

SATISFACTION, REGRET, AND STATUS QUO EFFECTS ON THE FORMATION OF CONSUMER LOYALTY

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ABSTRACT

Consumer loyalty continues to be an important marketing consideration. A model of consumer loyalty is proposed that furthers efforts to model satisfaction-based explanations of consumer loyalty formation within emerging goal-directed, attitude-based models of judgment and decision making. The results of an empirical study support the proposed model of the process of loyalty formation, yielding benefits that include (1) helping to reconcile loyalty explanations with models of judgment and decision making; (2) contributing to identifying the unique roles of anticipated regret, anticipated emotions generally, and satisfaction judgments in the process; (3) demonstrating the need to consider status quo effects as a moderator to loyalty formation; and (4) suggesting the possibility of status quo effects influencing the role of many other concepts in explanations of loyalty formation. The managerial and research implications of the reported study are explicated and discussed.

INTRODUCTION

Consumer loyalty continues to represent an important area of marketing inquiry (Oliver 1999, 2010; Evanschitzky and Wunderlick 2006; Taylor et al. 2006; Gentry and Kalliny 2008; Han et al. 2008). A study is reported that considers how the decision to be loyal to an automobile insurer following a "poor" service experience forms in terms of satisfaction and more general attitude-based social psychological and judgment and decision making (J/DM) theories. First, existing theories of the formation of loyalty behaviors to services are briefly reviewed. This review suggests that while models of loyalty intention formation should recognize both cognitive and affective influences, many existing conceptualizations fail to explicitly recognize and/or differentiate such influences. An alternative perspective linked more explicitly to social psychology and J/DM theories is advocated

for marketers that purports to better capture and differentiate cognitive and affective antecedents in the formation of loyalty behaviors. Second, an argument is presented for hypothesizing the well-known status quo effect as a potential moderating influence on such processes. Third, the methods and results of a study to test the hypotheses derived from the theoretical arguments are presented. Finally, the managerial and research implications of the study results are explicated and considered.

THEORY

Oliver (1999, p. 34) provides a constitutive definition of 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* (italics not added) situational influences and marketing efforts having the potential to cause switching behavior." Oliver further concurs that it is unwise to infer loyalty specifically from repetitive purchase patterns (behaviors), instead calling for the assessment of consumer beliefs, affect, and intention within the context of traditional consumer attitude structures. Oliver (1999) envisions four stages of loyalty related to attitude dimensions (cognitive, affective, conative, and action), and argues that consumers can be loyal at each phase relating to different elements of the attitude development structure. In addition, different factors can influence each loyalty phase. Key to Oliver's arguments is the notion of fortitude, defined as the degree to which consumers fight off competitive overtures on the basis of their allegiance to the brand and not on the basis of marketer-generated information. The current study builds upon this perspective through the lens of emerging J/DM and attitude theories.

Oliver's (1999) conceptualization of loyalty has started to receive empirical validation. For

example, Harris and Goode (2004) provide empirical evidence supporting Oliver's (1999) four stage loyalty conceptualization (i.e., cognitive loyalty → affective loyalty → conative loyalty → action loyalty) and suggest the importance of trust within the process. Evanschitzky and Wunderlich (2006) assert that three popular conceptualizations of loyalty exist: (1) as an attitude that leads to a relationship with a brand; (2) as a concept expressed through revealed behavior (e.g., patterns of past purchases); or (3) buying motivated by the individual's characteristics, circumstances, and/or purchase situation. Evanschitzky and Wunderlich (2006) assess a four-stage model identifying a causal order of action loyalty formation consistent with Oliver's (1999) view. These authors also consider a variety of potential moderators of these relationships and conclude that age, income, education and expertise, price orientation, critical incident recovery, and loyalty card membership moderate the four-stage loyalty model.

Han et al. (2008) assert that existing research on the determinants of service loyalty have taken three paths: quality/value/satisfaction, relationship quality, and relational benefits. These authors propose and empirically validate a model of service loyalty that treats customer satisfaction, commitment, trust, service fairness, commercial friendship, and service quality as antecedent exogenous influences on Oliver's four-stage loyalty model. Critical to their conceptualization are the arguments that (1) behavioral loyalty (the highest form of loyalty) is directly determined only by loyalty intentions, and (2) cumulative satisfaction (defined as pleasurable fulfillment) represents a meta-evaluation of service performance and the relationship over time thereby serving as a key initial exogenous influence in the loyalty formation process. These perspectives generally highlight the importance of cognitive and affective influences on loyalty intention formation, in addition to other potential influences (e.g., trust, satisfaction, commitment). However, these models arguably represent only a starting place in efforts to better understand the relative roles of affect and cognition within the process of loyalty formation.

Two models do exist that appear to more explicitly consider (volitional) cognitive and affective roles in loyalty behaviors. The first is that of Dick and Basu (1994) who propose

conceptualizing customer loyalty as the strength of the relationship between an individual's relative attitude and repeat patronage. Their theoretical model explicitly considers both affective and attitudinal elements. However, their concept of a "relative attitude" also suggests an emphasis on congruence between a current consumer attitude and some standard. Potential congruence processes vis-à-vis consumer loyalty have yet to receive much attention in the service marketing literature. The second is Taylor et al.'s (2006) model suggesting that loyalty be based upon the Theory of the Mind (ToM) as an explanation of behavioral intention formation. These authors assert that consumer explanations of loyalty behaviors should reconcile with more general models of social psychology and J/DM found across social sciences. Given Han et al.'s (2008) argument of the primacy of behavioral intention in the formation of loyalty behaviors, the ToM appears appropriate as it represents a widely accepted and well-studied general model of intention formation within the context of social cognition and J/DM.

Theory of the Mind (ToM)

Briefly, Malle et al. (2001) describe how the folk notion of the ToM most basically conceptualizes the process of intended human behavior formation as (desire → intention → behavior).¹ Malle and Knobe (2001) describe this perspective as consistent with more general social psychological efforts to develop a commensurable conceptual framework that helps people perceive, explain, predict, and change human behavior by reference to mental states. Malle et al. (2001) establish the link to intentionality as a foundation for social cognition because intentionality's

¹ To be fair, a reviewer noted that the AIDA (Attention – Interest – Desire – Action) Model was developed early in marketing to represent the stages a salesperson must take a customer through in the personal-selling process (Strong 1925). In fact, Sheldon (1925) included satisfaction judgments as part of this model (AIDAS). Communication models today with their foundations in the AIDA model are represented by response hierarchy models such as the information processing model (McGuire 1978). However, consumer loyalty models have not readily built upon the communications/selling (or more general cognitive/affective) perspective to date. The current research purports to more fully consider cognitive (and affective) models in motivation and intention formation.

constituent parts represent basic mental categories such as beliefs, desire, and awareness.

In this view, “intentionality” is a quality of actions, whereas “intentions” are an agent’s mental states that represent such actions. Malle and Knobe (1997, p. 111) describe the folk concept of intentional action as follows: “... performing an action intentionally requires the presence of five components: a desire for an outcome; beliefs about an action that leads to that outcome; an intention to perform the action; skill to perform the action; and awareness of fulfilling the intention while performing the action.”

