Customer Expectations: The Sustainability of Strategy

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Author Note

This paper was first written in November 1998 and was revised and substantially expanded in May 2026. The original argument and its foundational sources are preserved intact; the revision extends them with nearly three decades of subsequent scholarship in consumer psychology, behavioral economics, branding theory, relationship and experience marketing, and the digital transformation of the marketplace.

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Abstract

This paper advances a framework in which customer expectations are treated not as a byproduct of strategy but as a condition of its survival. Expectations are modeled as one stage in a dynamic, self-reinforcing cycle of strategy, positioning, perception, and expectation, in which strategy and positioning function as firm-controlled variables and perception and expectation as market variables the firm can only influence. When the cumulative strength of negative forces—unmet or severely over-met expectations and an adverse external environment—matches or exceeds the strength of the firm's strategic position, the firm enters a forced position in which the market, rather than the firm, determines its positioning. Originally reasoned largely from first principles in 1998, the framework is here connected to nearly three decades of subsequent scholarship—prospect theory, the service-quality gap model, the service-profit chain, internal-branding research, relationship and emotional-branding theory, the experience economy, electronic word-of-mouth, AI-enabled personalization, and brand authenticity—much of which has independently confirmed its central claims. The paper argues that while the logic of expectations is unchanged, the field on which it operates has been transformed: customers now co-author reputation publicly and permanently, universal expectations propagate at high velocity, and algorithms mediate perception, making the disciplined management of expectations more continuous and more consequential than ever.

Keywords: customer expectations, strategy, positioning, service quality, brand authenticity, customer experience

Customer Expectations: The Sustainability of Strategy

"If a firm doesn't understand and consistently deliver what is expected of them through perception and expectations, how can one successfully maximize profit, sustain strategy, and fulfill underlying wants and needs?"

— Bryan Stafford

Preface to the 2026 Revision

I first wrote this paper in November 1998, early in a career that has since spanned nearly three decades of marketing practice, entrepreneurship, teaching, mediation, and graduate study in counseling and professional psychology. The original argument was simple and, I still believe, correct: that customer expectations are not a byproduct of strategy but a condition of its survival, and that a firm which fails to understand and manage what its market expects cannot sustain its position for long. I have spent the intervening years testing that claim — in the classroom, in the boardroom, and, most directly, by building a multi-location retail business with my wife, starting with a single storefront. The framework held up.

What has changed is not the logic of expectations but the world in which they form. In 1998, a firm spoke to its market through a handful of channels it largely controlled. Today, the customer assembles a firm's reputation from sources the firm does not own and often cannot see, at a speed the original paper never anticipated. This revision preserves the original argument and its foundational sources intact and extends them with nearly thirty years of subsequent scholarship in consumer psychology, behavioral economics, branding theory, relationship and

experience marketing, and the digital and algorithmic transformation of the marketplace. Where the original paper reasoned largely from first principles, this version connects those principles to the empirical and theoretical literature that has, in many cases, independently confirmed them.

If this revision has a single organizing claim, it is one that the original paper implied but never quite stated outright: that a firm's strategy is sustained not by satisfying expectations but by expectations. The forward-looking structure of what a market anticipates a firm will do is the firm's position — an asset the firm must author deliberately and defend continuously, with satisfaction as its byproduct rather than its object. Nearly thirty years of practice and study have persuaded me that this reversal, more than any single tool in the paper, is what the title always meant by the sustainability of strategy. I have tried, in this revision, to let that idea organize everything that follows.

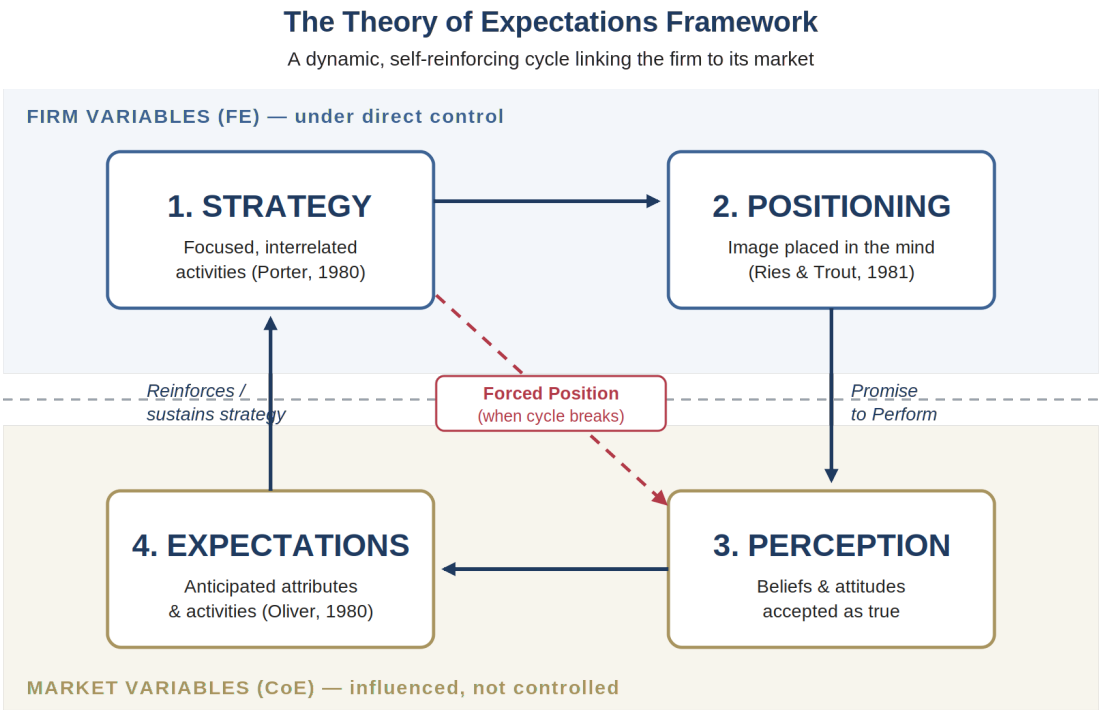
I have also allowed myself, in places, to reason as a practitioner rather than only as a theorist, and to draw on what counseling and psychology have taught me about perception, trust, identity, and the human tendency to defend a once-held belief. The result is not a new paper but the same paper grown up — more sophisticated, I hope, and more useful, but faithful to the conviction that animated the first draft. — B.D.S., May 2026

