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# BRAND LOYALTY: THE LINK BETWEEN ATTITUDE AND BEHAVIOR



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This article reports on the results of a major R&D initiative to redefine brand loyalty and verify its importance. Respondents from five different studies were recontacted a year after they were originally interviewed. All of the key information on behavior, and attitudes, were collected from these consumers at both stages of the process. Market shares were gathered, on each of the 27 brands, at each stage. Loyalty was calculated for each respondent, across each brand, at each stage, so that movement across loyalty groups could be measured. Then, each respondent was classified by attitude toward the brand, and the conversion and retention of behavioral and attitudinal loyalty groups was tracked. This allowed for the calculation of whether attitude affects actual behavior. Finally, changes in market share were then compared to loyalty patterns to establish the predictive validity of a new loyalty-based model.



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Much has been written about the importance of brand loyalty as a key determinant of brand choice and brand equity. David Aaker (1991) wrote, "The brand loyalty of the customer base is often the core of a brand's equity. If customers are indifferent to the brand and, in fact, buy with respect to features, price, . . . there is likely little equity."

From a modeling point of view, all articles known to the authors written about predicting an individual's choice or market share state that *loyalty*, usually measured in the form of repeat-buying patterns, is the most important factor to consider. Modeling of price elasticity effects also demonstrate the importance of loyalty (Guadagni and Little, 1983; Starr and Robinson, 1978). More loyal consumers, as measured by probability of purchase or "share of requirements" from past purchase panel data, are less likely to switch due to a

given price inducement; as a corollary a loyal buyer usually needs a bigger discount to switch than would a less loyal buyer. Consistent with this point of view, Larry Light said in 1989, "You need product volume to be a dominator. You need brand loyalty to be a profitable dominator."

Reviewing the marketing literature reveals that loyalty is almost always defined behaviorally, either as a share of requirements measure, or as a pattern in choices (often using an experimental design).

Yet, the marketing community's knowledge of the role of brand loyalty remains incomplete. For example, one could ask, "If loyal buyers are loyal, why do they sometimes switch away?" Secondly, a well-respected academic, Professor Andrew Ehrenberg, has concluded that the road to building market share is through increasing penetration, arguing that loyalty

(i.e., repeat buying) is a by-product of having a big market share (Ehrenberg, 1990, 1993). This is the "Double Jeopardy Effect" a construct which was originated by McPhee (1963) and defined by Ehrenberg as follows:

that small brands generally attract less "loyalty" among their buyers than large brands do among theirs . . . In comparison with a popular comic strip, one that was read by fewer people was usually also liked less by those few who read it. McPhee thought it unfair for less popular items to suffer in two such ways. Hence, he named the phenomenon double jeopardy.

Actually, this phenomenon that loyal-share brands exhibit more brand loyalty (as measured by repeat-purchase rates) has been well documented by the Hendry Corporation (Butler, 1975).

The authors believe that the importance of brand loyalty can be better understood by extending the typical definitions and measurement approaches of loyalty. The authors have done extensive work with an innovative approach that simultaneously considers behavior and attitudes to measure loyalty.

This paper will describe the concepts and measurement approaches of a technique called BrandBuilder that was developed by The NPD Group, Inc. in 1992. Results of a longitudinal study that validate this method will be described. We will use these results to argue against the Ehrenberg contention that marketers should exclusively focus on building penetration. Finally, a vision of measuring the "health" of a brand will be delineated based on these findings.

### Why Integrate Attitudes and Behavior to Measure Loyalty?

Over the past 20 years, observational data, in the form of more and more timely measures of sales, profits, trial, and repeat, have slowly eroded the marketer's historical reliance on attitudinal measures, such as measurements of awareness, recall of advertising, or brand imagery. Thus, researchers have often been relegated to the role of contracting for behavioral data one day, and attitudinal data the next, with little thought being given to the chasm that lies between the two.

The BrandBuilder model was developed by NPD in 1992 to bridge this gap. The key concept is that buyers who are behaviorally loyal to a particular brand are expected to rate that brand attitudinally much more favorably than brands they either never buy or buy less often. Such loyal buyers we have termed "real loyals." Some loyal buyers, however, do not exhibit attitudes that tie them to the brand and we term them "vulnerables." It is believed that a higher percentage of real loyals stay loyal to a brand over time than do vulnerables. Furthermore, a vulnerable who has highly favorable attitudes toward a particular *competitive* brand is termed a "prime prospect" to that brand; we believe that prime prospects convert at higher rates to becoming high loyals (to the brand they rate highly) over time. Using this concept, a brand's loyal core is not just its behaviorally high loyal customers but those who are behaviorally *plus* attitudinally high loyal, i.e., the "real loyals."

In 1994, we decided to conduct a major R&D initiative. The primary purpose of this initiative was to validate, and improve if necessary, the predictive component of the model. The ultimate

result of this work is to attempt to improve the value of the brand to its corporate owners (Baldinger, 1993; Lefton and Anson, 1996).

### The Model

In order to understand the data on conversion, retention, and model validity, as discussed below, a brief summary of the structure of the model is necessary.

The BrandBuilder modeling process is based on three primary premises:

1. That all brands can be described *behaviorally*, that is, in terms of market share, penetration, and repeat-buying, based on the distribution of consumers' probabilities of purchase (e.g., "share of requirements," when dealing with Fast Moving Consumer Goods or FMCG categories).
2. That a series of *survey questions*, typically based on "constant sum" questioning, can be used as surrogates for probability of purchase.
3. That once consumers are accurately classified behaviorally, it is possible to link to their *attitudes* toward those brands, on a respondent by respondent basis.

It is, therefore, possible to accurately classify each category buyer into three analytic groups for each brand, based on behavioral loyalty. We have found that disaggregated data analysis is an essential component of a loyalty-based model (Rubinson, 1993). The three behavioral loyalty groups are:

1. *High Loyals to the Brand*—those having over a 50 percent probability of purchasing the brand

2. *Moderate Loyals to the Brand*—those having a 10 percent to 50 percent probability of purchasing the brand
3. *Low Loyals/non-buyers to the Brand*—those having a 0 percent to 9 percent probability of purchasing the brand (note that this group includes non-brand buyers).

We define "high loyals" in this fashion so that each brand's high loyal buyers are mutually exclusive, yet large enough as a group to permit meaningful analysis. Also, we define "low loyals" in a way that includes nonbuyers, so that we are able to analyze patterns of conversion as well as patterns of retention. Therefore, loyalty analysis is meant to refer to analysis of trial strategies as well as those that are designed to keep existing buyers.

## Method

To date, BrandBuilder has been used to analyze over 500 brands across 65 studies conducted since 1992. In mid 1995, five BrandBuilder projects were selected from the studies conducted in 1994. The projects included both packaged goods and non-packaged goods, and studies conducted by phone and by mail, using the NPD pre-recruited mail panel of consumers (The HTI Panel). A total of 27 brands were modeled as part of these five projects. In addition, the project included interviews, in the Benchmark wave, with 4,071 respondents across the five studies. Of this total, we were able to recontact 2,261, or 56 percent.

The recontact interviews occurred approximately a year following the original interview and readministered the BrandBuilder questions on both behav-

ior and attitude. Measures of market share, penetration, and share of requirements were obtained at the time of *both* stages of interviewing, either from store sales and/or purchase panel databases.

