevant facet of MBL for this segment. Further, the overall means for the four MBL facets (in bold font) are very similar for both sub-samples, further adding to the robustness of the cluster solution.

Table 4: Means and standard deviations of clustering variables*Table 4a: Means and standard deviations of clustering variables - split sample 1*

Cluster	N (%)	Means (SD)			
		Mood congruence	Identity enhancement	Unavailability risk reduction	Market comp
1	29 (22.83%)	5.62 (0.74)	5.27 (0.87)	5.32 (0.81)	5.64 (0.52)
2	58 (45.67%)	4.12 (1.22)	3.35 (1.48)	4.12 (1.02)	4.36 (0.89)
3	40 (31.50%)	2.41 (.1.20)	1.84 (0.87)	3.00 (1.31)	2.36 (0.92)
Total	127 (100%)	3.98 (1.63)	3.31 (1.72)	4.04 (1.37)	4.02 (1.49)

Table 4b: Means and standard deviations of clustering variables – split sample 2

Cluster	N (%)	Means (SD)			
		Mood congruence	Identity enhancement	Unavailability risk reduction	Market comp
1	13 (10.74%)	6.28 (0.59)	5.42 (0.82)	4.90 (1.57)	5.95 (0.49)
2	72 (59.50%)	4.40 (0.91)	3.65 (1.04)	4.32 (0.95)	4.49 (0.93)
3	36 (29.75%)	2.31 (1.09)	1.83 (0.83)	3.00 (1.50)	2.47 (1.08)
Total	121 (100%)	3.98 (1.54)	3.30 (1.45)	3.99 (1.37)	4.05 (1.46)

7. Discussion and implications

Understanding multi-brand loyalty is important because consumers who choose among a set of several preferred brands (as opposed to being loyal to just one brand) jeopardize firms' ability to fully exploit consumer-firm relationships. Despite the agreement that MBL occurs in a wide variety of industries (Almeida-Santana and Moreno-Gil, 2018; McKercher et al., 2012; Ngobo, 2004; Quoquab et al., 2014), very little is known about how MBL emerges and to what extent different facets of MBL may differentiate between different consumer segments. Using a mixed methods approach (Harrison and Reilly, 2011; Leech and Onwuegbuzie, 2009), the current study first explores types and facets of MBL based on 34 semi-structured and in-depth interviews with 30 consumers in Switzerland, an advanced economy with a sophisticated retail infrastructure. This discovery-oriented part of the research is then complemented by a quantitative component which investigates the occurrence of the MBL facets identified in the qualitative phase of the study and provides initial evidence that the MBL facets are able to differentiate between different consumer segments. Our study extends previous research on single-brand and multi-brand

loyalty and thus contributes to this literature in important ways. In the section that follows, we contrast the different facets of MBL, which stem from our study with the extant literature on risk, market competition, affect, and identity in an SBL context. Table 5 shows how the extant literature has conceptualized conventional brand loyalty (i.e., SBL), and how these conceptualizations change their meaning in the context of MBL.

Table 5: Juxtaposition of MBL facets with extant literature on SBL

Facet	Extant literature in a SBL context	Meaning and relevance in a MBL context
<i>Risk</i>	<ul style="list-style-type: none"> • SBL is perceived as a risk-reduction strategy (Matzler et al., 2008; Mitchell and Boustani, 1993; Verhage et al., 1990). • Risk-averse consumers show higher levels of attitudinal and behavioural loyalty to a specific brand (Gounaris and Stathakopoulos, 2004). 	<ul style="list-style-type: none"> • SBL is perceived as a potentially risky strategy because the target brand may not be available at the point-of-purchase. • MBL serves as a strategy to benefit from the advantages of loyalty heuristics (reduced cognitive effort, trust) while reducing the inherent product- unavailability risk of SBL.
<i>Competition</i>	<ul style="list-style-type: none"> • Micro-perspective: Firms employ promotions such as feature advertising, end-of-aisle product displays and discounts to lure customers away from the competitor brand (Empen et al., 2015; Ngobo, 2017). 	<ul style="list-style-type: none"> • Macro-perspective: Consumers take advantage of intense competition between firms and a plethora of market offers by expanding their loyalty set beyond just one single brand.
<i>Affect</i>	<ul style="list-style-type: none"> • SBL emphasizes emotional attachment and positive emotions towards the brand as antecedents for brand loyalty (Carroll and Ahuvia, 2006; Chaudhuri and Holbrook, 2001; Batra et al., 2012). 	<ul style="list-style-type: none"> • Emotional attachment does not guarantee unconditional loyalty because consumers in MBL frequently use different brands strategically to adjust to different mood states.
<i>Identity</i>	<ul style="list-style-type: none"> • SBL focuses on self-congruity with the brand (He et al., 2012; Sirgy et al., 2008). High congruence between the self and the brand leads to SBL. • Consumers use single brands to execute individual identity projects, such as emancipation from parents (Fournier and Yao, 1997) 	<ul style="list-style-type: none"> • Identities can be diffuse, divided, or dissolved. Consumers may hold different and potentially contradicting identities and use competing brands to configure an ambivalent personality.

Risk. The extant literature has conceptualized brand loyalty predominantly as a risk-reducing strategy (Matzler et al., 2008; Mitchell and Boustani, 1993; Verhage et al., 1990). In simple terms, being loyal to a specific brand reduces the risk for the consumer to buy a product or service that is of low quality or does not meet expectations. Perceived risk plays a fundamental role when firms try to stimulate non-purchasers of a brand to purchase for the first time or to stimulate existing purchasers to purchase more (Mitchell and Boustani, 1993).

However, our study finds that ironically, the risk-reducing strategy of brand loyalty actually generates a different type of risk—the possibility that the target brand is not available at the point-of-purchase. That is, the reliance on just one brand may backfire in cases when the brand is not available. Our findings show that some consumers use MBL strategically to hedge against this unavailability risk while still enjoying the benefits of loyalty (i.e., a reduction in cognitive effort in the decision-making process). For example, a consumer loyal to two brands of beer can simply revert to the second brand in her loyalty set in case the first brand is not available. The findings from our quantitative study show that this risk reduction facet of MBL is specifically important for Segment 1 in our sample of Swiss consumers but has also some significance for Segments 2 and 3 (Table 3). It is thus critical to differentiate the risk-reduction role of brand loyalty between SBL and MBL consumers.

Competition. One of the fundamental tenets of free market economies is competition. To succeed in a highly competitive market landscape, firms employ promotions such as feature advertising, end-of-aisle product displays and discounts to lure customers away from the competitor brand (Empen et al., 2015; Menon and Kahn, 1995; Ngobo, 2017). Firms able to develop trust and real relationships with customers achieve true brand loyalty, which makes them more resilient towards competitors' intents to stimulate brand switching. However, our research shows that whereas firms are trying to generate SBL, free markets with their high level of competition may play against them. That is, for some consumers, the plethora of market offers in advanced market economies is just too seducing to make them stick to only one brand. Therefore, they prefer to take advantage of competitive market structures while adopting simplified decision-making heuristics from their loyalty to a small number of preferred brands. The results from the quantitative part of our research show that the availability of many attractive market offers facilitated by competitive markets is an important facet of MBL for Segments 1 and 2 of our

sample. It is therefore important to envision that marketing actions designed to foster SBL may have the opposite effect of leading to MBL when they are targeted towards the wrong customers.

Affect. Previous brand loyalty research has considered affect (i.e., emotions or moods) in the form of emotional attachment towards the brand. In general, those brands with higher emotional attachment attain more brand loyalty (Carroll and Ahuvia, 2006; Chaudhuri and Holbrook, 2001; Batra et al., 2012). Although we acknowledge that this perspective is important and holds also in a multi-brand loyalty context, our findings add a previously neglected aspect of affect to MBL research. Specifically, we find that emotional attachment does not guarantee unconditional loyalty because consumers in MBL frequently use different brands strategically to adjust to different mood states. For example, consumers may have a very high level of attachment to both Brand A and Brand B when it comes to chocolate, but they consume these different brands based on their mood states. Thus, mood congruence theory (Maier et al., 2005) explains why brands may receive quite diverging purchase volumes. For example, one of our informants from the qualitative phase of our research (*Peter, second stage*) indicated that his chocolate consumption depends on his mood, and that he eats more milk chocolate during autumn and spring, and dark chocolate in the summer. In an extreme case (which is indeed constructed and only serves for illustration), one might speculate that external factors such as an unusually warm and sunny autumn might shift chocolate consumption from Brand A to Brand B due to consumers' mood management. The results from our quantitative study suggest that mood congruence is an important facet of MBL, especially for Segment 2 (which is the largest segment with 51.21 percent of the respondents from our sample).

Identity. When it comes to issues of identity and identification, the extant literature on SBL has usually focused on the congruence between the brand and the self (He et al., 2012; Sirgy et al., 2008). Brands are used to build, reinforce, or express identity, or even for constructing whole identity projects (Fournier and Yao, 1997). These identity projects are goal-oriented and logically assume one identifiable and distinguishable desired identity, such as a successful businesswoman or a happy family man (compare Arsel and Thompson [2011] for a discussion on how brands relate to consumers' identity projects). However, our findings suggest that identities can be diffuse and, in some cases, highly ambivalent. Some consumers reject the predictability of single identities and take advantage of the playful opportunities that

arise from constructing multiple identities. MBL then becomes the heuristics that allows consumers enhance multiple identities with the effort-reducing heuristic of brand loyalty. The results from our quantitative study suggest that identity enhancement is able to differentiate between different consumer segments: Whereas identity enhancement was high for Segment 2, it was low for Segments 1 and 3. Thus, whereas for SBL consumers, brands may be purchased to fit with their identity, for some MBL consumers, several brands might be purchased instead to build up multiple identities.

Family influence. A fifth aspect of MBL that emerged from our qualitative interviews was the influence of family members. However, we felt that family influence is such a highly complex and multi-dimensional concept that it would have been beyond the scope of this paper to operationalize the measurement of family influence in the quantitative part of our study. Nevertheless, the verbatims from the interviews provide important insights regarding how family influence relates to MBL. Our findings distinguish three different manifestations of family influence, adherence, rebellion, and expansion (see Figure 5). Importantly for our research, family influence may not only strengthen consumer attachment to a brand (adherence) or shift attachment from one brand to another in an act to liberate oneself from family restraints (rebellion), but also add additional brands to the loyalty set, e.g., when a boyfriend/girlfriend or husband/wife introduce new brands to the partner, which are subsequently accepted without giving up the old brand (expansion).

In addition to this theoretical contribution, the findings of our study provide important implications for marketing practitioners. Because customer loyalty is split among different brands, firms typically regard MBL as a barrier to the full exploitation of the advantages of brand loyalty (Felix, 2014). That is, firms prefer to have customers that are 100 percent loyal rather than share sales with competitors' brands. To consolidate their customer loyalty, marketers thus may try to reduce the occurrences of each type of MBL. In order to address different types and facets of MBL, marketers will need to identify distinguishable segments of MBL customers for their specific markets, as exemplified in the quantitative part of our research. Because firms typically do not have prior knowledge about information related to the facets of MBL, marketers are advised to conduct market research as a first step to gain knowledge about the prevalence of different MBL facets for the market segments they target. Once firms have obtained this information, they can address specific facets of

MBL as follows:

First, as shown in both the qualitative and quantitative sections of this study, customers adopt MBL to align their consumption to their mood state and identity projects, which may be particularly pertinent when brands fail to offer all the alternatives desired by consumers to match their different mood states or identity projects. Thus, marketers may choose to offer broader product lines to cover different mood states and consumer identities. However, marketing managers should use this strategy with caution because expanding the product line too broadly may expose the company to the risk of developing a brand personality that is perceived as schizophrenic (Gould, 2010). Perhaps the best solution would be to develop sufficiently differentiated and distinguishable sub-brands under a common umbrella brand or unified ownership.

Second, our findings suggest that customers may be loyal to several brands to ensure product/brand availability at the retailer. This situation might be more prevalent when the firm suffers logistical problems in its distribution channels. To address this issue, firms could focus on adequate distribution strategies to guarantee regular stock at the point of sale. Brand availability in stores is important in this situation because customers may not go to the next store to buy the brand they prefer, but rather switch to the next-best option in their choice set. Furthermore, in a competitive environment, customers often perceive different products as similar in value, and they encounter several alternatives (Walsh et al., 2007). Therefore, firms may need to establish brand differentiation and a unique value proposition in terms of quality, design, performance or price. However, as a potential caveat, this strategy might not be effective for customers who exhibit high levels of variety seeking tendencies. Woratschek and Horbel (2006) highlight drawbacks associated with providing high product or service quality to variety seekers, in that these customers usually choose another brand for their next purchase even when they are satisfied and developed favourable attitudes toward an initial brand. Firms interested in converting multi-brand loyal into single-brand loyal customers may benefit from focusing on those customers who express little or even no interest in variety.

Third, this study invites managers to reflect on ways to manage family influences. For example, firms may strive to build relationship marketing strategies that emphasize existing family ties, tradition and heritage as a way to bind the next generation of customers to their brand and avoid their development into multi-brand

loyal shoppers. Our findings reveal that consumers may be motivated to engage in expansion or rebellion, where customers either expand their brand repertoire or even actively rebel against prevailing family values through boycotting the original, family-endorsed brand. Thus, marketing managers could try to build on the process of adherence to counteract motives to expand or rebel. The opportunities for building brand equity and SBL through the influence of family values have been demonstrated in the extant literature (e.g., Bravo Gil et al., 2007), and Moore's et al. (2002) analysis of iconic brands that "run in families" provides insightful examples on how to execute such a strategy.

8. Limitations and avenues for future research

The current study also presents several limitations, which indicate potentially fruitful avenues for future research. Our research was situated in Switzerland, an affluent economy with a vast offer of local and global brands and a sophisticated retail infrastructure. The findings may be transferable to similar, Western-style, open markets; however, they are not necessarily as applicable to less competitive markets in developing economies with limited choices of products and brands. Further research could extend the findings from this study to different markets in emerging and less developed economies (Burgess and Steenkamp, 2006). Second, this research focuses on fast moving consumer goods and a limited number of consumer durables, such as clothing, watches and cell phones. Continued research might investigate the facets of MBL in relation to other durables with longer product lifecycles as well as services. Further, the quantitative part largely neglects how the different facets might interact and either amplify or attenuate the propensity of consumers to become multi-brand loyal. Fedorikhin and Cole (2004) cite an interaction effect between mood and perceived risk on product evaluations. Additional research could investigate the potential interaction effects of MBL facets in a quantitative research setting with additional samples. Concluding, despite the limitations outlined above, the current research provides novel insights into how MBL occurs and offers a theoretical foundation for future research in the area of brand loyalty.

Part V: Are Loyalty Rewards More Effective when Customers are Multi-Brand Loyal? (Essay 3)

1. Abstract

Multi-brand loyalty (MBL) is a phenomenon that has been identified in consumer markets. The research literature found that multi-brand loyalty impedes firms from achieving favourable loyalty reward outcomes. Thus, the goal of this paper is to empirically investigate the effect of two different loyalty reward types (soft and hard) on customer loyalty in the case of multi-brand loyalty compared to single brand loyalty. The results show that there is a weaker effect between attitudinal and behavioural loyalty in an MBL setting. While hard rewards have a significant positive effect on attitudinal loyalty for MBL compared to SBL where the effect is non-significant, soft rewards have a similar impact on both, attitude and behaviour. Furthermore, results show that multi-brand loyal customers are more sensitive to hard rewards than soft rewards, while single brand loyal customers react to only soft rewards and not to hard rewards.

Keywords: Multi-brand loyalty, relationship marketing, loyalty rewards, soft rewards, hard rewards, multi-group analysis

2. Introduction

In the retail sector, consumers are shifting their preferences from single brand/store loyalty to simultaneous loyalty, and now toward a set of brands/stores (The Hartman Group Inc., 2014; Zhang, Gangwar and Seetharaman, 2017). Large numbers of consumers are becoming polygamous and are loyal to several brands within a particular product category (Arifine et al., 2019; Felix, 2014; Quoquab et al., 2014). Some studies have shown that up to two thirds of a firm's customers could be multi-brand loyal (Dawes, 2008; Hofmeyr and Parton, 2010; Uncles et al., 2010). Under such competitive conditions, marketing professionals who invest in loyalty programs that grow customer loyalty and increase customer's share of wallet, are starting to question the effectiveness of these loyalty initiatives, as a number of them fail to achieve the expected goal of enhancing customer repurchase of the brand (Leenheer et al., 2007; Liu, 2007; Meyer-Waarden, 2006, 2007). Some scholars (Dowling and Uncles, 1997; Mägi, 2003; Uncles et al., 2010) have suggested that the lack of effectiveness of many loyalty programmes might be due to multi-brand loyalty. Indeed, offering loyalty rewards to multi-brand loyal customers may not result in an expected increase in their repurchase behaviour toward the focal brand (Mägi, 2003), as they might have similar privileges and advantages from many of their preferred brands. In fact, loyalty rewards might no longer be a criterion to choose a brand over another one at the time of purchase for these customers. In this context, (Mägi, 2003) stressed the need for researchers to clearly differentiate between multi-brand and single brand loyalty customers when evaluating the effectiveness of loyalty reward systems. Despite this acknowledgment, empirical evidence looking at the impact of loyalty rewards on multi-brand loyalty (MBL) compared to single brand loyalty (SBL) is, to the best of our knowledge, is still non-existent.

