



## Exploring a functional approach to attitudinal brand loyalty

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### ABSTRACT

What psychological function does brand loyalty serve? Drawing on Katz's (1960) Functional Theory of Attitudes, we propose that there are four functions (or motivational antecedents) of loyalty: utilitarian, knowledge, value-expressive and ego-defensive. We discuss how each function relates to the three dimensions of loyalty (i.e. emotional, cognitive, and behavioural loyalty). Then this conceptualisation of brand loyalty is explored using four consumer focus groups. These exploratory results demonstrate that the application of a functional approach to brand loyalty yields insights which have not been apparent in previous research. More specifically, this paper notes insights in relation to brand loyalty from a consumer's perspective, including the notion that the ego-defensive function is an orientation around what others think and feel. This creates the possibilities for future research into brand loyalty via social network analysis, in order to better understand how the thoughts of others affect consumers' loyalty attributes.

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### 1. Introduction

Brand loyalty is a concept that has garnered much interest over recent decades, with numerous companies seeking to establish brand loyalty from their consumers. While we know that brand loyalty is important to organisations, the attitudinal function that brand loyalty serves, from a consumer perspective, is less clear. Why do consumers commit to buying a brand time after time? In this article, we propose that the commitment and intention to repurchase a brand is a manifestation of the functions driving consumers to repurchase. Specifically we use Katz's (1960) framework of the Functional Approach to Attitudes to explore the relationships between four functions of loyalty and the three dimensions of brand loyalty.

The question of what motivates consumers to be attitudinally loyal involves identifying the psychological function/s that is/are served by brand loyalty. There is evidence that consumers can be irrational and impulsive about their decisions in some instances, but thoughtful about their decision-making in others, with context being the strongest determining factor of the chosen approach (Chaudhuri, 2006; Katz, 1960). One key psychological theory that accounts for the existence of both irrational and rational attitudes and behaviour is Katz's (1960) Functional Theory of Attitudes. The underlying premise of this theory is that an understanding of

motives (functions) is required before attitude change can be undertaken (Schlosser, 1998).

The Functional Theory of Attitudes (Katz, 1960) identifies four generic functions of attitudes that explain the purpose of attitudes towards an object and ultimately explain behaviour. This theory has been developed and tested in a number of different behavioural situations; for example, Groves et al. (1977), recreation; Locander and Spivey (1978), tennis; Korgaonkar et al. (1985), shopping; Allen et al. (2002), cars and sunglasses purchase behaviour; and Hullet (2006), HIV testing. Allen et al. (2002), whilst providing 'cautious support for the functional approach to the value-attribute-behaviour system' (p. 129), does suggest however, that, 'one construct neglected was behaviour' (p. 130). In this study, we draw on Katz's (1960) framework to define four functions for loyalty (utilitarian, value-expressive, ego-defensive and knowledge) and explore how each function relates to the three dimensions of loyalty (emotional, cognitive and behavioural). The resulting approach is referred to as the *functional approach to attitudinal brand*.

Building based on previous research that investigated attitudinal loyalty (emotional and cognitive) only, we propose that the functions or motivations of brand loyalty should not only be related to the level of emotional and cognitive brand loyalty associated with a given brand, but also to the level of behavioural loyalty observed. As East et al., 2005 noted, where the brand has low consumer involvement, attitudinal loyalty is not an important driver of behavioural loyalty and so the functions may directly impact the latter, bypassing the dimensions of emotional and

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cognitive loyalty altogether. Conversely, where the brand has high involvement, attitudinal loyalty is an important driver of behavioural loyalty (Russell-Bennett et al., 2007) and thus, the functions are expected to affect behaviour through their impact on emotional and cognitive brand loyalty. For these reasons, we examined the effect of the functions of attitudinal brand loyalty on the three dimensions of brand loyalty: emotional, cognitive, and behavioural brand loyalty. These three dimensions are explored and demonstrated in the research reported in Worthington et al. (2010).

This article explores the functions of consumer brand loyalty through two research questions:

1. *What is the relationship between the functions of brand loyalty and the three dimensions of loyalty?*
2. *What factors influence each function–dimension relationship?*

To address these research questions, exploratory research in the form of four focus groups, with a total of 24 participants, was undertaken. This yielded rich in-depth information about the features and complexities of attitudinal brand loyalty and its motivational antecedents with a proposed model arising from the data. The results of the research indicate that the functional approach to attitudinal brand loyalty offers a useful explanation for why some consumers are loyal to particular brands.