Each respondent completed a questionnaire that included the key measures of both behavior and attitude for each major brand in the category. That is, each respondent was asked about their behavioral loyalty and attitudinal questions toward brands.

## Findings

The major findings from this study are:

- There were much lower levels of year-to-year retention of high loyals than we anticipated.
- Ingoing attitudes toward the brand had a dramatic effect on a brand's ability to either con-

vert low loyals to high, or to retain high loyals over time.

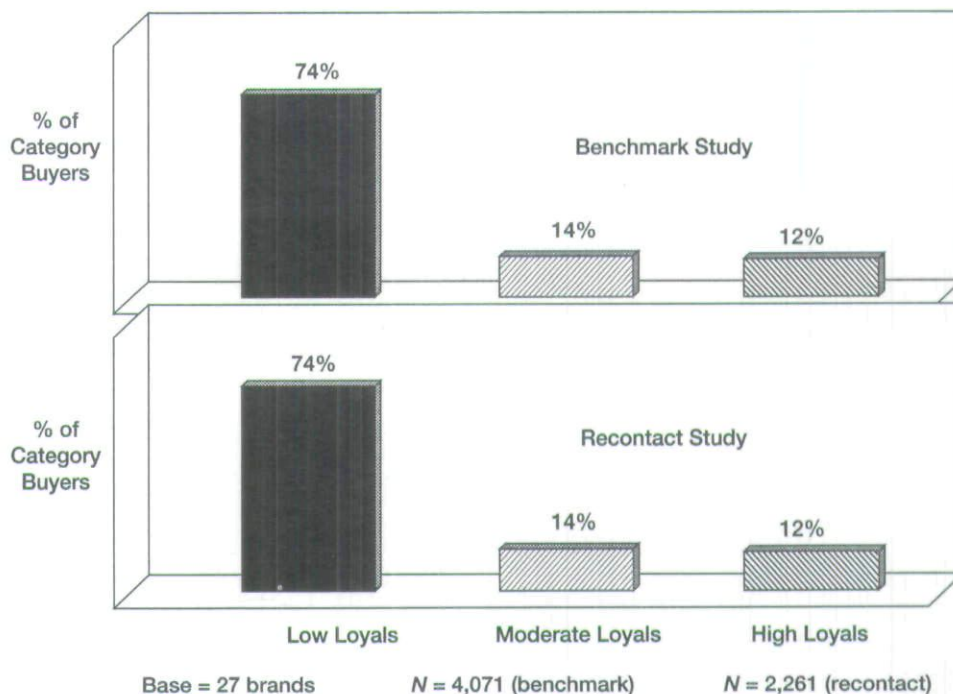
- The convergence of attitudes and behavior has predictive characteristics, since approximately two-thirds of brands either increased their market share from year to year when their ingoing mix of attitudinal to behavioral loyalty was positive, or decreased in share when their attitudinal profile was less loyal than their behavioral profile.

**Detailed Findings.** In order to measure conversion and retention rates, category users were first classified into whether they were high, moderate, or low loyal to each brand. The average brand, across the thousands of brand observations, is characterized in Figure 1.

Approximately 12 percent of respondents can be classified as high loyal to the average brand. On average, 14 percent are mod-

Figure 1

Average Brand Loyalty Composition, Benchmark vs. Post Wave



erate loyals to the brand, while 74 percent are low loyals. Since there is an almost one-to-one correspondence between the proportion of high loyals and market share, this chart simply means that the market share for the average brand in the study was approximately 12 percent.

We then reclassified respondents in the second wave of the study and determined how the proportions varied. Again, in aggregate, approximately 12 percent could be classified as high loyals, 14 percent were moderately loyal, and 74 percent were low loyals.

Does this mean that respondents remained static on their loyalty classifications from year to year? Or, is it possible that a 12 percent market share brand, which remains a 12 percent share brand from year to year, might in fact consist of a different set of brand loyals from year

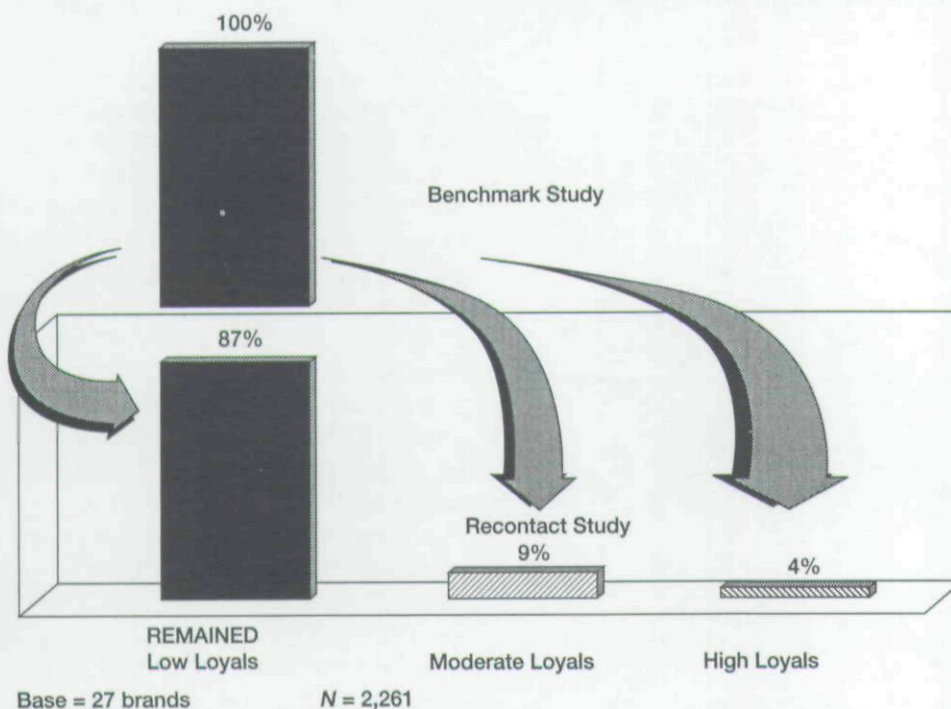
to year? In order to address this question we isolated each group of loyalists and tracked their movement from the benchmark wave to the "post" wave.

First let's look at the Low Loyals, the 74 percent of respondents shown in Figure 1, and call them 100 percent.

We then reclassified respondents to determine how many respondents remained in the same "behavioral bucket" from year to year and how many moved from group to group. In fact, there was incredible movement over time (see Figure 2). For the average brand, 87 percent stayed Low, 9 percent became Moderates, and 4 percent became High Loyals to the brand. This conversion rate of Low Loyals to High, of 4 percent, was remarkably similar to the 6 percent rate seen in Ackerman's study reported in 1989 (Ackerman, 1989).