The author asserts that, other than Taylor (2006), existing marketing conceptualizations of consumer loyalty may not be entirely consonant with the ToM perspective as there seems no obvious explicit recognition of a number of the identified prerequisites for explanations of intended actions (e.g., desire, skill, awareness). Perhaps one could argue that beliefs are generally captured through service quality perceptions (i.e., performance evaluations), or the various forms of loyalty attitudes, and/or even within attribute-based cumulative satisfaction judgments in the identified loyalty models. None-the-less, it appears noteworthy to recognize that only Taylor et al.’s (2006) conceptualization of service loyalty appears to explicitly capture the important role of desires (essentially representing motivation) in the intention formation process. Wrenn (2010) argues that “desire” is the attitude of really wanting something to be the case, wholeheartedly, and upon reflection over all the relevant considerations. This appears an important conceptual gap given Belk et al.’s (2003) argument that desire is the motivating force behind much of contemporary consumption. Malle and Knobe (2001) distinguish desires as (wish, hope, want) from intentions (decide, plan, intend) within the context of the ToM -- both desires and intentions are representational mental states, both express a pro attitude toward the state of affairs they represent, and both frequently propel an agent to act in such a way as to bring about that state. However, a desire does not involve a decision to perform the action in question whereas an intention does. Thus, intentions theoretically mediate the relationship between desires and actions within the ToM.

The Research Model

Consequently, the current research builds upon Taylor et al.’s (2006) model of consumer loyalty.² This conceptualization arguably offers a number of advantages over the alternatives identified in the previous section. First, it provides a theoretical explanation consistent with Oliver’s (1999) call for assessment of consumer beliefs, affect, and intentions within the context of traditional attitude structures when studying loyalty. Second, the model is consistent with the ToM and J/DM literatures as broader social psychological theoretical frameworks. Third, consumer attitudes are conceptualized in this research stream based upon Voss et al.’s (2003) distinction between hedonic and utilitarian dimensions. This both extends traditional attitude approaches and begins to help sift out cognitive versus hedonic influences within the process. Fourth, additional measures of affective influences are included in their model in the form of positive and negative anticipated emotions (AE’s). Fifth, their model preserves the conclusion of Han et al. (2008) that loyalty behaviors are most directly related to loyalty intentions.

The current research begins by adopting a perspective of the process of loyalty formation consistent with that of Taylor et al. (2006). Hypotheses H1-H4 represent specific exogenous influences on consumers’ desires to be loyal related to (hedonic and utilitarian) attitudinal and (positive and negative) AE’s, while H5-H7 reflect the expected loyalty outcomes of consumer desires based upon the arguments of ToM (Oliver 2010, Taylor et al. 2006).³

² Taylor et al.’s (2006) model was originally based upon Perugini and Bagozzi’s (2001) Model of Goal-Directed Behavior. Also, see Taylor (2007) for a more thorough explanation of the linkages between the Model of Goal-Directed Behavior and J/DM theory.

³ Readers will note that the additional exogenous influences of Perceived Behavioral Control, Subjective Norms, and Frequency of Past Behavior are not included in the current research. These additional explanatory exogenous influences were excluded due to issues related to overall model size (in terms of captured constructs). In short, the overall model is becoming too large to (1) avoid respondent fatigue in data collection, and (2) empirically assess with confidence using structural equation models. Thus, the focus of the model is primarily on explaining loyalty intentions and not the desire to be loyal.

- H1: Desire_{be loyal} is positively related to Attitude_{utilitarian}
- H2: Desire_{be loyal} is positively related to Attitude_{hedonic}
- H3: Desire_{be loyal} is positively related to Emotion_{anticipated,positive}
- H4: Desire_{be loyal} is positively related to Emotion_{anticipated,negative}
- H5: Intention_{attitudinal/behavioral loyalty} is positively related to Desire_{be loyal}
- H6: Intention_{fortitude loyalty} is positively related to Desire_{be loyal}
- H7: Intention_{fortitude loyalty} is positively related to Intention_{attitudinal/behavioral loyalty}

What about Satisfaction?

Not considering the specific causal role of customer satisfaction in cognitive and affective explanations of loyalty formation ignores a great deal of evidence in the marketing literature (Oliver 2010). Han et al. (2008) asserts that one of the popular theoretical perspectives for explaining loyalty has emphasized quality/value/satisfaction. This perspective appears based largely on the argument that (cumulative) satisfaction represents a meta-evaluation of service performance and the relationship over time thereby suggesting its role as a key initial exogenous influence on the loyalty formation process. This issue was not addressed in Taylor et al.'s (2006) model. Unfortunately, how best to conceptualize satisfaction (e.g., attitude, emotion, etc.) and the role of satisfaction in consumer decision making processes remains incompletely understood. Bagozzi et al. (2002, pp. 64-65) state, "The centrality of satisfaction in consumer research is perhaps more due to being the first emotion to receive scrutiny in post-purchase behavior research than to constituting a unique, fundamental construct in and of itself. Indeed, it is likely that – depending on the situation, product, and person – other positive and negative emotions are more important outcomes of purchase. We are uncertain whether a single, summary emotional response such as 'satisfaction' is feasible or even desirable."

Thus, it would appear that the perspective of Bagozzi and colleagues is that satisfaction is best considered an emotion. Oliver (2010) counters by offering a different perspective. Oliver concurs that researchers now recognize that emotional responding is inherent in satisfaction construction. In fact, consumers can respond emotionally in anticipation of purchase and usage, during usage, after usage, in anticipation of repeat usage, or even vicariously through the usage of others. However, Oliver views satisfaction as a response causally juxtapositioning emotions and cognition. In his view, cognitions and emotions precede ultimate satisfaction responses, although their specific position within nomological nets of behavioral processes such as loyalty remains unclear. In response to the perspective that satisfaction is specifically an emotion, Oliver (2010, p. 342) responds, "If one insists on referring to satisfaction as an emotion, then it must be concluded that it is a hybrid cognition-emotion not well described in the psychological literature."

The current study endeavors to help clarify this process. Taylor (2008) argues for reconciling satisfaction with attitude-based models of J/DM consistent with the perspective of Han et al. (2008) that satisfaction is best included as an exogenous influence on the formation of behavioral responses. More specifically, Taylor (2008) argues for including satisfaction as a unique exogenous influence that indirectly influences behavioral intentions through the mediating influence of desires. This theoretical perspective does not appear inconsistent with the perspectives of either Bagozzi or Oliver (see H8). In addition, the current research models the traditional marketing perspective that satisfaction judgments directly affect loyalty intentions as H9-H10.

H8: Desire_{be loyal} is positively related to Satisfaction.

H9: Intention_{attitudinal/behavioral loyalty} is positively related to Satisfaction.

H10: Intention_{fortitude loyalty} is positively related to Satisfaction.

