

# Elements of brand loyalty in lifestyle brand context

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# ELEMENTS OF BRAND LOYALTY IN LIFESTYLE BRAND CONTEXT

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Marketing Master's Thesis

Anna Rapala

## **Elements of brand loyalty in lifestyle brand context**

**Objectives:** The purpose of this Master's thesis is to add understanding of the brand loyalty phenomenon by studying the elements of brand loyalty in the context of lifestyle brands. The purpose of this thesis is to add knowledge about customer loyalty in the context of lifestyle brands by examining it from the customers' perspective. The objective is to reveal the elements that the customer themselves perceive driving or inhibiting their lifestyle brand loyalty. The findings are compared and contrasted to find similarities and differences between customers in different age groups and different levels of purchase amounts.

**Data and methods:** Literature analysis is first conducted to gain a thorough view about the nature of the phenomenon at hand. The data to address the research problem is gathered in three focus group discussions among the loyalty club members of a lifestyle brand Marimekko.

**Findings:** Lifestyle brand loyalty is a topic of scarce research. The results show that lifestyle brand loyalty is in close connection with the value system of the consumer, the consumer's lifestyle, consumer's personal history and social considerations, but also with the characteristics of the products that belong in the lifestyle brand's offering. The study shows that customers find their lifestyle brand loyalty driven by 1) correspondence of own values and brand values, 2) compatibility of the brand with current lifestyle, 3) stories and memories connected to the brand, 4) features of the products, and 5) sense of togetherness. The perceived barriers to lifestyle loyalty reported in the study are 1) incongruent brand values and personal values 2) poor quality and 3) price considerations.

When compared to the antecedents to traditional brands that the current marketing literature recognizes, many of the themes reported in this study are also present in the antecedents of traditional brands. Lifestyle brand loyalty seems to differ from traditional brand loyalty in emphasizing compatibility of the brand to current lifestyle and the significance of the personal, brand-related memories and brand stories. These two aren't per se traditionally linked to development of loyalty in traditional brands.

**Keywords:** brand loyalty, lifestyle, lifestyle brand, consumer behavior

<b>1. INTRODUCTION .....</b>	<b>1</b>
1.1 RESEARCH PROBLEM AND OBJECTIVES .....	2
1.2. METHODOLOGY .....	3
1.3. STRUCTURE OF THE THESIS .....	3
<b>2. BRAND LOYALTY .....</b>	<b>5</b>
2.1. RISE OF RELATIONSHIP MARKETING AND THE INTEREST IN CUSTOMER LOYALTY .....	6
2.2. LOYALTY AS PURCHASING BEHAVIOR.....	8
2.2.1. <i>Distinguishing between loyal purchase behavior and inertia</i> .....	10
2.3. ATTITUDINAL LOYALTY .....	11
2.4. LOYALTY AS A TWO-DIMENSIONAL CONCEPT COMBINING ATTITUDE AND BEHAVIOR.....	13
2.5. MORE RECENT STUDIES OF BRAND LOYALTY COMBINING MULTIPLE FACTORS .....	19
2.5.1 <i>Loyalty as reasoned action</i> .....	19
2.5.2. <i>Emotional, cognitional and behavioral loyalty –model</i> .....	20
2.6. ANTECEDENTS OF LOYALTY .....	20
2.6.1 <i>Phases of loyalty</i> .....	27
<b>3. ELEMENTS AND LOGIC OF LIFESTYLE BRANDS.....</b>	<b>29</b>
3.1. BRANDS AS MEANS OF SELF-EXPRESSION AND EXPRESSION OF LIFESTYLE.....	29
3.2. LIFESTYLE BRANDS .....	31
3.2.1. <i>Interpretive model for lifestyle brands</i> .....	33
3.2.2. <i>Brand loyalty in lifestyle brand consumption and luxury brand consumption</i> .....	36
<b>4. METHODOLOGY .....</b>	<b>37</b>
4.1. RESEARCH APPROACH .....	37
4.2. RESEARCH CONTEXT .....	37
4.3. DATA COLLECTION .....	39
4.4. DATA ANALYSIS .....	41
4.5. ASSESSING THE QUALITY AND VALIDITY OF THE RESEARCH .....	41
<b>5. FINDINGS.....</b>	<b>44</b>
5.1. PERCEIVED DRIVERS OF BRAND LOYALTY TOWARDS MARIMEKKO.....	44
5.1.1. <i>Correspondence of the values of brand with the values of the consumer</i> .....	45
5.1.2. <i>Compatibility of the brand with current lifestyle</i> .....	47
5.1.3. <i>Memories and stories connected to the brand</i> .....	49
5.1.4. <i>Characteristics of the offering</i> .....	51
5.1.5. <i>Sense of togetherness</i> .....	52
5.2. BARRIERS OF LOYALTY IN MARIMEKKO BRAND .....	53
5.2.1. <i>Quality of the products</i> .....	54
5.2.2. <i>Price</i> .....	54
5.2.3. <i>Disconnection of brand values and personal values</i> .....	55
5.3. REACTION TO THE PLAGIARIZING ACCUSATIONS .....	58
5.4. DIFFERENCES OF LOYALTY ELEMENTS BETWEEN DIFFERENT SEGMENTS AND LEVELS OF BEHAVIORAL LOYALTY.....	60
5.5. THE MAIN ELEMENTS OF BRAND LOYALTY IN THE CONTEXT OF LIFESTYLE BRANDS .....	65
<b>6. CONCLUSIONS .....</b>	<b>70</b>

6.1. MANAGERIAL IMPLICATIONS .....	72
6.2. SUGGESTIONS FOR FUTURE RESEARCH.....	73
<b>REFERENCES.....</b>	<b>75</b>

# 1. Introduction

*"The success of a brand on the long term is not based on the number of consumers that buy it once, but on the number of consumers who become regular buyers of the brand." (Jacoby and Chestnut, 1978, p. 1)*

The financial benefits of customer loyalty are reported in numerous studies (e.g. Reichheld, 1993; Reichheld and Sasser, 1990; Oliver, 1999; Gounaris & Stathakopoulos, 2004), and the causal link between loyalty and firm performance is widely accepted in marketing literature (Harris & Goode, 2004). As a customer's relationship with the company lengthens, profits rise (Reichheld and Sasser, 1990). Loyal customers can bring enormous benefits to a company in the form of e.g. continuous stream of profit, reduced marketing and operating costs, increased referral and customers' immunity to competitors' promoting efforts (Reichheld and Teal, 1996). Given these observations of the financial significance of customer loyalty, the interest to the subject of customer loyalty is justified.

It is commonly understood that companies need to have a clear idea of the market segment to which they are going to target their product. Use of the lifestyle of the customer as a criterion in market segmenting and product positioning has been adapted vastly by western companies (Zhu et al. 2009). In academic research, lifestyle studies have been accompanied with the theme of loyalty quite limitedly. Lifestyles in consumer behavior have been studied previously by e.g. examining the link between the consumer's lifestyle and consumer product preferences, and linking lifestyle segmentation to product attributes (Zhu et al. 2009). Suresh et al. (2011) have examined customer loyalty through a lifestyle analysis.

There is, however, little research revealing the nature of customer loyalty towards lifestyle brands, i.e. brands that are targeted to a certain group of consumers according to their lifestyle. What remains unclear in existing literature is, how loyalty is constructed in lifestyle brand context – how customer loyalty is perceived towards lifestyle brands and what elements in the lifestyle brand and in the customer-brand relationship are perceived driving or inhibiting customer's loyalty.

## 1.1 Research problem and objectives

Therefore, in this thesis, the theme of brand loyalty is approached in the context of consumers of lifestyle brands. Literature today has very little knowledge of the loyalty of lifestyle brand consumers. There is therefore a need for more qualitative studies in order to reveal the nature of brand loyalty to lifestyle brands. More research needs to be conducted to be able to clarify what the consumers perceive driving and inhibiting their loyalty. Overall, for effective marketing and managing of lifestyle brands, more needs to be known about the characteristics of customer loyalty towards lifestyle brands.

In my thesis I intend to add understanding of the brand loyalty phenomenon by studying the elements of brand loyalty in the context of lifestyle brands. The purpose of this thesis is to add knowledge about customer loyalty in the context of lifestyle brands by examining it from the customers' perspective. I'm interested to reveal the elements that the customer themselves perceive driving or inhibiting their lifestyle brand loyalty. The study aims to answer the following main research question:

*What are the main elements of brand loyalty in the context of lifestyle brands?*

This main research question is addressed by answering the following sub-questions:

*What are the main perceived drivers/antecedents of brand loyalty in lifestyle brands?*

*What are the main perceived barriers for brand loyalty development in lifestyle brands?*

*Do the perceived lifestyle brand loyalty elements differ between older and younger customers and customers with different levels of behavioral loyalty?*

The results of this study will be beneficial for managers and retailers of lifestyle brands in retaining their customers and performing more profitably in financial terms. Given the current lack of research in the topic of customer loyalty in lifestyle brands, the study at hand

might be of high interest towards marketing practitioners and academics alike due to its pioneering status in the lifestyle brand loyalty context.

## **1.2. Methodology**

The data for analyzing customer loyalty in lifestyle brand retailing will be qualitative in nature and collected in four focus group discussions among the members of the loyalty program of a lifestyle brand Marimekko. Qualitative method for data collection is chosen because its compatibility with the purpose of the study, that is to understand and interpret how customers perceive brand loyalty, and how brand loyalty is constructed and developed in customers' mindsets. Qualitative methods are suitable for these purposes for quantitative research cannot deal with the social and cultural construction of variables. Qualitative research approaches provide a more usable means to understanding reality as socially constructed, that is, produced and interpreted through cultural meanings. (Eriksson & Kovalainen, 2008).

Marimekko is chosen as a case company in this thesis because of its compatibility with the lifestyle brand context of this thesis. Armi Ratia, the founder of Marimekko, defined Marimekko in the year 1962 as "a cultural phenomenon guiding the quality of living". Stated on the official website of Marimekko, it is said that "she built a utopia called Marikylä ("Marimekko Village"), whose aim was no less than to house the staffs and to function as a laboratory for product design and to develop new ways of life".

## **1.3. Structure of the thesis**

The thesis is constructed the following way. The chapters 2 and 3 review the existing literature relevant to the thesis. Chapter 2 focuses on the definition and construction of the complex topic of customer loyalty, and it presents what is written in the literature about its antecedents and different types. Chapter 3 is dedicated to the definition of lifestyle brands and the theoretical basis in positioning brands according to the lifestyles of consumers. In chapter 4 the selection of the data collection method is presented and justified, and the



process of data collection is documented more thoroughly and in detail. The results of the study are presented and analyzed in the chapter 5. In chapter 6 the results of the thesis are discussed and concluded with managerial suggestions and suggestions for future research.

## 2. Brand loyalty

Today, increased brand loyalty is argued to be the most important single driver of organization's long-term profitability (Reichheld, 2001; Alrubaiee & Al-Nazer, 2010; Mishra & Li, 2008). Customer loyalty–company's profitability -link has been vastly studied in marketing literature. In 1984 Kotler acknowledged customer loyalty as an underlying objective for strategic planning and an important basis for developing sustainable competitive advantage that can be realized through marketing. Dick and Basu (1994) agree with Kotler and state that loyalty offers an important basis for competitive advantage – an advantage that can be realized through marketing efforts.

In more recent loyalty studies, Gounaris and Stathakopoulos (2004) and Kabiraj and Shanmugan (2011) state that academic and practitioners have no doubt that the concept of brand loyalty is of strategic importance in order for companies to obtain competitive advantage. Gounaris and Stathakopoulos (2004) note, that this is due to many reasons: for example brand loyal customers are less expensive for a company for they reduce marketing expenses and brand extensions are less risky for brands that exhibit high loyalty. What is more, brand loyalty has also been associated with higher rates of return on investment through increases in market share. Also, brand loyal customers engage in less information search for new alternatives, which leads to less switching among brands. In addition, brand loyalty is identified as a major factor in brand equity: David Aaker (1992) suggests that brand loyalty leads to brand equity, which leads to business profitability.

The works of Copeland initially raised the interest towards the theme of customer loyalty in the year 1923 (Kabiraj & Shanmugan, 2010; East et al. 2013). Copeland divided the reactions of customers towards branded goods using the terms *recognition*, *preference* and *insistence*. The impact of G.H. Brown in loyalty interest mustn't left unnoticed, either. He raised notable interest towards the subject of loyalty in the year 1952 in his article series in *Advertising Age* (Cunningham, 1956; Kabiraj & Shanmugan, 2010).

However, even if the interest toward the subject of loyalty has been present for almost a hundred years, much of the most influential research of the marketing literature has been made in the last 50 years. This may be due to the lack of sound methods to measure brand purchase (East et al. 2013). Human memory is limited, and this is a flaw of retrospective

studies in securing reliable information (East et al, 2013; Cunningham, 1956). The use of consumer panels asked to report their consuming habits was introduced as a useful means of studying purchase behavior in Cunningham's article in 1956. The birth of this study method made loyalty research more common.

The construct of customer loyalty has intrigued investigators for a long time, and a sizeable amount of literature has evolved (Jacoby & Kyner, 1973). However, even today, customer loyalty lacks a unified, universally agreed definition (Jacoby & Chestnut, 1978; Dick & Basu, 1994; Uncles et al. 2003; Gounaris & Stathakopoulos, 2004). R.L. Oliver (1999, p.34) describes loyalty as

a deeply held commitment to rebuy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.

Despite the fact that Oliver published his definition 15 years ago, this definition is still relevant today and in use as a basis for more recent academic loyalty studies (e.g. Liu-Thompkins & Tam, 2013; Kabiraj & Shanmugan, 2011). In the present thesis, loyalty is understood and referred to according to this very definition.

The formation of the loyalty concept in use today can be seen as an evolution starting from a one-dimensional factor solely based on past purchases (e.g. Cunningham, 1956) into a multi-layered concept combining attitudinal and behavioral aspects in the definition (Dick & Basu, 1994; Worthington et al. 2009; Szczepanska & Gawron, 2011). Most recent studies have justified the need to add a third, social dimension in the conceptual model of loyalty. In the following sections, the evolution of customer loyalty definition is presented. First, however, the strategic significance of customer loyalty and the connection of loyalty to the marketing paradigm of relationship marketing are discussed.

## **2.1. Rise of relationship marketing and the interest in customer loyalty**

Marketing theory has generally, until the 1990's, been oriented towards how to acquire customers, that is, how to create *a transaction* (Storbacka et al. 1994, Berry 1995). The

strong competition characterizing today's business environment has resulted to the building of stronger firm-customer relationships, and relationship marketing is becoming of growing interest (Ehiobuche & Khan, 2012). The movement from the transaction-focused marketing to relationship marketing is viewed as a paradigm shift in marketing thinking (Grönroos, 1994).

The term "relationship marketing" appeared in the marketing literature first time in the year 1983 in a paper by L.L. Berry (Berry, 1995; Grönroos, 1995). Relationship marketing was then defined as "attracting, maintaining and – in multi-service organizations – enhancing customer relationships". Grönroos (1994) suggests following relationship-based definition for marketing:

Marketing is to establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfillment of promises.

Grönroos (1994, 1995) contrasts transactional marketing and relationship marketing, such as in relationship marketing the focus is not on the service encounters per se, but the service encounter, the transaction, is viewed as an element of ongoing sequence of episodes between the customer and the firm providing the service. Relationship marketing also is focused on retaining customers and enhancing the customer-firm relationship; Grönroos (1995) states that where transactional marketing is about getting customers, relationship marketing aims at getting and *keeping* the customers.