The Expectations Framework

Expectations, the breadth and scope of a group of attributes and activities anticipated by customers, help sustain strategy by solidifying a firm's positioning within the customers' minds. Simply put, expectations are conscious and subconscious means of anticipating how a firm will act in the market as a result of its strategy. Expectations could include price, service, quality, product offering, innovation, or dependability, to name a few. Unfortunately, expectations are often neglected in the strategic process. Unmanaged expectations can often result in a position that is not directly intended by the firm. Before expectations can be identified and managed, the framework of how expectations function must be examined.

Figure 1

The Theory of Expectations Framework



Note. The four interrelated areas form a dynamic, self-reinforcing cycle. Strategy and Positioning are Firm Variables under direct control; Perception and Expectations are Market Variables the firm can only influence. The diagonal indicates the path of a Forced Position when the cycle is broken by an extended mismatch between firm and market variables.

The framework in which expectations function includes four distinct but interrelated areas: strategy, positioning, perception, and expectations. The flow from one area to another is a natural and dynamic progression. Every time a purchase is made, one must go through the framework regardless of the number of purchases or the time elapsed. The initial purchase

establishes the position, perception, and expectation areas, while subsequent purchases reinforce the existing position–strategy–perception relationship. The first area, strategy, is defined by Michael Porter (1980) as a group of focused, interrelated activities geared toward a larger goal, serving as a cornerstone that specifies what, when, where, and how specific activities will be implemented. The strategy should ultimately define the breadth and scope of a particular firm's product offerings and business practices.

The net result of these strategic activities is positioning within the minds of the customer base. The second area, positioning, is defined by Ries and Trout (1981) as the process of placing a "strategic position" in a distinct category in the minds of the customer base, projecting an image that complements the firm's strategy. The position communicates how the firm wants its customer base to perceive its product offering and business practices. The firm's position, if managed correctly, will shape how the customer perceives the firm — that is, influencing or fostering the customer base's beliefs and attitudes toward the firm's product offering or business practices. Please note that positioning includes all direct and indirect communication and interactions with the customer base.

After the firm attempts to communicate its Promise To Perform (or its strategic positioning and activities), the customer base has two options. The customer base can either accept the positioning and strategic direction as the truth or refute the firm's Promise to Perform, basing their decision on a variety of factors, including credibility, known relative truth and experience, relevance, level of involvement, comprehensibility, or informational curiosity. If the customer base accepts the positioning efforts or Promise to Perform, it will, in turn, perceive the

firm as what was communicated to it, making it a relative truth. If the customer base rejects the positioning efforts or the Promise To Perform, the strategy is too fragile for long-term stability and susceptible to a "forced position," and a reevaluation of communication and/or strategy should be explored.

There may be an interim period during which the customer base is unsure whether to accept or reject the Promise To Perform. If this occurs, the base may take either direction (accept or refute) on a trial basis and will reserve the right to change their decision. These fragile customers are extremely dependent on the consistent execution of the strategy–expectation relationship reflected throughout this article. If the customer base initially accepts the Promise to Perform and later rejects it, that base will become very difficult to win back. Conversely, if the customer base rejects the Promise to Perform and then accepts it, the firm is more likely to retain that base as a lifelong member — assuming expectations are continually met, of course. If the customer base determines that a "wait and see" approach is best, it will greatly influence the time it takes for a firm's products or ideas to diffuse into the marketplace (Rogers, 1995).

Once the customer base has formed beliefs and attitudes toward a firm's product offerings or business practices, they will carry those beliefs and attitudes into future transactions with the firm — solidifying the firm's position. These projected beliefs and attitudes toward the firm are, in fact, the expectations of the customer base (Oliver, 1980). Stored in memory as a network of brand associations, these expectations become the lens through which the customer base interprets all future communication and performance; the firm that holds strong, favorable, and consistent associations therefore enjoys a perceptual advantage as it enters every subsequent

cycle (Keller, 1993). In most cultures, this also makes future decisions easier; that is, customers do not have to go through the initial vendor evaluation process each time products or services are produced within a particular product group. Further, the customer base will depend on the firm to consistently meet or exceed the initial expectations set, so they do not have to reevaluate all vendors in a particular market segment when a purchase is required.