**Figure 2**

**Movement from Benchmark to Post Wave, among Benchmark Low Loyals**



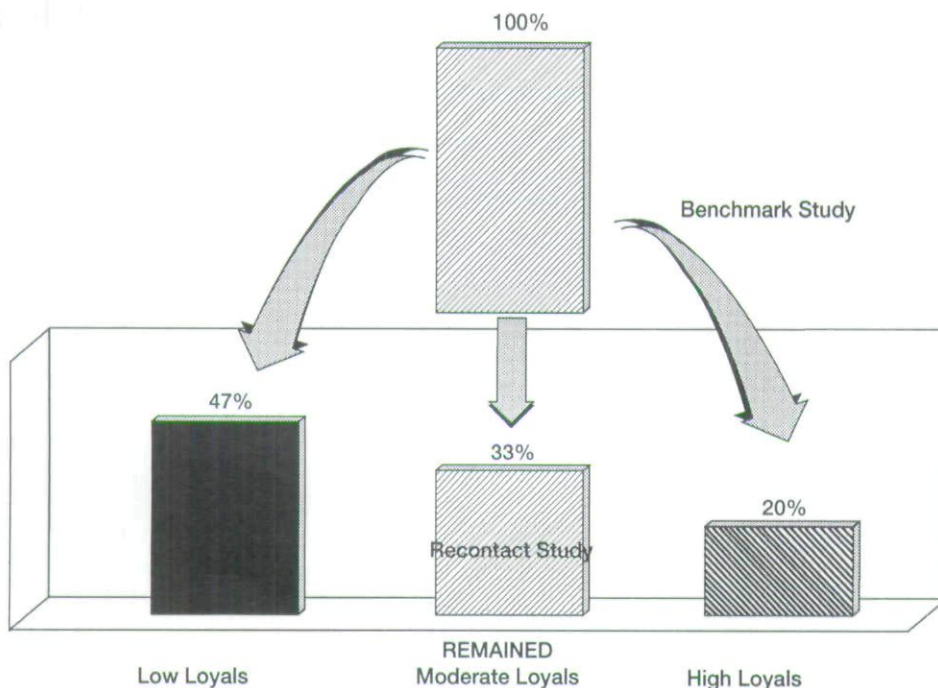
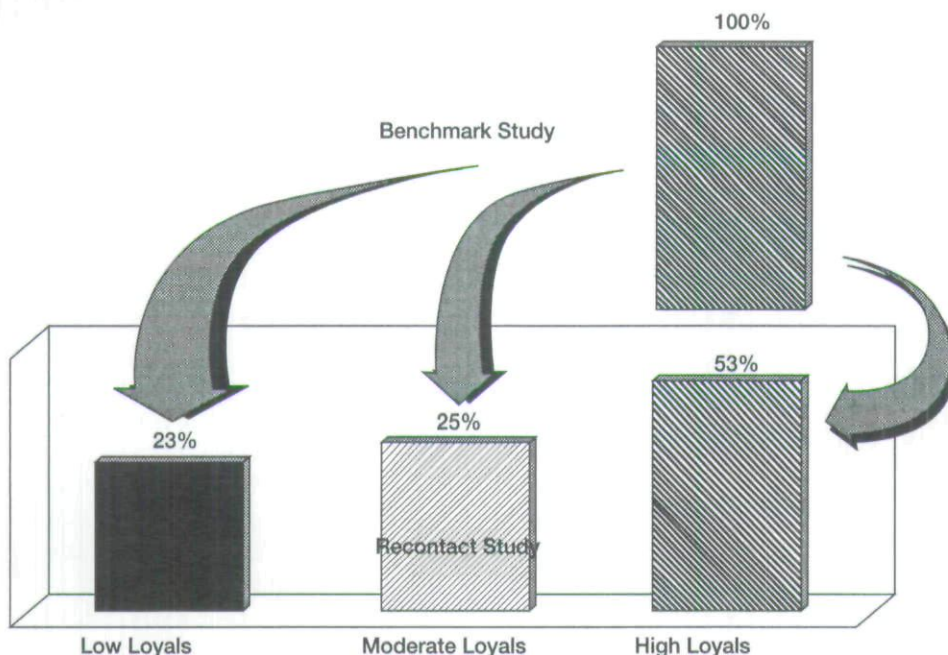
*... only 53 percent of High Loyals to the brand remained High Loyal to the brand a year later ...*

Second, we looked at the Moderate Loyals to the brand (see Figure 3). In fact, the conversion rate for Moderate Loyals to the High Loyal group was 20 percent, five times the rate of 4 percent seen among Low Loyals. Only one-third of the Moderate Loyals stayed Moderate. Almost half (47 percent) became Low Loyals to the brand. Obviously, then, Moderate Loyals are better "prospects" than are Low Loyals.

Interestingly, only one-third of the Moderate Loyals remained Moderate Loyals to the same brand a year later. Many became Low Loyals to the brand, indicating that they had switched their behavioral allegiance from year to year. And how many High Loyals remained loyal to the brand a year later? We had hypothesized that 70 percent to 80 percent of High Loyals to the brand would still be classifiable as High Loyals a year later.

In fact, we were surprised to observe that *only 53 percent of High Loyals to the brand remained High Loyal to the brand a year later* (see Figure 4). About one-fourth became Moderates, and 23 percent became Low Loyals to the brand. Further, it is possible to look at these conversion and retention rates by brand. Of the three brands with the highest ability to retain their High Loyals from year to year, two were share leaders. However, there were many smaller brands with high retention rates (see Figure 5).

You will note that the well-known Double Jeopardy effect is not highly evident in this data (Ehrenberg, 1990). The largest

**Figure 3****Movement from Benchmark to Post Wave, among Benchmark Moderate Loyals****Figure 4****Movement from Benchmark to Post Wave, among Benchmark High Loyals**

brand (Category A, Brand 1) tends to show a higher rate than the smallest brand (Category E, Brand 8); however, the correlation of market share and retention of loyal buyers is only .53 (note that the brands are arrayed in descending order of brand size, based on market share). There is too much variation in this pattern of loyalty to conclude that small brands cannot develop a core loyal franchise.

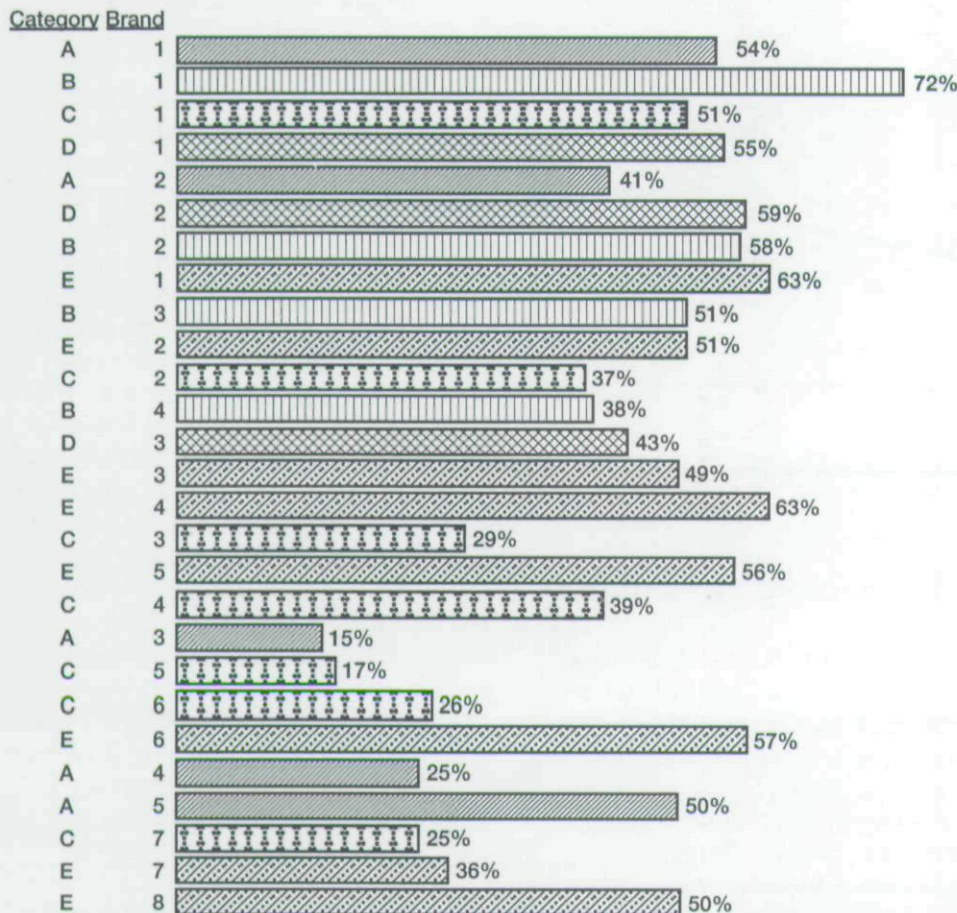
Figure 6 summarizes the conversion rates, (the percentage of Low Loyals who became High Loyals a year later), switching rates (the percentage of Moderate Loyals who became High Loyal a year later), and retention rates (the percentage of High Loyals who remained High a year later) by category. There is only minor variation in the overall figures of 4 percent, 20 percent, and 53 percent, at least across these five categories. Conversion ranged from 3 percent to 6 percent, switching ranged from 15 percent to 26 percent, and retention ranged from 40 percent to 57 percent. *However, the brand-by-brand variation pattern is quite a lot wider than this data alone would suggest.*