Morgan and Hunt (1994) have quite similar view of relationship marketing: they have defined relationship marketing as referring to all marketing activities that are directed toward establishing, developing and maintaining successful relationship exchanges. As practical guidelines, Grönroos argues that transactional approaches such as the 4 P's of marketing (Product, Price, Place and Promotion) need to be revised, and new, relationship marketing based approaches and activities are needed in which customer is the focal point.

Grönroos et al (1994) state that, on the basis of Grönroos' afore-mentioned definition of relationship marketing, the profit of the relationships is one of the key goals of marketing. The financial significance of relationship marketing is well argued by Reichheld and Sasser

(1990) who report in their study of more than 100 companies in two-dozen industries, that customer retention has significant impact in the company's profit. They state that by reducing defections 5%, that is, reducing the amount of lost customers that do not come back, a company can improve profits from 25% to 85% depending on the industry. Reichheld and Sasser argue, as an addition to the burden of one-time costs of acquiring a new customer, customers that are served correctly generate more profits each year they stay with a company. As customer's relationship with the company lengthens, profits rise.

As argued in the previous definitions of relationship marketing, in the very center of relationship marketing, and the secret to relationship marketing's profit-raising success, seems to be *customer retention*. Customer retention has been debated to be the key to securing revenues and driving profit (McGauhey, 1991). Given this claimed financial base for aiming at customer retention, it seems logical that loyalty has raised attention in marketing literature, as customer retention is listed as one outcome of loyalty (Keiningham et al. 2007). Enhancing customers' loyalty has indeed become a popular topic for both practitioners and academics. Loyal customers are reported to have bigger retention rates, commit more of their category spending to the company and practice word of mouth in favor of the company (Reichheld & Sasser, 1990).

After linking brand loyalty to relationship marketing, the rest of the chapter 2 is dedicated to examining the evolution of the construct of brand loyalty; how it has been defined in the literature in different times, how it is understood today, and what are its antecedents.

## **2.2. Loyalty as purchasing behavior**

Conceptualizing loyalty as behavior of customers acted as the starting point for loyalty literature (e.g. Guest, 1944; Cunningham, 1956 & 1961; Ehrenberg 1956). In the behavior-based view of loyalty, the concept of customer loyalty is seen only as the repeat purchase behavior of the customers (e.g. Cunningham, 1956 & 1961; Ehrenberg 1956; Harary & Lipstein, 1962). According to behavioral approach of loyalty, a loyal customer is who e.g. always buys the same brand, goes to the same restaurant or patronizes the same grocery store. Mental processes are left unanalyzed and concentration is placed only on the repeat

purchase (Paavola, 2006). Customers may show behavioral loyalty towards a brand (Cunningham 1961, Harary & Lipstein 1962), store (Cunningham 1961), a product (Ehrenberg, 1956), and products within individual product groups (Cunningham, 1956). When reporting store-based loyalty Cunningham writes:

“it is this proportion of total purchases for each family that describes that family’s loyalty to any given store [...]”.

In Ehrenberg’s studies (1956) he defines loyalty as “repeat-purchasing type”. Buyers are defined loyal in Ehrenberg’s study if they buy a certain item in both time frames that are studied.

Viewed from the behavioral approach of loyalty, customer loyalty can be analyzed according to several dimensions, e.g. the age of customership, level of concentration of purchases, the probability of re-purchase and purchase sequence (Paavola, 2006). Overall, the customer who has patronized a certain brand longer is considered more loyal, than the one who has just recently familiarized with the brand (Paavola 2006; Söderlund, 2000). Cunningham (1965,1961) measured loyalty in terms of the proportion of total purchases a customer purchases from a certain store. Using purchase sequence as loyalty measurement means that the customer who has purchased the same brand multiple times consecutively is considered more loyal, than the customer who buys other brands in the middle of sequences (Paavola, 2006).

In his analysis of customer loyalty, Cunningham (1956) presents the concern of distinguishing between habitual repeated buying behavior and buying behavior resulting from true loyalty. Indeed, loyalty as behavior has been criticized of being too limited a view in examining customer loyalty (e.g. Day, 1969; Jacoby & Kyner, 1973; Jacoby and Chestnut 1978). George S. Day, one of the first authors to criticize the behavior-only basis for the conceptualization of loyalty (e.g. Dick & Basu, 1994), wrote in 1969 that loyalty measures based on purchase decisions do not distinguish between true loyalty and consistent purchasing resulting from other factors, e.g. no other options available, long-term store deals, better shelf/display locations or habit. This consistent purchasing due to other factors than true, intentional loyalty Day calls *spurious loyalty*. Day argues, that these spuriously loyal customers lack attachment to the brand’s features and can be easily attracted by other brands that offer e.g. better deals or more visible point-of-purchase material. Jacoby and Chestnut (1978) criticized behavioral measures lacking a conceptual basis and capturing

only the static outcome of a dynamic process (see also Dick&Basu, 1994). The critique by Day in 1969 marked a starting point for the development of two-dimensional concept of loyalty that combines attributes of both behavior and attitude.

Today, behavioral loyalty i.e. repeat purchase behavior is considered a behavioral pattern that can be motivated through attitudinal loyalty (Liu-Thompkins&Tam, 2013; Odin et al.2001; Dick&Basu, 1994; Jacoby&Kyner, 1973). Application of the attitudinal factors to loyalty concept has made it possible for academics to develop models to distinguish between repeated purchase behavior resulting from loyalty and habitual repeated purchasing, or inertia of purchase. One of the most used of such models, the model of Odin et al. (2001) is discussed in the next section.

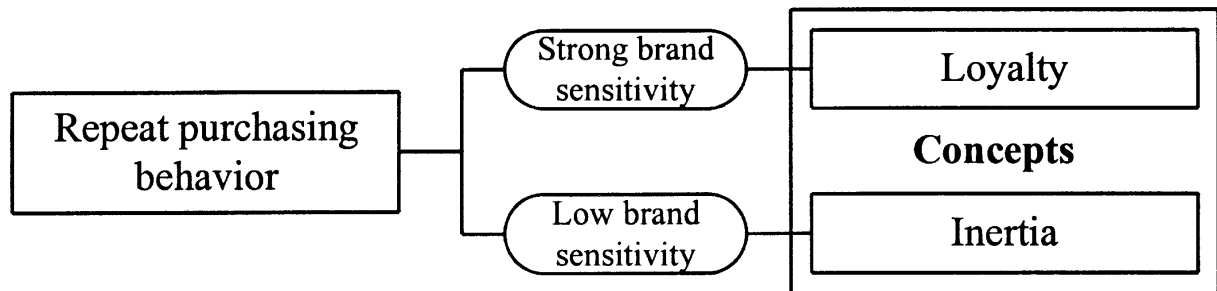
### ***2.2.1. Distinguishing between loyal purchase behavior and inertia***

Repurchase of the same brand can be considered in two different ways. Repurchasing concerns either *a reflective loyalty*, as a result of brand commitment or a favorable attitude towards the brand, or *inertia* of purchase; repeat purchasing of the same brand without true motive for the choice (Odin et al. 2001). It is significant concerning my research to distinguish between behavior resulting from loyalty and inertia. Odin et al (2001) refer to the works of Filser (1994, ks. Odin, 2001) and Laurent & Kapferer (1983, ks. Odin, 2001) in conceptualizing a model to distinguishing between these two. In the model, the level of brand sensitivity is used to differentiate behavioral loyalty from inertia.

Odin et al. (2001) acknowledge that the repurchase of the same brand under conditions of strong perceived differences between brands and strong involvement characterizes brand loyalty. This approach allows distinguishing loyalty from inertia: inertia appears in situations of weak involvement and weak perceived differences among brands; and loyalty, on the contrary, under conditions of strong involvement and strong perceived differences among brands.

Kapferer and Laurent (1983, ks. Odin et al. 2001) showed that the belief in differences between brands is a major determinant of brand sensitivity. Similarly, they give evidence that the level of involvement influences the level of brand sensitivity positively.

Odin et al. (2001) thus use the term *brand sensitivity* to differentiate inertia from loyalty. An illustration of the model by Odin et al. of repeat purchase behavior under conditions of brand sensitivity is presented below.



**Figure 1.** Repeat purchasing behavior under conditions of brand sensitivity. Odin *et al.* 2001.

### 2.3. Attitudinal loyalty

According to latest research, attitudinal loyalty is considered in the loyalty literature a mechanism underlying behavioral loyalty (Liu-Thompkins&Tam, 2013). The studies that examine loyalty as psychological state emphasize loyal customer’s attitude as a reason or as a component of customer loyalty (Paavola, 2006). Attitudinal loyalty focuses on the psychological commitment of the consumer (Odin et al., 2001). Oliver (1999, p.34) describes loyalty as:

a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing despite situational influences and marketing efforts having the potential to cause switching behavior.

Oliver compares attitudinal loyalty to commitment, and it is here considered an underlying reason causing purchasing of the same brand repetitiously. This affective attitudinal state



involves a psychological “bond” with the brand (Kotler and Keller, 2006) that creates a commitment to repurchase (Oliver, 1999).

Jacoby and Chestnut (1978) bring forward not only comparison to commitment but also attitudinal loyalty as preference: they define attitudinal loyalty as the consumer’s predisposition towards a brand as a function of psychological processes including attitudinal preference and commitment towards the brand. Dick & Basu (1994) conceptualize the attitudinal measures of loyalty as relative attitude being the function of attitudinal differentiation (i.e. how different compared to alternatives the target unit is perceived) and attitude strength. This much-used conceptualization by Dick & Basu is examined in more detail in section 2.4.

Another conceptualization of the inmost character of attitudinal brand loyalty is the comparison of attitudinal loyalty to the emotional attachment of consumer towards a brand. This comparison is presented in a study of Grisaffe and Nguyen (2011) who write “the emotional attachment to brands construct (Thomson et al., 2005) aligns well with this affective basis of truly loyal repurchasing”. Thomson et al. (2005) are the authors to seminal research on emotional attachment to brands (Grisaffe & Nguyen, 2011). These emotional bonds manifest in committed exclusive repurchase, often against all odds, at all costs, despite situational incentives to switch (Oliver, 1999; Grisaffe & Nguyen, 2011). Emotional attachment offers a promise as an affective basis of loyal brand repurchasing. That promise draws support from brand loyalty theorists, theory on organizational commitment, and psychological attachment theory. (Grisaffe and Nguyen, 2011).

The identified psychological attitudinal loyalty component, be it closest to commitment, preference or attachment, concerns concepts, that are antecedent to repeat purchasing behavior. The reason marketing literature is so keen on defining this construct is, that these attitudinal antecedents represent a motive of repurchase (e.g. Liu-Thompkins&Tam, 2013; Odin et al., 2001; Oliver, 1999). Attitudinal loyalty can lead to persistent choice of the same brand despite unfavorable conditions (e.g. higher price), limited search when making a purchase, and resistance to persuasion to switch brand. It seems to stem from positive brand evaluation (Liu-Thompkins&Tam, 2013).

Attitudinal concepts overall conclude, that consumers engage in extensive problem-solving behavior, e.g. brand and attribute comparisons, that lead to strong brand preferences (Bennett

& Rundle-Thiele, 2002). Behavioral loyalty is considered a behavioral pattern that can be motivated through attitudinal loyalty (Liu-Thompkins&Tam, 2013).

Today, attitudinal loyalty is often studied together with behavioral loyalty. When defining loyalty as attitude alone without including behavioral loyalty in the discussion, justified criticism can be practiced. Latent positive attitude towards a brand doesn't necessarily lead to purchase behavior or recommendations, due to e.g. situational factors or greater attitudinal extremity toward other brands (Dick&Basu, 1994; Paavola, 2006). A reasonable question can be raised if attitudinal brand loyalty without the repurchase behavior is in fact loyalty at all (Paavola, 2006). Many scholars have argued, that both attitude and behavior should be combined to thoroughly be able to examine the construct of loyalty, e.g. Day, (1969), Dick & Basu (1994), Oliver, (1997, 1999) and Liu-Thompkins & Tam (2013). The two-dimensional view of loyalty combining both attitude and behavior is presented in outline in the next chapter.

#### **2.4. Loyalty as a two-dimensional concept combining attitude and behavior**

Today, loyalty is often defined as the function of attitudinal loyalty and behavioral loyalty, and the two factors have been studied extensively (Ha, 1998). This two-dimensional view of loyalty comprising of attitudinal and behavioral factors is supported by many famous loyalty scholars, e.g. Day, (1969), Dick & Basu (1994), Jacoby and Kyner (1973), Oliver (1999), Liu-Thompkins & Tam (2013).

Until the year 1969 literature viewed the concept of customer loyalty mainly from a behavioral viewpoint. Already in Cunningham's study from the year 1956 there is vaguely present the notion, that there is a motivational side to the loyalty concept, but its analysis is deliberately being left out of the approach: Cunningham declares, that "the why" of customer loyalty can be examined only when the "what", "where" and "how much" are answered first.

Day (1969) argued in his article that loyalty should be evaluated with both attitudinal and behavioral criteria in order to distinguish true, or intentional, loyalty from spurious loyalty. Day warned, that conceptualizing loyalty as behavior only conceals spurious loyalty: spurious loyalists, according to Day, lack any attachment to the brand attributes, but buy the same brand consistently due to other factors, e.g. long-lasting price deals, visual

presentations of brands in stores or salespeople's recommendations. According to Day (1969), in order to distinguish true, intentional loyalty from spurious loyalty, behavioral criteria should be added to the examination of loyalty.

Jacoby and Kyner (1973) and Dick and Basu (1994) argue, that a single, one-dimensional measure is probably not sufficient for measuring such a multidimensional, complex phenomenon as brand loyalty. Based on a comprehensive analysis of loyalty literature, Jacoby and Kyner have developed in 1973 a conceptual definition of brand loyalty, which combines both attitudinal and behavioral approaches. The definition consists of six different conditions and is used vastly in marketing literature. According to Jacoby and Kyner, brand loyalty is 1) the biased (nonrandom) 2) behavioral response (purchase) 3) expressed over time 4) by some decision-making unit 5) with respect to one or more alternative brands out of a set of such brands, and 6) is a function of psychological (decision-making, evaluative) processes. In their study, Jacoby and Kyner state that while behaviorally based purchase data may claim that repeat purchasing behavior and brand loyalty are the same, their underlying dynamics are different. If all six conditions of the before mentioned definition are not met, purchasing doesn't stem from loyalty. Jacoby and Kyner's results contradict heavily with the assertion of behavioral loyalty that "no consideration should be given to what the subject thinks or what goes in his central nervous system, behavior is the full statement what brand loyalty is" (Tucker, 1964 p. 32).

Dick and Basu (1994) have developed a conceptual framework of customer loyalty, which has been vastly used in loyalty literature as a basis for conceptualizing loyalty. Dick and Basu argue on the basis of past literature, that both a favorable attitude that is high compared to potential alternatives and repeated patronage, are required for customer loyalty. The key to their framework is thus the conceptualization of loyalty as the relationship between the relative attitude toward an entity (brand/store/service/vendor) and patronage behavior. The model of Dick and Basu is presented and explained below in detail, due to its centrality and popularity in the loyalty literature. The framework works as a basis for brand loyalty definition in the present thesis.