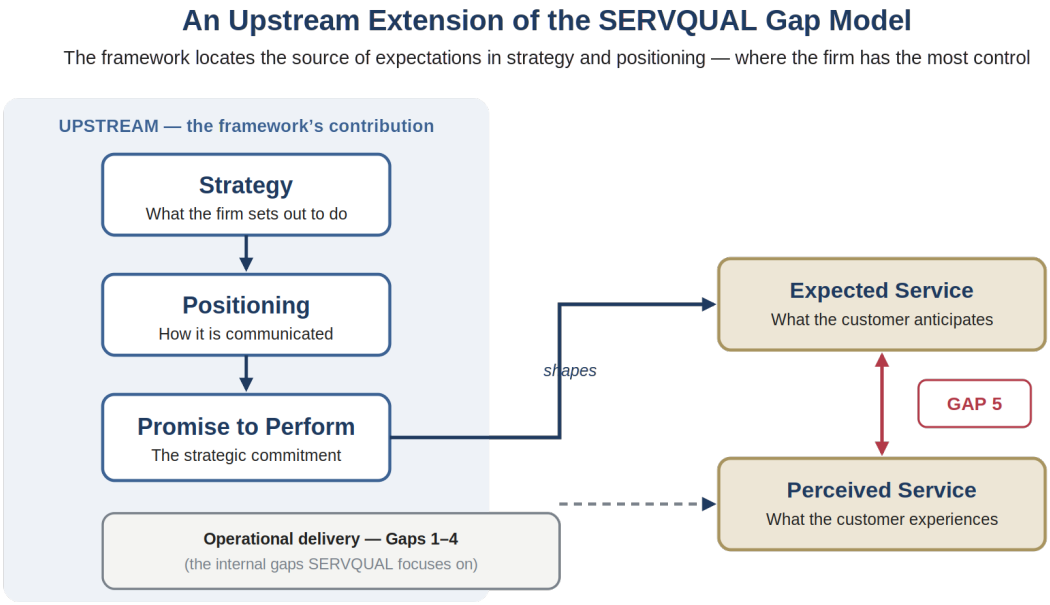
Bringing the process to a full circle, the anticipated (or expected) breadth and scope of a group of attributes and activities of the customer base are essentially the same activities set initially by the strategy, then communicated by positioning, and believed to be true by the market (perception). This means that expectations and the firm's strategy are codependent; that is, they rely on each other — supporting and sustaining the firm's strategy and ultimately superior customer satisfaction. However, there are more variables involved in forming expectations than the firm's direct involvement through positioning.

The Promise to Perform and perceived performance relationship discussed throughout this article parallels what Parasuraman, Zeithaml, and Berry (1985, 1988) identify as Gap 5 within their service quality model — the gap between the customer base's expected service and their perceived service. The SERVQUAL framework focuses largely on the four internal operational gaps (Gaps 1 through 4) that ultimately produce that final delivery mismatch. The expectations framework presented here, however, extends upstream into strategy formulation and positioning itself. That is, the Promise To Perform is not just an operational delivery promise; it is a strategic commitment originating in the firm's strategy and projected through positioning long before it ever reaches the customer base. The implication is significant. A firm cannot close

Gap 5 by improving service operations alone if the underlying strategy or positioning communicates something the firm cannot, by strategic design, consistently deliver. In this respect, the expectations framework should be read as an upstream extension of the SERVQUAL model — locating the source of customer expectations in the firm's strategy and positioning, where the firm has the most direct control. The gap model itself has only grown in centrality in the decades since; recent reviews confirm that the expectation–confirmation and disconfirmation paradigm remains the dominant lens for explaining satisfaction and its downstream consequences for business sustainability (Ramasamy et al., 2024), and contemporary applications continue to recommend that firms actively manage expectations rather than treat them as fixed, precisely because the perceived–expected gap, left unattended, persists across virtually every service setting studied (Karume et al., 2025).

Figure 4

An Upstream Extension of the SERVQUAL Gap Model



Note. The expectations framework extends the SERVQUAL gap model upstream into strategy and positioning. The Promise to Perform originates in the firm's strategy and is projected through positioning long before it reaches the customer as expected service, where Gap 5—the difference between expected and perceived service—ultimately appears.

Beyond the expectations set by the firm's strategy–position–perception relationship, the customer base will also hold universal market expectations. These universal expectations can be influenced by extraneous environmental variables in marketing, such as the competitive, cultural, legal, personal, and political environments. The minimum acceptable quality level for every supplier in a market is an example of a universal expectation set by the competitive environment. Universal expectations can be the most damaging to a strategy because they are the most difficult

to quantify and track. Additionally, just as this framework is a dynamic process, so is the formation or degradation of many universal expectations. Boiling the entire process down: a firm must tell its customer base what it will do, do it consistently, and reassure them that what it did matched what it had initially told them.

The first two areas, strategy and positioning, comprise the Firm Variables, or the firm's expectations (FE). The firm controls these two areas directly, at least initially. As discussed previously, these two areas (FE) influence the formation of market perceptions and expectations. The last two areas, perception and expectations, comprise the Market Variables. The firm cannot control these variables directly but can only influence or manage them. After the perceptions and expectations, or Market Variables (CoE — customers' expectations), are set, they require continual support from the firm (FE) to ensure that what the customer base believes is true is, in fact, true while functioning through the framework.

A firm can manage market variables by continually tracking and identifying the market's perceptions, expectations, and overall satisfaction relative to meeting those perceptions and expectations, and then adjusting the firm's variables to better support or change them (Parasuraman, Zeithaml, & Berry, 1985). This could be a change in marketing communication, strategic activities, business practices, or operational effectiveness, to name a few. However, when there is a large imbalance between the market variables (CoE) and firm variables (FE), the initial positioning could be altered, shifted, or annihilated.

Expectations as a Strategic Asset

The framework just described carries an implication worth making explicit, because it is the claim on which this entire revision turns. In the conventional account — the one that runs from the expectation-confirmation tradition (Oliver, 1980) through the dynamic models of service quality (Boulding, Kalra, Staelin, & Zeithaml, 1993) — expectations are a standard: a yardstick the customer holds up against delivered performance, with satisfaction or dissatisfaction as the result, and the firm's task is to manage performance so as to meet or exceed that standard. This paper reverses the figure and the ground. Expectations are not the yardstick against which strategy is measured; they are the asset that strategy exists to build and defend. A position is, quite literally, a structure of expectations held in the market's mind, and to sustain a strategy is to sustain that structure. Satisfaction, on this view, is not the goal but a byproduct — and a leading indicator of whether the asset remains intact.