Loyalty (Switching Behavior), Anticipated Regret, and the Status Quo Effect

Another important influence in the formation of customer loyalty that cannot be ignored in such models involves anticipated regret (AR). AR is linked to loyalty through an influence on switching behaviors (Inman and Zeelenberg 2002). Zeelenberg and Pieters (2004) argue that emotions have a direct impact on behavior over and above the effects of dissatisfaction, leading them to call for the treatment of AR as an independent exogenous influence on models of consumer decision making. In fact, Ratner and Herbst (2005) present evidence that an emotional reaction to a negative outcome can even lead people to switch away for the options they believe are most likely to be successful on the next occasion. Bui et al. (2011) presents results indicating that regret decreases consumer satisfaction levels and increases brand switching intentions. In addition, their results suggest that negative emotion acts as a partially mediating variable between the effect of regret on satisfaction levels.

One way that the role of AR expresses itself in consumer decision making is through the status quo effect. Tsiros and Mittal (2000) argue that consumer comparisons between chosen and foregone alternatives can influence consumer behavior via regret. Regret generally has a negative influence on satisfaction, and brand switching may occur even with satisfied customers. These authors distinguish regret from satisfaction, demonstrate they have differential influences on consumer intention formation, posit satisfaction as a mediator between regret and intention formation, conclude that generation of counterfactuals is the cognitive mechanisms that engenders regret, and assert that counterfactuals are most likely to be generated when the chosen outcome is negative and not the status quo. Inman and Zeelenberg (2002) present evidence that feelings of regret are mitigated when the consumer reflects and concludes that the decision was appropriate under the circumstances.

Taylor (2007) presents an empirical study that broadens the Model of Goal Directed Behavior (Perugini and Bagozzi 2001) to include AR as an explanatory variable independent of other anticipated emotions. AR is specifically identified for a number of reasons, including (1) how commonly feelings of regret occur and how

influential they can be on decision making under risk, (2) our growing understanding of emotion specificity and the consequent need for “emotion specific” research,⁴ and (3) the fact that the Model of Goal Directed Behavior does not preclude the consideration of other influential emotions.⁵ AR is defined here as a prediction of consequences of decision making under risk that arises when, after the decision has been made, the decision maker predicts that (s)he will ultimately conclude that they may have made the wrong decision.⁶ The results of Taylor (2007) demonstrate that AR is positively related to and increases the R² associated with desires. AR has also been associated with consumer loyalty (Bui et al. 2011, Heitmann et al. 2007). H11-H14 reflect these findings in the current research.

H11: Satisfaction is negatively related to AR

H12: Desire_{be loyal} is negatively related to AR

H13: Intention_{attitudinal/behavioral loyalty} is negatively related to AR

H14: Intention_{fortitude loyalty} is negatively related to AR

The current study also considers the potentially moderating influence of a status quo effect as identified by Tsiros and Mittal (2000) in the formation of loyalty intentions. Anderson (2003) asserts that the experience of postponing and avoiding certain choices is universal, yet often appears to work against the goals of individuals. None-the-less, individuals persist in seeking default no-action, no-change options (i.e., a *status quo effect*). Zeelenberg et al. (2002) similarly assert that one of the central issues in regret research concerns the question of whether people

⁴ Readers are directed to Yiend (2010) and Mauss and Robinson (2009) for recent reviews of the literature related to emotion specificity.

⁵ Taylor (2007) argues that AR is a particularly attractive candidate for broadening the MGB because (1) studying other negative emotions such as disappointment or anger in models predicting behaviors does not ensure generalizability in terms of how regret operates in such models, and (2) AR is believed to not only strengthen intention, but also increase the likelihood that the intention will be acted upon.

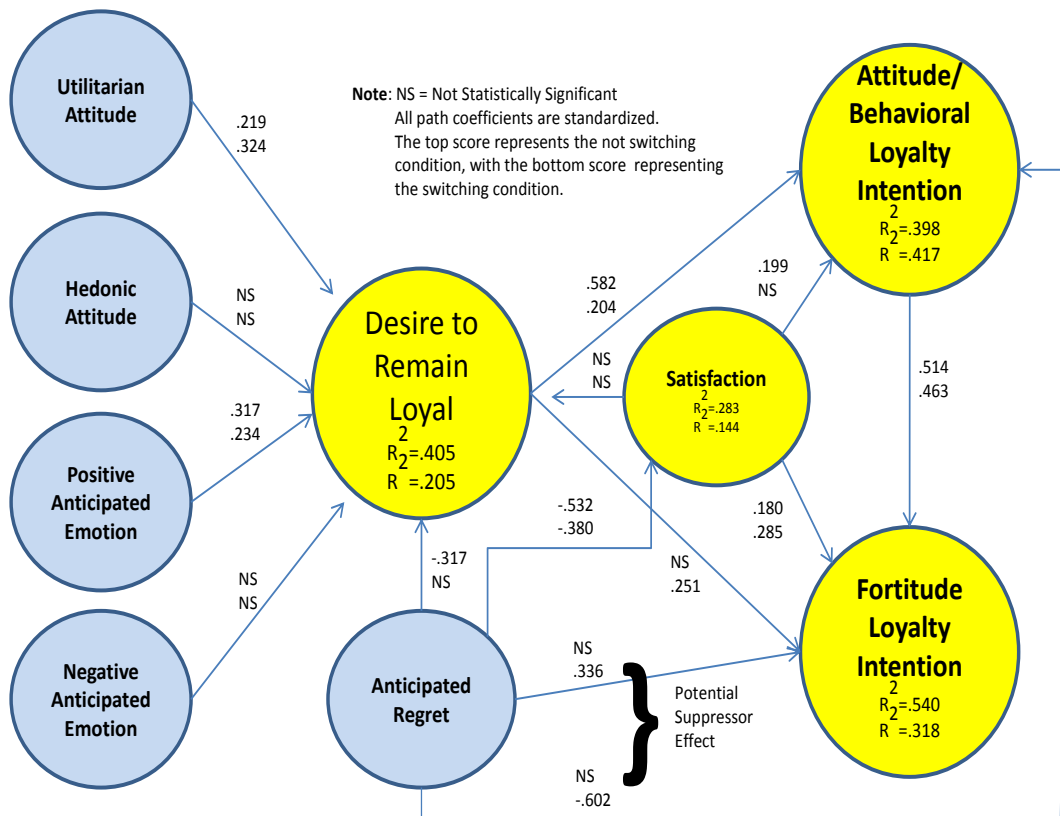
⁶ Readers are directed to the following sources to learn more about AR and its role on models of J/DM: (Abraham and Sheeran 2003, Conner et al. 2006, Sandberg and Conner 2008, Jurasova and Spajdel 2011).

regret the actions they have taken more than the actions they have foregone (i.e., inactions). Gilovich and Medvec (1995) state that the association of more regret with actions taken than those foregone (i.e., *the action effect*) is one of the clearest and most frequently replicated finding in regret studies. The important roles of AR and the status quo effect have also been observed specific to an insurance context as assessed in the current research (Shefrin and Statman 1985, Avni-Babad 2003). Consequently, H15 reflects the anticipation of an action-based Status Quo effect specific to AR in the formation of consumer loyalty intentions.

H15: The Status Quo effect moderates relationships related to AR in the loyalty model proposed here.