MBL has been the focus of several studies (Arifine et al., 2019; Felix, 2014; Ramaswami and Arunachalam, 2016; Uncles et al., 2010; Yim and Kannan, 1999) that have acknowledged its existence and identified its components. Most scholars have agreed that MBL is a mix of attitudinal and behavioural factors, similar to SBL (Dick and Basu, 1994; Felix, 2014; Ngobo, 2017; Oliver, 1999; Ramaswami and Arunachalam, 2016; Shukla, 2009). In both cases, attitudinal loyalty leads to behavioural loyalty (Dick and Basu, 1994). SBL customers have a strong positive attitude toward one brand and exclusively purchase it. While MBL customers have

strong positive attitudes toward different preferred brands, and consequently they share their budget among all of them (Felix, 2014). To the best of our knowledge, there is no empirical evidence about how such weak relationship between MBL attitude and behaviour impacts on loyalty reward effectiveness. MBL customers tend to behave strategically when using their multiple loyalty memberships, meaning that they make comparisons between competitors and collect points from different brands to maximize their loyalty advantages (Mägi, 2003). Therefore, understanding how loyalty rewards impact on both MBL customer's attitudes and behaviour becomes relevant for managers in order to increase their returns on loyalty investments.

According to extent empirical studies (Meyer-Waarden, 2015; Reinartz, 2006; Sharp and Sharp, 1997; Wetzel et al., 2014), a factor that influences customer's responsiveness to a loyalty scheme is the characteristics of the rewards that are offered. The literature has distinguished between two main types of rewards that impact differently on customer's attitudes and behaviour: (1) soft rewards consisting of special privileges such as priority access at the airport or late checkout at a hotel that significantly increases customer attitudes toward the brand (Khan, 2014; Palmeira et al., 2016); and (2) hard rewards that represent concrete and immediate benefits such as points or discounts and strongly improve a customer's repurchase behaviour (Sharp and Sharp, 1997). In the case of MBL, achieving favourable results using soft rewards may be more challenging than for SBL. Soft rewards may only increase the multi-brand loyal customer's attitude toward the brand that offers the reward without leading to a higher repurchase. MBL customers may receive a similar level of rewards from their other preferred brands, so they will not see the reason to increase their purchase toward the focal brand. Despite abundant research on loyalty reward types, empirical studies are still lacking on how MBL customers can precisely react to each reward type.

Therefore, the present study focuses on the impact of two loyalty reward types (soft/hard) and comparing MBL customers to SBL customers, including both their attitudes and behaviour toward their preferred brand(s). This helps to identify which of the reward types are more effective for each loyal customer type (SBL and MBL customers). More specifically, this study seeks to answer the following research questions that have been insufficiently investigated in the relationship marketing literature:

RQ1. How do MBL customers react to loyalty rewards type compared to SBL customers in terms of their attitudes and purchase behaviours?

RQ2. Which reward types enhance the attitude and behaviour of MBL customers compared to SBL customers?

RQ3. Which loyalty types should managers implement when serving both SBL and MBL customers and which combination of loyalty types should they choose to achieve optimum loyalty goals?

By theorizing and empirically testing the relative strength of the link between loyalty rewards types, attitudinal loyalty and behavioural loyalty across SBL and MBL customers, this study contributes in several ways to the relationship marketing literature. This extends the previous work on MBL by analysing the phenomenon in the context of loyalty rewards. It also addresses the gap in the literature on the differences between SBL and MBL customer responses towards loyalty reward types in terms of both their attitudes and behaviour.

From an academic point of view, analysing MBL in the context of loyalty rewards is relevant because: (1) it advances our understanding of the MBL implications on loyalty strategies and loyalty development tools that are specifically loyalty rewards; (2) it provides explanations and clears up the confusion in the literature about the different levels of loyalty rewards effectiveness; (3) it also provides a further step in the loyalty rewards research in the direction of developing and testing a theoretical framework combining both MBL and loyalty reward types.

From a managerial perspective, a lack of understanding of the differences between SBL and MBL customer's responsiveness toward loyalty rewards types too often leads to the failure of these schemes to increase customer retention, and consequently to less favourable loyalty outcomes for firms. This study offers potential solutions about how to enhance loyalty reward effectiveness by adapting them to MBL and SBL customer needs in order to increase the return on loyalty investment.

The remainder of this paper is organized as follows: the first section is devoted to a review of the literature on MBL and loyalty reward types. The second section illustrates the process of developing the research framework and presents the research hypotheses on loyalty reward types and their effects on customer attitude and behaviour for SBL and MBL customers. A description of the methodology including the operationalization of the constructs used in the empirical part of the study follows.

Then the paper presents the results of the study and concludes with a discussion of the results and suggestions for future research.

3. Theoretical background

3.1 Multi-brand loyalty

Multi-brand loyalty is defined as a customer preferential, attitudinal and behavioural response to more than one brand in a product category (Dowling and Uncles, 1997; Jacoby, 1971; McGoldrick and André, 1997; Oliver, 1999). Similar to SBL, MBL encompasses both attitudinal and behavioural aspects (Dick and Basu, 1994). The attitudinal aspect relates to customer's preferences for several brands, while the behavioural aspect consists of the regular and simultaneous purchase of these brands (Oliver, 1999). The attitudinal aspect of loyalty (this is, to have a similarly favourable attitude toward several brands) defines the concept of MBL and differentiates it from variety seeking and switching behaviour, from which these favourable attitudes are absent (Arifine et al., 2019; Dick and Basu, 1994; Felix, 2014).

Previous studies have agreed on the positive relationship between attitudinal and behavioural loyalty (Bennett and Rundle-Thiele, 2002; Dick and Basu, 1994; Oliver, 1999; Watson et al., 2015). However, in the case of MBL, the attitudinal-behavioural link is likely to be weaker than for SBL (Dick and Basu, 1994). Indeed, MBL customers are likely to have equally strong and positive attitudes toward several brands instead of for only one; this is because they view those other alternatives as equally satisfying (Dick and Basu, 1994), they find them to be highly attractive and use them as perfect substitutes (Felix, 2014), or because they differentiate between those alternatives that somewhat fulfil their different needs (Felix, 2014). Therefore, in the case of MBL customers, a positive attitude toward a brand is no longer a sufficient reason to purchase it. Instead, customers are more likely to rely on situational factors such as shelf position and/or in-store promotions (Dick and Basu, 1994) or rely on other reasons to purchase such as mood state management or identity construction (Arifine et al., 2019).

While firms often invest in loyalty rewards to enhance customer's attitudinal and behavioural loyalty, MBL appears to impede the loyalty rewards from generating the expected outcomes (i.e., increasing behavioural loyalty (Mägi, 2003). Contrary to SBL customers, MBL customers value the possibility of accumulating incentives

from their set of preferred brands in order to maximize loyalty advantages (Mägi, 2003; Meyer Waarden and Benavent, 2006b; Uncles et al., 2003). For this reason, they share their budget among several preferred brands instead of exclusively purchasing from a single one (Uncles et al., 2003). This may also explain the mixed empirical results found in the literature on the effectiveness of loyalty rewards (Leenheer et al., 2007; Lewis, 2004; Meyer-Waarden and Benavent, 2006; Sharp and Sharp, 1997; Taylor and Neslin, 2005).

3.2 Loyalty reward effectiveness: Mixed empirical results

To a large extent, there is empirical evidence to support the significant impact of loyalty rewards on customer's attitude, their true effect on the brand (Demoulin and Zidda, 2009; Furinto et al., 2009; Noordhof et al., 2004), and their repurchase of the brand (Leenheer et al., 2007; Lewis, 2004; Taylor and Neslin, 2005). Some studies have reported the positive impact of loyalty programmes on customers share of wallet (Leenheer et al., 2007), and customer revenue (Lewis, 2004), while others have shown that there is limited impact of loyalty rewards on behavioural loyalty (Meyer-Waarden and Benavent, 2006). For example, Sharp and Sharp (1997) found that a majority of their customers who received rewards from loyalty cards behaved in the same way toward the brand as non-cardholders. Sharp and Sharp (1997) also argued that the effects of loyalty programmes may be cancelled out because of several programmes that are offered with a similar level of rewards and benefits to customers. Meyer-Waarden and Benavent (2006) found that there was a negative impact of loyalty rewards on repeat purchase behaviour.

A number of studies have examined not only the effect of loyalty rewards on customer's behavioural responses, but also on their attitudes, which have shown different levels of impact. For example, Demoulin and Zidda (2009) observed that when customers are satisfied with rewards such as weekly offerings, they remain attitudinally loyal and consequently increase their purchases of that particular brand. Meyer-Waarden (2007) also reported a positive empirical effect of loyalty rewards on the overall measurement of customer loyalty, including both attitude and behaviour. In contrast, Cedrola and Memmo (2010) found that loyalty rewards do not encourage customers to become more loyal to a brand, and how a loyalty program can be weak, especially when it consists in loyalty points redemption. The authors have argued that loyalty programmes are effective only when they are differentiated from their rival's

programmes through higher discounts and prize initiatives. Furthermore, a meta-analysis by Watson et al. (2015) reported an overall negative effect of loyalty incentives on attitudinal loyalty and a non-significant effect on behavioural loyalty. Based on these findings, there is still a great deal of ambiguity with regards to the effectiveness of loyalty rewards.

Some authors have discussed several reasons for such discrepancies that have occurred in previous studies (e.g., Cedrola and Memmo, 2010; Dowling and Uncles, 1997). One of the identified factors might be MBL. Dowling and Uncles (1997) argued that the lack of effectiveness of loyalty rewards may be due to the MBL phenomenon, though they did not collect any empirical data. Moreover, they asserted that implementing a loyalty program could not fundamentally alter the MBL pattern, especially in competitive markets. Indeed in such markets, where firms are launching similar loyalty programmes and schemes, MBL is a strategy that is used by customers to accumulate loyalty advantages from several brands (Mägi, 2003; Meyer Waarden and Benavent, 2006; Uncles et al., 2003). Therefore, these authors have insisted on the importance of differentiating between MBL and SBL customers when evaluating the effectiveness of loyalty rewards. The effectiveness of loyalty rewards seems to depend on the loyalty condition (SBL and MBL).

3.3 Loyalty rewards effectiveness: Why attitudinal loyalty is important?

The extent literature has shown that a number of scholars have analysed the impact of loyalty rewards and have only focused on behavioural loyalty and repeat purchase as an outcome (e.g., Kopalle et al., 2012; Lal and Bell, 2003; Van Heerde and Bijmolt, 2005). This is because firms only reward customers for their regular purchases, and not for their attitude/s, as only behaviour directly affects the firm's financial performance (Yi and Jeon, 2003). Therefore, behavioural loyalty remains the main indicator for firms to measure their loyalty performance results (Melnik and Bijmolt, 2015).

In contrast, other scholars have stressed the importance of integrating the attitudinal aspect of loyalty while evaluating the effectiveness of loyalty rewards (Hansen et al., 2010; Phillips Melancon et al., 2010). Loyalty rewards should not spuriously encourage customers who cannot find better alternatives to stay with the brand, rather than to increase their 'true loyalty' (Hansen et al., 2010; Phillips Melancon et al., 2010). By receiving loyalty rewards, truly loyal customers increase

their attachment to the brand and achieve a feeling of belonging and gratitude (Lacey et al., 2007). Consequently, they will engage in the relationship with the brand and at the same time increase their behavioural loyalty (De Wulf et al., 2001; Smith et al., 2003).

Truly loyal customers are characterized by having a positive attitude and repurchase behaviour toward their preferred brand (Dick and Basu, 1994). In contrast, spuriously loyal customers, as soon as they obtain loyalty rewards from a preferred brand, may look around for better offers from another brand (Dick and Basu, 1994). Spuriously loyal customers have low relative attitudes towards brands. They regard as similar and rely therefore on non-attitudinal factors to increase their purchase behaviour. In order to increase the effectiveness of loyalty rewards and achieve true and sustainable loyalty outcomes on a long-term basis, both attitudinal and behavioural aspects of loyalty are essential and should be considered when designing loyalty schemes (Reichheld, 1996).

Achieving favourable results from loyalty rewards does not rely only on the importance of both attitudinal and behavioural loyalty, but also on other factors such as the characteristics of loyalty rewards.

3.4 Loyalty rewards types and customer loyalty

The loyalty rewards that a customer obtains from a brand consist of two main different types, hard and soft rewards: (1) hard rewards offer concrete and immediate benefits aimed at satisfying the customer's functional and utilitarian needs (e.g., discounts, vouchers) (Yi and Jeon, 2003), and (2) soft rewards that are related to symbolic privileges and make customers feel unique (e.g., preferential treatment, special services, invitations to special events, priority check-in) (Arbore and Estes, 2013; Drèze and Nunes, 2009). Other authors have labelled these two categories of loyalty rewards -tangible and intangible rewards (e.g., Meyer-Wardeen, 2015). In this study, we have used the terms hard and soft rewards.

Overall, scholars are in agreement that only rewards that are offering value to customers will increase their loyalty (Bridson et al., 2008; Garcia Gomez et al., 2012) and enhance their purchase volume and frequency (Khan, 2014). On the one hand, it has also been demonstrated that customers have different levels of preference for each type of loyalty reward. Customers generally prefer hard rewards to soft rewards because of their immediate and concrete benefits (Keh and Lee, 2006; Yi and Jeon,

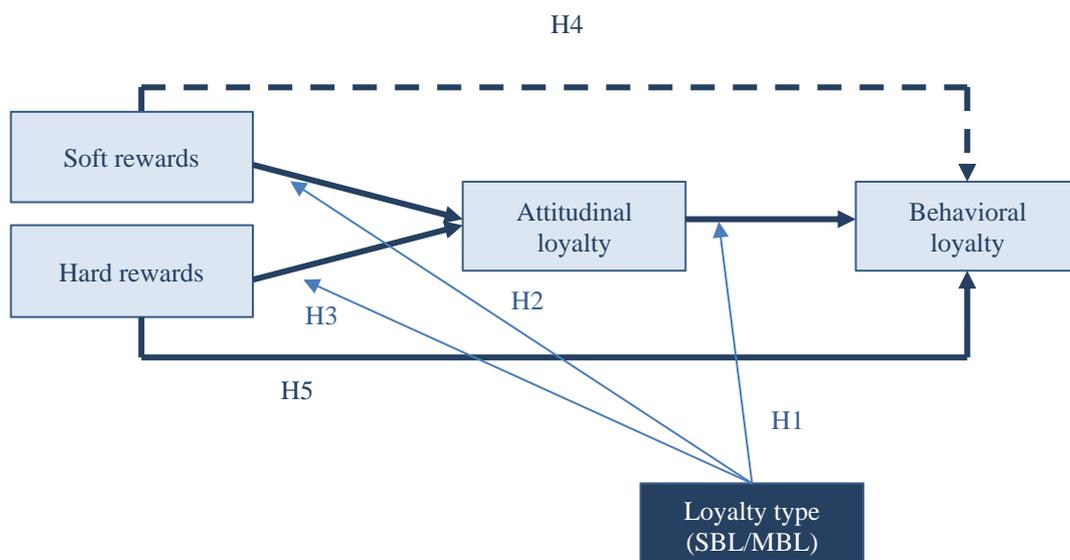
2003). On the other hand, soft rewards have been shown to be more likely to reflect customers' perceptions and attitudes toward the firm, as they make customers feel unique and therefore value the firm more highly. As such, soft rewards should in the long run, increase the customer's motivations to buy more products (Palmeira et al., 2016).

Based on the literature review, these types of loyalty rewards are likely to impact differently on customer's attitudes and behaviour. Moreover, including loyalty settings (SBL and MBL) seems to be important in better understanding this relationship. Therefore, in the following section, we have developed several hypotheses by separately examining the effectiveness of loyalty reward types using different SBL and MBL loyalty conditions. In doing so, a comparison can be made between SBL and MBL customer responses to different loyalty reward types.

4. Conceptual framework and hypotheses

The research model that has been developed tests the relationship between the moderating effects of loyalty types (SBL/MBL) on the attitudinal-behavioural relationship, as well as the impact of loyalty rewards types on attitudinal loyalty. This model also indicates that there is a full mediation of attitudinal loyalty for the soft rewards-behavioural loyalty relationship and a partial mediation for the hard rewards-behavioural loyalty relationship (see Figure 6).

Figure 6: Conceptual framework



Source: Author

4.1 The moderating role of loyalty type (SBL/MBL)

Attitudinal loyalty commonly leads to behavioural loyalty (Dick and Basu, 1994). The theory of Reasoned Action by Ajzen and Fishbein (1980) states that consumer's behavioural intentions toward a specific brand is linked to their beliefs and attitudes toward this brand. The theory proposes that the consumer analyses different alternative behaviours and chooses the one that has the highest favourable consequences, this is the process by which consumer's make decisions. The reasoned choice process generates behavioural intentions, which eventually leads to selected behaviour. Consistent with this theory, Bentler and Speckart (1981) argued that, in the context of brand loyalty, there is a causal effect of attitude on behaviour. When consumer's attitude toward a brand is negative, customers are motivated to switch to another brand, while a positive change in a customer's attitude is a key predictor of their behavioural loyalty toward the brand. Oliver (1997, p. 392) defined positive attitudinal loyalty as a sequential process where a customer: (1) starts being cognitively loyal toward a brand based on his/her beliefs about the brand attributes, (2) then he/she become affectively loyal when the brand performance fulfils him/her needs, (3) then he/she becomes conatively loyal, exhibiting the commitment to purchase this brand in the future. Moreover, these three stages lead to purchase behaviour or action loyalty, as referred to by Ajzen and Fishbein's theory (1980).

Although some scholars have developed a theory of the stages of brand loyalty and the causal relationship between attitudinal loyalty and behavioural loyalty (Dick and Basu, 1994; Oliver, 1997), empirical studies have shown mixed results when assessing this relationship. Some authors have reported the strong impact of attitudinal loyalty on behavioural loyalty (Geçti and Zengin, 2013; Rundle-Thiele and Mackay, 2001), while others have only found a weak effect, arguing that a high level of attitudinal loyalty does not necessarily lead to a high level of repurchase (Evanschitzky et al., 2006; Watson et al., 2015). These conflicting results may be due to MBL, as MBL customers tend to divide their budget across several brands. A qualitative study by Felix (2014) reported that some customers often prefer a few brands in the same product category, but only purchase one more regularly than the others (this is called biased prototype of MBL), or equally divide their budget among these brands (this is called specialized prototype of MBL). In other words, loyalty type seems to act as a moderator that influences the predictive impact of attitudinal

loyalty on behavioural loyalty, so that the relationship between attitudinal and behavioural loyalty is likely to be weaker for MBL customers compared to SBL. Hence, the following research hypothesis has been formulated:

Hypothesis 1: Loyalty type moderates the relationship between attitudinal and behavioural loyalty, such that attitudinal loyalty has a stronger effect on behavioural loyalty for single-brand loyal customers compared to multi-brand loyal customers.