## A Framework for Customer Loyalty

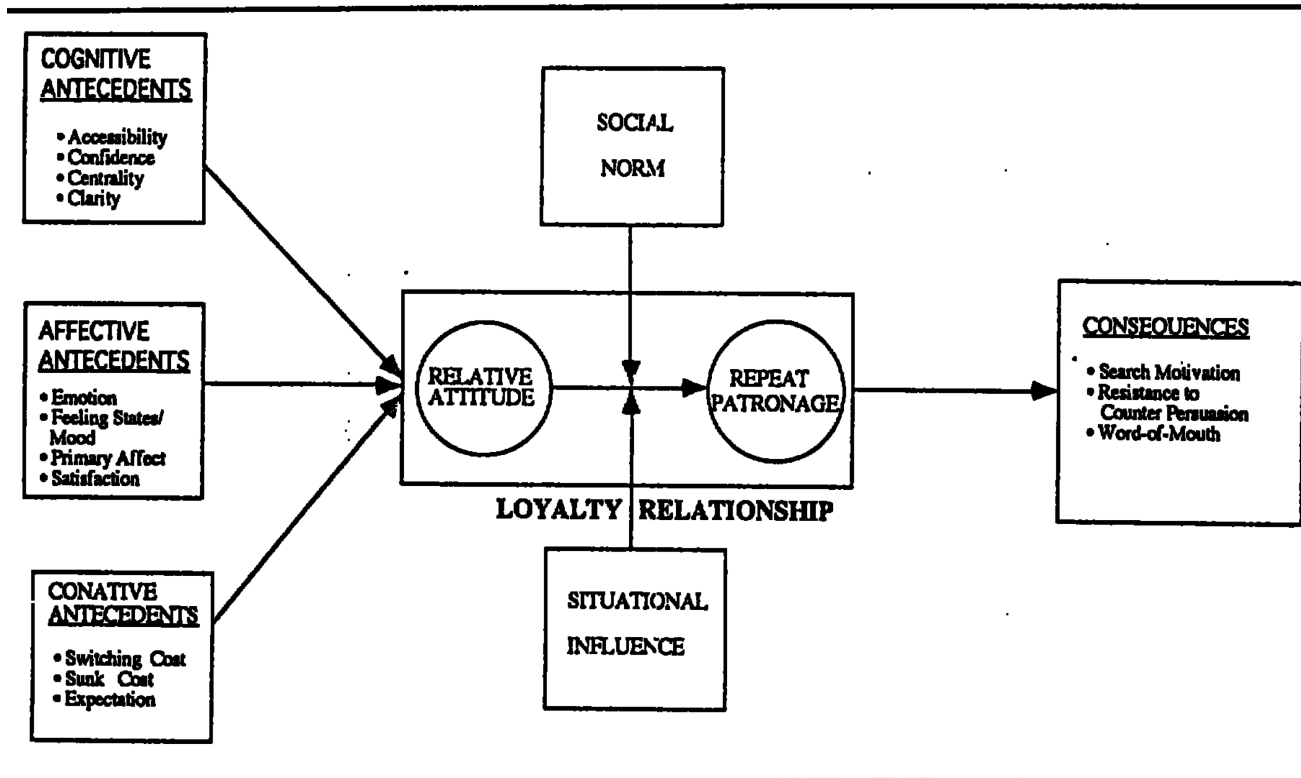


Figure 2. A Framework for Customer Loyalty. Dick & Basu, 1994.

### *Relative attitude and four loyalty types*

Relative attitude -term is used in the framework because it is likely to provide a stronger indication of repeat patronage than the attitude toward a brand determined in isolation (Dick & Basu, 1994). Relative attitude has two dimensions in this framework, degree of *attitudinal strength* (how strong is the patron's attitude towards a target entity, e.g. brand) and the existence of *attitudinal differentiation* (how clearly the target entity, e.g. a brand is differentiated among others). Relative attitude is lowest if attitude strength is weak and there is no attitudinal differentiation. Relative attitude is low if attitude is strong, but there is no attitudinal differentiation. Relative attitude is highest if the attitude is weak but there is attitudinal differentiation. Highest relative attitude is developed when the attitude is strong and there is attitudinal differentiation.

		<b>Attitudinal Differentiation</b>	
		<b>No</b>	<b>Yes</b>
<b>Attitude Strength</b>	<b>Strong</b>	<b>Low Relative Attitude</b>	<b>Highest Relative Attitude</b>
	<b>Weak</b>	<b>Lowest Relative Attitude</b>	<b>High Relative Attitude</b>

**Figure 3.** Dimensions underlying relative attitude. Dick&Basu, 1994.

The above-presented Dick and Basu’s cross-classification of the underlying dimensions of loyalty yields to four loyalty conditions no loyalty, spurious loyalty, latent loyalty and loyalty. Dick and Basu argue, that when both relative attitude and repeat patronage are low, this signifies loyalty condition of *no loyalty*. When relative attitude is low, but customer purchases repeatedly, this is the case of *spurious loyalty*. Day used the same term spurious loyalty with similar meaning in his 1969 critique towards solely behaviorally defined loyalty. He claimed that loyalty that is defined on the basis of behavior only conceals spurious loyalists that buy regularly without any attachment to the brand in question. High relative attitude but low repeat patronage level reflects *latent loyalty*. This is, according to Dick and Basu, a serious concern to the marketers. High repeat patronage and relative attitude reflect *loyalty*, which is the most preferred of the four conditions mentioned above. Given the two underlying dimensions of relative attitude, attitude strength and attitudinal differentiation, loyalty can thus be achieved in the situations of both weak and strong attitude, if consumers only perceive significant difference in the target unit (e.g. brand) in relation to competing brands.

		<b>Repeat Patronage</b>	
		<b>High</b>	<b>Low</b>
<b>Relative Attitude</b>	<b>High</b>	<b>Loyalty</b>	<b>Latent Loyalty</b>
	<b>Low</b>	<b>Spurious Loyalty</b>	<b>No Loyalty</b>

**Figure 4.** Four different loyalty types. Dick & Basu, 1994.

Dick and Basu argue that viewing loyalty as an attitude-behavior relationship allows examination of loyalty from a causal perspective and enables the identification of antecedents and consequences to the subject. The antecedents likely to impact consumer's attitude-repeat patronage relationship in Dick and Basu's (1994) framework are presented in the following.

### *Cognitive, affective and conative antecedents*

Antecedents of relative attitude are grouped to cognitive (those associated with informational issues), affective (determinants associated with feelings) and conative antecedents (determinants associated with behavioral dispositions toward the brand). *Cognitive antecedents* include 1) Accessibility 2) Confidence 3) Centrality and 4) Clarity.

Accessibility is the level of how easy it is to retrieve the attitude from memory. Confidence refers to how certain the attitude is. Centrality refers to the degree to which an attitude toward a brand is related to the value system of an individual. High level of clarity is achieved when an individual finds alternative attitudes objectionable, and low level of clarity if he finds many alternative attitudes acceptable. *Affective antecedents* include 1) emotions, 2) moods, 3) primary affect (primary physiological responses independent of cognition) and

4) satisfaction. *Conative antecedents* that impact attitude are 1) switching costs 2) sunk costs and 3) (future) expectations.

### *Social / situational factors*

Social and situational factors have the potential to add inconsistency in an attitude-behavior relationship; they are considered moderators of loyalty. Social norms, such as perceived behavioral norms or role requirements might cause variance in purchase behavior. In purchase contexts, these might either complement or contradict an attitude. Situational factors such as opportunity to reach preferred brand (e.g. stockouts of preferred brand), incentives for brand switching through reduced prices, competing brands and promotions.

Dick and Basu explain in their framework the relationship of relative attitude strength and social/situational factors. They state that the stronger the relative attitude toward a brand is, the more likely the individual is to overcome the present social norms and situational factors. A customer with high relative attitude wouldn't probably accept alternative brands regardless of situational context. Or, the price of an alternative brand cannot be normally reduced enough to make the loyal customer switch brand (Dick&Basu, 1994).

### *Consequences of loyalty*

Dick and Basu's study results of the consequences of loyalty include *search motivation*, *resistance to counter-persuasion*, and *word-of-mouth (WOM)*. Loyalty appears to reduce search motivation, which is approached as the function of consumer's perceived benefits and cost of search activity. There is also evidence that strong commitment demonstrate increased resistance to persuasion attempts. In addition, loyalty level would appear to mediate post-purchase consumer communications, and emotions and moods act as facilitators of this communication.

## **2.5. More recent studies of brand loyalty combining multiple factors**

In more recent research, the attitudinal and behavioral perspectives have been accompanied with other, supplementary factors. In this section, two of the popular, more recent loyalty models are presented. These are the perspectives of *loyalty as reasoned action* and the model combining *emotional, cognitional and behavioral loyalty*.

### **2.5.1 Loyalty as reasoned action**

Working on the basis of the previously presented attitude-behavioral model of customer loyalty, Ha (1998) contributes to the loyalty literature by adding a third factor influencing loyalty. This third factor is *subjective norm*. The subjective norm refers to the social influences on the behavior of an individual. Application of subjective norm is justified by stating that there are some situations, where behavior is not under the attitudinal control of individuals. E.g. expectations of significant others might occasionally be major factors in behavioral choices. Subjective norm is introduced as an addition to the previous model in order to illuminate the inconsistency that might exist between the attitudinal and behavioral elements of brand loyalty. This approach is called *loyalty as reasoned action*.

The theory of reasoned action suggests that antecedents to a performed behavior are attitude toward buying and subjective norm. Ha (1998) justifies the addition of subjective norm to the theory of loyalty by better manageability and greater meaningfulness. Ha opines in favor of the model that it introduces normative influence to the overall model and a causal link between the antecedents and intention. Consumer's response towards theory of reasoned action is considered as "unit brand loyalty" that is based on the consistency of the three elements in the model, behavioral loyalty, attitudinal loyalty and subjective norm. When all three factors are favorable, unit brand loyalty is at its maximum.



### ***2.5.2. Emotional, cognitive and behavioral loyalty –model***

Worthington et al. (2010) expand the attitude-behavior model of loyalty further when introducing a tri-dimensional model to loyalty. They argue that all human behavior is a combination of one or more of three different types of responses: cognitive responses (*I think*), emotive responses (*I feel*) and behavioral responses (*I do*). Applying a tri-dimensional approach to loyalty, brand loyalty is the combination of a consumer's thoughts and feelings about a brand that are then expressed in action (Worthington et al. 2010).

In this model, attitude consists of emotion and cognition. The authors believe that a two-component structure for attitudinal loyalty is needed to develop both an understanding of brand loyalty and strategies to modify levels of brand loyalty. When this two-dimensional view of attitudinal loyalty is included with behavioral loyalty, a tri-dimensional view of brand loyalty is presented. Looking closer to the features of this model, emotional loyalty refers to the degree of positive feelings aroused by repurchasing a brand (Oliver, 1999; Worthington et al. 2010). Cognitive commitment to a brand relates to the decision to stay with a brand based on the consideration of switching costs and the evaluation of the brand's attributes. This is based on the notion of cognitive commitment by Allen and Meyer (1990). Behavioral loyalty here refers to the consumer's tendency to repurchase a brand.

## **2.6. Antecedents of loyalty**

After comprehensively examining the construct of loyalty, from both a managerial and academic perspective it seems significant to be able to examine the antecedents to the strategically significant concept; by focusing on potential drivers of loyalty, it may be possible to manage brand loyalty better (Gounaris & Stathakopoulos, 2004). The list of loyalty drivers is extensive in today's marketing literature. However, none of the research on customer loyalty has been able to identify a clear path to loyalty. A possible reason for the difficulty to understand the nature of loyalty is that loyalty and its relationships with influential antecedent factors have been considered static rather than dynamic. (Curran et al. 2010).

The development of loyalty is considered in the literature as a developing state. This development is perceived comprehensively within changes in both behavior and mental processes. (Paavola, 2006). There is substantial amount of studies regarding these antecedents; the most commonly occurred of these are discussed in this section. After the list, the items are illustrated in a table with corresponding authors supporting the view. After discussing the antecedents, the development of loyalty as a developing state is examined, and a vastly accepted and predominantly used development model by Oliver (1997, 1999) is presented.

**Positive brand evaluation:** A recent study of Liu-Thompkins & Tam (2013) concludes that attitudinal loyalty stems from positive brand evaluation. Uncles et al. (2003) touch upon a similar theme as they state that attitudinal loyalty may be measured by asking e.g. how much people like the brand, do they have positive beliefs and feelings about it, and by examining the strength of these attitudes (see also Dick & Basu, 1994); Uncles et al. thus imply that people's strong liking of a brand, and positive beliefs and feelings about it are antecedents to attitudinal loyalty.

**Trust:** Brand trust is defined as the willingness of the average consumer to rely on the ability of the brand to perform its stated function (Chaudhuri and Holbrook, 2001, p.82).

The role of trust in building and maintaining brand loyalty has been researched extensively in both consumer and business-to-business buying situations (Chaudhuri and Holbrook, 2001; Kabiraj & Shanmugan, 2011). Trust plays a central role in augmenting both behavioral and attitudinal loyalty, which in turn influences marketing outcome-related factors like market share maintenance and price elasticity (Kabiraj & Shanmugan, 2011). Harris and Goode (2004) also find brand trust impacting attitudinal loyalty. Reichheld and Schefter (2000) emphasize heavily the role of trust in gaining the loyalty of customers "*To gain the loyalty of customers, you must first gain their trust*" (Reichheld & Schefter, 2000, p.107.) Dagger and O'Brien (2008) have reported trust to drive loyalty in experienced customers.

**Satisfaction:** Brunner et al. (2008) present customer's satisfaction as an important antecedent of loyalty affecting repurchase behavior, repurchase intent, positive word-of-mouth and customer retention. Satisfaction is also present in Harris and Goode's (2004) framework for antecedents of loyalty. Dagger and O'Brien (2008) have studied antecedents

of loyalty in novice and experienced customers: satisfaction is reported to drive loyalty in novice customers and satisfaction and commitment in experienced customers. Dick and Basu (1994) list satisfaction among the affective antecedents of loyalty in their popular conceptual model of loyalty.

**Commitment:** Kim et al. (2008) view brand commitment as behavioral intention held with affective and cognitive conviction. In psychology, the concept of commitment is regarded as having intentional aspects (Kim et al. 2008). This intentional brand loyalty construct Kim et al. view as brand commitment. Recent literature has viewed brand commitment as a necessary and sufficient condition of brand loyalty (e.g., Knox and Walker 2001; Uncles et al. 2003)

**Image:** The image of the target unit (e.g. brand) is reported as an antecedent to loyalty in Brunner et al.'s (2008) research. The influence of image is reported to grow when customer's experience with the target unit lengthens. Gounaris and Stathakopoulos (2004) address similar theme as they argue that having a brand with strong reputation will be a significant positive factor in the development of brand loyalty. The reputation of a brand strengthens the habitual behavior of consumers by rewarding the choice and making the brand more desirable (Gounaris and Stathakopoulos, 2004).

**Brand affect:** Brand affect is defined as "a brand's potential to elicit a positive emotional response in the average consumer as a result of its use" (Chaudhuri and Holbrook 2001). E.g. Chaudhuri and Holbrook (2001) find brand affect to determine purchase loyalty and attitudinal loyalty.

**Perceived value:** Value has been identified as an important driver of loyalty (Lam et al., 2004). In the loyalty model of Parasuraman and Grewal (2000) price is a key factor influencing value perceptions and loyalty. Sirdeshmukh et al. (2002) found that value, (the consumer's perception of the benefits of a given purchase minus the monetary costs and non-monetary sacrifices) is a significant determinant of loyalty. Perceived value also is an antecedent to loyalty in Harris and Goode's (2004) framework.

**Product quality:** Marketing literature suggests that product quality has an effect on loyalty. A high level of product quality often engenders feelings of pleasure, contentment, excitement, and satisfaction. (Pan et al., 2012).

**Perceived fairness/justice:** Pan et al. (2012) state on the basis of prior research that perceived fairness impacts loyalty. The effect of perceived fairness/ justice on loyalty is particularly manifest in a service recovery context.