The current research concludes by considering the possibility of an action effect on the model constructs in Figure 1 other than AR. That is, if AR varies based on antecedent consumer (in)actions, and if AR influences and/or is related to other constructs in the formation of loyalty intentions, then it does not appear speculative to anticipate other model constructs might similarly vary. In other words, the current research considers the possibility that the Status Quo effect may be more generalized than previously considered. This possibility appears consistent with Preston et al.'s (2011) findings that judgment of actions may be automatically distorted and that these inferences arise from the expected consistency between intention and action in agency.

Figure 1
The Results



In addition, given the growing recognition of interactivity in cognitive/affective explanations of consumer behaviors (e.g., loyalty) and the relatively progressive nature of lower to higher forms of loyalty, the possibility of observing more generalized action/inaction effects does not appear speculative. Consequently, H16 reflects the

potential for a more general action-related Status Quo effect in the formation of consumer loyalty intentions. Table 1 presents the research hypotheses assessed in this study.

H16: A general Status Quo Effect exists across loyalty model constructs considered here.

TABLE 1
The Research Hypotheses

Hypothesis Number	Hypothesis	Results Confirmed?
1	Desire _{be loyal} is positively related to Attitude _{utilitarian}	Yes for Non-Action Scenario Yes for Action Scenario
2	Desire _{be loyal} is positively related to Attitude _{hedonic}	No for Non-Action Scenario No for Action Scenario
3	Desire _{be loyal} is positively related to Emotion _{anticipated, positive}	Yes for Non-Action Scenario Yes for Action Scenario
4	Desire _{be loyal} is positively related to Emotion _{anticipated, negative}	No for Non-Action Scenario No for Action Scenario
5	Intention _{attitudinal/behavioral loyalty} is positively related to Desire _{be loyal}	Yes for Non-Action Scenario Yes for Action Scenario
6	Intention _{fortitude loyalty} is positively related to Desire _{be loyal}	No for Non-Action Scenario Yes for Action Scenario
7	Intention _{fortitude loyalty} is positively related to Intention _{attitudinal/behavioral loyalty}	Yes for Non-Action Scenario Yes for Action Scenario
8	Desire _{be loyal} is positively related to Satisfaction	No for Non-Action Scenario No for Action Scenario
9	Intention _{attitudinal/behavioral loyalty} is positively related to Satisfaction	Yes for Non-Action Scenario No for Action Scenario
10	Intention _{fortitude loyalty} is positively related to Satisfaction	Yes for Non-Action Scenario Yes for Action Scenario
11	Satisfaction is negatively related to AR	Yes for Non-Action Scenario Yes for Action Scenario
12	Desire _{be loyal} is negatively related to AR	Yes for Non-Action Scenario No for Action Scenario
13	Intention _{attitudinal/behavioral loyalty} is negatively related to AR	No for Non-Action Scenario Yes for Action Scenario
14	Intention _{fortitude loyalty} is negatively related to AR	No for Non-Action Scenario No for Action Scenario (likely an observed suppression effect)
15	The Status Quo effect moderates relationships related to AR in the loyalty model proposed here.	Confirmed
16	A more general Status Quo Effect exists across the loyalty model constructs considered here.	Confirmed

METHODS

Respondents derived from students taking large section Introduction to Marketing courses at a medium/large-sized university in the Midwest of the United States. A total of 181 respondents

participated in the study in order to receive extra course credit. Young adult student samples are frequently used in regret and/or insurance studies (Avni-Babad, 2003; Bui et al., 2011; Herrero et al., 2006; Hsee and Kunreuther, 2000; Inman et al., 1997; Jurasova and Spajdel, 2011; Papon,

2008), especially when internal validity concerns trump external validity. The study utilized a self-report survey design that included scales of the relevant constructs of interest from the literature. Appendix B presents the measures used for the study, as well as associated reliability and validity scores for the survey measures. In addition, discriminant validity tests were conducted based on the possibility of confounding between measured variables in the model. For example, Watson and Clark (1991) identify the presence of substantial general factor variance in peer ratings of emotional traits; however, they also find that

most of the scales demonstrate significant discriminant validity. Discriminant validity tests were conducted by comparing the average variance-extracted values for paired constructs with the square of the correlation estimate between the two constructs. As the variance-extracted estimates are greater than the squared correlation estimate in every case, good evidence is apparent of discriminant validity (Hair et al. 2010). Table 2 presents a latent factor correlation matrix of the constructs involved in this study.

TABLE 2
Intercorrelations/Discriminant Validity

	1	2	3	4	5	6	7	8	9
1. Attitude _{Utilitarian} (9-point scale)	3.6/2.8								
2. Attitude _{Hedonic} (9-point scale)	.55/.29	2.6/2.36							
3. Emotion _{AnticipatedPositive} (11-point scale)	.32/.11	.40/.21	2.1/2.1						
4. Emotion _{AnticipatedNegative} (11-point scale)	-.28/ .20	-.19/-.20	-.34/ .25	7.1/7.8					
5. Desire (9-point scale)	.43/.37	.29/.22	.46/.28	-.25/ .12	2.5/1.7				
6. AR (11-point scale)	-.33/ .29	-.11/-.28	-.20/ .39	.41/.64	-.46/ .18	7.3/9.2			
7. Satisfaction (9-point scale)	.51/.22	.32/.18	.51/.24	-.39/ .32	.44/.20	-.52/ .36	2.8/2.5		
8. Loyalty Intention _{Attitude/ Behavioral} (9-point scale)	.33/.24	.22/.20	.35/.28	-.25/ .39	.63/.30	-.31/ .61	.42/.20	2.8/2.0	
9. Loyalty Intention _{Fortitude} (9-point scale)	.35/.17	.21/.11	.34/.14	-.29/ .09	.55/.38	-.43/ .09	.51/.31	.69/.39	2.6/ 2.0

The scores on the diagonal represent the factor mean (no action/action). The scores in an off-diagonal cell represent the inter-correlations between latent concepts (no action/action).

Hypotheses were tested using the MPlus 6.2 and SPSS18 statistical software packages. The research employed a within-subjects design where students assessed two scenarios, one involving a consumer action and one involving a consumer decision not to act in response to a marketing advertisement (see Appendix A for an example of the scenarios). The order of the scenarios was varied across respondents with no

order effects observed. The respondents were randomly organized into large section lecture halls, and distributed randomly ordered scenario packets. Students were instructed to take only the top packet with no trading of packets allowed. Respondents were walked through the data collection packets systematically, with graduate assistants monitoring the data collection efforts. Respondents were not allowed to converse with one another during the data collection process.

Insurer brands were identified by a letter and simply identified as “better” or “worse” to avoid confounding with specific brand experiences. The names of the fictional characters in the scenarios were also randomly presented to attenuate any potential response bias associated with the names of respondents. All scenarios were framed in such

a way that a “bad outcome” resulted regardless of the scenario choice. Scenarios are commonly used in this area of inquiry (e.g., Hetts et al. 2000; Inman and Zeelenberg 2002; Zeelenberg et al. 2002; Zhang et al. 2005).