Soft rewards are intangible, relationship-oriented rewards that take various forms of customized communications and preferential treatment for loyal customers (e.g., special retailer event invitations) (Arbore and Estes, 2013; Drèze and Nunes, 2009; Hennig-Thurau et al., 2002). They aim at increasing customer's attitudes toward the brand, so that customers perceive more positive feelings toward the brand (Palmeira et al., 2016).

Some authors have reported significant positive effects of soft rewards on attitudinal loyalty (Butler and D'Souza, 2011), while others have found a non-significant effect (Hennig-Thurau et al., 2002). This may be caused by the loyalty types (MBL or SBL). Customers, who are SBL and receive soft rewards from their preferred brand, tend to better value this brand and exhibit a greater attitudinal loyalty (Butler and D'Souza, 2011; Palmeira et al., 2016). MBL customers may also receive soft rewards from one of their preferred brands, but they also receive similar rewards from their brand set. Therefore, they may not significantly increase their attitudinal loyalty toward one specific brand, as they perceive the offered rewards as similar among their brand set. Soft rewards also result in psychological benefits (e.g., more friendly customer service or high prestige for loyal customers) (Butler and D'Souza, 2011). They are not quantifiable, nor do they possess tangible economic values compared to hard rewards. Being strategic and calculative thinkers, MBL customers prefer to evaluate and compare between the offered rewards to maximize their loyalty advantages (Mägi, 2003), and this would not be possible for soft rewards. Therefore, they may not react to such rewards to a similar extent as SBL customers. Thus, the second hypothesis is stated as:

Hypothesis 2: Soft rewards have a stronger effect on attitudinal loyalty for single brand loyal customers compared to multi-brand loyal customers.

Hard rewards provide economic value for loyal customers (Butler and D'Souza, 2011; Yi and Jeon, 2003). One of the main reasons for providing hard rewards is to satisfy the customer's functional needs (Wetzel et al., 2014). Functional needs are fulfilled through immediate and concrete benefits, which create higher behavioural loyalty intentions (Keh and Lee, 2006; Yi and Jeon, 2003).

Empirical evidence shows that, in general, customers prefer hard to soft rewards, as they can be easily accumulated and combined for maximum loyalty advantages (Jang and Mattila, 2005; Kivetz and Simonson, 2002). Hard rewards do not only influence customer's repurchase behaviour but also their attitude toward the brand (Butler and D'Souza, 2011). When SBL customers receive hard rewards for choosing their preferred brand, they perceive more positively this brand and repurchase it in the future (Butler and D'Souza, 2011). Hard rewards are tangible, that is their benefits can be more easily quantified and evaluated compared to soft rewards (Butler and D'Souza, 2011). Therefore, MBL customers who like to focus on comparing different rewards across brands to maximize loyalty advantages might be more responsive to this type of reward in comparison to SBL customers. When a brand offers more hard benefits compared to another in their preferred brand set, MBL customers will perceive greater advantage/s, and exhibit higher attitudinal loyalty toward that brand over the others. Thus, the next hypothesis is written as follows:

Hypothesis 3: Hard rewards have a stronger effect on attitudinal loyalty for multiple brand loyal customers than for single brand loyal customers.

4.2 Rewards types and behavioural loyalty: the mediating role of attitudinal loyalty

Truly loyal customers exhibit both attitudinal and behavioural loyalty in support of the focal brand (see Watson et al., 2015). The literature provides empirical evidence that found a causal effect between attitudinal and behavioural loyalty (Bandyopadhyay and Martell, 2007; Bennett and Thiele, 2002; Dick and Basu, 1994; Kamran-Disfani et al., 2017; Oliver, 1999; Watson et al., 2015).

Soft rewards provide psychological and emotional benefits to customers and

enhance the intrinsic reasons for reinforcing their emotional commitment and attachment toward certain brands (Meyer-Waarden, 2015). Through their psychological and emotional impacts, soft rewards improve the customer's perceptions and attitudes toward certain brands (Butler and D'Souza, 2011; Palmeira et al., 2016). Soft rewards have been found to drive attitudinal loyalty (Bridson, Evans and Hikman, 2008). They also have an impact on behavioural loyalty although this effect appears to be weak in the empirical literature (Hennig-Thurau et al., 2002; Meyer-Waarden, 2015; Yi and Jeon, 2003). Meyer-Waarden (2015) even reported that the impact of soft rewards on behavioural loyalty was negative.

Attitudinal loyalty has been considered in the literature as a key differentiator between spuriously loyal and truly loyal customers (Dick and Basu, 1994). Spuriously loyal customers are less influenced by loyalty rewards than truly loyal customers and are more likely to switch to more attractive brand offers (Dick and Basu, 1994). In contrast, truly loyal customers increase their purchases because they feel more attached to the brand (Hansen et al., 2010; Phillips Melancon et al., 2010). Following this logic, attitudinal loyalty is a condition that achieves sustainable loyalty reward outcomes by encouraging the repurchase behaviour of the brand. Moreover, soft rewards are characterized by their capacity to motivate customers to better value the brand and build a stronger bond with this brand and only through this mechanism, they can impact on customer's repurchase behaviour. Accordingly, the next hypothesis states:

Hypothesis 4: There is a full mediation between soft rewards and behavioural loyalty through attitudinal loyalty.

While soft rewards are designed to influence the customer's affects toward a brand (Palmeira et al., 2016), extant empirical knowledge suggests that hard rewards drive behavioural loyalty (Keh and Lee, 2006; Yi and Jeon, 2003). Customers repurchase a brand when they receive hard rewards (e.g., discounts, vouchers) (Yi and Jeon, 2003), regardless of their level of attitudinal loyalty toward that brand. Customers may simply purchase it to take advantage of the rewards during a given time or period. Yi and Jeon (2003) and Meyer-Waarden (2015) argued that hard rewards have an immediate and short-term impact on customer repurchase behaviour but only has a limited influence on relationship quality in the long-term.

Previous research also further reported a direct effect of hard rewards on attitudinal loyalty (Butler and D'Souza, 2011; Keh and Lee, 2006). Customers appreciate receiving hard rewards when they provide substantial value for them, and accordingly exhibit a positive attitude toward the brand (Butler and D'Souza, 2011). Consequently, positive attitudinal loyalty increases behavioural loyalty (Bandyopadhyay and Martell, 2007; Kamran-Disfani et al., 2017; Watson et al., 2015). Based on this logic, it is suggested that hard rewards have a direct effect on behavioural loyalty, in addition to an indirect effect through attitudinal loyalty. Therefore, the next hypothesis states:

Hypothesis 5: There is partial mediation between hard rewards and behavioural loyalty through attitudinal loyalty.

5. Methodology

The phenomenon of MBL is present in a number of consumer markets and industries (Dowling and Uncles, 1997). MBL occurs most frequently in retailing and fast-moving consumer goods (FMCG), where customers are facing an abundance of product and brand choices in several product categories (Uncles and Dowling, 2003). In this context, it is common that customers participate to several loyalty programs and to receive rewards from their preferred brand(s) (Mägi, 2003). Therefore, in this study, we have focused on FMCG, being an appropriate context to analyse both the MBL phenomenon and its impact on the effectiveness of loyalty rewards. In order to test our research model, we have designed a scenario-based experiment (Charness et al., 2012) that is suitable for examining causal relationships between antecedents and outcomes in controlled conditions (Bateman and Zeithaml, 1989).

5.1 Experimental design and pre-test

To capture the respondent's reactions to loyalty rewards, we manipulated two reward types (soft/hard) at two levels (yes vs. no) to form four different scenarios: (1) neither hard nor soft rewards, (2) hard rewards only, (3) soft rewards only, (4) hard and soft rewards (Appendix G). The experiment then used a two factor by two-level between subjects' design, where each respondent received one scenario (Charness et al., 2012). Between subject design was a good fit for the study because it gives respondents the

chance to only make one decision and avoids the causal effects and biases of exposing multiple scenarios for individual responses (Charness et al., 2012). To achieve an appropriate configuration of the four scenarios, we used measurement instruments from previous research, but adapted them to the context of retailing: For example, “10% discount for the next purchase” for hard rewards (Park et al., 2013) and “free access to special events that the focal brand organizes for its loyal customers” for soft rewards (Arbore and Estes, 2013; Drèze and Nunes, 2009; Hennig-Thurau et al., 2002).

The instruments were pretested with 10 respondents (6 consumers and 4 marketing experts). Free access to the brand’s special events was perceived as a soft reward and as a good motivator for changing the customer’s behaviour and attitudes toward the brand. However, the 10% discount for hard rewards was judged to be insufficient to trigger a response in terms of change in attitude and behaviour toward the brand. Only after adjusting the percentage to 20% and pretesting it a second time with 10 new consumers, the reward was perceived as a sufficient motivator to modify the respondent’s attitudes and behaviour toward the brand. Therefore, the percentage of 20% was used in the experiment scenarios.

The final version of the questionnaire was also pretested (see Appendix H) prior to data collection with 20 consumers to assess what degree did the respondents understand the scenarios and items, and to ensure that the questionnaire was appropriate in terms of structure and language (Reynolds and Diamantopoulos, 1998). Because no further changes to the questionnaire were needed, these 20 respondents were included in the main sample.

5.2 Data collection and sample

The questionnaire was administered as an online survey using Amazon Mechanical Turk (MTurk) who targeted consumers in the United States. Respondents were randomly selected and paid 40 U.S. cents to complete the survey. Participation in the survey and remuneration was not based on any prerequisites, which could attenuate potential problems with character misrepresentation on MTurk (Sharpe Wessling et al., 2017). Moreover, respondents were explicitly assured that they would be paid before they began to complete the questionnaire, no matter what their answers in the survey were.

To identify multi-brand loyal and single brand loyal respondents, the first section of the questionnaire included items that had been previously tested by Arifine et al. (2019) (see Table 6). Based on these filtering items, we formed two separate groups: (1) A group of SBL customers who selected the item, *“I can think of a food or beverage product for which I am loyal to only one brand”* (i.e., I like to purchase and exclusively consume this brand. The SBL sample consisted of 133 consumers with an average age of 40 years (48% women, 52% men) and (2) a group of MBL customers who selected the item, *“I can think of a food or beverage product for which I am loyal to more than one brand”* (i.e., I like to purchase and consume more than one brand). The MBL sample consisted of 126 respondents with an average age of 41.5 years, (48% women, 52% men). Respondents who have checked the item *“I can’t think of any food or beverage product for which I am loyal to specific brand(s)”* were removed from the data since they did not have the necessary characteristics that were expected from the two target groups. The final sample size consisted of 259 respondents, 68% held at least a bachelor’s degree (68%), and 73% earned yearly revenue that was less than 80 thousand dollars.

All respondents from the SBL and MBL groups were given instructions based on one of the four scenarios (Appendix G). Each scenario consisted of the reward description (soft or hard). The respondents were then asked to read the scenario and to indicate their choice of whether they agreed or disagreed on a Likert scale ranging from 1 to 7 (1 = totally disagree to 7 = totally agree) for items that measure intended attitudinal and behavioural loyalty in response to the exposed scenario.

We also assessed if respondents understood scenarios and if they could differentiate between soft and hard rewards using a number of manipulation-check items (see Questions 1a and 1b in Table 6). To test for the effect of the manipulations, we ran a *t*-test for each of the manipulated check items. The effects of all the items were significant at .01, indicating that the respondents perceived the scenarios as expected. In addition, we assessed if reward types would trigger an attitudinal and behavioural response from the respondents (see Questions 3a and 3b – Table 6). We computed the mean scores for these items that showed higher scores than average, meaning that the respondents were sensitive to the different loyalty types (soft and hard).

Table 6: Operationalization of variables

	Scale	Measurements	Sources
Loyalty types	Single choice	<ul style="list-style-type: none"> ▪ I can't think of any food or beverage product for which I am loyal to specific brand(s) ▪ I can think of a food or beverage product for which I am loyal to only one brand (that is: I like, purchase and consume EXCLUSIVELY this brand) ▪ I can think of a food or beverage product for which I am loyal to more than one brand (that is: I like, purchase and consume MORE THAN ONE brand) 	Items Informed and adapted by Arifine <i>et al.</i> (2019)
Pre-test Soft rewards scenarios	Likert	<ul style="list-style-type: none"> ▪ Manipulation check 1a: The rewards offered by the brand offer emotional benefits ▪ Manipulation check 1b: The rewards offered by the brand offer a special treatment/privilege that improves your experience with the brand 	-
Pre-test Hard rewards scenarios	Likert	<ul style="list-style-type: none"> ▪ Manipulation check 2a: The rewards offered by the brand include monetary incentives ▪ Manipulation check 2b: The rewards offered by the brand include concrete and immediate benefits 	-
Attitude & behaviour		<ul style="list-style-type: none"> ▪ This reward will change your attitude toward the brand ▪ This reward will change your behaviour toward the brand 	

(continued)

Table 6: Operationalization of variables

	Scale	Measurements	Sources
Attitudinal loyalty	Likert	▪ Att1: I have positive attitude toward this brand	Bruner <i>et al.</i> , (2005)
		▪ Att2: I am attached to this brand	Bridson <i>et al.</i> , (2008)
		▪ Att3: I feel a sense of belonging to this brand/company	Bennett and Rundle-Thiele (2002);
		▪ Att4: I like this brand	McGoldrick and
		▪ Att5: I feel loyal to this brand	Andre (1997)
		▪ Att6: I prefer this brand	
		▪ Att7: I would recommend this brand to someone who seek advice	
		▪ Att8: I would tell about positive experiences with this brand	
Behavioural loyalty	Likert	▪ Beh1: I will keep buying regularly this brand	Bruner <i>et al.</i> (2005)
		▪ Beh2: I am willing to increase expenditure in this brand	Bridson <i>et al.</i> (2008)
		▪ Beh3: I am willing to buy this brand when you look for the same product category in the future	Saili <i>et al.</i> (2012)
		▪ Beh4: I am willing to buy more products and services from this brand	
		▪ Beh5: I intend to buy more often from this brand	

5.3 Measurement scales

To measure attitudinal and behavioural loyalty, we used several existing scales (Bridson et al., 2008; Bruner et al., 2005; Sali et al., 2012) and adapted them to the context of the study. To ensure internal consistency of measurement, we ran an EFA on the total sample. Three items from the attitudinal loyalty measurement (Att3, Att7 and Att8), and two items from behavioural loyalty (Beh1 and Beh3) were removed because they did not achieve substantial factor loadings from the EFA. We finally identified two factors, attitudinal and behavioural loyalty with good construct reliability ($\alpha = .93$ for attitudinal loyalty and $\alpha = .86$ for behavioural loyalty) (see Table 7). To control for demographic characteristics, we included age, revenue, gender, and educational level items as control variables in the questionnaire. The results of the analysis of variance showed that none of these variables had a significant effect for attitudinal loyalty or behavioural loyalty, thus, the variables were removed in the following analyses.

Table 7: Construct reliability and validity

SBL (n = 133)									
	M	SD	FL EFA	FL CFA	AVE	CR	α	1	2
1. Attitudinal loyalty (ATT)	6.33	.76			.81	.95	.95	.90	
Att1	6.35		.81	.89					
Att2	6.28		.94	.91					
Att4	6.29		.95	.89					
Att5	6.35		.94	.93					
Att6	6.41		.90	.88					
2. Behavioural loyalty (BEH)	6.17	.80			.74	.89	.90	.70	.86
Beh2	6.04		.99	.86					
Beh4	6.36		.70	.85					
Beh5	6.18		.89	.88					
MBL (n = 126)									
1. Attitudinal loyalty (ATT)	6.06	.49			.50	.83	.84	.70	
Att1	6.1	.65	.80	.66					
Att2	5.94	.59	.84	.75					
Att4	6.06	.64	.59	.70					
Att5	6.08	.65	.70	.70					
Att6	6.11	.55	.78	.73					
2. Behavioural loyalty (BEH)	5.88	.54			.55	.78	.76	.49	.74
Beh2	5.74	.68	.84	.83					
Beh4	5.91	.67	.89	.76					
Beh5	5.99	.57	.69	.62					

Table 7: Construct reliability and validity

		Overall (n = 259)							
	M	SD	FL EFA	FL CFA	AVE	CR	α	1	2
1. Attitudinal loyalty (ATT)					.71	.92	.93	.84	
Att1	6.23	.75	.83	.83					
Att2	6.12	.73	.93	.86					
Att4	6.18	.75	.84	.83					
Att5	6.22	.77	.88	.86					
Att6	6.26	.69	.89	.84					
2. Behavioural loyalty (BEH)					.75	.90	.86	.69	.86
Beh2	5.8	.82	.96	.83					
Beh4	6.1	.76	.81	.82					
Beh5	6	.75	.85	.81					

Notes:

Numbers on the diagonal show the squared root of AVE. bold numbers on the off diagonal represent the correlations between the constructs

Total data: variance explained = 78%, MBL data: variance explained = 64%, SBL data: variance explained = 85%

SD: Standard deviation, M: Mean, FLEFA: Factor loading of exploratory factor analysis, FLCFA: Factor loading of confirmatory factor analysis, AVE: average variance extracted.