**Risk aversion:** Gounaris and Stathakopoulos (2004) base the consumer drivers of loyalty on individual's characteristics' studied impact on purchase decisions. They state that individuals face purchase situations of differing degree of uncertainty or complexity. Risk aversion is present in the purchasing of highly valued goods and items of high-involvement product classes, as the purchase decisions of these items produce a greater risk for the consumer. Consumers' need to control this impacts the development of brand loyalty.

**Relationship with seller:** Singh and Sirdeshmukh (2000) have proposed that belief in the benevolence of the seller both before and after the purchase is key to the development of loyalty.

**Social group influences:** Gounaris and Stathakopoulos (2004) find in their study of loyalty antecedents, that social influences are significant in loyalty formation. This includes influences of closer environment (e.g. peers and acquaintances) and also influence generated by general normative / social environment.

In their popular and vastly accepted model Dick and Basu (1994) list antecedents to the relative attitude underlying loyalty under cognitive, affective and conative antecedents. These antecedents will be presented in more detail in the next section. Cognitive antecedents contain elements of the attitude: the accessibility, confidence and centrality of the relative attitude. Affective antecedents refer to emotions, moods, primary affect and satisfaction. Conative antecedents consist of switching costs, sunk costs and expectations.

### *Cognitive antecedents to relative attitude*

*Accessibility:* Accessibility refers to the ease with which an attitude can be retrieved from memory. This accessibility is impacted by the strength of the association between an object and its evaluation. Dick and Basu state that this accessibility can range from un retrievable to a nearly automatic response when encountering the attitude object.

*Confidence:* Attitudinal confidence means the level of certainty associated with the attitude or evaluation.

*Centrality:* Centrality refers to the degree to which an attitude towards a brand is related to the value system of an individual. Central attitudes also typically involve strong affective responses and are relatively distinct. These kinds of attitudes are frequently activated and relate intimately to knowledge structures in memory. Dick and Basu argue that central attitudes would evoke more extreme relationships with behavior such as high or low loyalty and to change this extreme loyalty would require concerted persuasion attempts.

*Clarity:* An attitude is well defined i.e. clear when an individual finds alternative attitudes toward the target objectionable and is undefined when multiple alternatives are acceptable.

### *Affective antecedents of relative attitude*

*Emotions:* Emotions are associated with intense states of arousal, and they lead to focused attention on specific targets and are capable of disrupting ongoing behavior.

*Moods:* Moods are perceived to impact behavior by rendering mood-congruent knowledge more accessible in memory. Moods may affect loyalty through their impact on accessibility (see accessibility in the list of cognitive antecedents above).

*Primary affect:* In Dick and Basu's framework primary affect is physiological in nature. This means that the presentation of an object may lead to primary responses that are independent of cognition. Primary affect may be stimulated by rendering familiar and preferred sensory experience in the purchase situation by e.g. using scents in store environments.

*Satisfaction:* Satisfaction as antecedent to loyalty has been presented and elaborated in the section above.

### *Conative antecedents to relative attitude*

*Switching costs:* Switching costs i.e. the one-time costs a customer faces when switching from one supplier's product to another (Porter, 1980) have been linked to loyalty.

Developing switching costs is a common technique to increase loyalty in industrial markets (Dick and Basu, 1994).

*Sunk costs:* Sunk costs refer to past costs that are partially or totally irretrievable and, therefore, should be considered irrelevant to future decision-making (definition from [www.businessdictionary.com](http://www.businessdictionary.com)). Dick and Basu suggest, that despite their economic irrelevance, sunk costs increase the likelihood of repeat patronage.

*Expectations:* Future expectations are reported in Dick and Basu's study as antecedent loyalty. They reflect the current and expected fit between marketplace offerings and consumer needs. E.g. consumer's expectations about future product availabilities may postpone or increase repurchase.

ANTECEDENT	AUTHOR(S)
Positive brand evaluation	Liu-Thompkins & Tam (2013), Uncles et al. (2003)
Trust	Kabiraj & Shanmugan (2011), Dagger and O'Brien (2008), Matzler et al. (2008), Harris & Goode (2004), Caudhuri & Holbrook (2001), Reichheld and Schefter (2000)
Satisfaction	Brunner et al. (2008), Dagger and O'Brien (2008) Harris and Goode (2004), Bloemer and Kasper (1995), Dick and Basu (1994)
Commitment	Kim et al (2008), Uncles et al. (2003), Knox and Walker (2001)
Image	Brunner et al. (2008), Gounaris & Stathakopoulos (2004), Ostrowski et al. (1993)
Brand affect	Mazler et al. (2008), Chaudhuri and Holbrook (2001), Dick & Basu (1994), Oliver (1999)
Percived value	Lam et al. (2004), Harris and Goode (2004), Sirdeshmukh et al. (2002), Parasuraman and Grewal (2000)
Product quality	Pan et al. (2012)
Perceived fairness/justice	Pan et al. (2012)
Risk aversion	Gounaris and Stathakopoulos (2004)
Relationship with seller	Singh and Sirdeshmukh (2000)
Social group influences	Gounaris and Stathakopoulos (2004)
Accessibility of relative attitude	Dick & Basu (1994)
Attitudinal confidence	Dick & Basu (1994)
Centrality to value system	Dick & Basu (1994)
Clarity of the attitude	Dick & Basu (1994)
Emotions	Dick & Basu (1994)
Moods	Dick & Basu (1994)
Primary affect	Dick & Basu (1994)
Switching costs	Dick & Basu (1994)
Sunk costs	Dick & Basu (1994)
Expectations	Dick & Basu (1994)

**Figure 5.** Antecedents of loyalty in marketing literature.

### ***2.6.1 Phases of loyalty***

Richard L. Oliver developed a model of four loyalty phases in 1997, which is still a predominant model for discussing the development of loyalty (Paavola, 2006). Oliver's model follows the before mentioned Dick and Basu's (1994) division of cognition-affection-conation pattern in antecedents of loyalty, but differs in that Oliver argues consumers can become loyal at each attitudinal phase relating to different items of the attitude development structure. In the model consumers are theorized to become loyal first in a cognitive sense, then in an affective sense, later in conative manner and finally in a behavioral manner (Oliver, 1999). These four phases are presented below.

- *Cognitive loyalty*

In this first loyalty phase the information about the brand attributes available indicate that one brand is preferable to its alternatives. This phase can also be named 'loyalty based on brand belief only'. This can be based on prior or vicarious knowledge or on recent experience-based information. Cognitive loyalty -state is shallow in nature. If transaction happens routinely without any satisfaction processed, loyalty is no deeper than mere performance. If, however, satisfaction is processed, it becomes part of the consumer's experience and begins to take affective overtones. Cognitive loyalty focuses on the brand's performance aspects.

- *Affective loyalty*

At the second state of loyalty development, a liking or an attitude towards the brand has developed. This has happened on the basis of cumulatively satisfying usage occasions. This reflects pleasure in satisfaction or a pleasurable fulfillment. Commitment in this stage is affective loyalty and in consumer's mind this phase means cognition and affect (liking of the brand). This form of loyalty is still prone to switching behavior, and Oliver states that deeper commitment level in customer loyalty is preferred. Affective loyalty is directed into the brand's likeableness.



- *Conative loyalty*

The third phase of loyalty development is conative (i.e. behavioral intention) loyalty that is influenced by repeated episodes of positive affect toward the brand. Oliver (1997) refers to the definition of conation as a brand-specific commitment to repurchase. In this phase, even when the customer intends to rebuy, the intention may as well result as anticipated but unrealized action. Conative loyalty is expressed when the consumer focuses on wanting to rebuy the brand.

- *Action loyalty*

Action loyalty refers to the last state of the loyalty phases. In this phase the readiness to act and the overcoming of obstacles that might prevent the act are combined. Action is the necessary result of the combination of these two states. These two states appear in Oliver's much used definition of loyalty as "a deeply held commitment to rebuy or re-patronize the preferred product/service consistently in the future" (=readiness to act) "despite situational influences and marketing efforts having the potential to cause switching behavior" (Oliver, 1997, p.392). Action loyalty is commitment to the action of rebuying. The action loyal consumer has a deep commitment to rebuying, so much that the behavior may guide itself in some habituated manner.

### **3. Elements and logic of lifestyle brands**

Levitt stated in 1970 about consumption that consumers demand and expect advertising to create symbols for them to show what life might be, to bring before their eyes the possibilities that they cannot see. Brands create value for the customer in two-dimensional way: value can be created by signaling the quality of the offering (Wernefelt, 1988) and by creating associations that add value beyond the product characteristics (e.g. Fournier 1998; Chernev et al., 2011). The starting point and main logic for segmenting and positioning products and brands according to lifestyle characteristics lies in viewing brands as means of self-expression (Bodner and Prelec 2003; Chernev et al., 2011).

#### **3.1. Brands as means of self-expression and expression of lifestyle**

Symbolizing is natural to humans (Levy, 1964). According to Levy, most of the time not consciously, humans use symbols to express who they are. Levy (1959) emphasized that people do not buy products just for what they do, but also for what the product means; thus, brands can become symbols, whose meaning is used to create and define a consumer's self-concept. Consumers purchase brands partly to construct their self-concepts. (Escalas & Bettman, 2005).

Brand consumption can be viewed as serving an external signal, or on the other hand establishing and confirming consumer's self-concept and identity. In other words, a brand can be viewed as a medium for signaling consumer's identity externally to others, or internally to oneself. When sought to signal meaning externally, it is usually done in order to attain social status, recognition, or acceptance. (Bodner and Prelec 2003; Cherney et al., 2011). The purpose of the internal signaling of identity seems to be to reaffirm individual's perception of his/her own personality, i.e. what kind of person he/she is (Cherney et al., 2011). Most studies in existing literature state that a brand functions as a means of self-expression. This is due to the function of brand specific factors, e.g. brand's symbolic value (Cherney et al., 2011.)

The term 'lifestyle' originates from the field of psychology (Li et al. 2012) and it refers to the everyday behaviorally oriented facets of people (Li et al. 2012). Lifestyles are characterized by a unique style of living that is based on a wide range of activities, interests, and opinions (Plummer, 1974).

The close connectedness of consumption and lifestyle is presented clearly in marketing literature. The word 'lifestyle' suggests today a way of life to which people associate patterns of relationships, behavior and consumption (Saviolo & Marazza, 2013). For marketing purposes, lifestyles can be defined as the consistent patterns people follow in their lives, i.e. how they spend their time and money (Schoell and Guiltinan 1992) or as shared consumption patterns spanning a variety of consumer categories (Wells, 1974,1975 see Li et al., 2012; Holt, 1997) or patterns that both determine and are determined by consumption (Plummer, 1974).

Lifestyles are identified through people's activities, interests and opinions of themselves and the world around them (Schoell and Guiltinan 1992). Consumption is perceived to follow an overall consumption system or lifestyle: an aspiration for the perceived 'good life' creates certain goals; some of these goals may result in demand for specific products that are closely associated or contributing to this ideal perceived lifestyle. (O'Shaughnessy, 1987). Solomon (1994) agrees on the mediating role of lifestyle in consumption. He opines that lifestyle is about shared values; people, products and settings are linked to express a consumption style, or lifestyle. Solomon states that people buy things that are associated with a lifestyle, and consumers use consumption patterns to define, communicate and perform social roles.

Lifestyle is 'a large complex symbol in motion' (Kornberger, 2010) and to explore this lifestyle is to seek to define one's self-concept and describe one's central set of beliefs to provide consistency to one's actions (Kornberger, 2010; Levy, 1964). According to Levy (1964), products act as sub-symbols in the larger symbolic context of lifestyles. Products are symbolic resources that people use to build their lifestyles; people create their lifestyles and lives through sub-symbolic products. Levy also argues that a consumer's personality can be seen as the 'peculiar total of the product he consumes' (Levy, 1964). Lifestyles define people by what they consume and this covers many aspects in life such as leisure, politics, health, work and education (Kornberger, 2010).

### 3.2. Lifestyle brands

Many western companies have adopted lifestyle as a criterion according to which they segment their markets and position their products (Zhu et al. 2009; Chernev et al. 2011). Lifestyle positioning has become an increasingly common approach in commodity categories in which functional differences are difficult to maintain (Chernev et al. 2011). However, lifestyle branding is a topic of scarce research with no clear-cut, approved theoretical definitions of concepts (Helman & deChernatony, 1999). Lifestyle branding is defined in the existing literature as the tailoring of a retail offer or a portfolio of retail offers closely to the lifestyles of specific market segments (Blackwell and Talarzyk, 1983; Helman and de Chernatony, 1999; Chernev et al., 2011).

The concept of using lifestyles as basis for market segmenting purposes is based on the argument, that building blocks for lifestyles are actually individual brands that are consumed collectively. Rather than persuading customers that certain brands fit into their lifestyles, the use of lifestyle segmenting turns the logic of the segmenting process around: lifestyle branding is about defining lifestyles, and further proactively selling products to the newly created context of a lifestyle. (Kornberger, 2010).

A lifestyle brand is a focused brand targeted at a specific market segment defined by lifestyle (Helman & de Chernatony, 1999). A few examples of lifestyle brands are presented in existing literature, including *Gap*, *Laura Ashley* and *Benetton* (Helman & de Chernatony, 2009) and *Ralph Lauren*, *Abercrombie & Fitch*, and *Martha Stewart* (Chernev et al. 2011). Each of these brands is perceived to embody a distinct set of lifestyle values that appeals to a particular consumer segment. Lifestyle brands differ from traditional brands in the extent of the value created. While a traditional brand's set of added values have symbolic value and meaning for lifestyles of specific consumer group, lifestyle brands, in turn, extend the function of the retailer into the lives of consumers, redefining and creating value for both partners in the relationship (Helman & de Chernatony, 1999).

According to lifestyle brand authors Saviolo and Marazza (2013) a brand is considered a lifestyle brand when it promotes social benefits that a significant number of people adhere to by becoming customers, because they are represented in terms of attitudes, opinions and interests. In order to represent these attitudes, opinions and interests, a brand has to have a clear, originated and coherent point of view. This point of view has to:

- be based on socially relevant values, expressed through and interesting and authentic storytelling
- be explained through manifesto that goes beyond the classical brand positioning and simple value proposition
- be expressed recognizably and consistently in all consumer / brand touch points.

Saviolo and Marazza (2013) argue that the cornerstones of a successful lifestyle brand are what the brand believes in, how it states it and how it is expressed.

According to Helman & de Chernatony (1999) the emergence of lifestyle-based segmenting of offerings stems from the rapid change of the marketing environment, and usage of lifestyle branding signifies a change from the traditional measures taken in marketing practice. The role of the experienced paradigm shift from transactional marketing to relationship marketing has had its influence in the development of new innovative principles to targeting offerings to customers. Important in the evolution of lifestyle brands is perceived the mutually beneficial, value-creating relationships between company and its partners, both customers and other organizations. (Helman & de Chernatony, 1999).

Chernev et al. (2011) argue that to managers, lifestyle branding seems to offer a way of breaking free of the intense competition within a category by connecting with consumers on a more personal level. However, they also argue that the 'open vistas' of lifestyle branding may be an illusion: when positioning brands according to lifestyles it may gain positive results in within-category competition but increase and start new across-category competition possibly resulting in a situation when all self-expressive brands are competing with one another. Chernev et al. add, that lifestyle brands might also be competing with an increasing number of non-brand self-expressive items, including social media websites, product customization websites and self-expressive self-customization websites. Chernev et al. see a threat in lifestyle branding; while switching from functional branding to lifestyle branding, companies might be setting themselves up for even stronger competition for a share of consumers' identity.