The distinction that keeps this from being a mere relabeling is that the expectation asset is forward-looking. Satisfaction and disconfirmation are retrospective judgments, verdicts on performance already delivered, and even the brand-equity tradition (Keller, 1993) treats the asset as a stock of associations accumulated from the past. An expectation, by contrast, is an anticipation: the market's default forecast of what the firm will do next. This is precisely why the original paper's central device is a Promise To Perform rather than a record of performance; a promise is inherently forward-looking, and a firm competes by establishing, in the market's mind, a credible and distinctive anticipation of its future conduct. The strategic contest is

therefore not only over what a firm has done but over what the market believes it will do — and that belief, once formed, becomes the position the firm must then live up to or lose.

To call expectations an asset invites an obvious comparison, and it should be met directly. Srivastava, Shervani, and Fahey (1998) — writing, as it happens, the same year this paper was first drafted — established that customer relationships and brand perceptions are market-based assets that generate and protect future cash flows. The present framework is consistent with that tradition but narrows and sharpens it: among the firm's market-based assets, it singles out the structure of forward-looking expectations as the specific asset that constitutes a position, and it specifies the failure mode — the Forced Position — by which that asset is lost. Where the market-based-assets literature is concerned chiefly with how such assets convert into financial value, this framework is concerned with how this particular asset is authored, defended, and, all too often, surrendered.

The reversal also sets the framework apart from the expectations-management tradition, which treats the shaping of expectations as a tactic in the service of satisfaction — under-promising to over-deliver, or correcting unrealistic beliefs so that performance will clear them (Coye, 2004). That tradition still regards satisfaction as the end and expectations as a dial to be turned in its service. Here, the relationship is inverted: sustaining the expectation structure is the end, and satisfaction is the evidence that it is holding. The payoff of the inversion is that it makes sense of phenomena that the conventional view treats as anomalies. It explains why disciplined over-delivery can quietly destroy a position rather than strengthen it, why consistency compounds into something competitors cannot easily breach, and why a firm can lose its place in

the market with no decline in the objective quality of what it does. Each of these follows naturally once expectations are understood as the asset at stake; each is a puzzle so long as expectations are treated merely as a bar to be cleared. The sections that follow trace the inversion through the framework's mechanics and, finally, into the contemporary marketplace.

The Psychology of Expectation Formation

If expectations are the asset a strategy exists to sustain, then how they form in the mind is not a peripheral question but the core of the matter. The original framework asserted that expectations function in a dynamic cycle of strategy, positioning, perception, and expectation, but it did not fully account for the cognitive machinery driving the cycle. Subsequent work in behavioral economics supplies that account. Kahneman and Tversky's (1979) prospect theory established that people do not evaluate outcomes in absolute terms but relative to a reference point, and that losses below that point loom substantially larger than equivalent gains above it. This single finding explains, at the level of cognition, why the forced-position equation treats the negative perceived-attitude reservoir (−PaR) as the decisive term: a customer whose experience falls short of expectations does not simply register a neutral shortfall but a loss, and loss aversion ensures that the shortfall weighs more heavily than an equivalent positive surprise. The asymmetry that the original paper inferred from observation turns out to be a structural feature of human judgment.

Expectations theory has since grown even more nuanced. Wang and Johnson's (2012) tri-reference-point theory proposes that decision-makers evaluate outcomes against not one but

three reference points — a minimum requirement, the status quo, and an aspirational goal — and that failure to clear the minimum requirement carries the greatest psychological weight of all. The framework presented here anticipated this structure without naming it. What the original paper called universal market expectations — the minimum acceptable quality level every supplier in a category must meet — is precisely a minimum-requirement reference point, and its capacity to do disproportionate damage when violated is exactly what tri-reference-point theory would predict. The firm's own Promise To Perform, by contrast, functions as the aspirational goal against which the customer measures delight. Read this way, the firm is managing not a single expectation but a layered structure of reference points, and the most dangerous of them is the one it did not set.

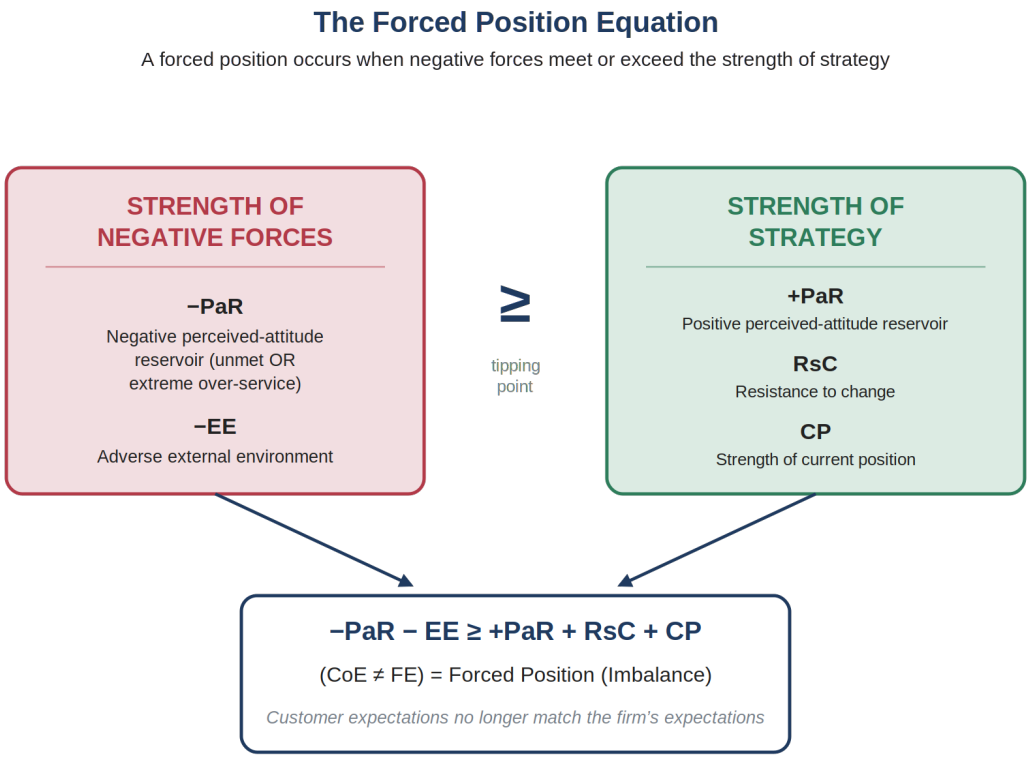
Two further constructs deepen the account of how perception hardens into expectation: trust and perceived value. Trust, in the organizational-psychology tradition, rests on perceived ability, benevolence, and integrity (Mayer, Davis, & Schoorman, 1995); a customer who judges a firm competent, well-intentioned, and consistent extends it a credit of belief that lowers the perceived risk of each transaction. That credit is the psychological substrate of what the framework calls Resistance to Change. Perceived value, in turn, is increasingly understood not as a static ratio of benefits to costs but as the customer's overall assessment of utility relative to what was expected and what alternatives offer (Woodruff, 1997) — a judgment that is itself reference-dependent. When a firm consistently delivers value at or above the expected level, it does more than satisfy; it confirms the trust that sustains the position. The cycle the original framework described is, at bottom, a cycle of belief maintenance, and belief, once formed, is defended.