5.4 Common method bias and social desirability bias

This experiment manipulated independent (soft/hard rewards), but measured mediating and dependent variables (attitudinal and behavioural loyalty). Thus, it was important to determine if the collected data are not affected by the common method bias (CMB) (Craighead et al., 2011). We used a single factor test using CFA, as it was a robust test to measure CMB (Craighead et al., 2011). This method consisted of comparing a single factor model and a multi-factor model using a chi-square difference test and through the model fit indices. The results of the chi-square difference test showed that the multi-factor model ($\chi^2 = 33.8$, $df = 17$, $\chi^2/d.f. = 1.9$, $NFI = .97$, $CFI = .98$, $RMSEA = .06$ [.03, .09] is $SRMR = .01$) and the single factor model ($\chi^2 = 58.26$, $d.f. = 18$, $\chi^2/d.f. = 3.2$, $NFI = .96$, $CFI = .97$, $RMSEA = .09$ [.06, .10] is $SRMR = .02$) are significantly different. Moreover, the multi-factor model showed a better fit than the single factor model (see Table 8). Therefore, we assumed that the data set was not affected by the CMB.

Table 8: Single and multi-factor tests for common method bias assessment

Model fit indices	Multi-factor	Single factor	Δ
CMIN	33.8	58.26	24.46
DF	17	18	1
CMIN/DF	1.9	3.2	24.46
NFI	.97	.96	.01
CFI	.98	.97	.01
RMSEA	.06 [.03, .09]	.09 [.06, .10]	-.03
SRMR	.01	.02	-.01

To take into account the potential effect of social desirability, we also included the Marlowe-Crowne (2010) scale (Strahan and Gerbasi, 1972). Because of the anonymity and absence of personal contact in online surveys, respondents can dedicate less cognitive effort in answering the survey questions, and attention check

items control this behaviour (Paas and Morren, 2018). A social desirability variable was also included in the analysis as a control variable, and its impact on both attitudinal and behavioural constructs was non-significant. Therefore, we removed them from the subsequent analyses.

5.5 Analyses

To assess the scale's dimensionality and reliability an exploratory factor analysis (EFA) was used (McDonald, 2011). We assessed if the factor loadings from the EFA were substantial and items loaded correctly in their respective constructs and measured using Cronbach alpha for the measured variables. Next, we conducted a confirmatory factor analysis (CFA) for each group of respondents (MBL and SBL) to test the structure of the two proposed factors (attitudinal and behavioural loyalty) (Loehlin, 1998). The two factor models were tested together rather than separately, which enabled us to test for discriminant validity. Since the data did not violate multivariate normality assumptions (McDonald and Ho, 2002), we used maximum likelihood estimation procedures. Following common practice (Byrne, 2006; Hu and Bentler, 1999), we used multiple indicators to assess the measurement model fits, the normed chi-square ($\chi^2/d.f.$), root mean square error of approximation (RMSEA), standardized root mean square residual (SRMR), normed fit index (NNFI), and comparative fit index (CFI), and we required $RMSEA \leq .08$, $SRMR \leq .08$, $NNFI \geq .90$, and $CFI \geq .95$, as well as $\chi^2/d.f. \leq 2$, and $p \leq .05$ to support a good model fit (Hu and Bentler, 1999). To assess the convergent validity, we examined the factor loadings from the CFA, composite reliability and variance that was extracted from each construct. Discriminant validity was evaluated using Fornell and Larcker's (1981) test that suggested that the average variance shared between a construct and its indicators should be greater than the variance shared between the construct and other constructs in the model.

We then performed invariance measurement analysis to assess if the two constructs, attitudinal and behavioural loyalty were invariant across the two groups (SBL and MBL) following the guidelines suggested by Byrne (2006). Measurement invariance includes configural, metric and scalar invariance. The configural invariance test examines whether the overall factor structure stipulated by the measure fits well for both groups (Byrne, 2006). While metric invariance measures whether the two groups (SBL and MBL) responded to the items in identical way, when the

equivalence of factor loadings is achieved across groups, regression weights of the two groups can be compared (Byrne, 2006). In regard to scalar invariance, it is a prerequisite for the interpretation of construct differences (Steenkamp and Baumgartner, 1998). However, full scalar invariance is not necessary when at least one item per construct is invariant (i.e., partial invariance) (Byrne et al., 1989). Scalar invariance allows the substantiation of multi-group comparisons of factor means and ensures that statistically significant differences of group means are not due to differences in scale properties between different groups. In addition to the overall fit indices, we used comparative fit indices and the chi-square difference test to evaluate the difference between nested models and examined changes in CFI (Δ CFI) (Cheung and Rensvold, 2002).

Once the group invariance of our measurement model was assessed, we ran a multi-group analysis of the structural model using SmartPLS to determine whether there were any substantive differences in the structural relationships and test the mediation and moderation hypotheses. As PLS-SEM models are non-parametric and therefore robust against non-normally distributed data, it estimates latent variable scores explicitly (Hair et al., 2017). Furthermore, PLS-SEM simultaneously considers the entire model structure when estimating parameters and thus reduces measurement error (Hair et al., 2019). To run the analysis, we used SmartPLS version 3.2.2 (Ringle et al., 2015). We addressed the standard assessment criteria, including the coefficient of determination (R^2), the blindfolding-based cross-validated redundancy measure (Q^2), and the statistical significance and relevance of the path coefficients. The goal of this analysis is to examine differences between the two groups (SBL and MBL) and compare paths between variables across the two groups. To achieve this goal, we ran multi-group analyses, and compared the standardized regression coefficient for each path across the two groups. Moreover, we also included in the analysis the direct and indirect effects between the measured constructs (attitudinal and behavioural loyalty) and loyalty types (soft and hard) to test mediating effects hypotheses.

6. Results

6.1 Psychometric characteristics of attitudinal and behavioural loyalty

We first exposed attitudinal and behavioural loyalty items (eight items) to an EFA in each group. The Cronbach alpha values obtained for attitudinal loyalty scale were

reliable ($\alpha = .95$ for SBL and $\alpha = .84$ for MBL), as well as for behavioural loyalty ($\alpha = .90$ and ($\alpha = .76$ for SBL and MBL respectively). Construct reliability was achieved with values greater than .70. We then subjected the items to two separate CFAs (for SBL and MBL). All the error variances were positive and did not significantly differ from 0; with no correlations exceeding 1, and standard errors were small (Cheung and Rensvold, 2002). The results for each group model fit returned no offending estimates in any of the models. The normed χ^2 values were 27.52 and 21.80, for SBL and MBL, respectively. The degree of freedom (d.f.) values were both equal to 15, with significance $p \leq .05$. The RMSEA values were .08 for SBL and .05 for MBL. The other indices also suggested a good fit (SRMR = .02, NNFI = .93, CFI = .97 for SBL; SRMR = .02, NNFI = .98, CFI = .99 for MBL).

To assess convergent validity, we examined the factor loadings for the CFA. The results showed that all scales items loaded highly onto their intended factors ($\beta > .70$), except for the items att1 ($\beta = .66$) and beh5 ($\beta = .62$), which showed lower but acceptable loadings ranging between .50 and .70 in the MBL panel. For both groups, the composite reliability values of each construct were greater than .70. Such outcomes suggest that the items comprising each scale had an adequate internal consistency. The variance extracted from each construct was also estimated to provide a test of internal structure with a level of .50 as the minimum acceptable level of variance extracted (Fornell and Larcker, 1981). All the scores reported in Table 7 exceeded this criterion. Therefore, convergent validity was established.

To assess discriminant validity of attitudinal and behavioural loyalty, we used Fornell and Larcker's (1981) test. Table 7 displays the square root of the average variance extracted for each measured construct on the diagonals (attitudinal and behavioural loyalty) and the inter-construct correlation coefficients (off-diagonal). Discriminant validity was demonstrated with that the diagonal values greater than the corresponding off-diagonal values (Fornell and Larcker, 1981). For the overall sample, we reported an acceptable squared root of AVE equal to .84 and .86 for attitudinal and behavioural loyalty respectively, and an inter-construct correlation coefficient equal of .69. The squared roots of the AVE values were .81 and .74 for the SBL sample, and .50 and .55 for the MBL sample. The inter-construct correlation coefficient was .70 for SBL and .49 for MBL (see Table 7).

6.2 Measurement invariance

Following Byrne's (2006) guidelines, this procedure requires evaluating hierarchical ordering of nested models. The baseline model in which model parameters for each group were estimated separately and no equality constraints were imposed across groups was tested using configural invariance. The baseline model (Model 1) yielded adequate fit indices with CFI equal to the recommended .95, suggesting that the factor structure is best represented as a two-factor model for both groups (Table 9). Model 2a constrained the factor loadings equally across both groups and tested metric invariance. The fit indices of the model were similar to the fit indices of Model 1 and the difference between the unconstrained model and Model 2a was significant ($\Delta\chi^2 = 14.45$, d.f. = 6, $p < .001$, $\Delta\text{CFI} = .00$) (Table 9), suggesting a partial metric invariance. Therefore, it was estimated that Model 2b in which one factor loading of the behavioural loyalty construct (Beh 5) was released. The comparative fit indices between the unconstrained model (Model 1) and the partial metric invariance model (Model 2b) were not significantly different ($\Delta\chi^2 = 5.94$, d.f. = 5, $p = .31$, $\Delta\text{CFI} = .00$) (Table 9), while the fit indices of Model 2b were relatively better to the the unconstrained model ones ($\chi^2/\text{d.f.} = 2.4$, NNFI= .93; CFI= .95, RMSEA= .07 [.05, .09]), in support of the partial metric invariance. Each item loaded on its relevant construct at nearly equal strength across the two groups. Table 9 summarizes the results of the measurement invariance analyses.

Table 9: Measurement invariance across groups (n=259)

Measurement model	χ^2	df	<i>p</i>	χ^2 / df	RMSEA [90%CI]	NNFI	CFI	$\Delta \chi^2$	Δ DF	<i>p</i>	Δ CFI
Model 1: Baseline model (No equality constraints imposed)	99.77	38	.00	2.62	.08 [.06, .09]	.93	.95	—	—	—	
Model 2a: Full metric invariance (equal factor loadings)	114.22	44	.00	2.59	.08 [.07, .09]	.92	.95	14.45	6	.00	.00
Model 2b: Partial metric invariance*	105.71	43	.00	2.4	.07 [.05, .09]	.93	.95	5.94	5	.31	.00

NFI Normed fit index; CFI Comparative fit index; RMSEA Root mean square error of approximation.

The factor loadings of attitudinal and behavioural loyalty are not invariant across the SBL and MBL after releasing the item: Beh5

6.3 Predictive power, predictive relevance, and path coefficients

The predictive power of structural equation models is measured through R^2 , the coefficient of determination (Hair et al., 2017). Criteria for assessing the coefficient of determination may differ across disciplines, but R^2 values of .20 are considered high in disciplines such as consumer behavior (Hair et al., 2017). Results show significant R^2 values for attitudinal loyalty and behavioral loyalty ($p < .001$). They are respectively equal to .16 and .37 for MBL group and .07 and .56 for SBL group. Although the R^2 is small for attitudinal loyalty, it is relatively high for the managerially relevant variable of behavioural loyalty. Furthermore, researchers report the predictive relevance Q^2 of their endogenous latent variables when using PLS-SEM (Dolce, Vinzi, and Lauro, 2017). Values of Q^2 larger than zero indicate that a specific latent variable has predictive relevance (Hair et al., 2017). Table 10 shows that predictive relevance is achieved since all Q^2 values are above zero.

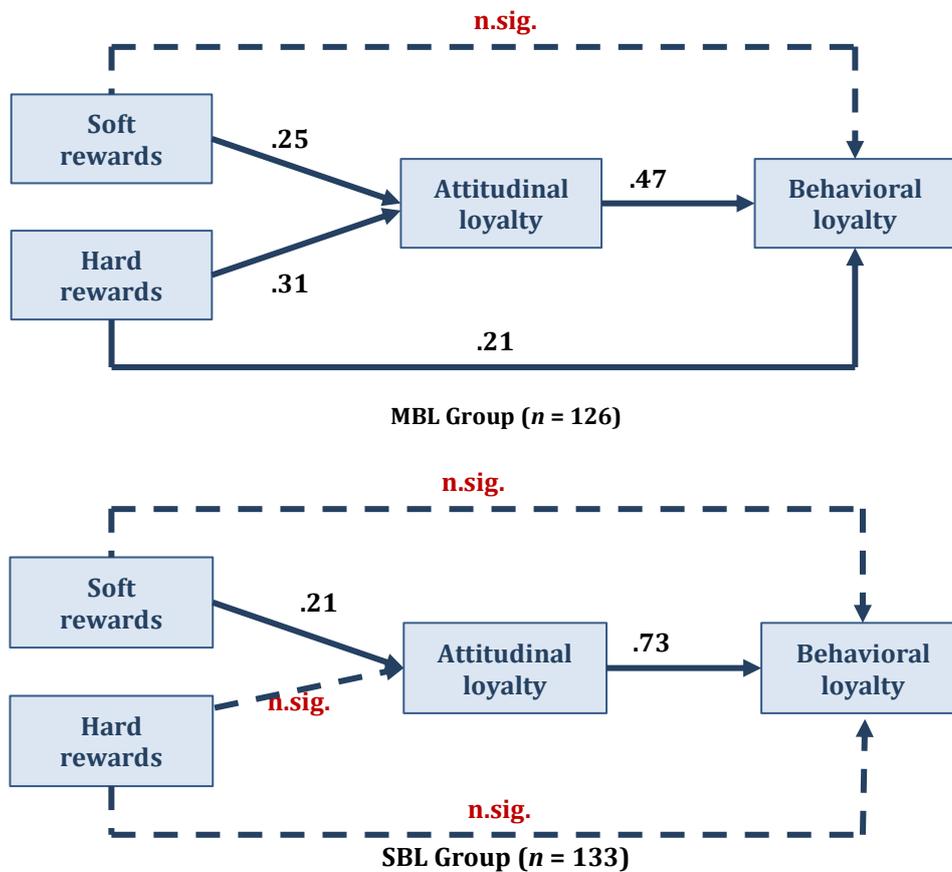
Table 10: Coefficient of determination (R^2) and predictive relevance (Q^2) from PLS-SEM

	Total sample		MBL sample		SBL sample	
	R^2	Q^2	R^2	Q^2	R^2	Q^2
Attitudinal loyalty	.08	.06	.16	.09	.07	.05
Behavioural loyalty	.51	.39	.37	.23	.56	.45

6.4 Hypothesis testing

The study hypotheses were tested by comparing the standardized regression weights across groups when the difference across groups is significant ($p < .001$). Figure 7 is a graphical representation of the estimated structural model for each group.

Figure 7: Standardized path coefficients of the structural model for SBL and MBL



Note: p -value < .01, This figure reports only direct effects regression weights

6.4.1 Moderation analyses

The predicted moderating effect loyalty type on the relationships between the variables was tested, based on a multigroup analysis (MGA). SmartPLS 3 reports results from three MGA approaches: (1) PLS-MGA (a nonparametric significance test for the difference of group-specific results that builds on PLS-SEM bootstrapping results), (2) a parametric test which estimates model parameters for each group separately and assumes equal variances across groups, and (3) the Welch-Satterthwait test (a parametric test that assumes unequal variances across groups (Hair et al., 2018)). While the three methods report the identical results, the analysis of this study is based on the nonparametric PLS-MGA approach.

- *Attitudinal-behavioural loyalty relationship*

Consistent with our expectations, there is a significant difference across the SBL and MBL regarding the link between attitudinal loyalty and behavioural loyalty ($p < .001$, t -value=.89).

This link is weaker for MBL ($\beta = .47, p < .001$) compared to SBL ($\beta = .73, p < .001$) which provide support for H1, proposing that the loyalty type moderates the relationship between attitudinal and behavioural loyalty resulting in attitudinal loyalty having a weaker effect on behavioural loyalty for multiple brand loyal customers compared with single-brand loyal customers.

- *Loyalty rewards (soft/hard)-attitudinal loyalty relationship*

On the one hand, the results show significant effect of soft rewards on attitudinal loyalty $p < .001$ for SBL group with $\beta = .23$ as well as for MBL group with $\beta = .25$. However, there is no significant difference across the groups ($p > .001$), which provides no support for H2 stating that soft rewards have significantly a stronger effect on attitudinal loyalty for single brand loyal customers compared to multi-brand loyal customers.

On the other hand, hard rewards have significant effect on attitudinal loyalty for MBL group with $\beta = .31$ and nonsignificant for SBL group. However, results show no significant difference between the groups for this link between hard rewards and attitudinal loyalty. Therefore, H3 stating that hard rewards have a stronger effect on attitudinal loyalty for multiple brand loyal customers than for single brand loyal customers is rejected.

6.4.2 Mediation analyses

To formally test the mediation effects predicted in the hypotheses, we inspected the specific indirect effects that are based on bootstrapping with 5,000 subsamples (Preacher & Hayes, 2008). Bootstrapping in SmartPLS is a non-parametric resampling procedure with replacement where every bootstrap sample contains as many cases as are present in the original data (Streukens & Leroi-Werelds, 2016).

- *Mediation between soft rewards and behavioural loyalty through attitudinal loyalty*

We report a significant indirect effect of soft rewards \rightarrow attitudinal loyalty \rightarrow behavioural loyalty ($\beta = .11, t = 2.79, 95\% \text{ CI} = .05 \text{ to } .27, p\text{-value} < .001$) for MBL. We also report a nonsignificant direct effect of soft rewards on behavioural loyalty ($p\text{-value} = .88$) and a significant effect of soft rewards on attitudinal loyalty ($\beta = .15, t = 2.8, 95\% \text{ CI} = .05 \text{ to } .27, p\text{-value} < .001$), as well as a significant effect of attitudinal loyalty on behavioural loyalty ($p\text{-value} < .001$). The same indirect effect of soft rewards \rightarrow attitudinal loyalty \rightarrow behavioural loyalty is also statistically significant ($\beta = .17, t = 2.88, 95\% \text{ CI} = .05 \text{ to } .29, p\text{-value} < .001$)

for SBL. Moreover, the direct effect of soft rewards on attitudinal loyalty is nonsignificant (p -value = .88), and attitudinal loyalty on behavioural loyalty is significant (p -value < .001). Therefore, soft rewards totally impact behavioural loyalty through attitudinal loyalty as hypothesized in H4, which suggested that there is full mediation between soft rewards and behavioural loyalty through attitudinal loyalty for both groups SBL and MBL.