Figures 7, 8, and 9 display scatter plots of the conversion, switching, and retention rates, across the 27 brands in the study. Firstly, the reader will observe that the Double Jeopardy effect is to some extent evident in this data, in that the regression lines running through the data set all show an upward slope from the smallest market share to the largest (see Figure 7). Large brands tend to have an advantage in conversion (i.e., the penetration effect), as well as in their ability to retain their loyal buyers (i.e., the loyalty effect).

However, the reader will also observe that there is considerable variation in this data on a

**Figure 5**

**Retention of High Loyals from Benchmark to Post Wave, by Category and Brand\***



\*Brands are rank-ordered by market share.

**Figure 6**

**Conversion to High Loyals from Low, Moderate, and High**

	Low	Moderate	High
5 Categories Combined	4%	20%	53%
Category A	4%	21%	43%
Category B	6%	26%	57%
Category C	4%	20%	40%
Category D	4%	20%	58%
Category E	3%	15%	56%

brand to brand basis. This is particularly the case in Figures 8 and 9, the issues of the brand's ability to successfully attract *brand switchers* (those buying the brand, but less than half the time, shown in Figure 8), and even those who are currently giving most of their requirements to the brand, brand loyalists (shown in Figure 9). The correlation coefficient for conversion of Low Loyals to High was .84 but declined to only .54 for switching and .53 for retention.

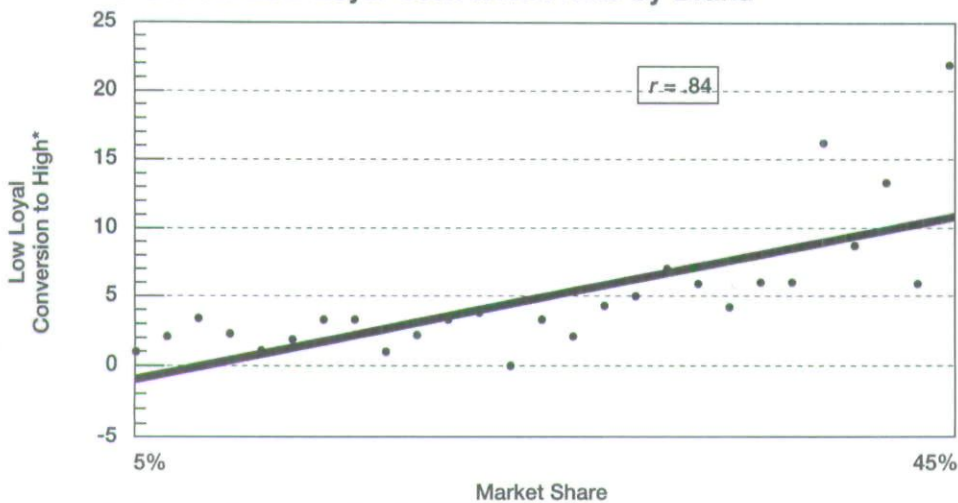
If there is this much variation in switching and retention rates, the authors felt the need to determine whether attitude might assist the marketer in disentangling this behavior. If we were to analyze the "average brand" on the basis of where the brand's volume sourced from, it seems clear that much of the volume of the average brand in year 2 derived from consumers who had been loyal to some other brand in year 1.

Of the 12 percent of average brand buyers who were High Loyal to the brand in year 2, half had been Low or Moderate Loyals to that same brand a year earlier (see Figure 10). In other words, there is a great deal of switching taking place. Shares may stay constant from year to year, but the brand's ability to retain High Loyals, while attracting both Low Loyals and Moderates, is all-important.

Also, let us not forget the volumetric importance of High Loyal Buyers of the brand. If each respondent is weighted by their average proportion of brand volume, the resulting calculation closely approximates the 20/80 rule. By definition, the average High Loyal to the brand accounts for a disproportionate amount of brand volume, in fact, roughly 78 percent. The Moderate Loyal has an average SOR of 26 percent, while the

Figure 7

## Market Share vs. Low Loyal Conversion Rate by Brand



\*Low Loyal Conversion to High: the percent of respondents who went from being Low Loyal in wave one to High Loyal in wave two.

average Low Loyal has a SOR to the brand of only 1 percent (see Figure 11). In other words, 12 percent of average brand buyers are High Loyals to the brand, but these High Loyals account for 69 percent of brand volume.

## The Linkage to Attitude

Since this respondent base was also asked attitudinal questions, it is also possible to classify respondents into attitudinal groups. In fact, using the BrandBuilder model, it is possible to

classify respondents into a 3 by 3 matrix of behavioral and attitudinal loyalty. The behavioral dimension of this matrix represents the loyalty group that someone is classified into, based on their constant sum chip allocations. The attitudinal dimension represents a prediction of which loyalty group a consumer should be in, based on a logit regression model. The dependent measure is a function of probability of purchasing a particular brand and the independent variables are a calculation of the rating (dis)advantage that a brand has on a particular attribute, across all attributes. The result of this regression model is a series of predictions of the probability of purchase of each respondent to each brand for which attribute rating data was collected. The correlation of attributes to behavior, using the modeling method that was developed for BrandBuilder applications, averages .85; this is judged to be a very strong model fit.

$$\ln \left( \frac{P_{ii}}{1 - P_{ij}} \right) = a + \sum_{k=1}^k F(A_{ijk}) + e_{ij}$$

where

$P_{ij}$  = probability of respondent  $i$  buying brand  $j$

$A_{ijk}$  = attribute rating of brand  $j$  on the  $k$ th attribute by respondent  $i$