## 2. Three dimensions of loyalty

There are two core components of loyalty<sup>1</sup>; behavioural<sup>2</sup> and attitudinal<sup>3</sup>, with attitudinal further broken down into two dimensions; emotional and cognitive (Härtel and Russell-Bennett, 2010). This leads to three dimensions of the overall concept of loyalty; behavioural, emotional and cognitive. The relationship of these dimensions have created strong debate in the marketing literature for the past forty years, however there seems to be general consensus amongst scholars that behavioural loyalty is most relevant for low-involvement, routinised purchases and attitudinal loyalty is more relevant to high-involvement, hedonic, high-risk purchases (Rundle-Thiele and Bennett, 2001; Russell-Bennett et al., 2007). In the latter situation, attitudinal brand loyalty is an important driver of behavioural loyalty for many types of products: including, business-to-business (Russell-Bennett et al., 2007), services (Chiou and Droge, 2006) and high-involvement consumer goods (Bandyopadhyay and Martell, 2007; Mellens et al., 1996).

Thus for brand managers seeking to manage attitudinal loyalty levels, breaking attitudinal loyalty into a 'feeling' component and a 'thinking' component (Ajzen, 2001; Worthington et al., 2010) can give greater direction for strategic interventions.

## 3. Functions of attitudinal loyalty

The Functional Theory of Attitudes (Katz, 1960) identifies four generic functions of attitudes: a *utilitarian function*, which focuses on the attributes of the object; a *value-expressive function*, where the attitude serves as an expression of one's central values or self-concept; an *ego-defensive function*, where the attitude serves

to protect one either from external threats or internal feelings; and a *knowledge function*, where the attitude serves as a mental structure or attributes means attributing meaning. Given brand managers seek to influence attitudinal loyalty levels, having an understanding of why consumers hold such levels can identify mental levers that campaigns can trigger. This is supported by Hullet (2006), who uses functional theory as a basis for designing messages that would motivate people to get tested for HIV, and suggests that a knowledge of attitudinal loyalty functions can assist marketing campaigns to be more effective.

### 3.1. The utilitarian function of loyalty

The utilitarian function of brand loyalty is based on evaluating alternatives on performance criteria and then selecting a brand that meets those requirements. Decision rules are used to evaluate and preclude particular brands from the final choice set. The utilitarian function is roused through experience rather than verbal information (Katz, 1960); thus, consumers that repurchase brands on the basis of their utilitarian function are likely to be satisfied with their experiences using the brand, rather than hearing about the performance of the brand. The utilitarian function leads to brand loyalty when a brand is proven to be value for money, or the best 'deal', owing to the consumer comparison of its attributes with competitive brands. An example of this might be a person continuing to repurchase a mobile phone service (i.e. behavioural brand loyalty) because she/he perceives the service provider's prices to be the cheapest for her/his needs.

### 3.2. Value-expressive function of loyalty

Following on from Katz's (1960) generic functions of attitudes, the second function of brand loyalty is defined as the value-expressive function. The underlying motivation represented by this function is the need to buy a brand that is consistent with, or that expresses, one's values (Kardes, 2002). In his research on attitudes towards gay men and lesbians, Herek (1987) outlined two categories of attitude functions: evaluative and expressive, and identified three sub-types of expressive attitudes. These three sub-types of expressive attitudes serve an expressive function, and are derived not from the tangible aspects of the object, but rather from the increase in self-esteem when expressing the attitude. Here, the object is used as a symbol for self-expression, and as such, the three sub-groups of expressive attitudes can be categorised as 'social expressive', 'defensive' and 'value-expressive' (Herek, 1987). Allen et al.'s (2002) research into value-expression of both cars and sunglasses, culminated in their suggestions as to how advertisements could be developed. This includes the fact that promotional strategies should match to each customer's way of relating to a given product, hence helping to generate repeat purchase behaviour.

### 3.3. Ego-defensive function of loyalty

Based on Katz's (1960) generic functions of attitudes, the third function of brand loyalty is defined as the ego-defensive function. This function is predicated on Freudian defence mechanisms that help people deal with emotional conflict and feel better about themselves (Kardes, 2002), and thus, relates to personal identity (Hogg and Abrahams, 1988). Hence as a function of attitudinal loyalty, the ego-defensive function is being served when the consumer perceives buying the brand as contributing to their esteem or boosting their ego. Previous research on the ego-defensive function of loyalty has found that when messages about high-ego related issues (or products) threaten a consumer's ego, these messages will be discounted (Lapinski and Boster, 2001). Korgaonkar et al.

