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Extended Abstract

Several studies have explored the relationship between product involvement and brand loyalty (e.g. Olsen, 2007; Quester & Lim, 2003). The main finding drawn is that product involvement has a positive effect on brand loyalty. In other words, if an individual is more involved in a product category this increases the propensity of the same individual to buy the same brand. The interpretation of such a finding is explained by the fact that increased product involvement creates higher psychological commitment, which further leads to increased behavioural loyalty. However, amongst the drawbacks in these studies is that they have operationalized loyalty as an attitudinal construct, rather than as a behavioural response. In fact, loyalty is a rather complex construct and a debate has been offered as to whether it should be operationalized as a behavioural response or as an attitudinal response (Bandyopadhyay & Martell, 2007).

In this paper, we aim to measure the effect that product involvement has on brand loyalty, and moreover on market share of brands. What is different from previous studies is that we operationalize brand loyalty as a behavioural response. To achieve this aim, we collected data in a set of product categories (yoghurt, milk, juice and tobacco), at different points of time and different countries (Greece, Romania, Iceland). In each study purchase intention for the top selling brands in each product category using the Juster scale was measured. The Juster scale is a probabilistic scale and, in comparison to traditional purchase intention scales, has been suggested to be useful as direct measure of likely behaviour (Wright & MacRae, 2007). Furthermore, involvement in each product category was measured together with loyalty proneness and variety seeking behaviour, which were used for validation purposes.

Our analytical approach is based on the use of the Repeated Binaly Logit (RBL) model (Rungie & Laurent, 2005). The RBL is an extension to the traditional logistic regression that is constructed from the Negative Binomial Distribution, on which a generalized linear model estimates the impact of covariates. The model allows estimating the impact of covariates, such as product involvement, on market share and polarisation. Polarisation is a measure of loyalty that has been utilised by other researchers (e.g. Fader & Schmittlein, 1993).

Findings indicate that for those brands that showed a significant change in polarisation, product involvement has a negative effect on changes of polarisation for most of them. Furthermore, these effects are consistent across product categories. As regards to market share, the effect of product involvement is also negative, but for a fewer number of brands. In summary, when a consumer’s product involvement in the category increases, he/she will be more likely to be less loyal to a brand in the same category, while it is also likely that the same brand will lose share of the market.

Our results contradict to prior literature. A possible explanation is the difference in operationalization of loyalty. In fact, our measures of attitudinal loyalty were positively correlated with product involvement, which are in line with previous findings. Therefore, irrespective of whether increased product involvement leads to increased consumer loyalty, on the brand level consumer response may differ. This could be due to that increased involvement in the category may lead to increased knowledge about the category, which in turn may assist consumers to have more knowledge about each brand. Such knowledge may be a reason to switch much easier, given that brand can no longer act as a cue that reduces the associated risk during purchase. This hypothesis still needs to be tested.

References