### 3.2.1. Interpretive model for lifestyle brands

Saviolo and Marazza (2013) construct in their book an interpretive model of the underlying mechanisms of lifestyle brands. According to the authors, the cornerstones of a successful lifestyle brand are *what the brand believes in, how it states it and how it is expressed*. These three principles form the basis for their framework. The three principles are illustrated below. Full illustration of the lifestyle brands' construct model of Saviolo and Marazza is presented as a table in the end of this section.



**Figure 6.** The cornerstones of lifestyle brands. Saviolo and Marazza. 2013.

The background of a lifestyle brand includes 1) the set of its fundamental beliefs, 2) guiding principle (together these two form what the authors call 'the credo' of the brand) and 3) the stories that are capable of involving its followers. These stories give fuel to the desirability of the brand and brand mythology. The credo of the brand is the founding element of strategic thinking for a lifestyle brand. This is represented by a few fundamental attributes that describe the unique and original perspective the brand holds. It serves as the base for the brand's ideology. The credo is usually characterized by a set of aspirational values and guides the organizations attitudes, behaviors and decisions.

The stories related to the lifestyle brand are the other component of the background of the brand. They are the stories that can be told about the company, its founder, place of origin and its customers and users. These stories can be seen as the practical reflection of the credo

of the brand. These stories must be memorable and they must be able to emotionally involve the brand users.

The manifesto of a lifestyle brand is the lifestyle value proposition it declares and the ways the brand make it recognizable. The manifesto has two parts, lifestyle proposition and lifestyle code. The lifestyle proposition is the set of intentions and topics that originate from the founder(s) of the brand. This is based on the brand credo. The other part of the manifesto is the lifestyle code that the brand acquires. These are the codes that are characteristic to the brand that become signs of communicating brands point of view. This code may formalize as logos, shapes, patterns, colors or details.

The brand manifesto becomes tangible through 1) communication activities, 2) in direct interaction with the customer in store or 3) through its products and services. These three form the expression of the lifestyle brand. Saviolo and Marazza also add 'the human factor' into their model as an important element in determining whether a lifestyle brand becomes fully adopted by a significant group of consumers and is capable of representing a group of individuals profoundly and naturally. Human factor consists of a visionary leader of the brand and organizational mechanisms that transform the brand manifesto into reality. The visionary leader is an individual who has a charismatic profile and an original perspective that he/she is able to express through a product or a brand. The visionary leader's purpose is to personify and represent the brand credo and to create stories and anecdotes that feed the brand mythology and maintain the brand manifesto as authentic and relevant. According to Saviolo and Marazza (2013,) to retain a long-lasting and successful existence of a lifestyle brand it is necessary to have a person or a group of people in addition to the visionary leader that transforms the brand manifesto into reality and builds it further and communicates it to the audience.

	<b>Component</b>	<b>Definition</b>	<b>Function</b>	<b>Critical success factor</b>	<b>Measurement of effectiveness</b>
BACKGROUND	CREDO	Values that express the unique and original point of view of a brand	AGGREGATION	SOCIAL RELEVANCE	IMPACT ON CORPORATE CULTURE
	STORIES	Stories and anecdotes that have the power to engage the audience and fuel the mythology of the brand	INTEREST	MEMORABILITY	REPUTATION AND BRAND IMAGE
MANIFESTO	LIFESTYLE PROPOSITION	A proposed way of life that the audience can identify with	IDENTIFICATION	RELATIVE OR POLARISING RELEVANCE	IMPACT ON ATTITUDES, VIEWS AND INTERESTS
	LIFESTYLE CODES	Specific codes that make the manifesto immediately recognizable	RECOGNIZABILITY	DIFFERENTIATION	ICONIC FEATURES
EXPRESSION	COMMUNICATION, INTERACTION AND PRODUCT	How the brand manifesto becomes tangible through products, communication and direct interaction with the customer	STAGE SETTING	COHERENCE WITH THE MANIFESTO	ADOPTION

**Figure 7.** The construct of lifestyle brands. Saviolo and Marazza, 2013.



### ***3.2.2. Brand loyalty in lifestyle brand consumption and luxury brand consumption***

According to my current knowledge, academic research on brand loyalty in lifestyle brand consumption is very scarce. Goldberg (1982) studied the causal link between lifestyle and brand loyal behavior in the beer market context and concluded that lifestyles have a differential effect on brand loyalty for different consumer segments and that lifestyle advertising themes may cause a negative response by those not favoring the promoted lifestyle (Goldberg, 1982). Given the lack of research on the topic on lifestyle brand consumption and the drivers of brand loyalty in the lifestyle brand context, in this section a similar concept, brand loyalty towards luxury products is analyzed. In this section the drivers of loyalty in luxury brand consumption are analyzed in the light of existing literature.

So et al. (2013) find in their study that brand loyalty in luxury brand context can be achieved through cultivating higher levels of emotional attachment. Specifically, the results indicate that this could be achieved through nurturing customers' favorable perceptions towards corporate associations, functional benefits, and symbolical benefits. The results suggest that luxury brands need to continuously deliver superior functional benefits and symbolical benefits to build stronger emotional attachments towards brands to achieve brand loyalty. When brands offer superior utilitarian and hedonic functionality, they are perceived to be irreplaceable by the customers. (So et al. 2013). Choo et al. (2012) and So et al. (2013) argue that luxury brand customers are placing more emphasis on the emotional value, such as closeness and involvement with brands, when making their purchase decisions. Luxury firms are argued to be shifting their branding focus from building social status to customer emotional attachment in an effort to cultivate enduring loyalty (Cailleux et al., 2009).

Liu et al. (2012) have also studied antecedents to loyalty in luxury product context. They find that brand user imagery congruity and brand usage imagery congruity have significant effect on brand loyalty in luxury brand context. With brand user imagery congruity Liu et al. (2012) refer to the degree of perceived similarity a potential buyer sees of the typical user of a brand with himself/herself (Sirgy et al., 1997). Brand usage imagery congruity refers to the association between consumers' perceptions of the typical use of a brand and how the brand is perceived appropriate regarding the situation of use (Sotiropoulos, 2003).

## **4. Methodology**

In this chapter, the research approach, data collection method and data analysis methods and practices of the present thesis are introduced and elaborated in more detail. In the data collection section also the context of the study is justified. After this, the data analysis method is explained. The last section of this chapter discusses the overall validity of the study at hand.

### **4.1. Research approach**

The present study is qualitative in nature. Essentially, quantitative researchers use numbers and large samples to test theories, and qualitative researchers use words and meanings in smaller samples to build theories (e.g. Easterby-Smith et al., 1991; Sobh & Perry, 2006). The construct of brand loyalty in lifestyle brand context has not been studied vastly in the marketing literature and literature isn't completely familiar with how loyalty is constructed in lifestyle brand contexts - new theories are needed in this field. Qualitative research focuses on generating new theories and it embodies the ways in which individuals interpret the reality around them (Bryman & Bell 2003, p. 25-26). The choice for qualitative methods being the base for this study is thus justified.

The aim of much marketing research is to describe and explain complex, social science phenomena (Perry et al., 1999), and this study is no exception. The aim of this research is to add understanding of the brand loyalty phenomenon by studying the elements of loyalty in the context of lifestyle brands from the customers' perspective.

### **4.2. Research context**

In order to understand the nature of brand loyalty in the context of lifestyle brands, the research in this study is conducted among customers of lifestyle brands. To encounter loyalty, the research will be performed among the members of the loyalty program of a

brand that is perceived as a lifestyle brand; the context brand in this research is the Finnish fashion and interior decoration brand Marimekko.

Marimekko has been labeled as a lifestyle brand in many contexts. Armi Ratia, the founder of Marimekko, defined Marimekko in 1962 as "a cultural phenomenon guiding the quality of living". Stated on the official website of Marimekko, it is said that "she built a utopia called Marikylä, 'Marimekko Village', whose aim was no less than to house the staffs and to function as a laboratory for product design and to develop new ways of life".

Marimekko has also been acknowledged as a lifestyle brand in several instances in the media, e.g. in *Los Angeles Times* (2012), *The Globe and Mail* (2013), in *InStyle* –magazine (2012), on *Brandchannel* (2011), on a website of a graduate institute *Bard Graduate Center: Decorative Arts, Design History, Material Culture*. Marimekko concept store in Upper East Side New York is presented on their web site as not just a brand name but a retailer of lifestyle: "More than a brand name, Marimekko represents the desire for a modern lifestyle that is in harmony with the natural environment."

Analyzed in the light of the interpretive framework of Saviolo and Marazza (2013) Marimekko is suitable choice as research context and a representative of lifestyle brands. In the following table (Figure 8) I interpret and analyze Marimekko as a lifestyle brand according to Saviolo and Marazza's (2013) model. All featured elements in their model are present in the Marimekko brand. The choice of context in this research can thus be justified.

	<b>Component</b>	<b>Definition</b>	<b>In Marimekko-brand</b>
BACKGROUND	CREDO	Values that express the unique and original point of view of a brand	Beautiful every-day life, authenticity, joy, courage, fairness, common sense
	STORIES	Stories and anecdotes that have the power to engage the audience and fuel the mythology of the brand	Founder Armi Ratia, "Marimekko Village", Jackie Kennedy poses on the cover of Sports Illustrated in a Marimekko dress, unisex clothing: Tasaraita=equality
MANIFESTO	LIFESTYLE PROPOSITION	A proposed way of life that the audience can identify with	People should always be themselves, living their own lives and not playacting for others. Marimekko has sought and found the keys to a beautiful everyday life. Marimekko wants to taste the authentic flavour of life, thus finding joy and intensity for the working day. Once in a while it's good to ask if this tastes good or is there perhaps some off-flavour. Following fashion and pointless ingratiating should be avoided. Usually, you should just boldly follow your own internal beacon (source: <a href="http://www.marimekko.com">www.marimekko.com</a> )
	LIFESTYLE CODES	Specific codes that make the manifesto immediately recognizable	"Tasaraita"-pattern, Jokapoika-shirt, "Unikko"-pattern, Marimekko-logo
EXPRESSION	COMMUNICATION, INTERACTION AND PRODUCT	How the brand manifesto becomes tangible through products, communication and direct interaction with the customer	Store atmosphere, marketing material, displays in stores, product design and material

**Figure 8.** Marimekko interpreted as a lifestyle brand. Original model by Saviolo and Marazza (2013), Marimekko-related content interpreted from [www.marimekko.com](http://www.marimekko.com).

### 4.3. Data collection

The data in this research are collected through three focus group discussions. The term ‘focus group’ derives from ‘focused group discussion’. This means that a group of people is ‘focused’ on discussing a selected topic or an issue (Eriksson & Kovalainen, 2010). Nowadays, focus groups are commonly used in academic marketing to study consumer

behavior, including attitudes, needs, perceptions, preferences and choices (Holbrook and Jackson, 1996) Focus groups work for these purposes particularly because of the interaction takes place among the participants. (Eriksson & Kovalainen, 2010). Focus group research allows individual experiences to be discussed and reflected upon. Unlike more traditional one-on-one interviewing, the focus group approach encourages discussion among group members, and this interaction tends to stimulate ideas that would not have been available otherwise (Morgan, 1988).

### **Participant selection**

The participants were invited by a representative of Marimekko via e-mail invitation. The invited customers were sorted from the CRM system of Marimekko in order to reach the right age groups and the right amount of purchases. The segments that were contacted and invited to the discussion were the following:

1. Total purchases 50-60€ in the last 12 months & year of birth 1943-1972
2. Total purchases 50-60€ in the last 12 months & year of birth 1973-1995
3. Total purchases 250-270€ in the last 12 months & year of birth 1943-1972
4. Total purchases 250-270€ in the last 12 months & year of birth 1973-1995

The above-mentioned purchase amounts were only used as rough estimate, because this amount contains only the purchases in Marimekko's own stores. In order to get a more realistic view of the real amount the participants had spent on Marimekko products, the participants were contacted after the discussion privately via e-mail and asked to reveal the complete sum they had spent during the year 2013 in buying Marimekko products either in Marimekko's own stores, department stores or second hand stores or flea markets. These self-reported sums were used in the final analysis of the data.

To gain insight from all segments that were of interest in this study most effectively, younger and older loyalty club members were invited to separate discussions. Two focus group discussions were arranged in the older customers' segment and one in the younger customers' segment. All of the discussions contained customers that had different buying habits towards Marimekko products. Overall the amount of participants in the focus group discussions was 15, of which 14 were female and 1 male.

#### **4.4. Data analysis**

The data obtained from the focus group discussions is presented and analyzed in chapter 5. To increase transparency in the study, all findings are grouped with corresponding quotes from the focus group discussions.

The third research question in this study seeks to find out if the lifestyle brand loyalty elements differ between older and younger customers and customers with different buying habits, i.e. with different levels of behavioral loyalty. Some distinction between the levels of behavioral loyalty needs to be created to answer the third research question and build a four-part table to illustrate the results to this research problem.

In the discussions, the participants overall were attitudinally loyal towards Marimekko, i.e. they had a relative attitude towards Marimekko. When asked if they had an emotional attachment to Marimekko, all answered yes. The relative attitude was also evident in the multitude of personal memories and stories they had about Marimekko. Considering behavioral loyalty, i.e. purchase amounts, more variation occurred; some participants were in this sense more loyal towards Marimekko than others. In order to analyze the results and divide the participants into a four-part table, a certain numerical limit needed to be chosen to distinguish between more and less behaviorally loyal participants in this study and divide the participants accordingly. Overall, the purchase amounts of the participants varied between 50 and 1000 € in the past year 2013. These amounts were self-reported and gathered in a personal e-mail inquiry. Median of the purchase amounts was 250 € and the average purchase amount was 357 € per year. Considering these afore-mentioned variables, an appropriate limit for being placed in the behaviorally more loyal -category in this study is if the participant's amount of annual purchases is 300 € or more. This purchase limit will and is to be used in this study only and it doesn't apply as a general euro limit in other studies.

#### **4.5. Assessing the quality and validity of the research**

Bryman and Bell (2003, p.288-289) suggest according to the propositions of Guba and Lincoln (1994) that two criteria should be used for assessing a qualitative study. These criteria are trustworthiness and authenticity. Trustworthiness is composed of 1) credibility, 2) transferability, 3) dependability and 4) confirmability. The study is analyzed next in the

light of these four validity criteria suggested by Bryman and Bell. After analyzing these four criteria, the validity of the study is further analyzed with criteria related to the realist paradigm of qualitative research.

Credibility of a study is ensured by confirming that research is carried out accordingly to the good practice and submitting the results to the participants of the study to ensure that the researcher has understood them correctly (Bryman and Bell, 2003). The results of the study haven't been specifically validated by the participants, but to ensure correct understanding the focus group discussions were both recorded and videotaped, so that the words of the participants are replicated as correctly as possible and no corruption of the data can be happened due to memory issues of the researcher.

Transferability refers to the generalizability of the results to other contexts. Because qualitative research typically is conducted among a rather small group of participants, as is the case of this research, qualitative research findings tend to be oriented to the contextual uniqueness of 'the aspect of the social world' being studied and the transferability is not always taken as granted. This issue can be managed by providing a 'thick description' of the context studied (i.e. rich accounts of the details of the context) so that the audience of the study can make judgments about the transferability of the results in other contexts as well. (Bryman & Bell, 2003). The transferability of this study can be well judged by the audience, because the context of the study is well reported and described above in this chapter.

Dependability of the research is ensured in this research by keeping complete records of all the phases of the study, providing them and referring to them throughout the study.

Confirmability means ensuring that the researcher has acted in good faith, given the impossibility of complete objectivity in business research (Bryman & Bell, 2003). I myself am a member of the loyalty club of Marimekko and I have worked previously in the corporation. I understand that these facts about my background may affect the research process and the end results of this study. But as complete objectivity is impossible in business research, I accept this limitation and try to conduct the research as aware of my own values and my background as possible and try my best to act as value-neutrally as possible in conducting the research.