<sup>1</sup> In accordance with the tri-dimensional perspective of brand loyalty, we adopt Härtel and Russell-Bennett, (2009, p. 2) definition of emotional loyalty as 'the psychological preference for buying a brand which consists of positive feelings about and affective attachment to continually purchasing a brand.'

<sup>2</sup> In accordance with the tri-dimensional perspective of brand loyalty, we adopt Härtel and Russell-Bennett, (2009, p. 2) definition of cognitive loyalty as 'the psychological preference for buying a brand which consists of positive beliefs and thoughts about continually purchasing a brand.'

<sup>3</sup> Behavioural brand loyalty is defined as 'the brand on which the purchaser spends a high proportion of their category expenditure (brand preference)' as presented by East et al. (2005).

(1985) also found a significant relationship between the ego-defensive function of attitudes and store preference.

### 3.4. Knowledge function of loyalty

The final function of brand loyalty, extrapolated from Katz's (1960) generic functions of attitudes, is the knowledge function. This function involves the mental organisation of complex information 'in a meaningful way to assist people to make decisions easily and without having to refer to the detailed attribute information that was originally used' (Kardes, 2002, p. 164). Consumer research on the differences between novices and experts has identified the knowledge function as an explanation for why highly experienced consumers tend to stay loyal to a brand (Grewal et al., 2004). The knowledge function of attitudes allows consumers to have a readily established base of heuristics and schemes, and results in maintenance of existing brand choices (Grewal et al., 2004). In consumer research about the functions of attitudes and tennis, the findings indicated that people who had high levels of knowledge functions had low tolerance for ambiguity and therefore had low attitudes towards playing tennis, a sport where the outcome is uncertain (Locander and Spivey, 1978).

## 4. Method

Focus group methodology was selected to explore the two research questions due to its ability to provide rich in-depth information about the features and complexities of attitudinal brand loyalty (Wood, 2004). Four, one and a half hour focus group sessions of six participants each were conducted in two Australian metropolitan cities. In order to identify possible gender interactions, two of the focus groups were of mixed gender composition, one was of female only and the other was of male only composition. Only one person per household was allowed to participate and all groups were balanced for age and occupational background. The composition rationale was based on the consumer demographics associated with the metropolitan regions.

Participants were asked to consider brands selected from one of three groups, consumables, durables and services, which were further divided into hedonistic and utilitarian categories. Definitions for each loyalty function were presented to the participants, who were then asked to describe the characteristics of people engaging in each, including their emotions, cognitions, behaviours, the context where a person would or would not base their loyalty on this function and the types of products and services to which the function was likely to apply. Participants were also asked whether consumers would be likely to have a single function or whether they would combine the functions. For example some consumer's may only purchase a brand for the sole purpose of value-expression, The Body Shop, whereas other consumers may purchase the same brand for multiple functions such as value-expression and utilitarian.

The focus groups generated 112 pages of transcripts and the data was analysed using the thematic coding process outlined by Fereday and Muir-Cochrane (2006). In thematic coding, 'text is analysed through the use of an analysis guide that consists of a number of categories or themes relevant to the research question(s)' (Cassell and Symon, 1994). The focus groups were audio-recorded and transcribed, which facilitated thematic coding of the quotes. A hybrid deductive-inductive approach was used following the convention established by Fereday and Muir-Cochrane (2006). A coding manual was developed that contained definitions and key phrases of the four functions of attitudinal loyalty and the three dimensions of loyalty. Two coders then summarised the themes in the transcripts using these codes to identify the func-

tions of loyalty that were associated with each dimension of loyalty, and factors that influenced these relationships. While the constructs under investigation were driven by the codes, the relationships between the constructs and the consumer conceptualisations of loyalty were inductive based on the themes that arose from the data.

This inductive-deductive approach was adopted to clarify the conceptualisations of the functions of loyalty from the consumer's perspective, to identify the cognitions, emotions and behaviours associated with each function of loyalty, and to identify potential moderators. The results of the analysis are outlined in the next section and in Tables 1 and 2.

## 5. Results

The first step in the research was to establish how consumers viewed these four functions in terms of their meaning and the products associated with each function. Participants were given a definition of each function on a card, one at a time, and asked to discuss their thoughts on the definition, the types of people likely to have the particular motivation, situations for which the function was most likely to be a primary motivational driver, and reasons people with this motivation may shift their brand loyalty behaviour. This approach was adopted to clarify the conceptualisations of the functions of loyalty from the consumer's perspective. Analysis involved thematic coding of the text related to the relevant section of the focus group transcript (Cassell and Symon, 1994).