Forced Positioning — Imbalance

A forced position is what the loss of the asset looks like — the moment the expectation structure a firm has authored is overwritten by one it did not choose. Examining the expectation framework brings to light a question: if the activities and/or attributes that comprise a firm's strategy result in what is expected from that particular firm, what if a firm doesn't perform, in the mind of the customer base, at the level expected? If a firm consistently performs below or well above expectations, the market will begin to question its prior beliefs and attitudes toward the firm. Consequently, the positioning of a firm's product offering or business practices can shift or deteriorate in the mind of the target market. The firm also loses control over the product's positioning. The major causes of this loss of control stem from either market confusion or a shift in positioning within the customer base's mind. When this occurs, the strategy is no longer effective and could be very damaging, because the firm is performing at strategy "A" and the market or customer base perceives strategy "B." Note: Strategy "B" can refer to an unseen strategy or an entirely different strategy altogether. However, this imbalance can occur only when the strength of the negative forces is greater than or equal to that of the strategy.

Figure 2

The Forced Position Equation



Note. The Forced Position occurs when the cumulative strength of negative forces—unmet (or extremely over-met) expectations and an adverse external environment—matches or exceeds the cumulative strength of the firm's strategic position, producing a state in which customer expectations no longer align with the firm's expectations.

$$\mathbf{-PaR - EE \geq +PaR + RsC + CP = (CoE \neq FE) = Forced\ Position\ (Imbalance)}$$

The negative forces (to the left of the ≥ sign) include (−PaR) the negative perceived attitude resulting from continual exposure to unmet expectations and (−EE) negative external

environmental factors. The Negative Perceived Attitude Result (−PaR) is a mental reservoir where consistently unmet expectations or unsatisfactory service are held. This encompasses under-services, where a firm did not perform at the expected level, and extreme over-services, where a firm performed above expected levels. Extreme over-service is not the same thing as over-delivering services or "delighting customers." Rather, extreme over-services are products or practices that are beyond the scope and breadth of the strategy and are performed consistently over an extended period. Extreme over-service, in effect, raises expectations and may create inconsistencies in a firm's strategy and service/expectation levels. Remember that strategy is a group of closely related activities that drive toward a central theme, and that changing activities will also change positioning, perception, and expectations (strategy), ultimately causing confusion and negative attitudes. The Negative Perceived Attitude Result quantifies the strength of negative experiences, negative image, and negative position resulting from a mismatch or disconnect between expectations and the services, products, or practices delivered. External environmental factors (−EE) can include attacks from competition, legislation, or cultural/societal shifts. Often, in a competitive market, competitors will use a competing firm's unmet or excessively above expectations to their advantage — further exacerbating the negativity (Porter, 1985).

The strength of strategy (to the right of the ≥ sign) includes (PaR) positive perceived attitude resulting from continual exposure to meet expectations, (RsC) resistance to changing current attitudes and beliefs (including supportive positive external environmental factors), and (CP) the firm's strength of its current position. The Positive Perceived Attitude Result (PaR) is a mental reservoir where satisfactory or above service is held. The Positive Perceived Attitude

Result defines the strength of the relationship between the market expectations and the firm's strategic activities (Oliver, 1980).

Resistance to Change (RsC) defines the strength of attitudes and beliefs held by the customer base. That is, how deeply does the customer base hold the perception of the firm and defend their decision to accept a firm's strategy and promise to perform as the relative truth? Other factors play into resistance to change as well. Western culture often promotes habitual activity and giving second chances, driven by the fear and inconvenience of change (Festinger, 1957). If you have bad service at a restaurant, for example, most customers will give the restaurant a second or third chance because they believe it still provides excellent service, as prescribed by its strategy. The resistance to changing their attitudes stems from the fact that their attitudes and beliefs are strongly connected to that restaurant's market position. However, if the bad service continues, the resistance to change might be overcome by the Negative Perceived Result of poor service. Again, only when the negative forces are greater than or equal to the strength of the strategy will the customer base have an incentive to change how they perceive the firm, its product offering, or its business practices. Resistance to change also includes extraneous environmental factors that reflect positively on a firm's strategy/position.

The CP, or strength of the current market position, reflects the relative strength of the strategy's placement in the customer base's mind. Directly tied to RsC (Resistance to Change), the CP determines the hold of the strategic placement within the mind of the customer base. The strength reflects the extent to which the base is willing to defend its decision to accept the firm's position. This is also influenced by exposure to marketing communication — further convincing

the customer base that a firm's position should be solidly held within the psyche, even when contradictory (Ries & Trout, 1981). Note that the strength of −PaR, −EE, +PaR, RsC, or CP is completely relative to the type of industry, customer base, economic relationship, or any other attribute that can affect a market.