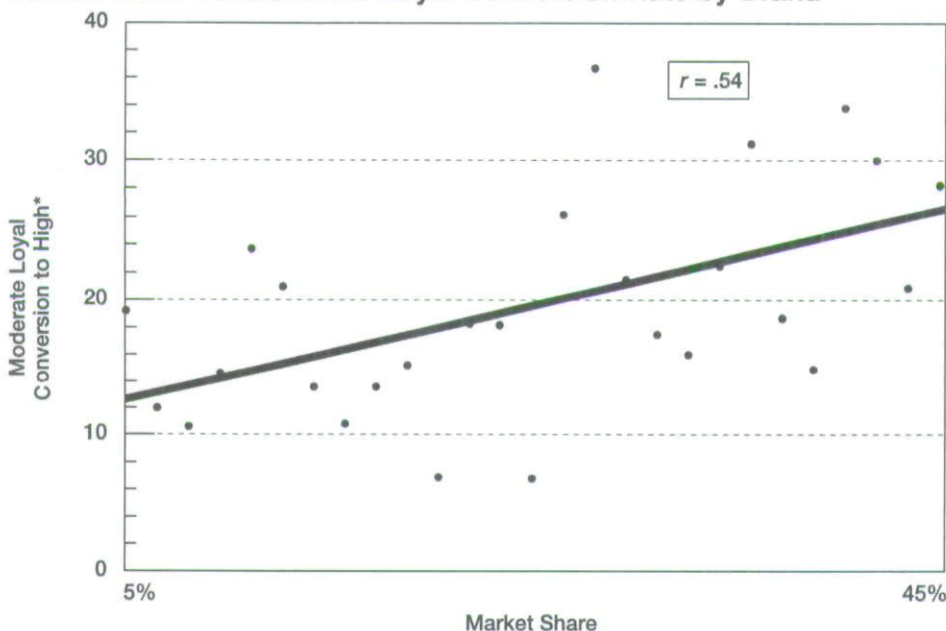
$F(A_{ijk})$  = a proprietary transformation of the attribute rating that includes the ratings of competitive brands

$a$  = regression constant  $e_{ij}$  = error term

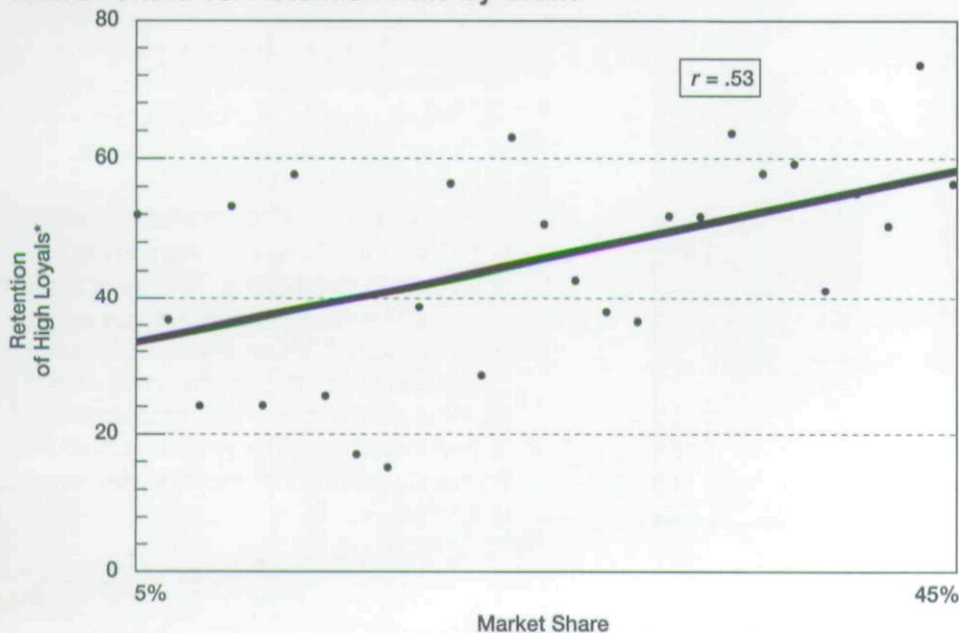
For the typical brand, approximately seven in ten High Loyals exhibit a consistent attitudinal

Figure 8

## Market Share vs. Moderate Loyal Conversion Rate by Brand



\*Moderate Loyal Conversion to High: the percent of respondents who went from being Moderate Loyal in wave one to High Loyal in wave two.

**Figure 9****Market Share vs. Retention Rate by Brand**

\*Retention of High Loyals: the percent of respondents who were High Loyal in wave one and stayed High Loyal in wave two.

commitment to the brand. By contrast, only two in ten Moderate Loyals to the brand have strong attitudes toward the brand, and only 1 percent of the Low Loyals to the average brand

have strong attitudes to the brand at a given point in time (see Figure 12).

Consequently, if we know that behavior shifts dramatically over time, and if we know that con-

sumers can be classified into loyalty based on their attitudinal commitment to the brand, is it possible to determine whether attitude affects behavior? In other words, is it possible that we will see stronger conversion and retention rates for brands, across loyalty groups, when cross-tabulated against attitude toward the brand?

To do that, we first classified respondents into each of the nine boxes from Figure 12. Then we determined their switching patterns from each box. The key question then became: *How many loyal buyers stayed High Loyal, or became High Loyal to the brand, based on the combination of their ingoing profile of behavior and attitude?*

If attitude did *not* influence switching or retention, then the profile of retention and conversion would not vary by attitude, and the result would look like Figure 13 (i.e., retention and conversion would be similar regardless of attitude classification, as shown in Figures 2, 3, and 4).

In other words, regardless of attitudinal grouping, 53 percent of High Loyals would have remained High Loyal to the brand a year later, 20 percent of the Moderate Loyals to the brand would have converted to High Loyalty, and 4 percent of the Low Loyals would have converted.

Is this the pattern that we observed? No. The actual pattern of conversion and retention can be seen in Figure 14.

In fact, Conversion and Retention differed *dramatically* by attitude group. A total of 60 percent of the High Attitude (or Stable) High Loyals were still loyal to the brand a year later. Only 25 percent of the High Loyals with low attitudes were still loyal to the brand. In other words, attitudinal loyals were almost three times as likely to remain loyal to the brand. Moderates with