The second step in this research was to identify the relationships between the functions and dimensions of loyalty. This resulted in a conceptual model being developed containing four propositions.

The third step was to identify the factors that may influence or change the relationships between the functions and dimensions of loyalty.

### 5.1. Consumer conceptualisations of functions of loyalty

Despite the lack of any formal marketing background in the focus group participants, the resulting consumer-based definitions (See Table 1) closely matched the definition developed *a priori* from the literature. Specifically, consumers who are loyal for utilitarian reasons were perceived to be responsive to brand performance, but are also opportunistic (See Quote 1 in Table 1). Consumers perceived the *value-expressive function* as allowing them to make buying behaviour congruent with lifestyle, aspirations, values (See Quote 2 in Table 1), ethics (See Quote 3 in Table 1) and loyalty to region or country-of-origin (See Quotes 4–5 in Table 1). In contrast, consumers perceived the *ego-defensive function* as a way to show others how far they have come in their lives, bolster self-esteem, and improve image in others' eyes (See Quotes 6–9 in Table 1). This function was not perceived to involve much planning and was considered to be quite spontaneous and reactive. Finally, consumers perceived the *knowledge function* as reducing cognitive effort by buying a brand that was mentally categorised as top of mind, considered trustworthy and reliable, and was as a result of a long history of using the brand (See Quotes 10–11 in Table 1).

#### 5.1.1. Social desirability of functions of loyalty

Interestingly, in the discussion of the potential circumstances under which a function may drive loyalty, the consumers made judgments about the social desirability of a given function, placing higher acceptance of functions perceived as rational (i.e. utilitarian and knowledge), and lack of acceptance and even disdain for functions perceived as less rational, in particular the ego-defensive

**Table 1**  
Conceptualizing a functional approach to loyalty.

Function of brand loyalty	Utilitarian	Value-Expressive	Ego-Defensive	Knowledge
Consumer-based definition	A utilitarian function of brand loyalty is concerned with how well the brand can meet performance needs and is the result of evaluation of alternatives.	A value expressive function of brand loyalty reflects congruence between brand and the lifestyle, aspirations and values of the purchaser.	An ego-defensive function of brand loyalty uses the brand to build self-esteem and other people's opinions, as well as protect one's self.	A knowledge function of brand loyalty is an effort-minimisation strategy that is habitual and convenient.
Exemplar quotes of each function	1. "My loyalty goes to the extent that I phone them up and say 'I've been given this offer, can you match that' and then it's up to them to choose whether my business is worth their while. My loyalty lies in giving them the opportunity."	2. "I think it's important that it fits in with your values." 3. "I don't think it's about prestige, I think it's more about being ethically aligned with the brand." 4. "I reckon it [the beer] does better being Tasmanian, just because Tasmania has that kind of sea-change lifestyle thing." 5. "I'd never buy Tooheys [Beer brand] because it's from Sydney."	6. "I want people to see how well I've done in life." 7. "Well self-esteem, makes you feel good about yourself." 8. "Brands are more important when I bring someone else into the equation; if I'm having someone over for dinner I'm more likely to have the better brands." 9. "If you're wearing those clothes you know you're putting your best foot forward to the world – if you look good, you feel good."	10. "It's something I'm familiar with, because I've grown up with it." 11. "It's trustworthy, it's predictable, it might be a strange comment but it won't let you down. You know going outside wearing the clothes it's trustworthy."
Relationship between functions and loyalty	12. "I mean really what drives me to buy whatever is whether that product does what I want... I would change brands if it stopped working well." 13. "My criteria could be price, and somebody else could be taste on the same product. I might think this one is cheaper so it suits my needs, but someone else could be like this tastes better, so it suits my needs." 14. "Ease of preparation." 15. "I'm very careful, I like to do my homework." 16. "I'm not the sucker who bought the most expensive brand – I'm smarter than you I checked it out."	17. "Shows what I stand for and outcomes that I want" 18. "I don't think it's about prestige, I think it's more about being ethically aligned with the brand." 19. "I would continue to buy the brand if it shows what I stand for and outcomes that I want."	20. "I want people to see how well I've done in life so I always buy this brand of car." 21. "Yeah it is that up-market feeling that makes you feel like you've accomplished something, that you can go out and buy that." 22. "Impulsive; I think that's an impulse buyer. I don't think they're necessarily brand loyal at all."	23. "People just get confused. It's the easy way out." 24. "I do look to some extent but I always find myself going back to Telstra for that reason, that it is... you get used to them, how they communicate, what's available and it's easier for that reason." 25. "I can't be bothered to think about the choices, it's too hard and takes too long. So I just keep buying the same brands."
Typical products	FMCGs, durables such as white-goods	FMCG, durables and services	FMCGs (younger), durables (older)	FMCG, services

function. Moreover, the women seemed more willing to admit buying on the basis of ego or value-expression, whereas the men were quite critical of people who purchased for such motivations. Thematic analysis of their comments in later sections of the focus group discussion revealed that men also bought on the basis of these motives, despite being less likely to admit to it explicitly.