- *Mediation between hard rewards and behavioural loyalty through attitudinal loyalty*

The indirect effect of hard rewards → attitudinal loyalty → behavioural loyalty was statistically significant ($\beta = .19$, $t = 2.95$, 95% CI = .08 to .34, p -value < .001) for MBL.

While the direct effect of hard rewards on attitudinal loyalty and hard rewards on behavioural loyalty were both significant (p -values < .001). Therefore, the partial mediating role of attitudinal loyalty that was hypothesized in H5 was supported for the MBL group. However, the indirect effect of hard rewards → attitudinal loyalty → behavioural loyalty was statistically nonsignificant (p -value = .06) for SBL. Moreover, the direct effects between the three variables were also nonsignificant showing no mediation effect for the MBL group.

Table 11: Summary of hypothesis testing

Hypotheses	Test of hypotheses
<p>H1. Loyalty type moderates the relationship between attitudinal and behavioural loyalty so that attitudinal loyalty has a stronger effect on behavioural loyalty for single-brand loyal customers compared to multi-brand loyal customers</p>	Supported
<p>H2. Soft rewards have a stronger effect on attitudinal loyalty for single brand loyal customers compared to multi-brand loyal customers.</p>	Rejected (no significance across groups)
<p>H3. Hard rewards have a stronger effect on attitudinal loyalty for multiple brand loyal customers than for single brand loyal customers.</p>	Rejected (no significance across groups)
<p>H4. There is a full mediation between soft rewards and behavioural loyalty through attitudinal loyalty.</p>	Supported
<p>H5: There is partial mediation between hard rewards and behavioural loyalty through attitudinal loyalty.</p>	Partially supported (only for MBL group and no mediation for SBL group)

7. Discussion and conclusions

In this study, the impact of loyalty rewards (soft/hard) on loyalty types (SBL/MBL) has been examined with a view to investigate the impact of loyalty type on both attitudinal and behavioural loyalty. The importance of attitudinal loyalty in achieving sustainable loyalty reward outcomes for both SBL and MBL cases has been highlighted. By doing so, the study has provided novel insights on how loyalty reward types can be more effective for multi-brand and single brand loyalty segments and extends the previous research on MBL.

First, this research compared SBL and MBL responses to loyalty reward types and examined differentiating aspects between both groups; that is the link between attitude and behaviour (Dick and Basu, 1994). Past research has demonstrated a significant and positive link between attitudinal and behavioural loyalty (Geçti and Zengin, 2013; Rundle-Thiele and Mackay, 2001) and has suggested that this link may become weaker due to the phenomenon of MBL (Dick and Basu, 1994), although no empirical testing had been conducted. This study provides a further development by empirically testing the strength of the attitudinal–behavioural relationship between SBL and MBL customers. The findings support the hypothesis and provide empirical evidence of the weaker effect of attitudinal loyalty on behavioural loyalty for MBL customers compared to SBL customers (H1).

The study also examined the impact of loyalty reward types (soft and hard) on attitudinal and behavioural loyalty when customers are SBL compared to when they are MBL. Previous research on MBL did not progress much beyond its definitions and conceptualizations (Arifine et al., 2019; Felix, 2014). This study has used MBL in a path model that includes attitudinal and behavioural loyalty, and loyalty rewards as key antecedents, with loyalty type being modelled as a moderator.

An unexpected finding from the study related to the moderating effect of loyalty type (SBL/MBL) on soft rewards–attitudinal loyalty. This research hypothesis has not been tested previously and was based on theoretical understanding by the researchers. It was suggested that soft rewards have a stronger effect on attitudinal loyalty for SBL compared to MBL. However, the findings indicated that there is no significant difference between the groups on this relationship (H3). The study also assessed the moderating effect of loyalty type on the hard rewards–attitudinal loyalty relationship. The findings have also shown that there is no significant difference between SBL and

MBL in their attitudes when receiving hard rewards (H3). Despite this nonsignificant difference across the two groups, the results reveal an important outcome that is, the MBL group reacts to both soft and hard rewards, but prefers more the hard ones, as they generate higher positive attitude toward the brand compared to when they receive soft ones. While SBL customers do not respond at all to the hard rewards (nonsignificant effect) and only soft rewards impact their attitude toward the brand.

The study has also furthered our understanding of attitudinal loyalty and how it is important in achieving sustainable loyalty outcomes by addressing its mediating role in the loyalty rewards–behavioural loyalty relationship. Previous research has empirically tested this mediation in the context of SBL (Butler and D’Souza, 2011), but no studies have reported new findings in the context of MBL. Therefore, this paper extends knowledge in the field of loyalty rewards and compares it with mediations in MBL and SBL cases. The findings have shown that there is a full mediation of attitudinal loyalty in the soft rewards–behavioural loyalty relationship for both SBL and MBL (H4). This outcome has supported previous theory on attitudinal loyalty as a key factor in achieving sustainable loyalty reward outcomes (Reichheld, 1996). In contrast, attitudinal loyalty only partially mediated the relationship between hard rewards and attitudinal loyalty for MBL customers (H5), while there is no mediation and no significant indirect effect of hard rewards on behavioural loyalty for the SBL group. When MBL customers received hard rewards, their repurchase behaviour directly increases so that they can immediately use these benefits in the next purchase (Keh and Lee, 2006; Yi and Jeon, 2003). Moreover, the more MBL customers receive hard rewards, the more they appreciate and like that brand and this as a consequence encourages them to purchase the same brand in the future. This outcome shows that in some situations, hard rewards may encourage MBL customers to become spuriously loyal rather than truly loyal to brands, so that they only receive interesting hard rewards to motivate them to redeem points and repurchase the brand, even if they were not increased in attitudinal loyalty toward the brand. It also shows that SBL customers would rely only on soft rewards and their attitude would increase over the time because of this type of rewards.

From the academic perspective, this study extends the previous research on MBL and contributes to the literature in the following ways: (1) It addressed the gap in the literature related to the differences between SBL and MBL customer responses toward loyalty reward types, by showing that MBL customers are attitudinally more

responsive to hard rewards than soft rewards, in contrast to SBL customers respond only to soft rewards. (2) It empirically tests for the first time a conceptual framework that includes the interrelationship between loyalty components (attitude and behaviour) and loyalty reward types while comparing relationships in SBL and MBL settings. This provides a better understanding of the different levels of loyalty rewards effectiveness and found that soft rewards become less effective when customers are multi-brand loyal, and hard rewards irrelevant when customers are single brand loyal.

From a managerial perspective, distinguishing between SBL and MBL customers and how they respond to loyalty reward types helps marketing managers to make better decisions about how to design successful loyalty reward programs, and use the best combination of soft and hard benefits to maximize loyalty returns on investment.

When implementing loyalty reward schemes in consumer markets, managers should establish adapted benefits for each of the loyalty segments. The findings indicate that some loyalty schemes (specifically with soft benefits) may increase attitudinal loyalty, but may fail to increase customer repurchase behaviour, and this understanding becomes important for managers. For multi-brand loyal customers, loyalty reward programs should be structured based on their hard benefits. The MBL segment is attracted by immediate and concrete benefits provided from their preferred brands and compared between brands to maximize benefits. Only by offering them differentiated rewards, firms can sway competitor offerings, motivate them to become more attitudinally loyal and encourage more to purchase their brand.

Managers should not forget that their profitable customers who are exclusively loyal to the brand (SBL), dedicate a part of their relationship marketing efforts to serve this segment, which is crucial to secure their retention and to reinforce the strong relationship with them (Fornell and Wernerfelt, 1987; Zineldin, 2006). The empirical results have indicated that attitudinal loyalty is a key factor to help achieve sustainable soft reward outcomes. As a result, loyalty scheme designers should explore this in the process of developing loyalty schemes and test different combinations of soft rewards to see which one enhances a better attitudinal loyalty. These tests can be done with existing and loyal SBL customers who are interested in this type of reward. Similarly, loyalty scheme designers can also use MBL customers in a panel to test hard reward schemes to gain further insights into what they found to be more effective.

8. Limitations and future research

These empirical results are subject to a number of limitations that are related to the scope and methodology of the research. First, this study tests relationships between the observed variables using a scenario-based experimental methodology. Other methodological approaches such as longitudinal studies would be beneficial in retesting and confirming the stability of these findings between SBL and MBL customers. Longitudinal studies would be more useful in specifically testing the effect of soft rewards on brand, given that their impact on customer loyalty may not be perceived on a short term but on a long-term basis (Butler and D'Souza, 2011).

Second, this study is restricted to the impact of loyalty reward types on two dimensions of loyalty - attitude and behaviour. There may be other related variables that impact on loyalty rewards–loyalty relationship such as product involvement. SBL and MBL customers may have different responses toward loyalty rewards when they have a high involvement toward the product compared to when it is low.

The phenomenon of MBL might characterise several different markets such as soft drinks and breakfast cereals (Dowling and Uncles, 1997) and industries such as car hire, fast-food outlets, and airlines. MBL occurs more often in retailing and fast-moving consumer goods (FMCG), where customers are facing an abundance of products and brand choices in several different product categories (Uncles and Dowling, 2003). In this context, it is common that customers participate in loyalty programs and receive rewards such as vouchers, points, or free products based on purchasing their preferred brand(s). For these reasons, the focus of this study was on the fast-moving consumer goods as appropriate case studies to analyse both the MBL phenomenon and loyalty rewards. This research neglects how the impact of loyalty rewards can vary across different industries. In the context of FMCG, products have a short life cycle. Future studies focusing on longer lifecycle products (appliances, clothing) would be the next step to test the validity of the model, which has been developed for this study. In conclusion, although this study has several limitations it provides another step forward in MBL research by including this concept within its nomological network and by empirically testing it.

Part VI: Overall conclusion

1. Core results of the dissertation

The main aim of this research is to explore and analyse the concept of MBL and to compare it to the SBL concept. To achieve this aim, a number of research questions were developed and presented in three different essays. In this section, a summary of the main results and answers to the research questions are presented.

RQ (1) Does MBL differ from SBL in terms of its definition and conceptualization, antecedents and outcomes?

The first research question that was answered in the Essay 1 was through an analysis of the existing literature on MBL. This study has provided propositions about how MBL differs from SBL, how both are conceptualized, and determined whether the antecedents and outcomes are different, or similar, and do they differ in term of their strength. Essay 1 also presents a detailed research agenda that is based on the literature review on a comparison between the MBL and SBL concepts.

The results of this literature review in Essay 1 have suggested that SBL and MBL should be considered as two separate concepts that are sharing common antecedents and outcomes but differ in terms of the strength of their effects. Moreover, in the Essay 1, it is argued that the affective loyalty antecedents (affective commitments; emotional and social value) have a stronger impact on attitudinal loyalty for SBL customers compared to MBL customers, while factors requiring high cognitive reasoning (e.g., customer's calculative commitment; functional value) strongly impact on MBL customers and specifically on their behavioural loyalty. The strength of the loyalty outcome effects is also shown to be at different levels between MBL and SBL, although it has been argued that SBL generates stronger effects than MBL for customer's word of mouth and willingness to pay premium price and share of wallet.

The key proposition of this literature review is that SBL and MBL are sharing the same components which are attitudinal and behavioural loyalty. However, the strength of this effect is the key differentiator between SBL and MBL, so that it becomes weaker in the case of MBL. Moreover, loyalty conditions (SBL vs. MBL)

should be included as a moderator in the loyalty frameworks as suggested in this study to ensure that there are reliable empirical results.

From a managerial perspective, the outcomes of this analysis have shown that the difference between single brand and multi-brand loyal customers is essential when establishing relationship-marketing strategies in order to obtain better loyalty outcomes.

RQs (2,3) What is MBL, its facets and types? And how does MBL emerge?

Essay 1 was the first step to initiate the development of the MBL theory in this research. The next step was to explore the concept of MBL itself and to understand its meaning, characteristics and many facets. Essay 2 was aimed to answer the research questions (2) and (3) of the thesis, by exploring the facets of MBL and its different types based on Felix's (2014) research findings.

The findings from Essay 2 suggest that MBL is used as a strategy to achieve mood congruence that are: identity enhancement, unavailability risk reduction and market competition, that are the facets explaining the two main types of MBL (complementary based and product substitutes). Moreover, family influences have been found to be a motivator for consumers to be multi-brand loyal by adding brands to the initial family-endorsed brand when they move out of their parent's home (i.e., adding to the family-endorsed brand rather than substituting it. This is known as a rebellion process (abandon the family-endorsed brand as a means of breaking with the restraints imposed by family convention). Additionally, based on the discovery-oriented part of the study, the quantitative study has provided empirical evidence of the occurrence of MBL facets in a sample of consumers and that these facets can be used to differentiate consumer segments.

From a managerial perspective, the findings have provided clear indications about how to use MBL facets and characteristics that were found in this study to identify different segments of MBL customers in specific markets. Once the segments are distinguished, firms can adapt loyalty strategies and to adopt different tactics to cater for their wishes. For instance, extending their product line to fulfil more MBL customer needs, ensures that the brand availability in points of sales, or focuses on the adherence process to the brand to avoid expansion or rebellion.

***RQ (4,5) How effective are loyalty rewards for MBL compared to SBL customers?
And how should managers implement loyalty programs when serving both SBL and
MBL customers to achieve higher return on investment?***

Essay 2 provides an understanding of the impact of MBL from a consumer's perspective and how they employ it to reshape their purchase behaviour and loyalty towards certain brands. While Essay 3 focuses on the firm's perspective and how it can deal with MBL customers when they are a part of the loyalty base. This study has investigated how MBL customers in comparison to SBL customers react to loyalty strategies that specifically relate to loyalty rewards (soft versus hard), being one of the most popular and common strategies that firms implement on a worldwide basis in order to improve customer loyalty (Finaccord, 2013; Sisolak, 2012).

The key finding of this Essay is that there is a weaker effect between attitudinal and behavioural loyalty in the MBL setting compared to the SBL setting. This result provides empirical support for the theory that was developed in early research by Dick and Basu (1994) and supports the proposition in Essay 1 that the attitudinal-behaviour link is the main differentiator between SBL and MBL settings. The second finding of Essay 3 is that there is no significant difference in the impact of loyalty reward types on attitudinal and behavioural loyalty in the case of SBL customers compared to MBL. However, only MBL customers respond to hard rewards, and they prefer them then the soft rewards. While SBL customers do not see hard rewards as relevant benefits to change their attitude toward the brand, while they are influenced by soft rewards. Those findings have also provided empirical evidence for the full mediating role of attitudinal loyalty between soft rewards and behavioural loyalty.

The outcomes of this study provide additional value to the relationship marketing literature when investigating MBL on the one hand, and the effectiveness of loyalty rewards on the other hand. This is the first study to focus on the impact of loyalty rewards on loyalty when comparing both SBL and MBL settings.

The results of this study also have a number of managerial recommendations. Because MBL and SBL customers respond differently to loyalty rewards in terms of their attitude and behaviour toward the brand, managers should establish personalized benefits for each of these segments. For MBL, loyalty rewards should be based on hard benefits as they prefer these types of benefits. For SBL, attitudinal loyalty remains the key factor to achieve sustainable loyalty; therefore, marketers should develop loyalty programs that include soft benefits to enhance attitudinal loyalty.

To summarize, the findings from this study provide increased knowledge about the MBL concept which shows consistency with previous research. The results from Essay 2 support previous findings that MBL should be differentiated from SBL (Mägi, 2003), and previous work on the MBL types and characteristics (Felix, 2014). Essay 3 has provided empirical support of the conceptual proposition that MBL generates a weaker effect of attitudinal loyalty on behavioural loyalty (Dick and Basu, 1997) (see Essay 1). The previous literature did not empirically measure the effects of the relationship between loyalty, its antecedents and outcomes and how those relationships differ in MBL settings compared to SBL settings. This study has filled this gap and provides important conclusions about one of the major factors of customer loyalty, that is loyalty rewards. Table 12 summarizes the research questions, methodologies, key conclusions and the contribution of these three essays.

2. Contributions and implications of the thesis

The fundamental goal of this research was to advance the academic research on the MBL concept while at the same time to suggest practical solutions for managers to help overcome the MBL phenomenon. To achieve this goal, research questions have been postulated in three comprehensive studies that have provided theoretical and managerial contributions. The combination of the three essays represents the first research work on the MBL concept in the context of FMCG retail with empirical outcomes.

2.1 Theoretical contributions

This dissertation has added to the existing body of research and has provided new insights into the concept of MBL. Firstly, this research analyses in Essay 1 the existing literature on this concept and clears up the confusion on the similarities and differences with SBL in terms of its antecedents and outcomes. Therefore, the development of MBL theory was initiated by drawing a research framework that includes antecedents and outcomes. A comparison between SBL and MBL highlights the importance and relevance of the differentiation between them in future research. It also suggests a better way of analysing brand loyalty in future empirical studies considering that SBL and MBL are the two conditions associated with brand loyalty.

Secondly, MBL concept is individually explored and investigated in Essay 2. The results of this investigation have contributed to the academic research by providing a more precise definition of MBL, specifically in terms of its components, characteristics and facets. It also presents a conceptual foundation for MBL by integrating both cognitive and emotional aspects of loyalty. Furthermore, it also confirms the proposition of Essay 1, that loyalty is differently conceptualized in the context of MBL, compared to the conventional context of SBL that is referred to in the literature.