Although the Forced Position equation is conceptual rather than mathematically precise, each variable can be approached operationally by a firm willing to invest in measurement. The Positive and Negative Perceived Attitude Results (+PaR and −PaR) can be tracked through customer satisfaction surveys, complaint logs, repeat purchase data, and qualitative service-recovery audits — the same instruments most firms already use for after-action customer feedback. Resistance to Change (RsC) can be approximated through attitudinal strength scales that measure how confidently the customer base holds its beliefs about the firm; the depth of those held attitudes determines how many disconfirming experiences the firm can absorb before the strategy unravels. The strength of the Current Position (CP) is best measured through top-of-mind awareness studies, brand recall, and unaided association studies that assess how firmly the firm occupies its claimed category in the customer base's mind. Negative External Environmental factors (−EE), the most volatile term to measure, can be tracked through competitive intelligence, regulatory monitoring, and broader cultural and economic indicators. None of these measurement approaches is perfect, and the equation is not intended to be solved in a mathematical sense. Rather, it offers the firm a structured way to ask, at any point in time, whether the strength of strategy still exceeds the strength of negative forces. That single question, asked consistently, is itself a form of strategic discipline.

When the negative forces are greater than or equal to the strategy's strength, the current strategy cannot be sustained, and a new strategy (or a lack of coherent strategy) is often formed not by the firm but by the market. In simple terms, when a firm consistently performs for an extended period below or excessively above what the market expects from a firm’s products or services, the firm will lose all credibility and standing within the market.

The Expectations Ratchet — Why Over-Delivery Can Erode Strategy

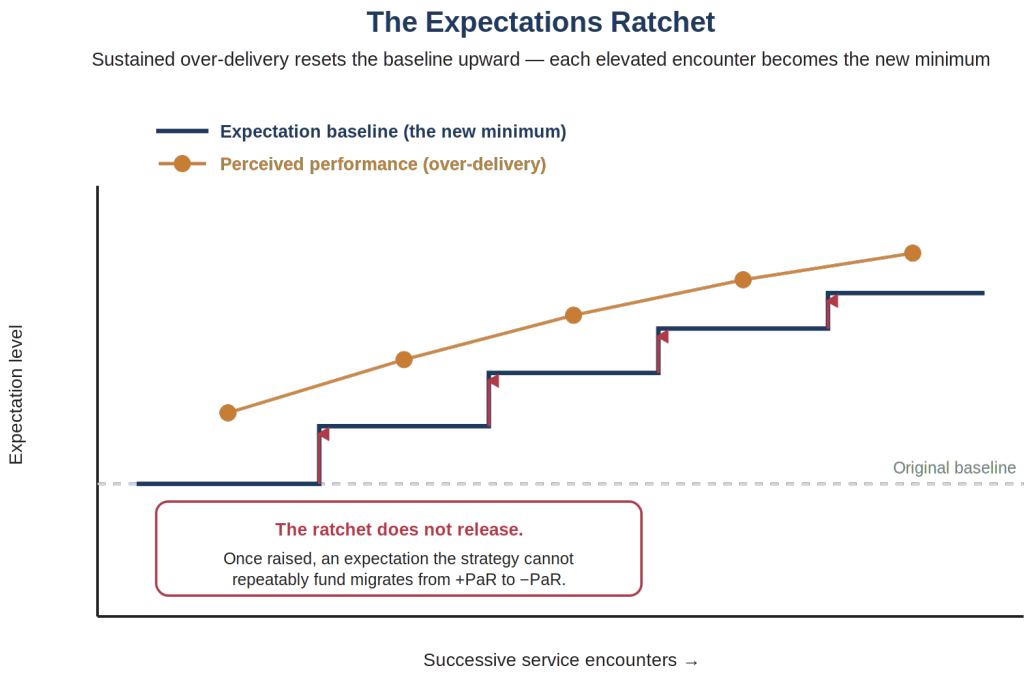
Nowhere is the inversion more visible than here, for if expectations were merely an output to be satisfied, more satisfaction could never harm a position; that it can is the clearest evidence that expectations are instead an asset, one that can be mismanaged by inflation. The claim that extreme over-service can damage a strategy is the least intuitive element of this framework, yet the satisfaction literature has since formalized it. Rust and Oliver (2000), modeling the long-run dynamics of delighting the customer, found that delight heightens repurchase expectations and makes the customer harder to satisfy in the next cycle — the delighting firm is, by their account, injured by the very expectations it raised. The mechanism is precisely the one anticipated here: a service performed beyond the breadth and scope of the strategy does not merely please the customer once; it resets the baseline against which every subsequent transaction is judged.

More recently, the dynamic has been named directly. Huggins et al. (2023) describe a ratchet effect, in which performance perceived as far exceeding expectations produces dissonance and prompts the customer to revise expectations upward for future encounters — a

result that ties the over-service argument back to the cognitive dissonance (Festinger, 1957) already invoked in the discussion of resistance to change. The ratchet, once engaged, is difficult to release: each elevated encounter becomes the new minimum. Ahrholdt et al. (2019) supply an empirical boundary, showing that the relationship between delight and loyalty is nonlinear and saturates at high levels, so the marginal strategic return on ever-greater over-delivery falls even as the expectation it manufactures persists.

Figure 3

The Expectations Ratchet



Note. Each service encounter perceived to far exceed expectations resets the customer's baseline upward, so that the elevated level becomes the new minimum expected in the next cycle.

Because the ratchet does not release, sustained over-delivery may exceed expectations, and the strategy may be unable to fund on a repeatable basis.