### 5.1.2. Product-category associations for functions of loyalty

The types of products that the participants associated with the utilitarian function of loyalty were fast-moving consumer goods (FMCGs) and durables such as white-goods. In contrast, the value-expressive function did not seem to be specific to any type of product; rather, it seemed to be universal across the different product categories. For the ego-defensive function, young consumers were considered likely to have this motivation in their behaviour towards FMCGs, whereas older consumers were seen as most likely to be driven by this motive for durables. The knowledge function was seen as most relevant for FMCGs, for which most repurchases tend to be habitual with little information search and evaluation performed (East et al., 2005). There was also strong support for services with this function, with many respondents indicating they would repurchase the service because it was easier than trying to search for a better alternative.

### 5.1.3. Relationship among the four functions and the dimensions of brand loyalty

In the second section of the focus group discussion, participants were asked more specifically about the dimensions of loyalty and

how these related to each function of loyalty. Thematic analysis of the relevant sections of the focus group discussion was summarised into a model that contains four propositions relating to the first research question (see Fig. 1). Exemplar quotes relating to how the functions relate to the dimensions of loyalty, from a consumer perspective, are presented in Table 2.

The literature on the functions of attitudes indicates that an attitude can serve one or more functions (Grewal et al., 2004; Locander and Spivey, 1978; Schlosser, 1998). Support for this proposition was also evident in the qualitative data from this study. In particular, participants reported that the use of the four functional approaches depended on the nature of the situation. Nonetheless, some participants indicated a stronger identification with one of the functions and some self-identified as a particular type of consumer.

### 5.1.4. Relationship between utilitarian function and dimensions of loyalty

The utilitarian function appeared to be related to cognitive and behavioural brand loyalty, requiring negligible emotional engagement and evoking brand switching only when the product performance was no longer satisfactory (See Quote 12 in Table 1). The utilitarian function of loyalty appears to involve medium to high levels of decision-making and evaluation for initial purchases (See Quotes 15–16 in Table 1) followed by ongoing performance evaluations of the features (e.g. ease of use) or the reliability of the product or service against competing brands (See Quotes 12–14 in Table 1).

**Table 2**  
Illustrative quotes supporting the four functional approaches to loyalty.

Loyalty component	Utilitarian	Value-Expressive	Ego-Defensive	Knowledge
Cognitive Involvement, heuristics, comparisons	High High levels of cognitive vigilance and involvement on all repurchase occasions. <i>"My criteria could be price, and somebody else could be taste on the same product. I might think this one is cheaper so it suits my needs, but someone else could be like this tastes better, so it suits my needs".</i>	Medium High involvement initially but do not evaluate on subsequent purchase. <i>"Shows what I stand for and the outcomes that I want."</i>	Low Loyalty is not based on any evaluation or use of criteria other than protecting or building the ego. <i>"Yes, because if you want to portray a certain image you will emulate those certain people that have that image, more successful people dress this way and drive these cars so you can say to be successful I need to wear these clothes and drive these cars."</i>	Low For the initial purchase consumers are involved and use decision-making, however they habituate the process on subsequent purchase occasions. <i>"A starting point, definitely across the board but once I believe I've found a good product I won't keep checking I'll settle into that product for a while."</i>
Emotional Feelings	Low Limited or no emotions involved <i>"I think the best brand for me is the opposite of protecting any image, so it's almost the opposite of [ego-defensive]. If this is the best brand for me it's not about inadequacy or social comparisons or anything else."</i>	High Emotional responses are present <i>"You feel good about buying something that's ethically aligned with yourself."</i>	High Highly emotional <i>"Brands are more important when I bring someone else into the equation; if I'm having someone over for dinner I'm more likely to have the better brands."</i>	Low Limited or no emotions involved <i>"No [feelings], [people who buy this brand are] practical."</i>
Behavioural Repurchase, unlikely to switch	Medium Consumers are pro-active in their approach to brands and will change if something better is offered or comes along. <i>"I'll buy this product because I know it's good, but ooh here is a new product I might try it, and that one is better so I will use that one now. Nothing to do with the brand, it's the product." Consumers continue buying on the basis of a product performing. "Once I believe I've found a good [functional] product I won't keep checking I'll settle into that product for a while."</i>	High Where the brand is consistent with the values of the individual they are likely to repurchase. Consumers will actively avoid or switch brands that clash with their values. <i>"There was a big thing a few years ago with a cosmetics company and it came out they were testing on animals, nobody knew this they were buying because it was an Australian company, it's natural, and stuff. I know a lot of people who stopped using that brand after that."</i>	Low Likely to switch if a brand is not fashionable. They tend to be highly influenced by other people's opinions. <i>"Because if you want to portray a certain image you will emulate those certain people that have that image, more successful people dress this way and drive these cars so you can say to be successful I need to wear these clothes and drive these cars."</i>	High Likely to repurchase as long as the brand performs at the expected level. <i>"There is a strong component of behaviour that stems from the propensity to switch immediately if conflict between values and company behaviour is evident."</i>