In conclusion, the validity of this research is assessed on grounds of credibility, transferability, dependability and confirmability. With these operations, some limitations

were found, but the study overall is done according to good conventions of academic research.



## **5. Findings**

In this section the results of the focus group discussions are presented with corresponding quotes from the participants. First, the emergent perceived drivers of brand loyalty for Marimekko are discussed. Then, the discussion is turned backwards, and the elements that customers perceive inhibiting the development of loyalty are proposed. As an addition, the reactions to Marimekko's brand reputation crisis related to plagiarizing accusations are discussed and analyzed. After discussing the elements of lifestyle brand loyalty, these elements are reported in a quadripartite table based on the differences found between the four segments included in my research (less behaviorally loyal younger customers / more behaviorally loyal younger customers & less behaviorally loyal older customers / more behaviorally loyal older customers). As the final part of this chapter, the elements of lifestyle brand loyalty are presented as a framework to be used in managerial practice and as a base for future research in this topic.

### **5.1. Perceived drivers of brand loyalty towards Marimekko**

In the group discussions, five main themes emerged as the main elements of lifestyle brand loyalty in the context of Marimekko, namely 1) correspondence of own values and brand values, 2) compatibility of the brand with current lifestyle, 3) stories and memories connected to the brand, 4) features of the products, and 5) sense of togetherness. These factors are elaborated in detail below. The findings are enriched with a multitude of corresponding quotes. I wanted to use quotes abundantly, because I felt that the nature of the attachment and affection that the participants have with Marimekko couldn't be presented in any other way without it being diminished unrecognizable.

### ***5.1.1. Correspondence of the values of brand with the values of the consumer***

Throughout the discussions, the participants referred to certain values that Marimekko represents, as important factors why they are customers of Marimekko. These values are considered important and they seem to belong closely to the brand image the participants have of Marimekko. These values were distinguished as significant drivers of loyalty towards Marimekko in the discussions. Values that seem to be most linked with Marimekko are Finnishness, trustworthiness, equality and sustainability. These values seemed to create a special attachment to Marimekko in the minds of the consumers.

Marimekko is considered a truly Finnish brand, a representation of Finnish nature and design. This Finnish origin, *Finnishness*, appears to be very important to the consumers and partly the reason why they consume Marimekko products. Consumers seem to buy the products ideologically; partly because they want to support Finnish labor and Finnish company. It was considered a serious threat for their loyalty if the Finnishness disappears from the brand, if the whole production is, for example, transferred abroad. This theme is discussed further in the section of barriers to loyalty.

*“Marimekko is a part of Finnish identity.”*

*“For me two things impact my loyalty, first the values you connect with it, whether it is the fact that they are made in Finland or you can carry the logo and the experience about it. If it is really important to you that the products are made in Finland, you might accept more disappointments with the quality and still remain loyal...”*

Trustworthiness was present in many discussions, and it seems to be closely linked to the brand. Consumers appreciate that they can count on Marimekko quality and they get what they are promised. This manifests itself e.g. in the attitude with which the reclamations are handled at Marimekko. Customers seem to value the opportunity to bring back the product with which they are not satisfied and get a new, flawless product instead. Overall they feel that there is not a need to make an effort in ‘convincing’ or arguing with the salespeople whether they can return a product or not; they felt that Marimekko has an attitude that customer is right.

*“If I think the Marimekko’s values, to me they are such as trustworthiness... trustworthiness is important and it is connected with a certain atmosphere of honesty – trust and honesty are connected in a way that if you buy a Marimekko product, it is a Marimekko product and nothing else, and there are certain things that I can count on (...) Marimekko is honest and trustworthy towards its clients.”*

*“I agree with that, if a product breaks, I can go there and it hardly is a problem: I don’t have to start arguing if this kind of product is appropriate or not...”*

The history review on the Marimekko website reveal that equality has been a value of Marimekko from the beginning, and judging from the discussions, it seems to have an important meaning to the consumers as well. The theme of equality was present especially in the discussions of the older segment; they felt that the value of equality that founder Armi Ratia and Tasaraita-designer Annika Rimala had about Marimekko brand is important to them. The older segment remembers, when the Marimekko products, e.g. Tasaraita-fabrics arrived in the stores in the 60’s. It was important to them then, as ‘a rite of passage’ to adulthood and the values appealed to them then, and they do nowadays as well.

*“...what is also important is a certain atmosphere of equality, I mean in products, there is equality between sexes that is in the Tasaraita-shirts, that Rimala meant as unisex-clothes in the beginning, and also the societal equality. Marimekko is for all Finns, a cleaning lady can wear Marimekko and so can the owner of a big corporation.”*

Considering the brand values, the participants acknowledged, that in building loyalty it is very important that the values of the brand are similar to personal values. It is evident e.g. in the following quotes:

*“Marimekko has the values of the 60’s ... in my mind it is connected to the 1960’s and I’m that age group who started to observe the world back then, and those things rose as important.”*

*“If they invested more concretely in ecology or used recycled material in some of the products (...) then I personally could buy more. (...) yes, ecology is a part of my life, more in food, though.”*

Throughout the discussions, it seemed that the brand values created an attachment, a psychological bond to Marimekko, which made the consumers feel closer to it. Nearly all of the participated customers linked their own value system closely to the consumption of Marimekko products and it seemed as they saw Marimekko as an embodiment of certain values – so closely tied the values of e.g. Finnishness, trustworthiness and equality were linked with the brand. It seems, as by consuming Marimekko they are able to act their values, as the values of Marimekko present many of their own values. This seems to be a truly significant driver of Marimekko consumption that is deeply engraved in the minds of the consumers.

### ***5.1.2. Compatibility of the brand with current lifestyle***

In the discussions it emerged that part of the consumers’ loyalty towards Marimekko seems to stem from the feeling of compatibility; that the brand is closely tied and compatible with their lifestyles and situations in their life. A brand’s compatibility with one’s lifestyle is a broad concept and in these discussions it was conversed manifesting itself e.g. 1) professionally; how the Marimekko products fit well in their working life or professional identity, 2) originating in the physical features of the products, (e.g. colors, materials), 3) the image Marimekko resonates as a brand, (e.g. the will to consume Marimekko because it is a joyous brand and joy is what consumer feels in her life at that moment) or 4) that the brand makes products that are linked to the consumer’s current life situation (e.g. buying childrens’ clothes because they had a baby recently).

The link between Marimekko and professional identity is evident e.g. in the following quotes:

*“...I use Marimekko clothes in work (...) it is a part of the professional identity”*

*“...in my previous job I worked as a kindergarten teacher, they (Marimekko clothes) were really comfortable, practical and easy clothes to take care of.”*

Compatibility due to the current situation in life can also be related to family, e.g. the birth of children, as one participant articulated:

*“My Marimekko loyalty started blooming when I had my kids. Then I started to search for clothes and bed linen for them. Then, unobserved, it increased, and I started to buy for myself also and as gifts.”*

Also, apart from professional identity and current situation in life, Marimekko can be compatible with the overall way of leading one’s life, and thus be consumed:

*“I guess it’s the materials in clothes, I don’t want to use unnatural fabric, I have a natural lifestyle, it is part of my lifestyle. I don’t color my hair, I eat organic food... Marimekko fits in that way of life.”*

Certain features of Marimekko products seem to connect well with certain lifestyles, as discussed above. In the discussions ‘the Marimekko lifestyle’ was touched upon in a few occasions. This Marimekko lifestyle was characterized as bohemian, stemming from the 70’s, unisex, equal and being aware of that the world is changing and broadening. Other images were also linked to the lifestyle, especially those from the Finnish nature. This feeling is illustrated well in the following quote.

*“For me the lifestyle is the midsummer night and the light that filters through the trees and certain nonchalance... maybe the bohemian id the right word, everything seems coincidental and not arranged.”*

### ***5.1.3. Memories and stories connected to the brand***

What was evident in the group discussions was the multitude of memories and personal narratives the participants had about Marimekko and about consuming Marimekko products. Some of these stories the participants mentioned are part of the background of the brand, exactly how it was presented in Marazza and Saviolo's (2013) framework, e.g. the narratives about how Jacqueline Kennedy posed in the cover of the Sports Illustrated in a Marimekko dress. These narratives are public and a part of Marimekko's brand history. Apart from these public narratives, most of these participants' memories were personal, and dated back to the participants' childhoods, youth, mothers and grandmothers, and were filled with warm emotions and nostalgia. These memories were considered important and crucial parts of the participants' lives. The participants linked these memories and stories closely with their loyalty towards Marimekko.

*“There is a touching story, that my mom and dad have met in a Marimekko store when my mom worked there as a salesperson for fabrics. So, I wouldn't probably exist if Marimekko didn't exist.”*

*“It's all the stories from the 60's, all the stories like 'Jacqueline Kennedy in Marimekko dress' and Finnish export, Marimekko being a Finnish, fabulous brand, it's all in there.”*

Some of the stories were linked to the founder of Marimekko. Ratia's influence as a driver for loyalty occurred through personal relationship with her.

*“My friend was in the same class with Armi Ratia's daughter. You don't get away from things like that.”*

When asked for what creates loyalty, these personal stories are mentioned first. The participants have many intriguing and unique stories about their relationship with the brand.

*“It’s the childhood stories that I have been told, how my mom and dad met in Marimekko, and those are a part of my life history.”*

Many of the stories that were shared in the discussions were filled with emotion and affection and were enjoyable to listen to. Marimekko has been a part of important, emotion-awakening moments, through which the participants have created a special, emotional bond with Marimekko.

*“For me it (loyalty) comes from the lived life, and how Marimekko has been there, in that life. Especially when nice memories have been created, for example when I think of the one dress that I wore when I dated my first husband, who has now passed on, and I still remember how we had fun and his big brothers wondered how he had found such a pretty girl, and I still remember how my hair was like this and this and I was pretty! I was young and pretty!”*

*“Marimekko has provided me nice experiences in life and stood to my expectations, so I will also, from my own part, be loyal to Marimekko...”*

*“My son got an award in the first class and went there in his Jokapoika-shirt to get the award from the principal and he looked so cute. These are the experiences that raise you to be a Marimekko-person. It has been present in nice situations in life...”*

*“I’m not always very loyal but on the other hand I am loyal to the childhood memory, it is a part of me.”*

#### **5.1.4. Characteristics of the offering**

The participants in the group discussions also connect more tangible elements about the brand with their loyalty towards Marimekko. These more tangible factors are linked to the characteristics of the offering, e.g. what the products are like that are sold under the brand name.

#### **Quality**

The dominant characteristic in the discussion is the product quality; in this case, when talking about quality, most of the participants refer to the durability of the fabric that Marimekko uses in its products. Participants acknowledge that Marimekko has previously been renowned for its durability and the fact that the products could be handed over to next generations in good condition. However, they argue that today the situation is different and the quality has worsened. Some participants reported this affecting their consuming habits; they don't want to buy Marimekko as much they did before when the quality was better. This is elaborated more in the 'barriers to loyalty' –section.

*“It's the personal experience, price-quality ratio and own personal experiences of the use. It creates the base whether you like a product or not, not so much how well-known the brand is or the popularity of the brand (...) the experience of the product and how it impacts me and my experience defines if I'm loyal or not.”*

*“The fabric was so good back in the days, it was so durable. The bed linen were so good in the 1970's that my daughter uses them now, and when I got married, the first bed linen we bought, I still have them! As they wear out from the top, I shorten them by sewing.”*



*“The visual side has a big impact (on loyalty) and then the quality. I’m precise about the material when I buy new clothes. If I buy new clothing from a store I demand that it is good quality and durable. And made of good material.”*

### **Visual elements of the products**

In addition to being fond of the quality of Marimekko products, participants mentioned the aesthetic features as a factor that keeps them visiting the stores and consuming the products. Marimekko patterns and colors appeal to the consumers, and that is part of the reason they consume the products. The consumers don’t appreciate functional benefits very much; rather it is the appearance of the products that affects the purchase situation.

*“I go in the stores because it is the only Finnish brand that makes the sort of patterns I like.”*

*“The reason why I still buy Marimekko products even though the quality has worsened and they are not manufactured in Finland anymore, is that the selection of their patterns appeals to me, and this is what affects my purchase decision.”*

*“I don’t buy a Marimekko mug because it is a good mug, I buy it because the mug is pretty, or then if I need it.”*

#### **5.1.5. Sense of togetherness**

One theme that emerged in the discussions that was important about consuming Marimekko was the feeling of togetherness, sense of solidarity that Marimekko products enable in the participants’ lives. The participants described how the people that like Marimekko and consume Marimekko products belong to the same ‘brand community’ e.g. in their workplaces or among friends. Owning similar Marimekko products was seen as a means of

integrating to a community; the discussions revealed that Marimekko products can connect people to certain groups or communities or discriminate from them, if you have the products you're in the group, and if you don't, you are an outsider and don't belong with the other Marimekko-people. This emotional bond is strong, even if the people don't have anything else in common, come from other countries, for example, as one interviewee reported, the Marimekko products make them integrated into the Marimekko-people community and they feel familiar and close because they wear similar Marimekko products.

*“We have among our friends those kind of things that we think it's really important what you bought from Marimekko, and then there are those who don't like Marimekko, and then we are like 'you don't belong with us'. But yeah, there is a strong sense of togetherness.”*

*“...and then it creates this fun emotional bond, like 'look, I have this kind of a (Marimekko purse). It connects people. And when I think of those people that came here as outsiders and didn't speak the language or anything and then everybody though like 'how do you already have these kind of Marimekko purse' and by that they also joined this community”*

## **5.2. Barriers of loyalty in Marimekko brand**

In the discussions several factors were revealed that the participants felt were responsible for prevent their loyalty. These themes seemed to be mainly linked to a) quality of the products, or b) price of the products and c) disconnection of brand values and personal values. With quality of the products the participants referred to dissatisfaction with the price-quality ratio. The disconnection of brand values and own values in this context mean discontent with unethical production practices. The barriers of lifestyle brand loyalty under the three themes are discussed below.

### **5.2.1. Quality of the products**

As it was discussed in the section of loyalty drivers in Marimekko, quality of the products is highly significant to the customers of Marimekko. When the discussion is turned backwards and the barriers are considered, quality again rises as a significant barrier to loyalty, here of course meaning the disappearance of the quality. This theme was present throughout the discussions, in every segment. Quality of the product seems to be so closely associated with Marimekko that if that changed, the loyal customers would change their buying behavior. In the minds of the consumers, high quality is linked to Marimekko as one of their brand values.

Some customers have already experienced deterioration in the quality of the product and have changed their consuming habits.

*“But if now some new brand came into the market, I could change to them. I have searched if there’s something else. The quality is slightly bothering me. I now have two Marimekko nightdresses that have holes in the armpits. Badly made or something that they don’t bear washing. And then there are those little holes that appear. That’s what bothers me. I haven’t bought another night dress in two years now because they break down.”*

### **5.2.2. Price**

When quality is discussed, usually price is mentioned as well. Price was more emphasized in the discussions of the younger customers’ segment. The younger consumers seem to feel that Marimekko’s prices are relatively high and they don’t feel that price and quality always match in Marimekko products. They report that they understand that Marimekko wants to keep relatively high prices to achieve a ‘luxury’ feeling about the brand, but they feel that the ‘price limit for luxury feeling’ is already exceeded.

*“Whether it is 150€ or 250€, it doesn’t make any difference to me when the brand image is concerned.”*

Price was also mentioned in the older customers' segment discussions. However, here it was connected with ethical issues in the production. They thought considering the origin and the production country of the products, the prices are relatively high. They felt considering how little amount of the profit is given to the producers, the prices are quite high. This is emergent in the following discussion.