Aspects associated with SBL in the literature such as risk aversion, competition, affects, or identity appear to have different roles in MBL settings. While SBL customers will buy a single brand to reduce the risk of low quality, MBL customers purchase several brands to reduce the risk of the unavailability of the brand at the time of purchase. Firms that plan marketing actions to foster SBL, may lead to MBL when they address it at the wrong customer targets. Attractive offers in competitive markets are one of the facets of MBL (see Essay 2). The results of this study are also disrupting the role of affects in building customer loyalty toward certain brands. Emotional attachment to brands is no longer relevant in the context of MBL, so that MBL customers may use strategic brands to improve their mood even if they are emotionally attached to these brands. This is similar to the role of identity in the customer relationship with brands. This research has shown that there is a shift from a unique customer identity that is associated with the consumption of a single brand, to a patchwork of identities where MBL customers use a set of brands to achieve different social representations.

Thirdly, this study develops a framework where the impact of loyalty rewards is empirically tested in MBL setting (see Essay 3). It provides additional insights into the role of MBL in reshaping customer responses to loyalty rewards and provides justifications for the different levels of the effectiveness of loyalty rewards. This research contributes to both loyalty rewards research and MBL research by combining both concepts for the first time in a single study and finding that soft rewards are less effective than hard rewards when customers are multi-brand loyal. Another important contribution of this study is that it provides a deeper understanding of the mediating role of attitudinal loyalty in achieving loyalty strategy outcomes, regardless of customers being either SBL or MBL.

The combination of the three essays has created a deeper insight into the field of relationship marketing. One single research study has contributed two streams of research in relationship marketing. On the one hand, this study has addressed the MBL concept from a consumer perspective by exploring the benefits of MBL for consumers. This perspective also provides added value to the literature about how consumers perceive MBL; how it represents a strategy to simplify their purchases; how they develop this type of loyalty; and how they take advantage of it to achieve their personal consumption goals (Arifine et al., 2019). Therefore, this dissertation has contributed to the consumer behaviour field by providing new insights into consumer attitudes, preferences, affects and purchase behaviour toward certain brands. Research has shown that consumer attitudes and behaviour are complex and quite difficult to predict (Barot and Gajjar, 2013). This research has integrated both cognitive and emotional dimensions into our understanding of the MBL concept and provides greater knowledge about how to better understand the consumer's wants and consumption patterns. It also investigates how peer groups such as family and friends influence consumer behaviour and how they are able to make decisions based on this.

On the other hand, this study provides greater insights into the consequences of MBL from a firm's perspective. Marketing experts have found it challenging to understand and predict consumer behaviour (Barot and Gajjar, 2013). Therefore, implementing relationship-marketing strategies in which firms can build connections and association with their customer become complex. This study has contributed from an academic point of view to the field of relationship-marketing by exploring the MBL as an issue that is hindering firms from implementing successful loyalty strategies. The empirical testing of the impact of loyalty rewards on MBL customers in comparison to SBL customers, and how these two types of customers respond to such strategies provide new insights that extends the previous theoretical propositions for MBL.

2.2 Managerial contributions

From a managerial perspective, this research provides solutions for managers to help them to identify the characteristics of multi-brand loyal customers and how to develop their relationship marketing strategies while adapting to this segment of customers. In other words, the results of this study will help managers to establish efficient and successful relationship-marketing strategies for segments of their loyal customers

(SBL and MBL) and to test different combinations of loyalty program types (loyalty rewards) to achieve positive loyalty outcomes.

Taking into consideration the findings from the three essays, I cautiously suggest that the impact of MBL on a firm's survival and sustainability in the marketplace is extremely important especially for FMCG retail. Due to an increased number of players in the FMCG market, consumers have a broader choice of selection for similar products (Marshall, 2005). Competitors are able to offer similar products with similar prices and of a similar quality. Therefore, consumers are seduced to try market offers and become loyal to a set of brands instead of a single one (Arifine et al., 2019). So, how can a firm react to such a situation?

I recommend the following strategic steps before addressing the issue of MBL. Firms should firstly decide on a strategic direction about how to address MBL and there are two options:

(1) A defensive strategy when the firm estimates that MBL customers do not generate the highest profit for their firm, it might be best to invest as little as possible on this segment, especially if it is a minority and to focus on SBL customers who are exclusively loyal (rule of 20/80). SBL customers may be 20% of total customers and generate 80% of the firm's profit.

(2) An offensive strategy when the firm estimates that MBL customers represent the majority of the loyalty base and become a serious obstacle to the firm's performance. Firms can therefore develop an offensive strategy where they target the transformation of MBL customers into SBL, and this is achieved by increasing their purchases and making them perceive differentiation between the focal brand and other competing brands that they prefer.

Once loyalty managers decide for one of the strategic directions, different approaches are possible to adapt to loyalty building tools and strategies. The findings of this study imply that managers should in any case have a closer look at topics such as the brand differentiation, brand availability and distribution channels. Specifically, when choosing the offensive strategy, it is essential to integrate MBL into their marketing plans. Marketers can employ different approaches that should be based on the following suggestions:

(a) Extend the product lines to meet customer needs using a unique brand personality.

(b) Use targeted marketing communications in advertising and sales promotions to extend the distribution channels. Factors that are impacting on customer loyalty such as customer commitment to the brand should not be neglected. Loyalty tools that create benefits for MBL customers such as saving money and time (Essay 2) may support the maintenance of higher levels of commitment and a good relationship with MBL customers to convince them to increase their purchase/s within the brand.

(c) Findings from this study have shown that MBL customers are strategic thinkers, and that they are also more cognitive rather than emotional in their relationship with brands. Therefore, the emotional value that a brand can provide should not be their top priority, as they need to evaluate the functional value through price and quality (see Essay 1). For managers, price adjustment and quality control become the key elements to attract this segment. Businesses should seriously work on their competitive advantage and to focus on brand differentiation.

(d) Even when MBL customers are satisfied with a brand, they still seek to purchase other brands. The question is how are their satisfied compared to other competitors. Firms dealing with MBL customers should have a different look at the satisfaction metrics, and to perform a benchmark to evaluate their customer satisfaction relative to other competitors (Keiningham et al., 2015). The satisfaction factor can also be addressed according to the market average in the given product category.

The results of this PhD research have also shown that loyalty outcomes can be used differently when customers are MBL. Word of mouth and willingness to pay price premium are no longer indicators of loyalty for MBL, as a number of scholars have found in an SBL setting (Evanschitzky et al., 2012; Watson et al., 2015). Marketers should not rely fully on these indicators when evaluating their customer loyalty. MBL customers may not recommend the brand and may not purchase it when the price increases as they have other possible alternatives. It remains important that managers adjust their pricing strategies and try and keep their prices stable for this segment.

In summary, managers should be aware of the implications of MBL on their marketing practice and to integrate MBL consumer insights into their market research projects to maximize their business profits.

Table 12: Key conclusions and contributions of the three essays

RQs	Methodologies	Key conclusions	Key contributions
RQ 1	Literature review and research agenda	<ul style="list-style-type: none"> • SBL and MBL should be considered to be two separate concepts • SBL and MBL have common antecedents and outcomes that differ in the strength of the effects. • Affective loyalty antecedents strongly impact on attitudinal loyalty for SBL compared to MBL • Cognitive antecedents strongly impact on behavioural loyalty for MBL compared to SBL • SBL generates stronger effects than MBL on customers loyalty outcomes 	<ul style="list-style-type: none"> • Essay 1 is the first step for the development of the MBL theory • It draws for the first time a nomological network of MBL concept, its factors and outcomes • It provides a detailed research agenda for future research
RQ 2,3	Qualitative and quantitative study	<ul style="list-style-type: none"> • MBL is a strategy to achieve mood congruence, identity enhancement, unavailability risk reduction and market competition • The main two MBL types are complementary-based and product substitutes. • Family influence is a motivator to become MBL customer 	<ul style="list-style-type: none"> • Essay 2 extends previous research on single-brand and multi-brand loyalty and research on other consumer related concepts such as risk in purchase, market competition, affects and customer identity. • Essay 2 also provides recommendations to marketers on how to use the MBL characteristics in adapting their loyalty strategies (focus on brand differentiation, distribution, brand equity through family values...)

(continued)

Table 12: Key conclusions and contributions of the three essays

RQs	Methodologies	Key conclusions	Key contributions
RQ 4,5	Quantitative study	<ul style="list-style-type: none"> • The effect between attitudinal and behavioural loyalty is weaker in the MBL setting • Hard rewards have a significant effect on attitudinal loyalty for MBL and not for SBL, • Soft rewards have significant positive impact on attitudinal loyalty for both MBL and SBL • MBL customers prefer hard rewards than soft rewards • SBL customers respond only to soft rewards. 	<ul style="list-style-type: none"> • Essay 3 contributes to the literature on loyalty rewards by addressing the issue of ineffectiveness of such loyalty strategies and provide answers on how MBL customers respond to those strategies • It provides for a first time an empirical evidence of the effect of loyalty rewards while comparing systematically MBL and SBL cases considering both attitude and behaviour dimensions • It provides managers with suggestions on testing different combinations of soft and hard rewards to achieve positive outcomes and on considering short and long-term effects when dealing with MBL and SBL customers.

2.3 Limitations, challenges and future research

The findings of this study have to be seen in light of certain limitations and challenges that present interesting opportunities for future research.

2.3.1 Existing research on MBL and empirical testing

Firstly, one of the main challenges of this research was to find previous research on a comparison between the concepts of SBL and MBL. The first part of the research (Essay 1) has developed research propositions on the relationships between loyalty and its antecedents and outcomes in MBL compared to SBL settings. The research propositions and conceptual framework derived from previous conceptual papers and was also based on anecdotal evidence and logical argumentation. Future research should focus on empirical testing.

Only one of the loyalty antecedents had been empirically tested in the context of MBL (i.e., loyalty rewards) in Essay 3. The other antecedents such as satisfaction, commitment, perceived value, as well as the outcomes (word of mouth, willingness to pay premium price and share of wallet) have not been empirically tested in this research such as the author of the dissertation has chosen to focus on one antecedent that could be manipulated by firms that is loyalty rewards. Other antecedents could also be important in order to develop a better understanding of their separate impact on MBL, and also how this combination can influence multi-brand loyal customers in terms of their attitudes and behaviour.

2.3.2 MBL measurement scales in the literature

There was also a challenge in this research to find a reliable scale to measure MBL concept (see Essay 3). The constructs that compose MBL are the same ones as SBL, attitudinal and behavioural constructs. It is common that previous research has used scales for measuring attitudinal and behavioural loyalty (Cronin et al., 2000; Lam et al., 2004; Zeithaml et al., 1993) but not in an MBL setting. Although considerable effort has been made to apply a suitable measure for MBL based on definitions of MBL as the sum of attitudinal and behavioural loyalty toward a set of brands that was based on the existing literature (Dick and Basu, 1994), the scales used in these Essays (specifically Essays 2 and 3) were exploratory to some extent. The researcher was not able to find any existing scale to measure MBL. An instrument with survey items was

specifically developed in Essay 2 based on the outcomes of its qualitative part and on the existing scales for customer loyalty measurement (Essay 2). The scale was pretested, and reliability and validity of measurements achieved satisfactory results (Essay 2). Despite this, in order to use the MBL scale on a broader level, there is still a need to develop a more robust and precise measurement of this concept. As stated in the limitations for Essay 1, future research is necessary to develop a multi-dimensional scale and to empirically test it in different contexts other than the FMCG sector and will involve one that is dedicated through scale development research.

2.3.3 Loyalty moderators in MBL context

The first part of the study used a theoretical framework with the most common antecedents and outcomes of customer loyalty but did not focus on the moderating factors that could have had an influence on these relationships. For instance, previous research had defined switching costs as a strategy to enhance behavioural loyalty and increase future purchases (Dick and Basu, 1994). Switching costs force single brand loyal customers to continue buying from the same firm, which reduces their attitude toward the brand (Evanschitzky et al., 2012). Switching costs may influence MBL customers differently, as they do not need to engage in high costs when switching to another preferred brand. Another factor that might moderate the effects between loyalty and its antecedents and outcomes in MBL settings, is social norms. This is in line with Felix (2014) and Pimentel and Reynolds (2004) that one of their key findings from their research was that customers internalise and emulate family/friends' preferences over time and endorse them as a consequence a single brand. In the context of MBL, it has been shown that consumers can consider brands that are endorsed by family restricting their freedom and they might need a sense of independence and freedom to make consumption decisions. This need for freedom becomes a factor that encourages consumers to be multi-brand loyal as was found in the second section of this research (Essay 2). Future research should include these moderating factors in the loyalty framework to empirically test similarities and differences of the effects of antecedents and their outcomes for MBL compared to the SBL context.

2.3.4 Samples and data collection

The two empirical studies included relatively small sample sizes. For the survey of the

first empirical study (Essay 2), the sample consisted of 248 cases while the experiment for the second empirical study (Essay 3), the sample consisted of 259 cases. Although both samples sizes were above the minimum required to conduct the required analyses for the studies (Loehlin, 1998; Ouwersloot and Oderkerken-Schröder, 2008), in the future it is important to test all the hypotheses of the research using a larger sample and to evaluate if similar conclusions can be drawn about MBL customers and their interaction with other loyalty variables.

Another recommendation for future research is to extend the investigation of MBL effects in the long-term using a longitudinal study. The dynamics of MBL over time has already been addressed in previous works by Felix (2014) and Essay 2, where MBL has been shown to be a process of integration and exclusion from a set of preferred brands. This longitudinal approach will particularly strengthen the recommendations and suggestions for managers about how to build a sustainable strategy to deal with MBL dynamics over time.

2.3.5 The research context

There are two major limitations with regard to the research context. The first one is related to the product types used in the two empirical studies. Essay 2 focused on FMCG products as well as in Essay 3, which limits the scope and generalizability of the results. Both empirical studies were performed in a FMCG retailing context to evaluate the occurrence of MBL and its facets (see Essay 2) and to test the impact of loyalty rewards in such a context where products have a short lifecycle and are priced lower. Previous research has shown that MBL occurs in different sectors other than FMCG or retailing (Almeida-Santana and Moreno-Gil, 2018; Dawes, 2014; Quoquab et al., 2014; Uncles and Kwok, 2013). Future research might explore MBL in different industries such as appliance or car industries with longer lifecycles that require more reflection to make a purchase decision.

The second limitation is related to the location where the data was collected. The two empirical studies were mainly conducted in Switzerland (Essay 2) and in the U.S. (Essay 3) in order to generalize the results. However, both countries (U.S. and Switzerland) represent competitive markets in FMCG and the retailing sector is a well-developed market. Future research might focus on less competitive markets and less developed economies as suggested in Essay 2 to further explore the dynamics of MBL.

In any case, MBL has been shown to be a concept that needs to be seriously taken into consideration by marketers. This study has focused on FMCG retail to address MBL and explain how marketers should react to it. Even if MBL is a business challenge today, success stories of companies that have dealt with MBL exist within this sector and in other sectors as well. A number of companies choose to diversify their offerings to various brands to serve all types of customers including multi-brand loyals. For instance, several years ago Coca Cola chose to focus on one brand strategy while unifying a number of its sub-brands (Coke, Diet Coke, Coca-Cola Zero) because of the diverse needs its customers were demanding. Another example is the Marriott chain in the hospitality industry, the company developed sub-brands carrying the same values but having distinct brand identities (JW Marriott, Residence Inn and Ritz Carlton) to address different guest needs and to avoid their shift to other competitors. A business traveler may stay at Marriott properties for work, and to choose Courtyard by Marriott hotels for the weekend with his family while also earning points at Marriott Vacation Club for longer family holidays. Such a strategy made the hotel chain much more competitive in the market than before previously.

In conclusion, it is important that loyalty managers need to include MBL in their marketing strategies and to adapt them in the context of their distinct industries or business sectors. Hopefully, this paper has helped to strengthen the decision-making base for loyalty managers while at the same time contributing another piece of the puzzle for academic research on the MBL concept.