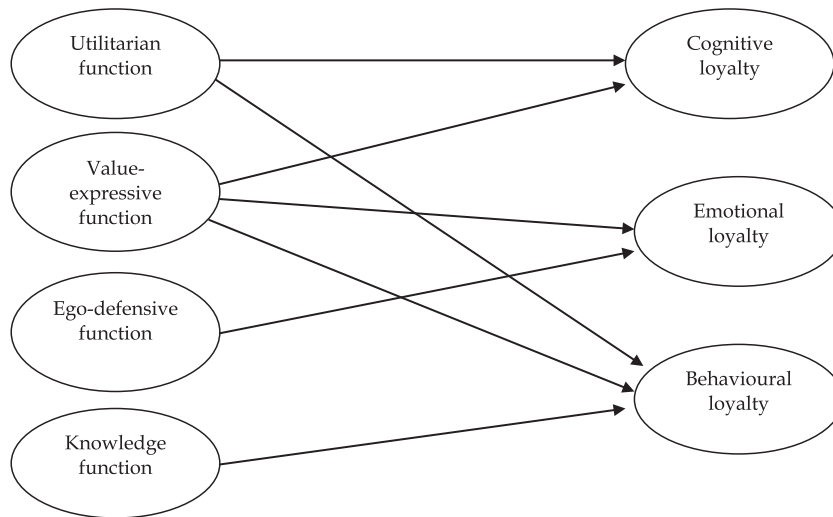


Fig. 1. Proposed relationship between functions and dimensions of loyalty.

The focus on the attributes and functionality of the brand is relatively objective and consequently, the utilitarian function of brand loyalty is more likely to be related to cognitive loyalty than emotional loyalty. The utilitarian function is also likely to yield behavioural loyalty for as long as the brand is perceived to perform its intended purpose. Thus, the first research proposition is as follows:

**Proposition 1.** *The utilitarian function of loyalty will be more positively related to cognitive and behavioural loyalty than it will be to emotional loyalty*

#### 5.1.5. Relationship between value-expressive function and dimensions of loyalty

The value-expressive function was perceived to be internally driven, based on attachment to a brand that stemmed from a strong match between consumers' internal values and the brand to which they were loyal (See Quotes 17–18 in Table 1). It was also thought to foster strong behavioural loyalty (See Quote 19 in Table 1).

The value-expressive function was described with reference to comparisons between attributes of the product, which represented decision rules. This finding is consistent with Proposition 2, namely, that the value-expressive function would be related to the cognitive dimension of brand loyalty. The value-expressive function also exhibited strong behavioural loyalty tendencies as expected, with chosen brands closely aligned to consumers' core values and brand switching only occurring when values changed or the brand ceased to be consistent with the consumer's values.

According to Ashforth and Humphrey (1993), the value-expressive function relates to the internal motivation to reveal one's identity to others and, as such, we anticipate that this function will be related to emotional, cognitive and behavioural loyalty. More specifically, we expect that value-expressiveness will be associated with emotional loyalty because of the *emotional* attachment that a consumer has to a particular group of people (Tajfel, 1972). We anticipate it to be associated with cognitive loyalty as values can also reflect cognitive needs, such as buying domestically produced products, to express the economic value of retaining profit from sales within one's country. Finally, we propose that the value-expressive function will be associated with behavioural loyalty because value-expression is an externally directed function

and thus, likely to involve public rather than private consumption. From the forgoing, we propose:

**Proposition 2.** *The value-expressive function of loyalty will be positively related to emotional, cognitive and behavioural loyalty*

#### 5.1.6. Relationship between ego-defensive function and dimensions of loyalty

In comparison to value-expression, the ego-defensive function appeared to be subject to external influences, such as one's peer group and general trends, and based on a desire to project an image to the outside world (See Quotes 20 and 21 in Table 1). Consequently, in contrast to the value-expressive function, it appears to be oriented around what others value, not what the consumer values.