For the firm, this reinforces the equation rather than contradicting it. Over-delivery feels like generosity, but when it is sustained beyond what the strategy can fund on a repeatable basis, it migrates from the +PaR reservoir to the −PaR reservoir because the firm has quietly created an expectation it cannot consistently honor. A strategy is, after all, an internally consistent configuration of activities orchestrated around a central theme (Fuchs et al., 2000; Porter, 1985); activities that drift beyond that theme — however generous — fracture the coherence on which the position depends. The disciplined posture is therefore not to delight at every opportunity but to consistently deliver what the strategy actually promises.

The Reputation Buffer — Why Consistency Compounds

If the ratchet shows how the expectation asset is squandered, the reputation buffer shows how it is fortified. If sustained over-delivery quietly raises the bar, sustained consistency quietly builds a wall. Anderson and Sullivan (1993), analyzing a national sample of more than twenty thousand customers, reported two results that map directly onto this framework. First, performance that falls short of expectations damages satisfaction and repurchase intention more than equivalent performance that exceeds them — the asymmetry the forced-position equation assumes when it treats −PaR as the decisive term. Second, and more consequentially, firms that consistently deliver high satisfaction exhibit a lower elasticity of repurchase intention, which the authors interpret as a long-run reputation effect that insulates the firm. That insulation is the

empirical face of what the framework calls Resistance to Change (RsC) and the strength of the Current Position (CP): a strategy that, when consistently honored, accumulates a buffer of held belief that can absorb occasional disconfirming experiences without collapsing the position.

This buffer also explains the framework's claim about second chances. Lim et al. (2025) document a service-recovery paradox in which a well-handled failure can yield loyalty exceeding that of customers who never experienced a failure at all — but only where brand attachment is strong enough to carry the customer through the lapse. In the language used here, recovery succeeds when CP and RsC are sufficiently large to keep the negative experience below the equation's threshold. Yi and La (2004) refine the picture, showing that loyal and non-loyal customers process satisfaction through different routes and that customers continually adjust their expectations after each experience — a reminder that the buffer is replenished or depleted on every pass through the framework and is never set permanently.

Internal Alignment — Delivering the Promise to Perform

An asset must be provisioned before it can be defended, and the expectation structure is provisioned from inside the firm. The framework discussed thus far positions the firm and the customer base as the two primary actors in the expectations cycle. The firm, however, does not deliver its Promise To Perform in the abstract; it delivers through the employees and operational stakeholders who execute strategy at every customer touchpoint. Heskett, Sasser, and Schlesinger's (1997) service-profit chain provides a useful framework for this layer. In their model, internal service quality drives employee satisfaction, which in turn drives employee

retention and productivity, ultimately shaping the external service value the customer base actually experiences.

Applied to the expectations framework presented here, the Promise To Perform — whatever the strategy and positioning have communicated — is filtered through the discretion, knowledge, and motivation of the firm's employees before it ever reaches the customer base. An employee base that is not aligned with or invested in the strategy will, by definition, create inconsistencies between the firm's stated position and the experience delivered. Those inconsistencies feed directly into the PaR reservoir over time. Conversely, an internally aligned workforce reinforces the +PaR side of the equation and supports the firm's strategy as a credible Promise To Perform. Simply put, a sustaining strategy is not a customer-facing exercise alone. The same consistency the firm asks the customer base to extend — through resistance to change and continued purchase behavior — must first be earned internally. If the strategy is not understood, believed, and operationally executable by employees, the Promise To Perform cannot survive the journey from the firm to the market.

Empirical research on internal branding has since confirmed this dependency. Punjaisri and Wilson (2007) found that internal branding instruments shape employees' brand identification, commitment, and loyalty, which in turn govern how faithfully employees deliver the brand promise at the point of contact. Karanges et al. (2018) extend the point upstream, arguing that consistent delivery of the brand promise — and therefore customer satisfaction, loyalty, and competitiveness — depends first on whether frontline employees actually understand the promise they are being asked to keep. The strategic payoff is not incidental:

internal brand management has been shown to build sustainable competitive advantage through the brand commitment and brand-citizenship behaviors it cultivates in employees (Qureshi et al., 2022). Each of these findings reinforces the conclusion the framework reaches conceptually — that the +PaR side of the equation is provisioned internally before it is ever experienced externally.

From Transactions to Relationships: Loyalty, Emotional Branding, and Identity

Once expectations are seen as the asset, the customer relationship becomes the account in which that asset is held and compounded. The original paper framed the firm and its customer base as parties to a recurring exchange in which expectations are set, met, and reinforced. The marketing discipline has since reconceived that exchange as a relationship rather than a sequence of transactions. Morgan and Hunt's (1994) commitment–trust theory established that durable customer relationships rest on two pillars — commitment and trust — and that both are corroded by inconsistency between what a firm promises and what it delivers. This is the relational restatement of the framework's central claim: the Promise To Perform, honored consistently, accumulates commitment and trust; broken repeatedly, it depletes them. Fournier's (1998) influential work went further, demonstrating that consumers form genuine relationships with brands, complete with the expectations, obligations, and sense of betrayal that characterize human relationships. A customer who feels a brand has violated an implicit relational contract does not merely revise a quality estimate; she experiences something closer to a breach of faith, which is precisely why, as the original paper observed, a base that accepts and is then let down becomes so difficult to win back.

If relationships are the structure, emotion is the bond. A substantial body of research now shows that the strongest customer relationships are not merely satisfactory but affective. Carroll and Ahuvia (2006) introduced the concept of brand love to describe the passionate attachment that satisfied customers develop toward brands that carry symbolic and self-expressive meaning, and demonstrated its links to loyalty and positive word-of-mouth. Thomson, MacInnis, and Park (2005) showed that emotional attachment predicts not only loyalty but willingness to sacrifice — to pay more, to forgive, to wait. Emotional attachment and brand love have been found to mediate the very transition from satisfaction to loyalty that the original framework treated as a simple reinforcement loop (Ghorbanzadeh et al., 2020). In the language used here, emotion is what converts a met expectation into deep Resistance to Change: the customer who loves a brand defends her decision to trust it with a tenacity that mere satisfaction cannot explain. The practical lesson, which I have watched play out across nearly three decades of retail practice, is that the firm competing only on the rational adequacy of its Promise To Perform is competing on the weakest available ground.