- *"I looked and it said 'Made in Bangladesh' and the price was still 90€."*

- *"I feel that is already impudent."*

- *"It is well branded and one has to pay for it. I just hope that the producers get their share. The stores get a big portion and the producers get a small one."*

### **5.2.3. Disconnection of brand values and personal values**

Disconnection of consumer's own values and brand values seems to be a barrier to consuming Marimekko products. In this section, the loyalty barrier of *Disconnection of brand values and personal values* are discussed under the sub-themes of *Production abroad*, *Unethical production* and *Abandonment of brand values*.

#### **Production abroad**

Customers seem to be really attached to the Finnish origin of Marimekko and the values of locality and Finnishness in Marimekko's products and production. The globalization in business and the transfer of production to the regions of cheaper labor isn't received favorably among the customers; before they have valued the fact that the products are made in Finland and they can in proudly, in their part, support Finnish labor and production. Some of them feel that Marimekko is no longer as Finnish as it has been before if and when the products are made somewhere else. This may even affect the purchasing habits of the consumers; they seem to feel that they are betrayed in a way, as Marimekko used to be Finnish and still appears as Finnish in their advertising, but the products aren't made here.

*"It has affected me strongly, for example when I saw in the bottom of the mug that it was made in Thailand, I didn't want to buy it. It's the thing that they try to make*

*this Finnish image with birches and all but it still is made in the regions of cheap labor.”*

*“It was a slight disappointment when they closed the small Finnish factories. The summer market in Sulkava has been an unbeatable tradition, and this year they arranged it the last time. That is a black mark if something is!”*

Some of the participants are more tolerant towards the globalization of the production; they feel that as members of more developed countries, we have responsibility over other nations as well, and as long as the workers that Marimekko uses are not exploited and they are paid adequately, the transfer of labor can be accepted.

Other underlying reasons why customers don't appreciate the transfer of labor into countries of low cost labor, apart from supporting local labor, are related to quality and prices. Some of them seem to feel that the quality of Marimekko has deteriorated and will deteriorate when the products are not made in Finland.

Apart from quality, another reason is in the prices. The customers feel that Marimekko is a brand whose prices are relatively high compared to other clothes brands that make their products low cost in Asia. Some of the customers seem to think, with the prices that Marimekko charges for their clothes, the products should be made in Finland. They have been satisfied with these prices before, as they have seen that the prices have been appropriate, given the fact that the products were manufactured in Finland. Nowadays they don't seem to understand where the relatively high prices come from with the current production being outside of Finland. This kind of thinking is especially common in younger customer's segment.

*“It seems, judging from the price, that they are Finnish, but they aren't.”*

*“I wonder why, with those kind of prices, the products aren't already made in Finland”*

## **Unethical production**

What customers have in common, whether they accept production abroad or not, is the care for the ethical issues in the production. For Marimekko this is a timely theme, because Marimekko was in the news in the end of the year 2013 for ethical confusion in their production. *Finnwatch* reported in December 2013 that the working conditions at a factor, where Marimekko dish are manufactured, are reproachable. Customers feel, that they would like to be sure of what is the ethical state of the production. Especially in the segment of younger customers this was a major concern, they acknowledged that if more ethical issues were raised, it would affect their loyalty.

*“The dish-news were harsh. I don’t want to buy before they do something about that”*

*“...if the designers were treated badly or unfair, that would be (a barrier to loyalty).”*

## **Abandonment of brand values**

Apart from customer’s own personal values, the brand values themselves are significant to the loyal customers of Marimekko. It seems, that if Marimekko changed its values, the same customers wouldn’t be loyal to Marimekko any longer. They seem to feel that Marimekko is something different from other clothing stores, something unique that stems from the values of the company. If those values are lost, the brand isn’t the same.

*“By giving up their values. If Marimekko changed into elitist, sexist, if it wasn’t equal anymore. Becoming dishonest.”*

In the following quote it becomes explicit that loyal customers of Marimekko consider Marimekko to be something unique that stands out from the other stores that sell similar products. In the discourse of the customers, these other stores are contradictory to Marimekko in the values and quality of their production, and they are referred to as ‘rag stores’ (rättikauppa). The customers of Marimekko don’t want Marimekko to transform into

this kind of a rag store, and this is why they feel it's important that Marimekko holds on to its production values.

*“If Marimekko gave up its values it wouldn't be Marimekko anymore and there wouldn't be any reason to be loyal anymore. I mean, there are plenty of rag stores out there already.”*

Many of the customers expressed their concern over the change that they have seen in the production of Marimekko products. This is related to both unethical production and abandoning the overall brand values of Marimekko. Especially the older loyal customers, that have been customers of Marimekko since it was founded, feel that Marimekko is changing its course. They don't appreciate the news about Marimekko manufacturing their products e.g. in Asia in questionable working conditions, and they don't put a flag out for the expansion of Marimekko into a big global corporation if it will change too much the original ideology of Marimekko.

*“We should find a way of telling Marimekko what we think, and let them know, that if you still want to play with us, you should do this and this, or else we'll take our dolls away and go somewhere else.”*

### **5.3. Reaction to the plagiarizing accusations**

In the discussions, the participants, unprovoked, referred multiple times to a brand reputation crisis that Marimekko encountered in the fall of 2013, linked to plagiarizing accusations. Throughout the discussions, the reactions to the accusations had a defending tone to them. Overall, it seems, that especially the customers that reported to be more loyal both attitudinally and behaviorally defended Marimekko most. This is evident especially in the older customers' segment.

The theme of the plagiarizing crisis arose unprovoked in every discussion, there was no need for me to introduce the theme or ask any questions about it. In the older customers' discussions, it was especially the behaviorally more loyal that took the most defending position for Marimekko. They clearly belittled the cases, by using the words such as 'scrapes on the surface (pintanaarmu) and small details (pikkujuttu) when referring to the plagiarizing case.

*"For me trustworthiness is important, that has suffered a little lately, but those are very small details, scrapes on the surface that these have been during this year..."*

Another theme apart from belittling, was blaming other parties of the plagiarizing incidents. The customers saw that the blame of the plagiarizing was more on the designers than Marimekko, and Marimekko trusted their designers, wasn't aware of what the designers did and this was exactly how Marimekko should have done. They didn't see that Marimekko did anything wrong, and it was the designers' fault. Marimekko was even victimized in their discourse, as a victim that didn't participate in any kind of wrongdoing.

*"I thought about it this way that a firm cannot know, a firm has to trust their designers!"*

*"It is extremely embarrassing for the designer. A firm has to think a little how they can better trust their designers in the future, whether it is a certificate thing or something, but I would blame them more and less the corporation."*

*"Marimekko can't be blamed when a designer convincingly tells about her sources of inspiration."*

When discussing the theme of the plagiarizing crisis, it became evident that especially the customers in the older customers' segment consider Marimekko brand as 'one of us', giving Marimekko almost human-like characteristics. This stems from the feeling of closeness to the brand, the emotional attachment. This may have something to do with the defending attitudes that the more loyal customers have towards Marimekko e.g. in reputation crises.



*“It is interesting how one feels so close to it (Marimekko) (...) And when something like the plagiarizing cases come up, you start pondering what is the deal here and then you’re like, oh no, and it feels like someone of us is being torn apart out there.”*

However, in the younger customers’ segment the level of behavioral loyalty wasn’t connected with defending Marimekko in the brand reputation crises. Here the people that belonged to the less behaviorally loyal segment defended Marimekko most strikingly.

#### **5.4. Differences of loyalty elements between different segments and levels of behavioral loyalty**

The third research question addresses how the perceived elements of lifestyle brand loyalty differ between older and younger customer segments and different levels of behavioral loyalty. Behavioral loyalty in this study is interpreted according to the total amount of money spent on Marimekko products in the year 2013, whether this spending has occurred in Marimekko’s own stores, department stores or flea markets. The participants were asked to reveal the total sum of their Marimekko-purchases in an email to ensure the privacy of the participants. The participants were divided into four groups for analysis. These groups are the following:

- **Older and behaviorally more loyal** (born 1943-1972 & purchase amount 300€ or more)
- **Older and behaviorally less loyal** (born 1943-1972 & purchase amount less than 300€)
- **Younger and behaviorally more loyal** (born 1973-1995 & purchase amount 300 € or more)
- **Younger and behaviorally less loyal** (born 1973-1995 & purchase amount less than 300€)

The results of the comparison between the elements of lifestyle brand loyalty of the four segments are presented in the following table and analyzed below.

<b>Older and behaviorally more loyal</b>	<b>Older and behaviorally less loyal</b>
<b>Drivers of loyalty</b>	<b>Drivers of loyalty</b>
<ul style="list-style-type: none"> <li>personal history with brand, memories</li> <li>compatibility with own lifestyle</li> <li>compatibility of own values and brand values</li> <li>brand values</li> <li>quality</li> <li>brand narratives</li> <li>product characteristics</li> <li>feeling of togetherness</li> </ul>	<ul style="list-style-type: none"> <li>personal history with brand, memories</li> <li>compatibility with own lifestyle</li> <li>compatibility of own values and brand values</li> <li>brand values</li> <li>price-quality ratio</li> <li>brand narratives</li> <li>product characteristics</li> </ul>
<b>Barriers of loyalty</b>	<b>Barriers of loyalty</b>
<ul style="list-style-type: none"> <li>abandoning brand values</li> <li>own values and brand values are not compatible</li> <li>deteriorating quality</li> <li>bad price-quality ratio</li> <li>unethical production</li> <li>manufacturing abroad</li> </ul>	<ul style="list-style-type: none"> <li>bad customer service</li> <li>deteriorating quality</li> </ul>
<b>Younger and behaviorally more loyal</b>	<b>Younger and behaviorally less loyal</b>
<b>Drivers of loyalty</b>	<b>Drivers of loyalty</b>
<ul style="list-style-type: none"> <li>personal history with brand, memories</li> <li>product characteristics</li> <li>brand values</li> <li>quality</li> <li>price-quality ratio</li> <li>customer service</li> </ul>	<ul style="list-style-type: none"> <li>personal history with brand, memories</li> <li>product characteristics</li> <li>brand values</li> <li>compatibility of own values and brand values</li> <li>price-quality ratio</li> </ul>
<b>Barriers of loyalty</b>	<b>Barriers of loyalty</b>
<ul style="list-style-type: none"> <li>unethical production</li> <li>changing product characteristics</li> </ul>	<ul style="list-style-type: none"> <li>unethical production</li> <li>price is too high</li> <li>bad experiences of brand</li> <li>bad price-quality ratio</li> <li>not appealing product characteristics</li> <li>manufacturing abroad</li> <li>not compatible with own lifestyle</li> </ul>

**Figure 9.** Lifestyle brand loyalty elements between different segments and levels of behavioral loyalty.

### **Comparison between the lifestyle loyalty elements of the behaviorally more loyal and the behaviorally less loyal in the older customers' segment**

The perceived drivers of lifestyle brand loyalty in both older customers' segments were very similar. The participants in both of the older customers' segment reported *personal history with brand & memories of the brand, compatibility with own lifestyle, compatibility of own values and brand values, brand values, product characteristics and brand narratives* as the drivers of their lifestyle brand loyalty. The older and behaviorally more loyal segment also reported *feeling of togetherness* that they achieve through Marimekko products as a driver for their loyalty. This didn't occur in the older and behaviorally less loyal –segment. What is more, *quality* was reported in the older and more behaviorally loyal segment, but the older and less behaviorally loyal used the term *price-quality ratio*. Older and behaviorally more loyal –segment didn't include price considerations in their discussion.

When discussing the barriers to lifestyle brand loyalty, the behavioral loyalty caused more variation in the results than it did in the Drivers of lifestyle loyalty -section. It is important to notice, that these barriers mentioned here can be either current or hypothetical – the participants may experience these barriers now or hypothetically imagine these scenarios restraining them from being loyal to Marimekko in the future.

Overall, older and behaviorally more loyal –segment experienced more barriers to their loyalty than the older and less behaviorally loyal. Older and behaviorally more loyal -segment reported *abandoning brand values, own values and brand values aren't compatible, deteriorating quality, bad price-quality ratio, unethical production and manufacturing abroad* as barriers of loyalty in Marimekko context. In turn, older and less behaviorally loyal –segment identified only *bad customer service* and *deteriorating quality* as barriers. *Deteriorating product quality* was recognized as barriers by both older customers' segments, but *bad customer service* only by the behaviorally less loyal.

### **Comparison of the lifestyle loyalty elements between the behaviorally more loyal and the behaviorally less loyal in the younger customers' segment**

Both of the younger customers' segments identified *personal history with brand & memories, product characteristics, brand values and price-quality ratio* as the drivers for their loyalty towards Marimekko. Younger and behaviorally more loyal –segment also

recognized *quality* and *customer service* as drivers, which didn't appear among the younger and behaviorally less loyal, who in turn included also *compatibility of own values and brand values* as a driver.

The younger and behaviorally less loyal identified significantly more barriers to their loyalty than the segment of younger and behaviorally more loyal. These identified factors are *unethical production, too high price, bad experiences of brand, bad price-quality ratio, not appealing product characteristics, manufacturing abroad and Marimekko not being compatible with own lifestyle*. In both of the younger segments, *unethical production* was mentioned. Younger and behaviorally more loyal –segment also identified *changing product characteristics* as a barrier to their loyalty.

### **Comparison between older and younger behaviorally more loyal segments**

The younger and behaviorally more loyal customers don't seem to compare their own values so much with the values of Marimekko, as the older and behaviorally loyal do. The older consider the *compatibility of values* as significant elements of loyalty in both driving and inhibiting brand loyalty. The younger segment doesn't mention this compatibility of values at all. Overall, brand values are important to both age groups, but the older seem to compare the brand values with personal values more than the younger.

What is more, the younger behaviorally more loyal have price considerations linked to developing their brand loyalty, as they identified *price-quality ratio* as a driver of brand loyalty. This didn't occur in the older behaviorally more loyal –segment; instead, the older mentioned the *price-quality ratio* among the barriers of brand loyalty. The younger and more loyal –segment also consider *customer service* driving their loyalty, which didn't appear in the older segment.

Overall, the older and more loyal identified more barriers to their brand loyalty than the younger and more loyal. The barriers were quite different. However, both behaviorally more loyal segments seem to be concerned about the ethicality in the production. *Unethical production* was recognized as a barrier to lifestyle brand loyalty in both behaviorally more loyal's segments.

### **Comparison between older and younger behaviorally less loyal segments**

The perceived drivers of loyalty in both of the segments of behaviorally less loyal are quite similar; they consider *personal history with brand, memories, product characteristics, brand values, compatibility of own values and brand values* and *price-quality ratio* as drivers of their loyalty. The older, however, identify more of these drivers than the younger do. The older recognize Marimekko's *brand narratives* driving their loyalty towards the brand. They also feel that Marimekko's products and the brand *corresponds with their lifestyles*. The younger don't identify these two as their loyalty drivers.

In turn, the younger and less loyal consider that more factors are inhibiting their brand loyalty towards Marimekko. As the older only mention *bad customer service* and *deteriorating quality* as barriers, the younger identify *unethical production practices, bad experiences of brand, bad price-quality ratio, not appealing product characteristics* and *manufacturing abroad* as barriers to their brand loyalty. They also feel currently that Marimekko is not *compatible with their own lifestyle* and the *prices are too high*.

### **General comparison between all four segments**

What is common to all these four segments is the significance of *personal history with brand* and *memories, product characteristics* and *brand values* in driving their loyalty, as they all occurred in all of the segments' discourse. They thus seem to be the drivers of lifestyle brand loyalty regardless the customer segment.