TABLE 3

Goodness of Fit Indices Associated with the Research Models

Model	χ^2	df	P-Value	RMSEA	CFI	TLI	SRMR
<i>Confirmatory Factor Analyses</i>							
Subsample Assessing Non-Action Scenario	1014.173	558	.000	.074	.898	.885	.057
Subsample Assessing Action Scenario	923.368	459	.000	.083	.857	.835	.067
<i>Predictive Model Assessments</i>							
Subsample Assessing Non-Action Scenario	1065.042	570	.000	.077	.889	.878	.093
Subsample Assessing Action Scenario	963.719	471	.000	.084	.848	.829	.078

RESULTS

Confirmatory factor analyses (CFA) using structural equation analyses (SEM) validated acceptable fit of latent variable measurement models in the obtained data (see Table 3). The bulk of the research hypotheses relate to predictive relationships within the hypothesized process of loyalty formation (H1-H14, see Figure 1). The overall model fits appear acceptable suggesting that the data is not inconsistent with the theoretical model (see Table 3). In addition, the amount of explained variance for model endogenous constructs appears noteworthy (see Figure 1). Two sets of scores are observed in Figure 1. The top scores reflect the model relationships associated with the scenario where the individual chooses not to switch in response to an advertisement prior to experiencing a poor service experience. The bottom scores

reflect the scenario where the individual chooses to switch prior to their consumer experience.

A word of caution is in order prior to interpreting the results reported here. Readers will note an unusual pattern of results in Figure 1 related to the relative influences of AR on the two forms of loyalty considered. Specifically, AR appears to exert both a strong negative influence on Attitude/Behavioral Loyalty Intention (as predicted in H13), and an unanticipated positive influence on Fortitude Loyalty Intention (inconsistent with H14). The likely explanation is that the influence is AR on Fortitude Loyalty intention is being suppressed in the model. Cohen et al. (2003) assert that suppressor variables are common in behavioral science research. Hair et al. (2010) discuss circumstances where there is an apparent unanticipated sign reversal in a predictive relationship, which is what is observed here. Hair et al. (2010) assert that this occurs

because the ‘true’ relationship between an independent and dependent variable(s) has been hidden in the bivariate correlation. Thus, a suppressor effect can be reflected in a sign reversal of the weaker independent variable in terms of its correlation with the dependent variable. Table 2 demonstrates that the correlation between AR and Loyalty Intention_{Attitude/Behavioral} is $r = -.39$ in the case of the Action Scenario, while the correlation between AR and Loyalty Intention_{Fortitude} is only $r = -.09$. This likely accounts for the unanticipated reversal of the sign on the observed results related to loyalty intentions in Figure 1. Interested readers are directed to MacKinnon et al. (2000) for a more detailed discussion of suppressor effects. In summary, *readers are cautioned to consider disregarding the observed relationship of $\beta = .336$ between AR and Loyalty Intention_{Fortitude} observed in Figure 1.*

Statistically significant relationships associated with H1-H14 within the model appear to vary between the two status-quo decisions.⁷ First, Desires appear to form somewhat differently depending on Status Quo decision. There is a measure of consistency in terms of the original MGB exogenous influences between the two models, reflecting that Attitude_{utilitarian} and Emotion_{positive anticipated} both appear to be primary driving influences on the Desire to remain loyal to an insurer for this cohort. Attitude_{hedonic} and Emotion_{negative anticipated} are not statistically related to Desires in either case. However, there also appears a negative influence of AR on Desires

only in the case of maintaining status quo (not switching in response to an advertisement). Thus, AR via the Status Quo effect appears to influence desires (as motivation) to be loyal to their insurer only when respondents ignore the advertisement as a marketing stimuli with this sample (i.e., did not switch prior to a poor outcome). However, the respondents who did change their insurer when given a chance (i.e., did switch prior to a poor outcome) did not express a significant impact of AR on their desire (motivation) to be loyal to their new insurer. These influences account for twice the explained variance (R^2) in the desire to remain loyal to an insurer in the status quo condition ($R^2 = .405$) than in the non-status-quo condition ($R^2 = .205$). *This appears to support the presence of a Status Quo Effect as described by H15 in the current research.*

Second, consistent with the results of Taylor et al. (2006), the Desire to maintain loyalty is positively related to both lower-level Attitude/Behavioral Loyalty and higher-level Fortitude Loyalty, except in the case of no change in status quo (not changing insurers prior to the poor outcome). Thus, the desire to remain loyal appears to consistently affect lower forms of loyalty regardless of status quo condition, but only directly affect Fortitude in the presence of a change of status quo (post marketing influenced change in service providers). *This suggests that the impact of the Desire to remain loyal appears to generate both direct and indirect influences on the various levels of consumer loyalty.* The ability of the model proposed here to predict both forms of loyalty in the model represent defensible R^2 's.

Third, the model appears to contribute to helping better understand the role of satisfaction within the process of consumer loyalty formation. Taylor (2008) discusses the potential role of consumer satisfaction within a ToM conceptualization of consumer decision making, arguing that post-encounter satisfaction judgments influence the exogenous influences on future consumer Desires. The current research identifies no direct influence of Satisfaction on Desires in the study's scenario-based setting, which may not be inconsistent with the longitudinal process view described by Taylor (2008). *Consequently, the results from this study do not appear to support Taylor's (2008) speculation of the role of Satisfaction as a direct exogenous influence on consumer Desires to be loyal in attitude-based*

⁷ Readers will note that another test to assert that the paths between the conditions of Status Quo versus non-Status Quo decision making using within-subject data are different is to estimate both models within a single run of MPlus, and then compare constrained versus non-constrained χ^2 model differences. This allows for the test of the hypothesis that adding the constraint of item equivalence across the two models should (statistically) diminish model fit if in fact the paths are truly different. However, the problem that occurs with such a test given the complicated model presented as Figure 1 is that it requires a very large sample size to appropriately estimate. The sample size for this study is not sufficiently large to confidently validate the identified hypothesis because (1) the standard errors of the model parameter estimates may not be trustworthy due to non-positive definite first-order derivative product matrix, and (2) the model may not be identified. Consequently, these indices were not offered as additional evidence in the original study despite the fact that these tests were conducted and supported the reported results.

models of J//DM under conditions of either status quo or non-status quo in a cross-sectional study. However, the antecedents to the Desire to remain loyal may be mediated by past satisfaction judgments. The current study further reports evidence supporting the consistent finding in the bulk of the service marketing literature that identifies a direct role of satisfaction judgments on loyalty behaviors in cross-sectional studies.

Fourth, the influential role of AR in the formation of consumer loyalty intentions is identified, consistent with the more general findings of Taylor (2007). Satisfaction is negatively related to AR in the current research regardless of status quo condition. The current research thereby appears consistent with Tsiros and Mittal's (2000) argument that satisfaction serves as a partial mediator between AR and loyalty intentions. In addition, AR is found to offer interesting direct influences on the two

forms of loyalty identified in the current research. AR is strongly negatively related to the lower form of Attitude/Behavioral Loyalty Intention ($\beta = -.602$), but only under the condition of a change in status quo. Conversely, however, AR is positively related to Fortitude Loyalty Intention as a direct influence ($\beta = .336$). However, again, this finding is suspect due to potential suppression effects. Thus, *the influential role of AR in loyalty formation as a status quo effect is validated by the results*. In addition, not surprisingly, Fortitude is positively related to lower forms of loyalty regardless of status quo conditions. It therefore is reasonable to conclude that the important contributions of both Satisfaction and Desires in the formation of loyalty intentions appear supported by the data.