As the beliefs underpinning the ego-defensive functions are based more on emotion than on reason (Katz, 1960), this function is expected to be related to emotional loyalty. Furthermore, as the ego-defensive function is largely subconscious (Belch and Belch, 1987), effortful or conscious cognitive factors are unlikely to influence the decision to repurchase. This includes pricing issues, value-for-money or convenience, unless these factors relate to ego issues. As such, we expect the ego-defensive function to be unrelated to cognitive loyalty.

From the foregoing observations, we suggest the following proposition:

**Proposition 3.** *The ego-defensive function of loyalty will be positively related to emotional loyalty*

#### 5.1.7. Relationship between knowledge function and dimensions of loyalty

Only the behavioural dimension of brand loyalty (i.e. repeat purchase) was related with the knowledge function (See Quote 25 in Table 1), cognitive activity tended to be low (See Quotes 23–24 in Table 1) and participants rarely used emotional terms (e.g. love, desire, happiness) in describing the loyalty associated with this function.

This function is less likely to involve conscious processes or emotions, as it benefits the consumer by removing the need to undertake information search and evaluate the many features of possible alternatives (Nelson, 2002). The knowledge function removes ambiguity, reducing effort and increasing the level of

certainty in a purchase situation (Locander and Spivey, 1978). Although the knowledge function is the least investigated of all the functions in extant consumer research, it is the most relevant to brand loyalty, given that many fast-moving consumer goods are repurchased on the basis of routine and automation.

Hence, it is proposed that:

**Proposition 4.** *The knowledge function of loyalty will be positively related to behavioural loyalty*

## 5.2. Factors that influence the relationship between functions and dimensions of loyalty

The last section of the focus group discussion addressed Research Question 2, by asking participants to discuss what might change the relationship observed between the functions and dimensions of loyalty. Thematic analysis of the relevant section of the transcripts revealed a number of potential factors, including: price, value, individual differences, product importance, willingness to exert effort, country-of-origin, brand cynicism, and product type. For all products and services, price and value were seen as the key factors in determining the range of brands that were ultimately considered.

Analysis revealed that the importance of the purchase decision influenced the functional approach that consumers were likely to adopt. For example, deciding what brand of car to purchase would be a far more important decision than deciding what brand of soft drink to purchase.

*“My loyalty depends on what I am buying. If it is important, like investment products, I will always go back to the same company, but if it's something where if I make a mistake then who cares, like a chocolate, then I would try different things and not stick to the same brand.”*

The origin of the product also appeared in the data as a potential factor, with a number of consumers indicating they would support a brand based on its region or country-of-origin and actively not be loyal to a product from a rival region.

*“I'd never buy Tooheys because it's from Sydney”* (Victorian participant)

*“...but to me it seems they are Australian and that plays a big part.”*

Understanding consumer behaviour in relation to the perception of origin of the product provides an underpinning to strategic decisions in marketing. Kumara and Canhua (2010) demonstrate this in their research into country of origin, which considers to what extent the product purchased has an impact on social status and how the product's origin enhances the personality of the consumer.

Brand cynicism was another potential factor evident in the data, with consumers indicating that their behaviour was also influenced by their perception of whether a company was using a brand to create points of difference, that do not actually exist, in order to exploit consumers.

*“...I've found some brands, they say Birds Eye, they make other brands as well, and I think they use the same product and put different labels on them. ... So you can go and buy the Birdseye product with another name, different bag and you might pay 10–15% less and you're getting the same thing. Same with clothes – they're all made in the same factory.”*

This notion of brand cynicism is discussed by Thjomoe (2008) in his research into the emotional aspects of products, whereby he examines whether convincing the customer that the product they

choose is special, even if it is not actually adding value, is thereby ‘cheating’ the customer. Whilst this approach may be used by marketers to differentiate the product, it could lead to customers developing degrees of cynicism about brands.