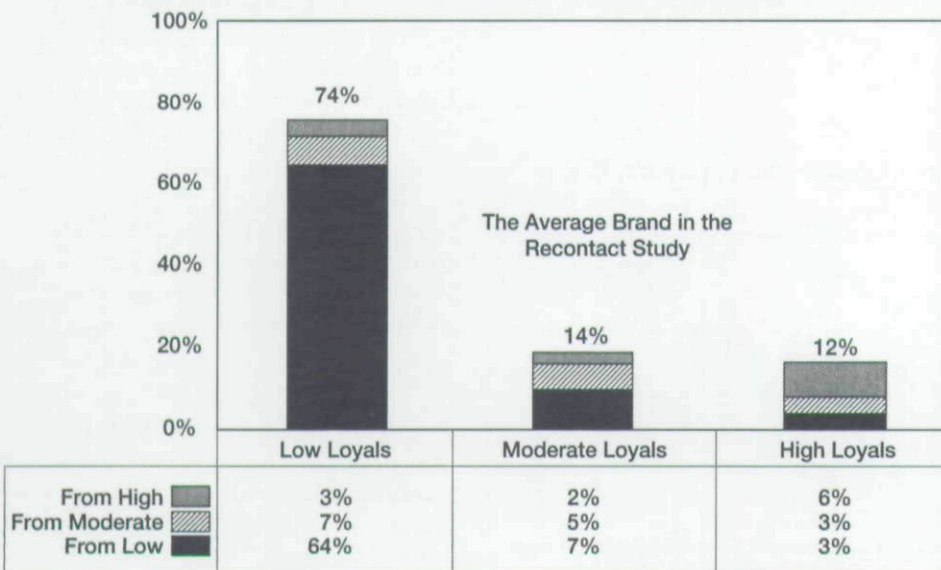
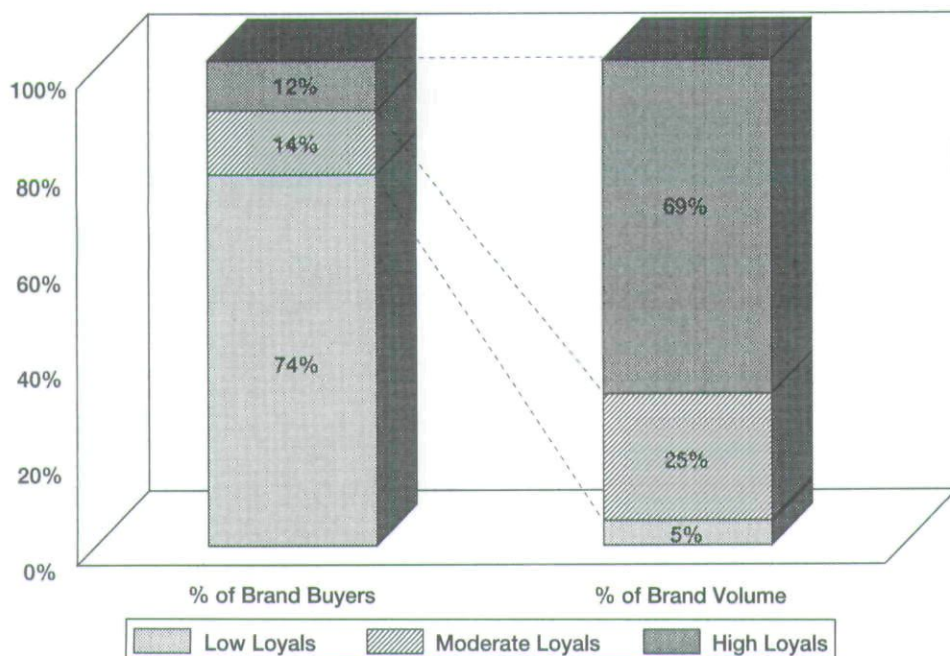
**Figure 10****Average Brand Loyalty Composition in the Post Wave, Based on Pre Wave Composition**

Figure 11

Average Brand Loyalty Composition, % of Buyers vs. % of Estimated Weighted Brand Volume



strong attitudes were almost four times as likely to switch to High Loyalty to the brand (37 percent versus 11 percent), while Low Loyals with strong attitudes were eight times as likely to convert (25 percent versus 3 percent).

### Can Attitudes Predict Behavior?

Once we knew that behavior varied the way we hoped it would (i.e., the stronger the atti-

tudinal commitment to the brand, the more likely consumers were to *remain* loyal to the brand, or to *become* loyal to the brand), then we moved to the final question: *Can the linkage between attitude and behavior become the basis for a predictive model?*

In order to address this question we decided to concentrate on two types of consumers most likely to either move toward the brand and those likely to move away from the brand over time. We called these two groups of respondents Prospects and Vulnerables and defined them as follows:

- **Prospects:** consumers whose attitudes toward the brand are *stronger* than their behavior.
- **Vulnerables:** consumers whose attitudes toward the brand are *weaker* than their behavior.

Pictorially, the groups of respondents are shown in Figure 15.

Real loyals are respondents who are High Loyal, behaviorally, but who are also strong attitudinally. Vulnerables are those whose attitudes are weaker than their behavior would suggest. Prospects are those whose attitudes are stronger than their behavior would suggest.

By definition, few Prospects or Vulnerables exist for small brands. After all, 100 percent of category users are in the Low Loyal/Low Attitude box the day before that brand is introduced to the market.

Figure 16 displays the distribution of Prospects and Vulnerables for the 27 brands in the modeled database: the larger the brand, the larger the group of Prospects for the brand, as well as Vulnerables to the brand (again, brands are arrayed in descending order of market share).

On average, 11 percent of consumers are Prospects to the av-

Figure 12

Proportion of Average Brand Behavioral Loyals Who Are Attitudinally Loyal

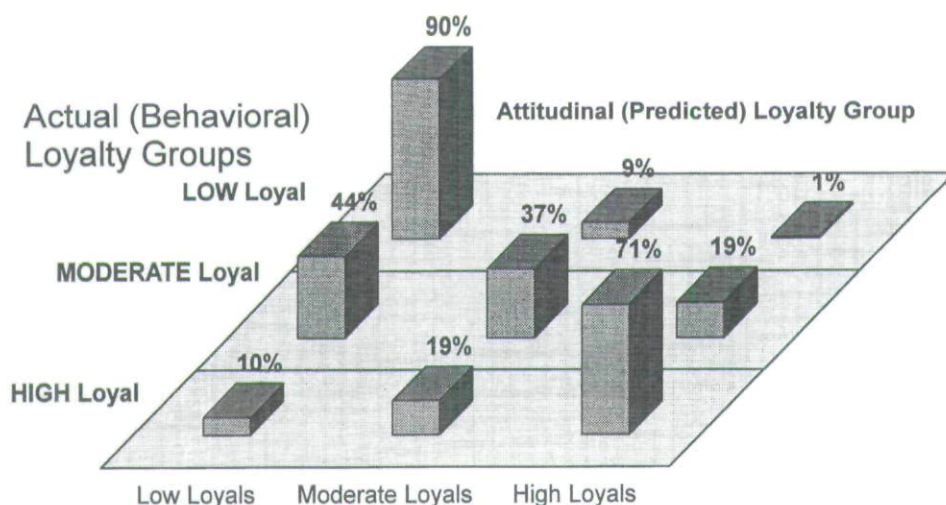
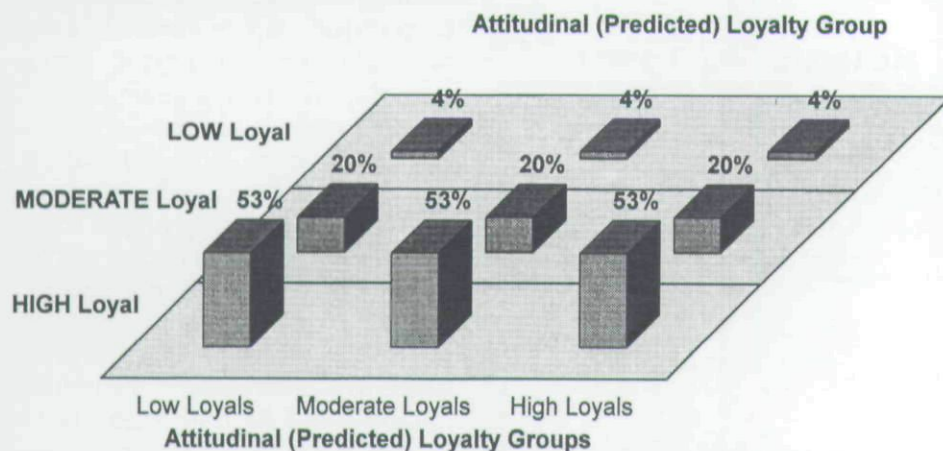


Figure 13

### Hypothesized Relationship between Attitude and Behavior, if Attitude and Behavior Are Unrelated



erage brand, and 11 percent are Vulnerables (i.e., there is no systematic bias in the matrix).