Interestingly, only the behaviorally more loyal seem to consider the quality of the products as a driver to their loyalty. In the behaviorally less loyal –segments quality issues were discussed compared with price, they signified *price-quality ratio* as a driver, not *quality* per se.

What is more, only the older customers, both behaviorally more and less loyal, identified as driver of loyalty that Marimekko products are compatible with their lifestyle. Younger customers didn't link lifestyle considerations when identifying drivers to their loyalty, but in the barriers-section lifestyle is identified, the younger and less loyal identified that Marimekko isn't necessarily compatible with their lifestyle, and this is seen as barrier to loyalty.

## **5.5. The main elements of brand loyalty in the context of lifestyle brands**

The current marketing literature doesn't generally distinguish differences in the development of brand loyalty in the context of lifestyle brands, as they are treated as equal to all other brands. The list of variables recent marketing literature acknowledges to be linked to the development of loyalty is long and includes e.g. positive brand evaluation (Liu-Thompkins & Tam, 2013; Uncles et al., 2003) satisfaction (e.g. Brunner et al., 2008; Dagger & O'Brien, 2008), commitment (e.g. Kim et al., 2008), perceived value (Lam et al. 2004; Harris & Goode, 2004), relationships with the seller (Sirdeshmukh, et al., 2000) and image (Brunner et al. 2008). For more comprehensive list, see figure 5 on the page 26 of this thesis.

For analyzing the development and composition of brand loyalty, commonly, much of the marketing literature today adopts the loyalty framework of Dick and Basu from the year 1994 (e.g. Liu-Thompkins & Tam, 2013; Kabiraj & Shanmugan, 2011). On the basis of the results of the current study reported in this chapter, a refined model of the elements of lifestyle brand loyalty is needed to better understand the composition of lifestyle brand loyalty and its origin, as the current framework seems to be insufficient for these purposes. In this section, such revised framework of lifestyle brand loyalty is developed on the basis of the results of this study.

The lifestyle brand loyalty framework consists of elements that customers perceive as drivers or barriers to brand loyalty development in lifestyle brand context. In the model five loyalty driving elements are presented, namely 1) correspondence of own values and values connected with the brand, 2) compatibility of the brand with current lifestyle, 3) personal history and memories connected to the brand, 4) product characteristics and 5) sense of togetherness created by the brand.

The perceived barriers of lifestyle brand loyalty in the revised framework are 1) poor quality 2) inappropriate price 3) incongruity between own values and values connected with the brand.

DRIVERS OF LIFESTYLE BRAND LOYALTY	BARRIERS OF LIFESTYLE BRAND LOYALTY
Correspondence of own values and brand values	Poor quality
Compatibility of the brand with current lifestyle	Inappropriate price
Personal history and memories connected to the brand	Incongruity between own values and values connected with the brand
Product characteristics	
Sense of togetherness created by the brand	

**Figure 10.** The revised model of perceived lifestyle brand loyalty elements.

### **Drivers of lifestyle brand loyalty in the revised framework**

Correspondence of own values and values that the customer connects with the brand is a significant driver of lifestyle brand loyalty. It seems to be crucial for the customer that the values that she connects with the lifestyle brand in question are in line with her own value system. This correspondence of values was also touched upon by Dick and Basu (1994) in their loyalty framework; they listed *centrality* as one of the cognitive antecedents to loyalty; with centrality they refer to the degree to which an attitude toward a brand is related to the value system of an individual. In order for lifestyle brand loyalty to develop, brand seems to need to have similar values with the loyal customer. The values that are linked to a lifestyle brand seem to stem from the background of the lifestyle brand, the credo and the stories (Saviolo and Marrazza, 2013) that belong closely to the brand story. This finding is in line with the lifestyle interpretation framework of Saviolo and Marrazza (2013). The compatibility of the values seems to create a certain psychological attachment to the lifestyle brand and enable the brand to feel closely tied to the customer's life and value system. This way the lifestyle brand can even become an embodiment of the customers' value system and by consuming the lifestyle brand in question the consumer can realize his/her values.

Compatibility with consumer's lifestyle is a key factor for lifestyle brand loyalty to develop, this stems already from the very idea of a lifestyle brand as a brand that appeals to a certain group of people who share a similar lifestyle (Helman & deChernatony, 1999). Consumers in this study mentioned several themes that can be grouped under the umbrella of

compatibility with own lifestyle; the compatibility can origin in one's professional identity, consumption habits, social group, family relations, position, age, values... This compatibility with lifestyle is after all in the consumer's mind and it may stem from a multitude of sources.

Personal history and memories with the brand seem to be important in creating a personal relationship with lifestyle brands. Many of the participants have a life-long relationship with Marimekko and possess a multitude of good, emotional memories when Marimekko has been there in their lives when something important has happened with their beloved and closest people. This relationship, personal history with the lifestyle brand is a power that many of the consumers are conscious of, and openly recognize this creating a strong emotional bond with the brand that also affects their consumption habits. When it comes to conventional brand loyalty, customers in close relationships with the firm/brand in question are found to purchase more, to be willing to pay more for goods and/or services, to exhibit a high tendency to trust and to become emotionally attached to that firm (Reicheld & Shefter, 2000; Rafiq et al., 2013). According to the results of this study, this seems to be true with lifestyle brand loyalty as well.

Product characteristics driving brand loyalty shows that lifestyle brands are after all 'brands'; people don't buy lifestyle brand products solely because of psychological factors, but also because of their physical 'everyday' factors, such as product materials and colors. Even if the emotional bond was created, the products also need to possess appealing characteristics. This also includes reasonable price-quality ratio. What is 'reasonable' is, of course, subjective. With lifestyle brands these product characteristics are also linked to lifestyles. The customer may feel that due to his/her current lifestyle, a certain product characteristic is more appealing than others. An example of this in the case of Marimekko is the occupational considerations of suitable attire: selecting Marimekko products for their appropriateness for certain occupations.

With lifestyle brands, it seems likely that certain degree of brand community spirit or feeling of togetherness develops. In marketing literature, brand communities have been acknowledged for their potential to enhance the loyalty of the members and to engender a sense of oppositional loyalty toward competing brands (Thompson & Sinha, 2008). Fan groups or brand communities seem to form around lifestyle brands quite easily and this created feeling of togetherness can be considered a driver for loyalty. It is left unknown in



this study what exactly it is in lifestyle brands that create this feeling of togetherness; they seem to be an effective way for people to integrate and create a sense of belonging.

### **Barriers of lifestyle brand loyalty in the revised framework**

Quality issues are linked to disloyal behavior in the current marketing literature; this is true to both quality of service and quality of products (Choi et al., 2006). Poor quality of products seems to be a significant barrier to loyalty also in the context of lifestyle brands. As was discussed in the section of the loyalty drivers, similarly with product characteristics here poor quality shows that a lifestyle brand can't survive on building on psychological attachment only – the offering needs to be of proper quality in order for the customers to become and remain loyal. Here a lifestyle brand doesn't differ very dramatically from an ordinary brand.

With quality, price is often discussed. If the customers feel that the prices are inappropriate and they don't understand the logic behind the pricing, brand loyalty is about to suffer. However, consumers' values are very closely tied with lifestyle brand; the results of this study suggest that if the production of the lifestyle brand products is in line with the customer's value system, he/she is willing to pay a premium if he/she can trust that the brand actually is manufactured accordingly with their values. Especially with the current business practices of low-cost manufacturing in ethically questionable environments, customers see manufacturing according to their values as a competitive advantage for which they are happy to pay a premium.

Incongruity between own values and brand values is considered a significant barrier for lifestyle brand loyalty. As it was discussed in the section of the lifestyle loyalty drivers, values are an important part of lifestyle brand consumption. The values connected to the brand need to match with the customer's own value system in order for loyalty to develop. If the values aren't compatible, the results of this study suggest that loyalty development is inhibited. This topic of corresponding values has been previously touched upon in the broader concept of ethics and brand loyalty; e.g. Valenzuela et al. (2010) suggest that customers' beliefs about the ethicality of the firm can help develop loyalty towards the firm in question. Studies have shown that supplier's ethical reputation results in customer trust which in turn leads to satisfaction and commitment to the supplier (Valenzuela et al. 2010).

Ethicality is in turn closely related to the customers' values in this study; ethicality was mentioned several times in the focus group discussions when values and loyalty were discussed.

## 6. Conclusions

This study has aimed to add knowledge about the main elements of B2C customer loyalty in the context of lifestyle brands. This main research aim has been addressed by distinguishing the main perceived drivers and barriers for brand loyalty development in lifestyle brands. As an addition, lifestyle brand loyalty elements have been contrasted and compared in order to find differences and similarities between older and younger customers and customers with different levels of behavioral loyalty.

While brand loyalty has been researched widely, the loyalty that customers experience towards lifestyle brands is a topic of scarce research, and in the marketing literature there is a lack of clear understanding about the construct of loyalty in lifestyle brand context. The results of this thesis add understanding of the construct of lifestyle brand loyalty. The results show, that lifestyle brand loyalty is in close connection with the value system of the consumer, the consumer's lifestyle, consumer's personal history and social considerations, but also the characteristics of the products that belong in the lifestyle brand's offering.

In conclusion, the results of the study show that customers find their lifestyle brand loyalty driven by 1) correspondence of own values and brand values, 2) compatibility of the brand with current lifestyle, 3) stories and memories connected to the brand, 4) features of the products, and 5) sense of togetherness. Consumers of lifestyle brands seem to find it significant that the lifestyle brand radiates similar values that he/she finds central in his/her value system. In lifestyle brand context the values that the brand possesses and resonates with seem to become symbols of the values of the consumer – simultaneously with consuming a lifestyle brand, the customer communicates values to the external audience.

It is important considering the development of loyalty that lifestyle brand is congruent with the current lifestyle of the consumer. In the results of this study the congruency was most evident with the current situation in the consumer's life, e.g. the professional situation or identity or current family situations. This also means that the congruence is subject to change. The fit with the current lifestyle stems apparently from the brand's image and product characteristics that the consumer feels currently connected to his/her lifestyle.

Stories and memories related to the lifestyle brand seem to be significant in building the emotional bond, the attachment to the lifestyle brand. Stories can be either public or

personal, but memories are personal. Public stories can belong to the background of the lifestyle brand, and be connected e.g. to the founder of the brand or the brand's origin. Personal stories and memories stem from the personal history with the brand and from the emotional, important moments in the consumer's life where the brand has been present.

Features of the products are linked to brand loyalty in the context of traditional brands but also here in the lifestyle brand context. This is logical; the customer is loyal to the brand that offers products he/she likes. The appearance of product characteristics as one of the lifestyle loyalty drivers shows that not all lifestyle brand loyalty drivers are psychological in nature. This driver is the most tangible of the drivers reported in this study.

Also social considerations are attached to the lifestyle brand loyalty construct. Lifestyle brands seem to easily connect or disconnect individuals to and from certain brand groups or communities; consuming a lifestyle brand can thus quite effortlessly increase an individual's sense of belonging but also isolate other individuals that don't consume the same lifestyle brand. This sense of togetherness created by consuming a lifestyle brand was reported in this study as a loyalty driver.

The barriers to lifestyle loyalty are also closely linked to the value system of the consumer. Similarly as congruence of brand values and personal values is reported here as a driver for lifestyle brand loyalty, incongruent brand values and personal values are found to be barriers to lifestyle brand loyalty. Other barriers are more tangible and related to the characteristics of the products the lifestyle brand offers. The most significant characteristics that inhibit brand loyalty in lifestyle brand context are poor quality and too high price.

When compared to the antecedents to traditional brands that the current marketing literature recognizes, (see Figure 5, p. 27) many of the themes reported in the study are also present in the antecedents of traditional brands. Lifestyle brand loyalty seems to differ from traditional brand loyalty in emphasizing compatibility of the brand to current lifestyle and the significance of the personal, brand-related memories and brand stories. These two aren't per se traditionally linked to development of loyalty in traditional brands.

When comparing the perceived lifestyle brand loyalty elements across older and younger and more and less behaviorally loyal customer segments, it can be interpreted that personal history with brand and memories, product characteristics and brand values seem to drive lifestyle brand loyalty across all customer segments.

According to the results of this study, the perceived drivers of lifestyle brand loyalty among older customers' segments are generally similar, including most prevalently personal history with brand & memories of the brand, compatibility with own lifestyle, compatibility of own values and brand values, brand values, product characteristics and brand narratives as the drivers of their lifestyle brand loyalty. Feeling of togetherness was found as lifestyle brand loyalty in the older and behaviorally more loyal segment. What is more, quality is reported in the older and more behaviorally loyal segment, but the older and less behaviorally loyal have greater considerations for the price-quality ratio than the older and behaviorally more loyal. Interestingly, only the older customers, both behaviorally more and less loyal, identified compatibility with own lifestyle as lifestyle loyalty driver. Younger customers don't seem to link lifestyle considerations very easily to identifying drivers to their lifestyle brand loyalty.

Regardless of the behavioral loyalty level, the younger customers seem to be generally more concerned with the ethical issues in the production of lifestyle brands. Younger customers generally perceive personal history with brand & memories, product characteristics, brand values and price-quality ratio as the drivers for their loyalty towards lifestyle brands. Overall the younger customers don't seem to reflect their own values with the brand's values as strikingly as the older customers. Also, the younger are more critical towards the price – they feel more easily that their consuming is restricted by price than the older.

Interestingly, only the behaviorally more loyal seem to consider the quality of the products as a driver to their loyalty. In the behaviorally less loyal –segments quality issues were discussed compared with price, they signified price-quality ratio as a driver, not quality per se.

## **6.1. Managerial implications**

The managerial significance of the present thesis lies in the better manageability of lifestyle brands. Loyalty of lifestyle brands hasn't been explored to a great extent, and this study is among the very first academic contributions to adding managerial knowledge about the nature of brand loyalty customers feel towards a lifestyle brand.

The results of this thesis help managers of lifestyle brand companies to understand what customers value in their brand and what features are most appealing to them in their lifestyle brand. As it can be interpreted from the results, lifestyle brand loyalty isn't developed identically with the brand loyalty of traditional brands. Much of the results of this thesis are related to how the customers perceive their psychological attachment, or their relative attitude underlying behavioral loyalty develops; it can be said that the results of this study can help lifestyle brand managers in the long run to increase their sales.

The results of this study suggest that in managing a lifestyle brand, managers should be careful with what are the underlying values that the brand reflects to its audience. These values should be at their minimum generally accepted, and more preferably noble and such that customers can and want to relate to and empathize with. These brand values should extend through the whole brand from the background to the manufacturing and to the prices and advertising. Quality of the products is also an important indicator of the values – lifestyle consumers value the durability and good quality and few want to buy cheap. Customers seem to be willing to pay a premium for quality products that are produced according to noble values.

Managers of lifestyle brands should contemplate continuously toward which lifestyle group they target their product and what does this group value. This contemplation should again stretch to the whole organization and the whole value chain – e.g. what product materials, what characteristics and what kind of advertising communicates the lifestyle best to the chosen lifestyle group.

It helps in the loyalty perceptions of the customers if the lifestyle brand is proud about its origin and its founder and cherishes these memories and brand narratives. This can be brought into practice in the advertising and public communication practices of the firm.

## **6.2. Suggestions for future research**

As lifestyle brand loyalty is such a new topic in marketing literature, there is much to be researched in this field. More research in the context of different lifestyle brands revealing the antecedents and barriers of lifestyle brand loyalty is needed to clarify its construct. Also

quantitative marketing studies are suggested here to develop causalities in the lifestyle brand loyalty phenomenon's antecedents and consequences.

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