## 6. Managerial implications

The fundamental rationale behind any organisation introducing a loyalty program is twofold: to gain a larger share of consumers' spending, and to gain information about buyer behaviour (Worthington and Fear 2010). Whilst this information is valuable and allows the organisation to report on who buys, what they buy, how they buy, where they buy and when they buy, it does not provide any insights into *why* consumers buy and are loyal to a particular provider of value. Conversely, the present research into the functional approaches to loyalty does offer the prospect of achieving a far better understanding of why consumers buy certain products and what underpins their loyalty to certain brands. Managers who seek not only to understand the needs and wants of their consumers, but also what drives their loyalty, could use such an approach to gain insights, which are not immediately obvious from a conventional loyalty program, into brand loyalty from the consumers' perspective. Using the brand loyalty strategy matrix developed by Worthington et al. (2010), we have suggested specific strategies that managers can use to influence each of the four functions of loyalty. These are presented in Table 3.

## 7. Limitations and areas for future research

This research adopted focus group methodology. While this is a sound approach for collecting rich, in-depth qualitative data, as with all methods, it also has limitations. In particular, there is the possibility that individuals will answer questions differently when they are in a research-convened group setting, such as a focus group, as opposed to when they are answering questions alone or in a naturally-occurring group setting (Kitzinger and Barbour, 1999). Notwithstanding this, the framing of focus group questions in terms of participant perceptions of other consumers provided a point of reference where socially desirable responding or self-censorship was unlikely.

The present research also has a methodological implication for future research in this area. In particular, attention to the issue of social desirability in studies of the functions of loyalty is imperative. The finding that males were especially reluctant to admit to basing purchases on what they viewed as ‘irrational’ motives indicates the need to carefully construct the wording of questions to avoid the perception of ‘irrationality’.

In moving this research area forward, research on two questions in particular is called for. Firstly, longitudinal research is required to explain what markers or milestones indicate important stage changes in consumer approaches to loyalty. Secondly, longitudinal quantitative investigation is needed to examine the causal connections between the functions and dimensions of loyalty and product/service types, including the effect of marketing strategies for different functional approaches.

## 8. Conclusion

Brand loyalty is functional for consumers, as demonstrated by this research. While the findings indicate that consumers tend to use all four functions of loyalty (i.e. ego-defensive, knowledge, utilitarian and value-expressive), they also exhibit a dominant approach whereby one function of loyalty is paramount. Consumers whose dominant function manifests as an emotional component (i.e. value-expressive or ego-defensive) tend to show more true

**Table 3**  
Recommended management strategies for influencing brand loyalty.

Loyalty dimension Focus	Function of brand loyalty		
	Utilitarian	Value-Expressive	Ego-defensive
Target group <sup>1</sup>	Cognitive Product performance <i>Functional loyals</i> These consumers buy the brand regularly, however; they have no emotional or cognitive attachment. Maintain cognitive and behavioural loyalty	Emotion and behaviour Congruence between internal values and brand <i>Passionate loyals</i> These consumers like your brand, buy your brand, and have reduced decision-making. Maintain emotional and behavioural loyalty	Emotion Other-oriented; peers, opinion-leaders <i>Hopefuls</i> These consumers like your brand and will only stay with your brand while it offers their ego hope. Increase behavioural loyalty
Loyalty Aim	Increase the functional value by offering performance related value-added promotions such as executive tools/toys or information-laden items such as newsletters, open-days, advice sessions and tailored technical tools (possibly delivered online).	Strategies that retain with minimum effort e.g. instant-win competitions or offer emotional appeal that relates to values e.g. attendance at special events, thank you gifts relevant to values.	<i>Vulnerables</i> Loyalty, where people are loyal on the basis of inertia, leaving them open to a better competitive offer. Increase cognitive or emotional loyalty
Loyalty Strategies <sup>1</sup>			Behavior Effort-minimisation Increase the perceived differentiation of the brand through promotion, provide reward program to reduce switching, add excitement to the brand via an event or product feature.

<sup>1</sup> Derived from Worthington et al. (2009).

loyalty (i.e. both attitudinal and behavioural loyalty) (Dick and Basu, 1994), than consumers whose dominant function relies little on emotions (i.e. knowledge and utilitarian). These findings underscore the need for companies to create emotional value for consumers when loyalty is an important business outcome. Thus if managers seek to change the loyalty levels of their consumers, then they must first understand its underlying function. It is hoped that this exploratory research will provide the foundations for further research to seeking to develop an in-depth understanding of this aspect of loyalty. In particular this should involve social network analysis in order to help researchers better understand how the thoughts of others affect consumer's loyalty attitudes.

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