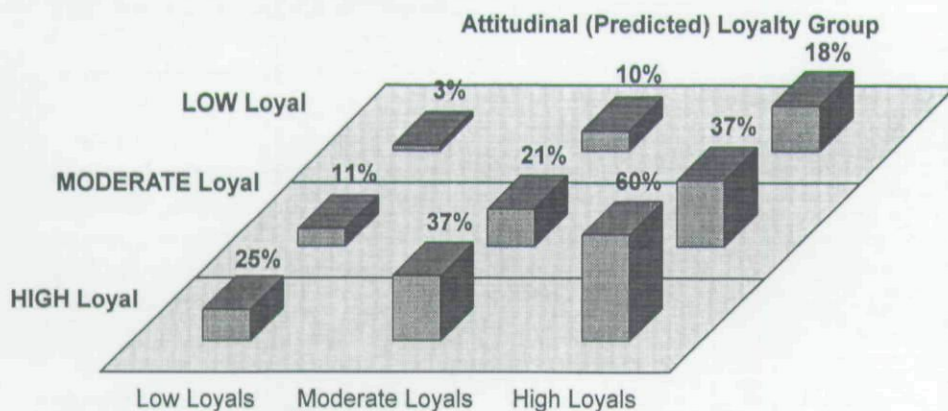
Figure 17 addresses the question whether or not the relationship between Prospects and Vulnerables is predictive of Market Share change. The ratio of Prospects to Vulnerables is related to market share changes two times out of three. Of the 27 brands analyzed, 18 (or 67 percent) showed an increase in year to year market share when the ratio was positive, or a decrease

in share when the ratio was negative.

For most of these brands, (approximately two times out of three) the relationship between attitude and behavior was predictive of changes in market share. In other words, for the majority of brands, if the proportion of Prospects exceeded Vulnerables, market share went up over the following year. Conversely, if the proportion of Vulnerables exceeded Prospects, market share declined.

Figure 14

### Actual Relationship between Attitude and Behavior, Based on Benchmark to Post Wave Movement



**Analysis Limitations.** The model discussed in this paper does not currently attempt to take marketing actions overtly into account. In other words, if the predictive nature of the relationship between attitude and behavior were to be modified by the overt inclusion of new-product introductions—independent measures of advertising spending, measures of advertising quality, relative price, relative product quality, and relative distribution patterns—the predictive nature of the model will become even more refined and fine-tuned. Work is also taking place to determine whether or not High Loyals tend to pay higher prices for the brand,

*For most of these brands, (approximately two times out of three), the relationship between attitude and behavior was predictive of changes in market share.*

whether Moderate Loyals tend to be heavier category buyers, and the relative volume contribution of High to Moderate Loyals.

## Discussion

In this paper, we have demonstrated that larger share brands have more High Loyals, in a statistical relationship that is very consistent with the work of the Hendry Corporation and Ehrenberg's work known as the "Double Jeopardy" effect. It is, therefore, apparent how a definition of loyalty that is purely behavioral could lead Ehrenberg to the conclusion that loyalty is a function of "bigness" and that "big-

Figure 15  
Behavior/Attitude Matrix

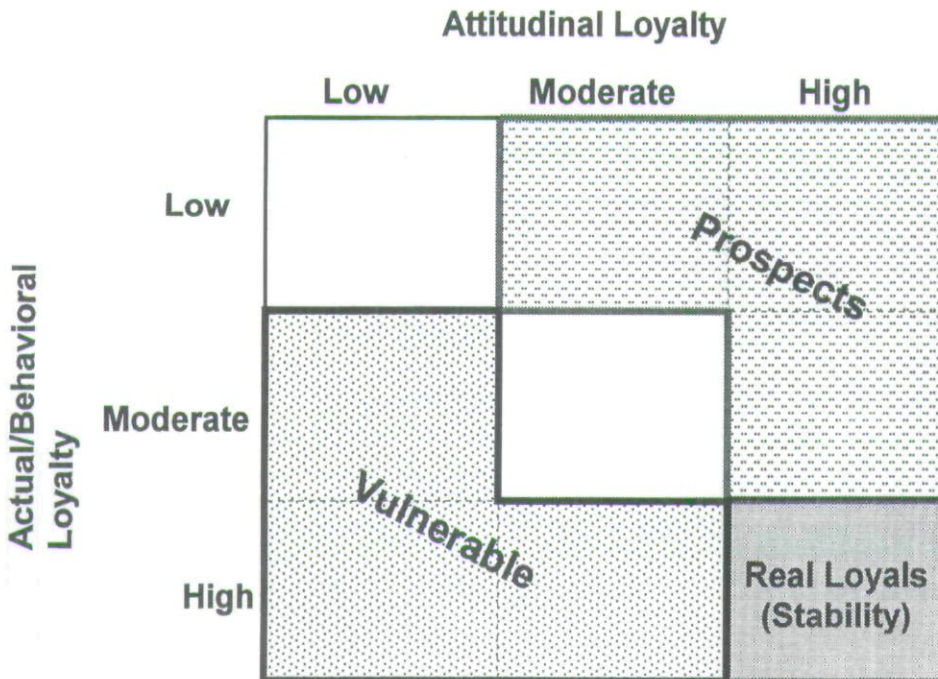
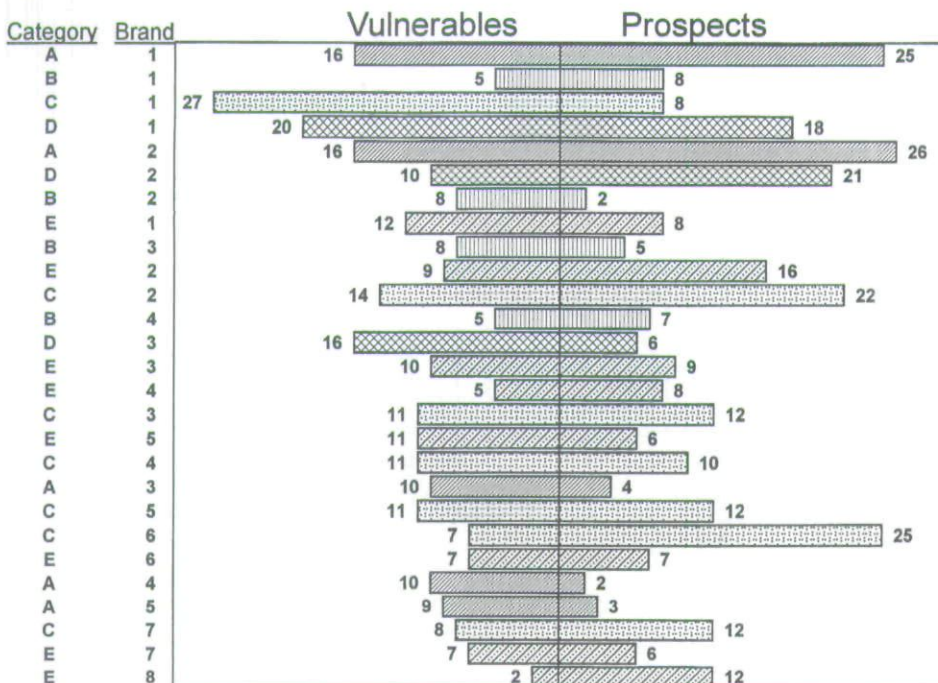