TABLE 4

A Consideration of Alternative Models

Condition	Model	χ^2	df	χ^2 Difference	Standard at $p=.05$	Interpretation
Status Quo (No Switch)	Full Figure 1	963.714	471	<u>24.559@4</u>	9.49	In every case the evidence suggests that there are statistical differences between assessed models. Thus, the models fit better with the hypothesized AR and satisfaction paths included.
	Satisfaction Paths Fixed	988.273	475	df		
	AR Paths Fixed	1015.193	474	<u>48.939@3</u>	7.82	
Non-Status Quo (Switch)	Full Figure 1	1065.042	570	<u>50.562@4</u>	9.49	
	Satisfaction Paths Fixed	1115.604	574	df		
	AR Paths Fixed	1079.077	573	<u>14.035@3</u>	7.82	

Hershberger (2006) notes the importance of identifying equivalent models because of the limitations of structural equation modeling to test theories. Equivalent models are defined as a set of models, independent of the data, that yield identical (a) implied covariance, correlation, and other moment matrices when fit to the same data, which in turn imply identical (b) residuals and fitted moment matrices, (c) fit functions and χ^2

values, and (d) goodness-of-fit indices based on fit functions and χ^2 (Hershberger 2006, page 15). Therefore, χ^2 difference tests were conducted between the model estimated in Figure 1 and versions where the satisfaction paths or the AR paths were fixed. This tests the hypothesis that inclusion of the paths (as a theoretical concern) is more consistent with the data as expressed through model fit (an empirical concern). If the

model fits are statistically equal or better with the theorized paths between satisfaction and/or AR removed, then the results reported here would not be as persuasive. Table 4 presents the results of these analyses. In every case the evidence suggests that there are statistical differences

between assessed models supporting the conclusions that the models are best presented with the hypothesized AR and satisfaction paths included.

TABLE 5
Paired Comparisons of Model Constructs

	Comparison ¹	Mean	N	Mean Diff	Sig
Pair 1	sat_noact	2.7920	175	.50286	.000
	sat_act	2.2891	175		
Pair 2	regret_noact	7.2961	179	-1.93669	.000
	regret_act	9.2328	179		
Pair 3	pae_noact	2.1000	180	.01296	.936
	pae_act	2.0870	180		
Pair 4	nae_noact	7.9778	180	-.64259	.004
	nae_act	8.6204	180		
Pair 5	desire_noact	2.3422	179	.59637	.000
	desire_act	1.7458	179		
Pair 6	uatt_noact	3.6395	177	.78983	.000
	uatt_act	2.8497	177		
Pair 7	hatt_noact	2.5775	178	.24382	.014
	hatt_act	2.3337	178		
Pair 8	att/beh/loyal_noact	2.8573	177	.78955	.000
	att/beh/loyal_act	2.0678	177		
Pair 9	fortitude_loy_noact	2.5599	181	.70166	.000
	fortitude_loy_act	1.8582	181		

1. Sat=Satisfaction, regret= anticipated regret, pae=positive anticipated emotion, nae=negative anticipated emotion, uatt=utilitarian attitudes, hatt=hedonic attitudes, att/beh/loyal=attitude behavioral loyalty, act=change in status quo, noact=no change in status quo.

H16 is confirmed if construct mean scores other than AR are statistically different between the two status-quo conditions. Table 5 demonstrates that not only are AR scores statistically different between status quo conditions (see Pair 2), thus further supporting H15 by replicating the oft-seen action effect in the

current setting. However, there are also statistically significant differences across the vast majority of other model constructs. There is a clear pattern in the results where positive concepts demonstrate an inaction effect, whereas negative concepts exhibit an action effect. These results are consistent with those of Albarracín and Hart (2011)'s interactive model of action.

Readers are reminded that this study specifically addresses loyalty after a service failure, and does not address loyalty in the presence of service accomplishment. Under these conditions, the results support an evolving model of the process of loyalty formation that (1) helps to begin reconciling models of J/DM such as ToM and attitudes with consumer satisfaction approaches to help better account for the dual cognitive and affective influences related to loyalty formation; (2) identifies the important role of AR specifically, and anticipated emotions generally, in the process; (3) demonstrates the need to consider Status Quo effects in order to more fully understand loyalty formation; and (4) suggests the possibility of Status Quo effects influencing the role of many model concepts in explanations of loyalty formation.

IMPLICATIONS

There are a number of managerial and research implications that derive from the study reported here. For marketing practitioners, the most general conclusion is that we may need to *consider managing the potential impact of AR under varying switching scenarios*. For those who wished they would have switched, we might want to diminish competitive perceptions and reinforce our own offering. This is consistent with service recovery concepts after service failure. For those who switched, customer win-back strategies seem important. Some former customers are likely to experience regret, and they may experience psychological relief from this regret by returning back to the company from which they switched if given the opportunity.

A second managerial implication is the conclusion that understanding the process of customer loyalty formation appears far too complex to rely on simplistic behavioral measures of loyalty. That is, *embracing simplistic measures of service loyalty and/or their explanations* (e.g., the Net Promoter score by Reichheld 2003, 2006) may indeed prove risky for marketers wishing to act upon the process of loyalty formation. Such care is consistent with the conclusions of Rust (2007), Keiningham et al. (2007, 2008a, 2008b), and Morgan and Rego (2006, 2008). Further, the model presented here advocates not only the existence of multiple, increasingly complex forms of loyalty per Oliver's (1999) model, it also makes clear the complexity of processes

underlying the formation of these alternative loyalty states. The marketing literature demonstrates a popular reliance to date on value/satisfaction → loyalty conceptualizations. However, such models may ultimately provide less insight into the underlying motivations of loyalty outcomes. A better understanding of the motivational processes underlying the formation of consumer loyalty, as well as the relevant cognitive versus affective influences would benefit practitioner tactics designed to foster greater consumer loyalty. The current research also makes clear that choosing between quality/satisfaction/value versus emerging attitudinal models of intention formation is not entirely necessary. The current research advocates further efforts to integrate these types of models to help marketers better understand, manage, and influence the formation of customer loyalty.

A third managerial implication suggests that *the concepts of interest and their inter-relationships in explanations of customer loyalty may be particularly susceptible to moderating influences*. Clearly capturing various forms of customer loyalty within Oliver's (1999) conceptualization is warranted. Also, capturing both cognitive (e.g., service quality perceptions, attitudes) and affective (prior satisfaction, AR, PAE, NAE) exogenous influences appears warranted. How these various concepts operate across relevant groups is worthy of practitioner consideration in their own particular competitive settings. It has been demonstrated here that the roles of satisfaction and AR can vary across conditions related to previous consumer actions (the Status Quo Effect). It would be interesting to see if marketing practitioner actions, such as enhanced service recovery efforts, would also moderate the model. Far greater consideration of potential moderators in the formation of consumer loyalty similarly appears an important marketing research practitioner consideration.