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Appendices

Appendix A: Overview of research on loyalty rewards and customer loyalty (Attitude and behaviour)

Authors	Industry	Country	Data source	Sample	Loyalty components	Results	Comparison between MBL and SBL	Overall impact of loyalty rewards
Bellizzi and Bristol (2004)	Retailing	USA	Survey data	301 buyers	Customer loyalty	Loyalty schemes are not significantly influencing customers willingness to increase their store loyalty	None	Negative
Bolton <i>et al.</i> (2000)	Financial sector	3 European countries	Hard data from the company	405 owner of credit cards	Repatronage decisions	Loyalty scheme increases revenue and leads to higher service usage levels	None	Positive
Bridson <i>et al.</i> (2008)	Retailing	Australia	Survey data	200 customers	Customer loyalty	Soft and Hard rewards are significant factors for customer loyalty toward the store	None	Positive
Cedrola and Memmo (2010)	Retailing	Italy	Interviews	606 Loyalty cardholders	Customer loyalty	Loyalty is not supported by loyalty programs, especially when they consist of point collections	None	Negative
Demoulin and Zidda (2012)	Non-food retailer (clothing)	France	Survey data	371 respondents	Attitudinal behavioural	Perceived benefits and symbolic ones in particular r are strong determinants of LP satisfaction and substantially drive store loyalty.	None	Positive

(continued)

Appendix A: Overview of research on loyalty rewards and customer loyalty (Attitude and behaviour)

Dowling and Uncles (1997)	Several industries	-	Literature review	-	Attitudinal behavioural	Loyalty schemes do not always generate increase of loyalty. There are several conditions to make loyalty schemes effective.	Differentiated without empirical evidence	Negative
Gomez <i>et al.</i> (2006)	Retailing	Spain	Survey data	750 customers	Affective and behavioural loyalty	Participants to the loyalty programs are more affectively and behaviourally loyal than non-participants. However, most of customers do not change purchase behaviour after joining the program. LP serves more to retain loyal customers and reinforce bonds with the firm	None	Positive/Negative
Kivetz <i>et al.</i> (2006)	Different industries	USA	Firms data	108, 65, for 2 experiences, 148 for rating exercise	-	Rewards are predictor for greater retention and for accelerating the engagement from customers with the loyalty program.	None	Positive
Kopalle and Neslin (2003)	Airlines	USA	Different data resources and databases	-	-	Loyalty schemes have a strong impact in different periods	None	Positive
Leenheer <i>et al.</i> (2007)	Retailing	Netherlands	Panel data	1909 buyers	Share of wallet	The impact of the program on share of wallet is positive but small	None	Positive

Appendix A: Overview of research on loyalty rewards and customer loyalty (Attitude and behaviour)

Lewis (2004)	Retailing	USA	Survey data, Scanner data	1058 buyers	Customer revenue	Customer revenue increased due to the loyalty programs	None	Positive
Liu (2007)	Retailing	USA	Scanner data	1000 customers	Transactions size and purchase frequencies	Purchase frequencies increases for light and moderate buyers. For heavy buyers at the beginning of a loyalty program were most likely to claim their qualified rewards, but the program did not prompt them to change their purchase behaviour.	Only from behavioural perspective	Positive/Negative
Mägi (2003)	Retailing	Sweden	Survey data	643 households	Behavioural loyalty	Limited positive effect of loyalty schemes on the customer behaviour. Even if there is a positive tendency for increasing the share of wallet of loyalty program members at the chain level, there is no significant influence for the store loyalty	Acknowledged without empirical testing	Positive
Meyer-waarden (2007)	Retailing	France	Panel data	2476 buyers	Share of wallet and customer lifetime duration	Loyalty programs have positive effect on the share of wallet. However multiple program memberships may reduce impact.	Existent, limited to behavioural loyalty	Positive
Meyer-waarden (2008)	Retailing	France	Panel data	2150 customers	Repurchase behaviour	Loyalty schemes are positively influencing purchase behaviour for bigger and smaller retailers in the market	None	Positive

(continued)

Appendix A: Overview of research on loyalty rewards and customer loyalty (Attitude and behaviour)

Meyer-waarden (2015)	Retailing	France	Survey data	999 respondents for grocery and 1100 for perfumery	Loyalty intention	Store loyalty intentions are higher for tangible than intangible rewards. It contrasts the results of Roehm <i>et al.</i> (2002) who show that intangible rewards are preferred in all sectors	None	Positive
Meyer-Waarden and Benevant (2006)	Retailing	France	Panel data	2476 buyers	Purchase frequency	Loyalty programs didn't increase the customer repurchase due to the existing similar competitive programs in the market.	Acknowledged without empirical testing	Negative
Noordhof <i>et al.</i> (2004)	Retailing	Netherlands Singapore	Survey data	333 customers	Attitudinal and behavioural loyalty	Positive impact on both attitudinal and behavioural loyalty when there are not many competitive programs and customers do not get used to the benefits	None	Positive
Omar (2015)	Retailing	Malaysia	Survey data	300 customers	Store loyalty	Only hedonic benefits of the loyalty program are positively influencing store loyalty and not utilitarian and symbolic benefits	None	Positive
Ou <i>et al.</i> (2011)	Retailing	Taiwan	Survey data	480 customers	-	A customer loyalty program partially supports a positive impact on loyalty. Minimum Purchase Gift Card has non-significant effect on the overall customer loyalty	None	Positive (weak)

(continued)

Appendix A: Overview of research on loyalty rewards and customer loyalty (Attitude and behaviour)

Sharp and Sharp (1997)	Retailing	Australia	Customer diaries	745 households	Repeat purchase patterns	Six brands participated in the research. Results show a week level of excess loyalty for all of them, but this substantial deviation was observed for members and non members of the loyalty program	None	Negative
Smith <i>et al.</i> (2003)	Retailing	UK	Survey data	30 respondents	Attitudinal and behavioural loyalty	More purchase for non-cardholders compared to cardholders. However, there is no significance in the increase of cardholders attitudinal and behavioural loyalty over time	None	Negative
Taylor and Neslin (2005)	Retailing	USA	Scanner data Survey data	776 households	Behavioural loyalty	Reward program increased the store sales over two years. There was a change in customers behaviour before and after reward redemption	None	Positive
Verhoef (2003)	Financial sector	Netherlands	Survey data, Hard data	1677 clients for the 1 st round, 918 for 2 nd round	Behavioural loyalty	Loyalty economic incentives increase significantly customer share	None	Positive
Watson <i>et al.</i> (2015)			Meta study	126 studies, 151 samples, and 713 effects	Attitudinal and behavioural loyalty	Loyalty incentives have negative effect on attitudinal loyalty and no significant effect on behavioural loyalty. Attitudinal loyalty has positive impact on behavioural loyalty	None	Negative

Appendices

Appendix B: Semi-structured (1st stage) & unstructured (2nd and 3rd stage) interview

Research stage	Type*	Name (pseudonym)	Gender	Age	Marital Status	Interview Length(min)	Interview Length (min)
Panel A (First stage) Semi-structured Interviews	N	Marc	Male	32	Single	28	33.8
	N	Eric	Male	51	Married	37	
	N	Phillip	Male	30	Single	48	
	N	Emilie	Female	26	Single	31	
	N	Jasmine	Female	47	Married	36	
	N	Andrew	Male	24	Single	36	
	N	Ana	Female	25	Single	37	
	N	Caroline	Female	29	Single	25	
	N	Sara	Female	50	Married	31	
	N	Jennifer	Female	24	Single	31	
	N	Martin	Male	30	In a relationship	32	
	N	Patricia	Female	27	Single	35	
	N	Christopher	Male	35	Single	37	
	N	Daniel	Male	32	Married	37	
	N	Robert	Male	24	Single	37	
	N	Barbara	Female	48	Married	35	
N	Paul	Male	49	In a relationship	25		
N	Kevin	Male	34	Single	32		
N	Linda	Female	38	Single	34		
N	Laura	Female	23	Single	32		
Panel B (Second stage) Unstructured Interviews	C	Eric	Male	51	Married	59	48
	C	Philip	Male	30	Single	51	
	C	Christopher	Male	35	Single	60	
	C	Daniel	Male	32	Married	60	
	N	Peter	Male	26	Single	55	
	N	Emma	Female	36	Married	40	
	N	Olivia	Female	43	In a relationship	59	
N	Sophia	Female	22	Single	40		
Panel C (Third stage) Unstructured Interviews	N	Claudia	Female	37	Single	59	64.3
	N	David	Male	32	Married	70	
	N	Mayra	Female	26	Married	60	
	N	Nydia	Female	27	Single	61	
	N	Melanie	Female	36	In a relationship	75	
	N	Xavier	Male	31	Married	61	

Appendices

Appendix C : Aggregated buying behaviours based on informants' self-reports

Product categories	No loyalty <i>I don't care about the brand; I randomly buy different brands</i>	Multi-brand loyal <i>From a set of competing brands, I buy two or more brands regularly</i>	Single-brand loyal <i>From a set of competing brands, I regularly buy only one brand</i>	No purchase <i>I never buy products from this category</i>
Food products: non-alcoholic beverages				
Bottled water	2	3	5	16
Ice tea	2	1	3	20
Juice	7	5	4	10
Soft drinks	1	3	5	17
Tea	5	5	5	11
Coffee	1	5	12	8
Food products: alcoholic beverages and cigarettes				
Wine	12	4	3	7
Beer	3	11	4	8
Cigarettes	1	1	1	23
Food products: dairy				
Milk	8	6	6	6
Cheese	13	4	5	4
Yogurt	5	6	5	10
Food products: snacks				
Chocolate	6	9	4	7
Sweets	10	2	2	12
Chips	4	5	5	12
Non-food products: personal care and cleaning				
Toothpaste	12	3	10	1
Toothbrushes	17	0	8	1
Shampoos	6	6	12	2
Shower gel	12	8	4	2
Body cream, body lotion	13	4	7	2
Soap	20	0	3	3
Deodorant	5	4	16	1
Shaving cream	4	3	5	14
Sun protection	13	1	7	5
Razors	7	2	12	5
Laundry products	13	2	6	5
Non-food products: cosmetics and beauty products				
Make up	4	6	3	13
Hair styling	6	4	4	12
Colognes	6	7	10	3
Hair colour	3	0	0	23
Non-food products: consumer durables				
Phones	7	4	15	0
Computers	11	4	10	1
Business clothes	15	5	6	0
Sport wear	17	5	3	1
Shoes	22	3	1	0
Sports shoes	17	7	2	0
Watches	13	6	2	5
Total	323	154	215	270

Appendices

Appendix D: Exemplary coding results of the thematic analysis

Zero-order categories	First-order categories	Second order categories	Themes
1. Different tastes	<ul style="list-style-type: none"> • Complementary brands • Preference within the loyalty set • Substitute brands 	<ul style="list-style-type: none"> • Complementary based MBL • Perfect substitutes MBL 	MBL Types
2. Consumption according to occasions			
3. Different functionalities			
4. Different brand positioning			
5. Authenticity and uniqueness of each brand			
6. Similar brands quality			
7. Convenience			
8. Similar brand value			
9. Preference of few brands among others			
10. Similar functionality of few brands			
11. Purchase according to mood	<ul style="list-style-type: none"> • Different moods • Adaptation to mood state 	<ul style="list-style-type: none"> • Mood congruence 	
12. Consumption according to mood			
13. Different mood states according to the season			
14. Consumption to adapt to current feeling (eagerness, happiness, sadness)			
15. Similar brand value	<ul style="list-style-type: none"> • Pressure from competition • Pressure reduction 	<ul style="list-style-type: none"> • Market competition 	MBL facets
16. Similar price for similar brands			
17. High competition			
18. Trust conveyed through brand loyalty			
19. Feeling of security offered by brand loyalty			
20. Ease of decision making with limited number of choices	<ul style="list-style-type: none"> • Risk aversion • Unavailability of preferred brand • Multi-representation in society • Different personalities 	<ul style="list-style-type: none"> • Unavailability risk reduction • Identity enhancement 	
21. Choice overload in the market			
22. Proximity to stores			
23. Risk avoidance			
24. Lack of time			
25. Energy and effort needed when seeking new options			
26. Brand availability in stores			
27. Loyalty as a personal characteristics/as a personality trait			
28. Representation of different personalities			
29. Having different roles in society			

(continued)

Appendices

Appendix D: Exemplary coding results of the thematic analysis

Zero-order categories	First-order categories	Second order categories	Themes
30. Recommendations from family	• Adaptation to family tradition	▸ Adherence toward SBL	
31. Attachment to family	• Adaptation to family preferences		
32. Adaptability to family preferences			
33. Loyalty transition from family			
34. Internalization of own preferences	• Brand set expansion	▸ Expansion to MBL	Family influence
35. Alignment with friends preferred brands	• MBL as a process		
36. Single to multiple loyal over time (from parents influence to partner influence)			
37. Adaptability to family preferences			
38. Pressure from society	• SBL toward a different brand	▸ Rebellion toward SBL	
39. Need of freedom in brand choice			
40. Family tradition breakage			

Appendices

Appendix E: Questionnaire - Essay 2

Nous sommes une équipe internationale de chercheurs universitaires, intéressés par les produits et les services que les consommateurs achètent régulièrement. Nous vous remercions de bien vouloir contribuer à cette étude et prendre quelques minutes pour répondre à ces questions. Cette enquête est entièrement anonyme, et aucune information ne permet de vous identifier. Dans cette étude, nous contrôlons votre niveau d'attention lors de la lecture des énoncés des questions, pour cela nous vous prions de bien vouloir les lire attentivement et y répondre avec sincérité. Vos réponses seront confidentielles.

1) Veuillez considérer une catégorie de produits pour laquelle vous vous fournissez auprès de plus d'une marque. Vous n'achetez que ces marques, donc vous êtes fidèles uniquement à ces marques dans la catégorie de produits considérée.

Exemple: Paul achète seulement des chaussures de sport de marques Nike, Adidas et Puma.

Dans l'exemple ci-dessus, les chaussures de sport sont la catégorie de produits, et les marques sont Nike, Adidas et Puma.

- Je ne peux pas penser à une catégorie de produits dans laquelle j'achète plus d'une seule marque
- J'achète plus d'une marque (c'est-à-dire que je suis fidèle à plus d'une marque) pour les catégories de produits suivantes :

Indiquez ici svp la catégorie de produits ! Nous entendons par catégorie de produits, le type de produit, comme les chaussures de sport, les sodas, la bière, le shampoing, etc.).

Veuillez n'indiquer qu'une seule catégorie de produits:

2) Pour la catégorie de produits que vous avez indiquée à la question précédente, veuillez citer les marques que vous achetez.

Vous pouvez citer deux, trois, ou quatre marques.

Marque 1 :

Marque 2 :

Marque 3 (Laissez vide si vous n'achetez que deux marques) :

Marque 4 (Laissez vide si vous n'achetez que trois marques) :

Si vous achetez plus de quatre marques dans cette catégorie, veuillez citer les quatre marques que vous achetez le plus régulièrement.

.....

3) Types de fidélité multiple

1: Strongly disagree, 2: disagree, 3: Somewhat disagree, 4: Neither agree nor disagree, 5: Somewhat agree, 6: Agree, 7: Strongly agree

	1	2	3	4	5	6	7
J'achète plusieurs marques dans cette catégorie de produits, mais je les achète pour des occasions différentes							
J'achète plusieurs marques dans cette catégorie de produits, car elles sont très similaires							

4) Facteurs de fidélité multiple

1: Strongly disagree, 2: disagree, 3: Somewhat disagree, 4: Neither agree nor disagree, 5: Somewhat agree, 6: Agree, 7: Strongly agree

	1	2	3	4	5	6	7
J'achète différentes marques dans cette catégorie de produits selon mon humeur							
Dans cette catégorie de produits, j'achète selon mon humeur soit une marque soit une autre parmi mes marques préférées							
Dans cette catégorie de produits, le choix d'une marque parmi mes marques préférées dépend de mon état d'esprit et de mes sentiments au moment de l'achat							

1: Strongly disagree, 2: disagree, 3: Somewhat disagree, 4: Neither agree nor disagree, 5: Somewhat agree, 6: Agree, 7: Strongly agree

	1	2	3	4	5	6	7
Parmi mes marques préférées dans cette catégorie de produits, j'achète la marque qui convient le mieux à mon humeur au moment de l'achat							
J'achète souvent plusieurs marques dans cette catégorie de produits et je les utilise en fonction de mon humeur							
Les différentes marques que j'achète dans cette catégorie de produits représentent mes différentes personnalités							
J'achète différentes marques dans cette catégorie de produits pour représenter différentes facettes de ma personnalité							
J'utilise différentes marques dans cette catégorie de produits pour modifier la façon dont les gens me perçoivent							
J'utilise différentes marques dans cette catégorie de produits pour modifier la façon dont les gens me perçoivent							
J'achète plusieurs marques dans cette catégorie de produits car pour chaque occasion, j'utilise la marque qui représente le mieux l'image que je veux donner aux gens							
J'ai plusieurs marques préférées dans cette catégorie de produits afin de toujours pouvoir trouver une de mes marques préférées dans le magasin où je me trouve							
J'achète différentes marques dans cette catégorie de produits car cela diminue le risque de ne pas trouver ma marque préférée durant mes achats							

1: Strongly disagree, 2: disagree, 3: Somewhat disagree, 4: Neither agree nor disagree, 5: Somewhat agree, 6: Agree, 7: Strongly agree

	1	2	3	4	5	6	7
Pouvoir choisir parmi plusieurs marques préférées dans cette catégorie de produits me donne de la flexibilité quand je suis dans un magasin							
Les marques que j'aime dans cette catégorie de produits sont très similaires, donc j'achète celle qui est disponible dans le magasin où je me trouve							
Je ne vois pas beaucoup de différences entre mes marques préférées dans cette catégorie de produits, donc j'achète la marque disponible lors de mes achats							
J'achète plusieurs marques dans cette catégorie de produits, car il y a tellement de marques disponibles que je veux en profiter							
J'achète plusieurs marques dans cette catégorie de produits pour pouvoir bénéficier des différentes options disponibles sur le marché							
Étant donné qu'il y a de nombreuses marques disponibles dans cette catégorie de produits, il serait dommage de toujours acheter la même							
Je n'aime pas toutes les marques dans cette catégorie de produits, mais j'en achète quelques-unes pour avoir un peu de variété.							

5) Préférence

1: Strongly disagree, 2: disagree, 3: Somewhat disagree, 4: Neither agree nor disagree, 5: Somewhat agree, 6: Agree, 7: Strongly agree

	1	2	3	4	5	6	7
Parmi les marques que j'achète dans cette catégorie de produits, il y en a une que j'aime plus que les autres							
Parmi les marques que je préfère dans cette catégorie de produits, il y en a une que je préfère aux autres							
Parmi les marques que j'achète dans cette catégorie de produits, je les aime toutes de manière équivalente							
	1	2	3	4	5	6	7
J'achète parfois différentes marques que j'aime dans cette catégorie de produits, mais je reviens toujours vers la marque que je préfère							

6) Variété

1: Strongly disagree, 2: disagree, 3: Somewhat disagree, 4: Neither agree nor disagree, 5: Somewhat agree, 6: Agree, 7: Strongly agree

	1	2	3	4	5	6	7
J'achète différentes marques dans cette catégorie de produits parce que j'aime la variété							
Je trouve qu'acheter toujours la même marque dans cette catégorie de produits est ennuyeux							
Je pense que c'est amusant d'acheter différentes marques dans cette catégorie de produits							
J'aime essayer de nouvelles marques, alors j'achète différentes marques dans cette catégorie de produits							

7) Autres questions

1: Strongly disagree, 2: disagree, 3: Somewhat disagree, 4: Neither agree nor disagree, 5: Somewhat agree, 6: Agree, 7: Strongly agree

	1	2	3	4	5	6	7
Dans quelle mesure êtes-vous préoccupé(e) par l'environnement ?							
Dans quelle mesure êtes-vous préoccupé(e) par la pollution ?							
Dans quelle mesure êtes-vous préoccupé(e) par la pollution de l'eau et de l'air dans votre ville ?							
Dans quelle mesure êtes-vous préoccupé(e) par l'utilisation exagérée de l'eau dans votre ville ?							
Dans quelle mesure êtes-vous préoccupé(e) par l'environnement lors de vos achats ?							