Figure 16  
% of Respondents Classified as Prospects and Vulnerables, by Brand

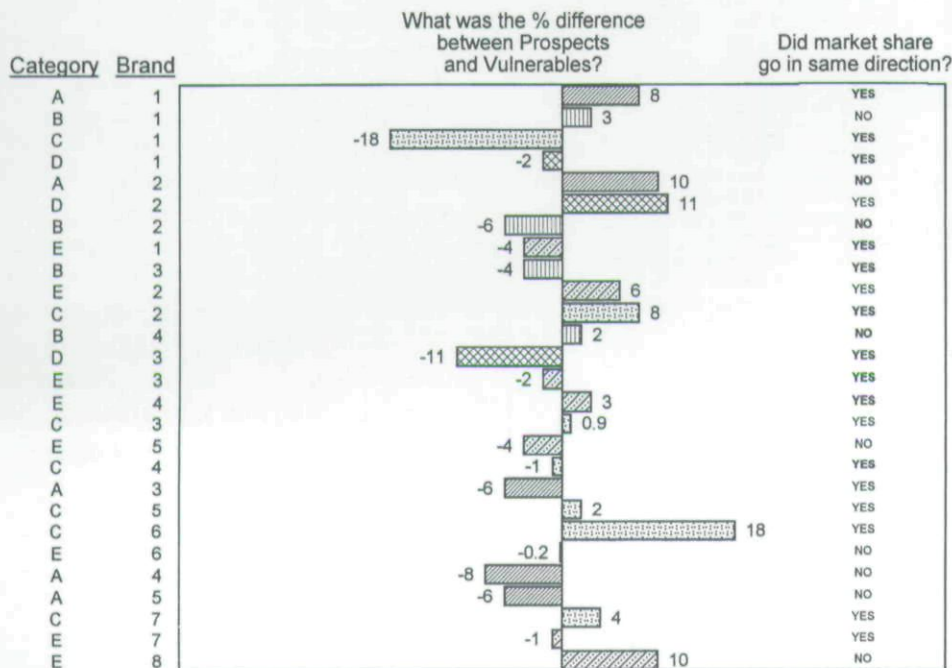


ness" is best achieved by building penetration. However, BrandBuilder evidence challenges this recommendation. First, by recontacting the same respondents approximately one year later, we find only a moderate relationship between a brand's market share and its ability to retain its high-loyal buyers. In other words, a large-share brand is likely to have more loyal buyers but not necessarily to retain them at a higher rate over time. Secondly, by looking simultaneously at attitudes and behavior to measure loyalty, we find that high-loyal buyers who have consistent attitudes tend to stay loyal to the same brand. Whereas, high-loyal buyers who have inconsistent attitudes tend to switch away. Low-loyal buyers/nonbuyers of a certain brand who have strongly favorable attitudes toward that brand are much more likely to switch to it. Therefore, the *kind* of high-loyal buyer you have, a real loyal or vulnerable, is the most important leading indicator of retention. The *kind* of low-loyal buyer you have is most indicative of (re)trial. A large brand might be guaranteed a commensurate number of High Loyals, but it is not guaranteed that they will be *real* loyals (i.e., that they will be loyal both behaviorally and attitudinally). Therefore the healthy brand strives to have a disproportionately (versus competitors) high percent of buyers be real loyals and to have many more prime prospects than vulnerables. This is not guaranteed but can be achieved through effective communication/positioning efforts and by offering the right products that will engender high levels of satisfaction to users.

In BrandBuilder experience, the most dramatic cases of a brand having insufficiently favorable attitudes among loyal

Figure 17

## Prospects vs. Vulnerable Differences, by Brand



buyers have been for large-share brands exhibiting long-term share declines. Year after year these brands have enough *behavioral* loyalty for their share that year; but year after year both share and loyalty inexorably decline. Why? Because attitudes are insufficient to maintain that loyalty. The goal of such a brand is to change or fortify what it stands for, specifically looking for improvement in key attribute ratings among its current loyal users. The goal of its growing competitor(s) is to continue to gain trial from its prime prospects, that is, the loyal buyers of the declining brand who are vulnerables. Hence, brand growth is about making sure that in the loyalty-as-defined-by-both-attitudes-and-behavior matrix there are more prospects than vulnerables. This is the key characteristic of a healthy brand, and it is one that can be measured and tracked. Sometimes efforts to improve the loyalty matrix focus

on retention through increasing real loyalty (if the level is judged to be low versus competitors) and sometimes the focus is on trial or conversion. There is never one answer. In fact, for every large brand that needs to focus on retention, there are one or more small brands that need to focus on how to "keep the faucet running." Often, but not always, trial is the small brand's objective, and loyalty is the large brand objective (Baldinger, 1993).

Therefore, the assertion by some researchers (e.g., Ehrenberg, 1990, 1993) that the primary determinant of a brand's health will be related to its ability to gain penetration, rather than develop a stable group of retained real loyals, is dangerous, especially for market leaders or even strong #2 brands, seeking additional growth. It leads marketers to continue to deemphasize advertising and image-building in order to move

funds toward sales promotion, because promotions can be clearly demonstrated to be the most efficient short-term vehicle for gaining trial. This is inconsistent with the long-term view of a big brand which almost always exhibits strong attribute ratings that reflect its image; how would it get this attribute profile if not through image-building efforts (usually advertising)? Furthermore, it is logical to expect that a shifting of the marketing dollar to promotion results in conditioning consumers to expect a deal as the key criterion for purchase. And to paraphrase the Aaker quote at the beginning of this paper, the more consumers consider only price and features the less brand equity there will be for any brand.

## Summary

The authors have suggested use of a definition of loyalty that includes both attitudinal and behavioral components. We have validated that highly loyal buyers have a probability of staying with a brand over the coming year that is related to their attitudes about the brand. Similarly, an ability to convert low loyal/nonbuyers has been shown to be considerably higher if such buyers have favorable attitudes to the brand they are not yet buying. Netting together these two effects shows that for 67 percent of brands studied, brands that have a positive loy-

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*... optimal strategies for brand growth depend on whether the brand is currently healthy ... Unhealthy brands need to focus on fixing image problems ...*

alty mix (i.e., more prime prospects than vulnerables) tend to increase market share; brands with a negative loyalty mix tend to decline.

Therefore, the combination of attitudes and behavior provides a loyalty definition that is the basis for assessing, tracking, and taking actions to improve brand health, where the health of a brand is basically its likelihood of growing versus declining (not whether it is already big, since big brands can decline and would therefore be considered unhealthy brands).

Finally, this suggests that optimal strategies for brand growth depend on whether the brand is currently healthy. Healthy brands may focus on trial-generating strategies because the attitudinal commitment of its buyers both current and new will be strong. Unhealthy brands need to focus on fixing image problems which leads to an emphasis on retention strategies through communications and product offerings. ■

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