There are also a variety of academic research implications that emerge from the research reported here. First, greater reconciliation between value/satisfaction and emerging attitudinal explanations of the formation of individuals' intentions through the lens of models of J/DM appears a promising path toward better understanding the formation of consumer loyalty. Future research might also consider the implications of congruence on the model of

consumer loyalty identified here vis-à-vis Dick and Basu (1994). However, progress in these lines of inquiry may be stifled without stronger conceptual and operational foundations and differentiation between important concepts such as attitudes, satisfaction, and desire. The current research suggests that while satisfaction can be discriminately operationalized, it remains unclear specifically what satisfaction represents (emotion, cognition, attitude?) and where it best fits into general models of human behavioral intention formation. Answering these important questions should help advance more general models of consumer J/DM such as those underlying the formation of consumer loyalty intentions and behaviors.

One potentially interesting avenue of such inquiries involves the nature and influence of (the various forms of) emotions in loyalty formation models. Bagozzi et al. (1998) laid the foundation for such inquiries in their exploration of the role of emotions in goal-directed behaviors. These authors distinguish anticipatory emotions from goal-outcome emotions within the formation of goal-directed behaviors. Marketing has traditionally considered satisfaction judgments as post-consumption evaluative judgments (Oliver 1999). However, Bagozzi et al. (2002) make a valid point about the history of satisfaction as a concept (previously discussed). Future research should seek to clarify the role of satisfaction and/or emotions in models of goal-directed behaviors such as consumer loyalty. Interested researchers will find the following articles useful as a starting place for such inquiries: Bagozzi et al. 1998; Mellers and McGraw 2001; Bagozzi et al 2002; Perugini and Bagozzi 2001; and Baumgartner et al. 2008.

Another area that merits additional inquiry concerns the true nature of motivation in folk explanations of consumer behaviors based on goal-related explanatory models such as considered here. It is still unclear where motivation lies in attitude models. Sheeran (2002) describes intentions as people's decisions (or self-instructions) to perform particular actions (Webb and Sheeran 2006); they index a person's motivation to perform a behavior. Thus, in this view, behavioral intentions encompass both the *direction* (to do or not X) and the *intensity* (a measure of time and effort one is prepared to devote to X) of a decision. Framarin (2008)

identifies the conundrum where attitudes, desires, and/or intentions are all believed to potentially possess elements of motivation. Fishbach and Zhang (2009) assert that goals are considered to be the building blocks of human motivation. Ryan et al. (1996) argues that motivated or intentional behaviors differ in the degree to which they are autonomous (i.e., self-determined) versus controlled (i.e., compelled). Reeve (2005) argues that self-determination theory suggests that different types of motivation underlie human behavior, including a-motivation, extrinsic motivation, and intrinsic motivation. Briefly, self-determination theory asserts that needs generate motivational states within individuals. Meyer et al.'s (2004) model of commitment and motivation (explaining employee behaviors) based on self-determination theory might be considered in efforts to identify the underlying motivation to engage in the act of consumer loyalty. It is also unclear how various motivations might affect how the model operates across groups. The context where consumer decision making occurs may matter. For example, if a respondent viewed a change in status quo as a temporary, easily reversed consideration, then they might be more inclined to switch in the presence of a bad experience.⁸ Thus, invariance studies may prove particularly insightful (see Vandenberg and Lance 2000).

We also need to better understand the potential for contamination by mere measurement effects. The mere measurement effect occurs when merely measuring an individual's intentions changes his or her subsequent behavior, and has been demonstrated specific to marketing (Chapman 2001, Dholakia and Morwitz 2002). Chandon et al. (2004) present evidence that the mere measurement effect may decay after 3 months of repeat purchase. This suggests that the mere measurement effect may be more of a threat to lower levels of loyalty than loyalty as fortitude. Future research should validate this hypothesis. Morwitz and Fitzsimons (2004) compare a number of potential explanations of the mere measurement effect and demonstrate that when asked to provide general intentions to select a product in a given category, respondents are more likely to choose options toward which they hold positive and accessible attitudes. This suggests

⁸ The author thanks an anonymous reviewer for this observation.

that asking general purchase intention questions influences behaviors by changing the accessibility of attitudes toward specific options in the category. This explanation reinforces the loyalty model proposed here based on reconciling consumer attitude models with customer satisfaction models in predicting loyalty outcomes. Further work appears warranted to better understand the possible implications of the mere measurement effect with the different levels of consumer loyalty. In particular, a consideration of the findings of Godin et al. (2010) that using implementation intention questions (i.e., action planning) instead of behavioral intention questions may prove more efficacious for service marketers appears promising.

Another possible contaminant involves a potential action-anticipation effect. Preston et al.'s (2011) finds that judgment of actions may be automatically distorted and that these inferences arise from the expected consistency between intention and action in agency. In other words, the very process of intention formation may suffer from a broad intention bias, one that may influence the very formation of perceptual exogenous influences in intention-based models. Wiedemann et al. (2009) assert that action planning may help alleviate action-anticipation effects as well as mere measurement effects. Specifically, action planning is assumed to mediate intentions and behaviors, and intentions are assumed to moderate the planning-behavior relationship. Wiedemann et al. (2009) report evidence that levels of intention moderate the mediation process – the strength of the mediated effect increases with levels of intentions. Thus, planning mediates the intention-behavior relation, if individuals hold sufficient levels of intention. However, Cardoso-Liete et al. (2010) present evidence that a person's actions do not induce a response bias, rather, changes the perception of the learned action effect. How these findings relate to consumer loyalty remains an exciting unknown.

The relationship between AR and the two forms of loyalty considered here is most interesting. An argument has been presented that the most logical explanation is to consider the observed results to reflect suppression effects. However, suppression effects are not the only explanation of an observation suggesting that the cognitive/affective processes underlying lower forms of loyalty may differ from those in the

development of fortitude as a higher form of loyalty. A number of phenomena could help explain such observations. First, Zeelenberg et al. (2002) identify a potential *inaction* effect where, following previous negative outcomes, more regret can be attributed to inaction than action. These authors interpret these results as demonstrating the need for emotion-specific predictions. Second, Pieters and Zeelenberg (2007) propose their Theory of Regret Regulation 1.1. Propositions from this theory potentially germane to the observed findings here include that: (1) regret is an aversive, cognitive emotion that people are motivated to regulate in the short term and learn to minimize in the long run; (2) individual differences in the tendency to experience regret are reliably related to the tendency to maximize and compare one's outcomes; (3) regret can stem from either decisions to act or not to act, depending on justifiability; (4) regret can be about either outcomes or processes; (5) regret intensity depends on the ease of comparing actual with counterfactual decision processes and outcomes, and on the importance, salience, and reversibility of the discrepancy; and (6) regret regulation strategies are goal-, decision-, alternative, or feeling-focused and implemented based on their accessibility and their instrumentality to the current overarching goal. Third, Abendroth and Diehl (2006) demonstrate that regret can indeed behave differently short-term versus long-term in consumption settings. More specifically, (1) they find that evidence for a reversal of the omission bias in some circumstances; (2) suggest that different temporal of regrets for limited purchase opportunities; (3) that consumers can reframe a decision to minimize regret as a coping mechanism; and (4) suggest that great short-term action regrets may be hot in nature, while greater long-term inaction regrets are more wistful (Kahneman 1995). Fourth, inaction inertia, or the effect that missing one or more attractive opportunities decreases the likelihood to act on an attractive current opportunity in the same domain, could help explain the observed results (Van Putten et al. 2009; Liu et al. 2011). Fifth, Albarracin and Handley (2001) report results that suggest that attitude change mechanisms may play a role. Specifically, these authors argue that implicit in many formal and informal principles of psychological change is the assumption that change requires *either* an active or inactive