8) Nous apprécions votre effort et le temps que vous avez accordés à ce questionnaire. Afin de vérifier votre niveau d'attention lors de la lecture des énoncés des questions, nous vous prions de cocher l'option « pas de réponse » pour cette question concernant la longueur du questionnaire

- Le questionnaire était très long
- Le questionnaire était long
- Le questionnaire n'était ni long ni court
- Le questionnaire était court
- Le questionnaire était très court
- Pas de réponse

9) Sexe

- Femme
- Homme

10) Quel est votre âge ?.....

11) Veuillez s'il vous plaît indiquer votre dernier niveau de formation complété/atteint ?

- Ecole obligatoire
- Maturité fédérale ou diplôme d'une école professionnelle
- Bachelor
- Master
- Doctorat
- Autres :.....

12) Quel est votre revenu brut individuel par année ?

- Moins de CHF. 50'000
- De CHF. 50'001 à 75'000
- De CHF. 75'001 à 100'000
- Plus de CHF. 100'000

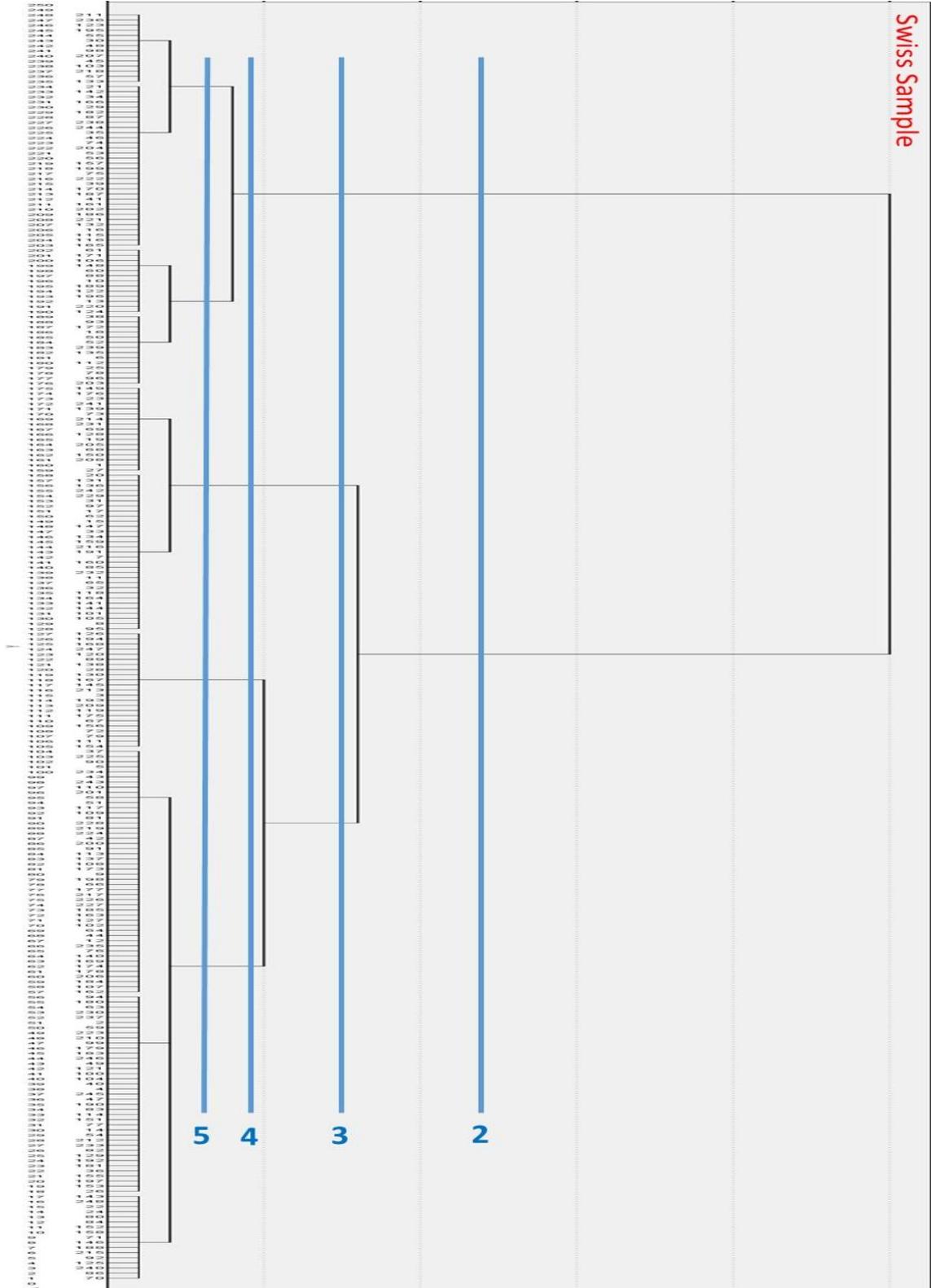
13) Feedback:

Si vous le voulez, vous pouvez nous fournir quelques commentaires sur cette enquête. Etait-il facile ou difficile de répondre aux questions ? Avez-vous observé quelque chose de déroutant ou d'incohérent ? Avez-vous d'autres observations ou recommandations ?.....

Merci de votre participation

Appendices

Appendix F: Dendrogram - Essay 2



Appendices

Appendix G: Experimental design & Scenarios – Essay 3

		Hard rewards	
		No	Yes
Soft rewards	No	<p>Scenario 1 (SBL & MBL)</p> <p>You are loyal to the brand(s) you have selected in the first part of the questionnaire. You like it/them among others in the market and you regularly purchase it/them. In general, you are satisfied, and you have a positive experience with this/these brand(s). Assume that your favourite brand does not offer benefits or advantages such as vouchers or free products to reward future purchases of its loyal customers.</p>	<p>Scenario 3 (SBL & MBL)</p> <p>You are loyal to the brand(s) you have selected in the first part of the questionnaire. You like it/them among others in the market and you regularly purchase them. Recently, in the monthly newsletter (sent to all of its regular customers), your (one of your) favourite brand(s) informs you that you will be earning loyalty points every time you purchase the brand, starting from next month. Using the reward system, you will be able to redeem your earned points for 20% discount coupons that you can use for your next purchases. The coupons have no expiration date and are valid across the entire product range at all the distributors where the brand is available. You are also informed in the mail that this system is established to reward regular customers for their commitment and loyalty toward the brand.</p>
	Yes	<p>Scenario 2 (SBL & MBL)</p> <p>You are loyal to the brand(s) you have selected in the first part of the questionnaire. You like it/them among others in the market and you regularly purchase them. Recently, in the monthly newsletter (sent to all of its regular customers), your (one of your) favourite brand(s) informs you that you will be earning loyalty points every time you purchase the brand, starting from next month. Using the rewards system, you will be able to redeem your earned points for free tickets to access the brands' exclusive events. The events are exclusive to the most loyal customers. They include product tasting and production workshops. You will have the possibility to choose the events you are interested in over the year and use your loyalty points accordingly. You are also informed in the mail that this system is established to reward regular customers for their commitment and loyalty toward the brand.</p>	<p>Scenario 4 (SBL & MBL)</p> <p>You are loyal to the brand(s) you have selected in the first part of the questionnaire. You like it/them among others in the market and you regularly purchase them. Recently, in the monthly newsletter (sent to all of its regular customers), your (one of your) favourite brand(s) informs you that you will be earning loyalty points every time you purchase the brand, starting from next month. Using the rewards system, you will be able to redeem your earned points for 20% discount coupons that you can use for your next purchases. The coupons have no expiration date and are valid across the entire product range at all the distributors where the brand is available. The earned points can also be redeemed for free tickets to access the brands' exclusive events. The events are exclusive to the most loyal customers. They include product tasting and production workshops. You will have the possibility to choose the events you are interested in over the year and use your loyalty points accordingly. You are also informed in the mail that this system is established to reward regular customers for their commitment and loyalty toward the brand.</p>

Appendices

Appendix H: Questionnaire - Essay 3

Thank you for your interest in our study.

This survey is designed to investigate your purchase of food and beverage products. The questionnaire takes approximately 10 minutes to complete. Your responses are anonymous. You are kindly asked to answer all questions.

Disclaimer: we guarantee compensation to all the respondents who read the questions thoroughly, provide honest answers and those who pass the attention check questions.

Think about a FOOD or BEVERAGE product that you buy and consume regularly (either single of or multiple specific brands).

Example: Peter prefers and buys soda drinks only from 3 brands/companies: Coca Cola, Pepsi-Cola, and Dr. Peper. Because he prefers those specific brands, he never (or rarely) buys any other brands. Thus, it would be fair to say that Peter is **simultaneously loyal to these 3 brands/companies**.

Sam prefers and buys soda drinks from Coca Cola only. He **is exclusively loyal** to this brand/company.

In these two examples above, “Soft Drinks” is the **product category**; Coca Cola, Pepsi Cola and Dr. Peper are **the brands/companies**.

NB: loyalty toward the brand(s) should include two important aspects: preference of this brand(s) among others in the market, and regular purchase of this/these brand(s)

- I can't think of any food or beverage product for which I am loyal to specific brand(s)
- I can think of a food or beverage product for which I am loyal to only one brand (that is: I like, purchase and consume **EXCLUSIVELY** this brand)
- I can think of a food or beverage product for which I am loyal to more than one brand (that is: I like, purchase and consume **MORE THAN ONE** brand)

Please indicate the product category you are thinking about (only one category).

Note: With product category, we mean type of food or beverage products, such as chips, soda drinks, beer, chocolate etc.:

For the product category you just indicated, please list the specific brand(s) you prefer and buy (you can indicate up to four brands you buy most often)

Brand 1:

Brand 2:

Brand 3:

Brand 4:

Note: if you buy more than four brands, please list above the four brands you buy most

Scenario 1: No rewards

You are loyal to the brand(s) you have selected in the first part of the questionnaire. You like it/them among others in the market and you regularly purchase it/them. In general, you are satisfied, and you have a positive experience with this/these brand(s).

Assume that your favourite brand does not offer benefits or advantages such as vouchers or free products to reward future purchases of its loyal customers.

1: Strongly disagree, 2: disagree, 3: Somewhat disagree, 4: Neither agree nor disagree, 5: Somewhat agree, 6: Agree, 7: Strongly agree

	1	2	3	4	5	6	7
This brand does not offer rewards to its loyal customers							
You have positive attitude toward this brand							
You feel attached to this brand							
You feel a sense of belonging to this brand/company							
You like this brand							
You feel loyal to this brand							
You prefer this brand							
You would recommend this brand to someone who seek advice							
You would tell about positive experiences with this brand							
You will keep buying regularly this brand							
You are willing to increase expenditure in this brand							
You are willing to buy this brand when you look for the same product category in the future							
You are willing to buy more products and services from this brand							
You intend to buy more often from this brand							

Scenario 2: Soft rewards

You are loyal to the brand(s) you have selected in the first part of the questionnaire. You like it/them among others in the market and you regularly purchase them. Recently, in the monthly newsletter (sent to all of its regular customers), your (one of your) favorite brand(s) informs you that you will be earning loyalty points every time you purchase the brand, starting from next month.

Using the rewards system, you will be able to redeem your earned points for **free tickets** to access the brands' **exclusive events**. The events are exclusive to the most loyal customers. They include product tasting and production workshops. You will have the possibility to choose the events you are interested in over the year and use your loyalty points accordingly. You are also informed in the mail that this system is established to reward regular customers for their commitment and loyalty toward the brand.

1: Strongly disagree, 2: disagree, 3: Somewhat disagree, 4: Neither agree nor disagree, 5: Somewhat agree, 6: Agree, 7: Strongly agree

	1	2	3	4	5	6	7
The rewards offered by the brand include monetary incentives							
The rewards offered by the brand include concrete and immediate benefits							
The rewards offered by the brand offer emotional benefits							
The rewards offered by the brand offer a special treatment/privilege that improves your experience with the brand							
Those rewards will change your attitude toward the brand							
Those rewards will change your purchase behavior toward the brand							

Because the brand will offer you this reward in the future:

1: Strongly disagree, 2: disagree, 3: Somewhat disagree, 4: Neither agree nor disagree, 5: Somewhat agree, 6: Agree, 7: Strongly agree

	1	2	3	4	5	6	7
You have positive attitude toward this brand							
You feel attached to this brand							
You feel a sense of belonging to this brand/company							
You like this brand							
You feel loyal to this brand							
You prefer this brand							
You would recommend this brand to someone who seek advice							
You would tell about positive experiences with this brand							
You will keep buying regularly this brand							
You are willing to increase expenditure in this brand							
You are willing to buy this brand when you look for the same product category in the future							
You are willing to buy more products and services from this brand							
You intend to buy more often from this brand							

Scenario 3: Hard rewards

You are loyal to the brand(s) you have selected in the first part of the questionnaire. You like it/them among others in the market and you regularly purchase them. Recently, in the monthly newsletter (sent to all of its regular customers), your (one of your) favourite brand(s) informs you that you will be earning loyalty points every time you purchase the brand, starting from next month.

Using the reward system, you will be able to redeem your earned points for **20% discount coupons** that you can use for your next purchases. The coupons have no expiration date and are valid across the entire product range at all the distributors where the brand is available.

You are also informed in the mail that this system is established to reward regular customers for their commitment and loyalty toward the brand.

1: Strongly disagree, 2: disagree, 3: Somewhat disagree, 4: Neither agree nor disagree, 5: Somewhat agree, 6: Agree, 7: Strongly agree

	1	2	3	4	5	6	7
The rewards offered by the brand include monetary incentives							
The rewards offered by the brand include concrete and immediate benefits							
The rewards offered by the brand offer emotional benefits							
The rewards offered by the brand offer a special treatment/privilege that improves your experience with the brand							
Those rewards will change your attitude toward the brand							
Those rewards will change your purchase behaviour toward the brand							

Because the brand will offer you this reward in the future:

1: Strongly disagree, 2: disagree, 3: Somewhat disagree, 4: Neither agree nor disagree, 5: Somewhat agree, 6: Agree, 7: Strongly agree

	1	2	3	4	5	6	7
You have positive attitude toward this brand							
You feel attached to this brand							
You feel a sense of belonging to this brand/company							
You like this brand							
You feel loyal to this brand							
You prefer this brand							
You would recommend this brand to someone who seek advice							
You would tell about positive experiences with this brand							
You will keep buying regularly this brand							
You are willing to increase expenditure in this brand							
You are willing to buy this brand when you look for the same product category in the future							
You are willing to buy more products and services from this brand							
You intend to buy more often from this brand							

Scenario 4: Hard and soft rewards

You are loyal to the brand(s) you have selected in the first part of the questionnaire. You like it/them among others in the market and you regularly purchase them.

Recently, in the monthly newsletter (sent to all of its regular customers), your (one of your) favorite brand(s) informs you that you will be earning loyalty points every time you purchase the brand, starting from next month.

Using the rewards system, you will be able to redeem your earned points for **20% discount coupons** that you can use for your next purchases. The coupons have no expiration date and are valid across the entire product range at all the distributors where the brand is available.

The earned points can also be redeemed for **free tickets** to access the brands' **exclusive events**. The events are exclusive to the most loyal customers. They include product tasting and production workshops. You will have the possibility to choose the events you are interested in over the year and use your loyalty points accordingly.

You are also informed in the mail that this system is established to reward regular customers for their commitment and loyalty toward the brand.

1: Strongly disagree, 2: disagree, 3: Somewhat disagree, 4: Neither agree nor disagree, 5: Somewhat agree, 6: Agree, 7: Strongly agree

	1	2	3	4	5	6	7
The rewards offered by the brand include monetary incentives							
The rewards offered by the brand include concrete and immediate benefits							
The rewards offered by the brand offer emotional benefits							
The rewards offered by the brand offer a special treatment/privilege that improves your experience with the brand							
Those rewards will change your attitude toward the brand							
Those rewards will change your purchase behaviour toward the brand							

Because the brand will offer you those rewards in the future:

1: Strongly disagree, 2: disagree, 3: Somewhat disagree, 4: Neither agree nor disagree, 5: Somewhat agree, 6: Agree, 7: Strongly agree

	1	2	3	4	5	6	7
You have positive attitude toward this brand							
You feel attached to this brand							
You feel a sense of belonging to this brand/company							
You like this brand							
You feel loyal to this brand							
You prefer this brand							
You would recommend this brand to someone who seek advice							
You would tell about positive experiences with this brand							
You will keep buying regularly this brand							
You are willing to increase expenditure in this brand							
You are willing to buy this brand when you look for the same product category in the future							
You are willing to buy more products and services from this brand							
You intend to buy more often from this brand							

Additional questions:

	True	False
You never hesitate to go out of your way to help someone in trouble		
You have never intensely disliked anyone		
There have been times when you are quite jealous of the good fortune of others		
You would never think of letting someone else be punished for your wrong doings		
You sometimes feel resentful when you don't get my way		
There have been times when you felt like rebelling against people in authority even though you knew they were right		
You are always courteous, even to people who are disagreeable		
When you don't know something, you don't at all mind admitting it		
You can remember "playing sick" to get out of something		
You are sometimes irritated by people who ask favors of you		

Gender:

- Male
- Female

Age:.....

Highest education completed:

- Did not finish high school
- High school diploma
- Associate degree
- Master or higher degree

Income per year (Gross)

- Less than \$40,000
- \$40,000 - \$79,999
- \$79,999 - \$119,999
- \$120,000 or more

Thank you for your participation