approach. However, their series of experiments demonstrate that broad goals influence the magnitude of attitude change by affecting retrieval of prior attitudes in preparation for an upcoming message. Greater prior-attitude retrieval in response to action goals in turn decreased the influence of persuasive messages countering prior attitudes. Finally, Albarracin and Hart (2011) assert that general action and inaction concepts have been shown to produce broad, goal-mediated effects on cognitive and motor activity irrespective of the type of activity. These authors present evidence for an interactive model by which action concepts and positive affect produce the same increases in active behavior as inaction concepts and negative affect. The emerging evidence suggests that differential influences of constructs such as AR in short- versus long-term outcomes should not be surprising.

Finally, marketers should direct greater consideration toward goal-related explanations of outcomes such as consumer loyalty. The importance of goal theory in attitude research is made clear in Perugini and Bagozzi's (2001) Model of Goal Directed Behavior conceptualization and later extensions that provides the foundation for the model proposed

here. Heitmann et al. (2007) relate goal attainment to consumer satisfaction. Such relationships are interpreted as further support for the general modeling strategy proposed here to merge value/satisfaction and attitudinal/desire approaches in explaining the formation of consumer loyalty since goals also represent mental representation (Moskowitz 2012). Readers interested in this area of inquiry are directed to Aarts and Elliott (2012).

SUMMARY

In this article the author proposes a model of customer loyalty that purports to advance efforts toward reconciling Oliver's (1999) multi-stage conceptualization with traditional value/satisfaction approaches with more general social psychological and J/DM foundations such as the ToM. Data supports the proposed conceptualization, and further identifies the important roles of AR and status quo/action effects in fully understanding for formation of customer loyalty. The implications of the proposed model and results are explicated for both service marketing practitioners and scholars.

Appendix A

Experimental Design

Pat ...	Alex ...
... is insured by Company A.	... is insured by Company A.
... sees a TV ad from Company B.	... sees a TV ad from Company B.
... Sees NO differences between price and brand reputation between A & B.	... Sees NO differences between price and brand reputation between A & B.
... REJECTS B and STAYS with A.	... ACCEPTS B and SWITCHES TO B.
... then has an accident.	... then has an accident.
... is 100% responsible for the accident.	... is 100% responsible for the accident.
... experiences MUCH POORER service quality in claims experience from A than (s)he would have had (s)he switched to B.	... experiences MUCH POORER service quality in claims experience from B than (s)he would have had (s)he stayed with A.
Therefore, Pat experienced WORSE service quality because (s)he did NOT switch insurance companies prior to having an accident.	Therefore, Pat experienced WORSE service quality because (s)he chose to SWITCH insurance companies prior to having an accident.

APPENDIX B
The Study Measures (2)

Construct (Variable Names)	Constitutive Definition	Operational Definition -- Scale	Reliability	Variance Extracted
Utilitarian Attitude	Cognitive attitude toward the act of being loyal.	<i>9-Point Semantic Differential Items</i> Effective/Ineffective Helpful/Unhelpful Functional/Not Functional Necessary/Unnecessary	.856 .782	.660 .567
Hedonic Attitude	Affective attitude toward the act of being loyal.	<i>9-Point Semantic Differential Items</i> Not Fun/Fun Exciting/Dull Delightful/Not Delightful Thrilling/Not Thrilling	.908 .896	.709 .686
Positive Anticipated Emotions	A prediction based upon the judged positive consequences of personal goal achievement and failure.	<i>11-Point Unipolar Scales (Not at All to Very Much):</i> “Alex probably feels each of the following emotions ...” Excited, Delighted, Happy, Glad	.945 .934	.826 .840
Negative Anticipated Emotions	A prediction based upon the judged negative consequences of personal goal achievement and failure.	<i>11-Point Unipolar Scales (Not at All to Very Much):</i> “Alex probably feels each of the following emotions ...” Ashamed, Sad, Disappointed, Depressed, Worried	.977 .990	.677 .704
Desire	A state of mind whereby an agent has a personal motivation to perform an action or to achieve a goal.	<i>9-Point Likert Scales:</i> Alex probably ___ to remain loyal to Company A. is motivated, desires, wishes	.958 .915	.782 .734

Anticipated Regret	Beliefs about whether or not feelings of regret or upset will follow from inaction.	<p><i>11-Point Scales:</i></p> <p>"I would also say that Alex is ..." much LESS/MORE likely to feel foolish with his choice.</p> <p>much LESS/MORE likely to think, "I should have known better!"</p> <p>much LESS/MORE likely to regret his decision.</p> <p>much LESS/MORE likely to feel sorry with his decision.</p>	.979 .956	.756 .676
Satisfaction	Pleasurable fulfillment (Oliver 2010)	<p><i>9-Point Semantic Differential Items</i></p> <p>Pleased Alex/Displeased Alex</p> <p>Alex is contented with/Alex is disgusted with</p> <p>Alex is very satisfied with/ Alex is very dissatisfied with</p> <p>Did a good job for Alex/Did a poor job for Alex</p>	.874 .858	.686 .712
Loyalty Intention _{Repurchase}	Consistent with a utilitarian perspective, where repurchase intention is largely cognitive in nature based upon loyalty to information and sustainers such as cost, benefits and quality.	<p><i>9-Point Likert Scales:</i></p> <p>Alex will probably ____ Company A.</p> <p>continue to buy car insurance from</p> <p>NOT switch to another car insurer in the foreseeable future</p> <p>stay committed to</p> <p>be motivated to stay with</p>	.975 .935	.837 .699
Loyalty Intention _{Fortitude}	Consistent with Oliver's (1999) model, here is where loyalty becomes "deeper" through the development of affective overtones and commitment.	<p><i>9-Point Likert Scales:</i></p> <p>I would further predict that Alex will probably ...</p> <p>be willing to pay a HIGHER price for Company A's policy than that of the alternative insurer.</p> <p>be willing to tolerate some "less-than-satisfactory" service in order to continue to buy insurance from Company A.</p> <p>be willing "to go the extra mile" to remain a customer of her current insurer.</p>	.927 .819	.682 .477

(9) Unless otherwise noted, all study measures were based on Taylor et al., (2006), and originally derived from other published studies. The variance extracted and reliability scores were calculated using common methods for constructs using structural equation analysis when performing confirmatory factor analyses (see Hair et al. 1998, p. 624). These scores are reported in the order of (top to bottom -- status quo = no switch/change, no status quo = switch/change).

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