The deepest bonds form when the brand becomes part of how the customer understands herself. Self-congruity research demonstrates that consumers prefer and remain loyal to brands whose image aligns with their actual and ideal self-concepts (Huber et al., 2017), and that this congruence drives emotional attachment more reliably than functional performance alone. A position, in other words, is most durable when it is not merely believed but identified with — when the customer experiences the brand as an expression of who she is or aspires to be. This adds a dimension the original framework only implied: the strength of the Current Position

depends not only on how firmly the customer holds the firm's claimed category but on how tightly that category is woven into her identity. It also clarifies the economics. The classic finding that small improvements in customer retention yield disproportionate gains in profitability (Reichheld & Sasser, 1990) rests precisely on the accumulated trust, emotion, and identity that make a loyal customer both cheaper to serve and harder to dislodge. Sustaining a strategy, then, is finally a matter of sustaining a relationship.

Social Proof, Digital Reputation, and the Empowered Customer

If expectations are the asset, the decisive modern question is who now authors them — and the answer has shifted away from the firm. Perhaps the most consequential change since 1998 is that the customer base no longer forms its expectations primarily from what the firm communicates. It increasingly forms them from what other customers report. Electronic word-of-mouth — the reviews, ratings, and recommendations that now accompany nearly every purchase — has become a collective signal of reputation that can rival or exceed the firm's own positioning in influence (Amblee & Bui, 2011). Anonymous strangers' reviews frequently carry more weight in purchase decisions than even friends' recommendations, because consumers perceive them as abundant, detailed, and disinterested (Erkan & Evans, 2018). The motives that drive customers to broadcast their experiences — reputation, reciprocity, and the pleasure of helping others — are now well understood (Cheung & Lee, 2012), and they operate continuously and at scale. The original framework located the formation of universal market expectations in the competitive, cultural, legal, personal, and political environments. To that list must now be added the aggregated, searchable, and effectively permanent record of other customers'

experiences, which has become among the most powerful environmental forces shaping what a market expects.

This shift transfers a measure of control over the position from the firm to the market itself. Where the original paper treated perception as something the firm influences but cannot directly control, the digital marketplace has widened that gap considerably: the customer base now co-authors the firm's reputation in public, and the firm's own voice is one contributor among many. Influencer intermediaries further complicate the picture, lending or withholding credibility based on perceived trustworthiness and similarity to their audiences (Lou & Yuan, 2019). The deeper development, however, is conceptual. Marketing has come to recognize the customer not as a passive recipient of a Promise To Perform but as an active co-creator of value and meaning (Vargo & Lusch, 2004; Prahalad & Ramaswamy, 2004; Payne, Storbacka, & Frow, 2008), engaged in an ongoing, interactive relationship with the firm rather than a series of one-way communications (Brodie et al., 2011). For the framework, this means the dynamic cycle of strategy, positioning, perception, and expectation is no longer a circuit the firm runs and the customer completes; it is a conversation in which the customer's voice is amplified, persistent, and visible to every prospective buyer. The firm that ignores this voice does not silence it — it merely forfeits the chance to participate in the expectations its own market is forming.

Customer Experience and the Experience Economy

Experience is the medium through which the expectation asset is written, confirmed, and revised. By a coincidence I find fitting, the year this paper was first written was also the year

Pine and Gilmore (1998) announced the arrival of the experience economy — the proposition that customers increasingly buy not goods or services but the memorable experiences that surround them. The two arguments are complementary. If positioning lives in the customer's mind, as the original paper held, then the experience is the primary means by which it is written there. Berry, Carbone, and Haeckel (2002) made the connection explicit, arguing that customers form impressions from the totality of clues a firm emits at every point of contact — functional clues about whether the product works, and emotional clues conveyed by everything from store design to the tone of an employee's voice. This is a near-exact restatement, in the vocabulary of experience, of the original framework's insistence that positioning includes all direct and indirect communication and interactions with the customer base. What the experience literature adds is the recognition that emotional clues create bonds competitors find difficult to sever — the experiential foundation of Resistance to Change.

Subsequent scholarship has formalized the management of these impressions into the discipline of customer experience management, organized around the concept of the customer journey: the full sequence of touchpoints through which a customer encounters a firm before, during, and after purchase (Lemon & Verhoef, 2016). The journey is now overwhelmingly omnichannel, unfolding across physical and digital channels that the customer expects to be seamless and consistent (Gerea, Gonzalez-Lopez, & Herskovic, 2021); an inconsistency between channels is itself a violation of expectation that feeds the PaR reservoir, regardless of how strong any single channel may be. Crucially for a framework that has always insisted that the firm must continually track its Market Variables, the tools for doing so have matured: contemporary customer-experience management increasingly draws on large-scale behavioral data to detect, in

something approaching real time, where perceived experience diverges from expectation (Holmlund et al., 2020). The strategic imperative the original paper described — tell the customer what you will do, do it consistently, and confirm that you did — is now executed across a far larger and more instrumented field, but it is the same imperative.

Expectations in the Digital and Algorithmic Era

Increasingly, the expectation asset is co-authored by algorithms the firm tunes but does not fully govern. This framework was first articulated in 1998, when a firm's positioning reached the customer base through a comparatively small number of controllable channels. The intervening decades have not altered the logic of the cycle, but they have multiplied the surfaces on which it runs. A firm's Promise To Perform is now projected simultaneously across websites, mobile applications, social platforms, search results, and third-party review aggregators, and the customer base assembles its perception from all of them at once. Consistency across these surfaces has itself become a determinant of satisfaction; when the experience encountered in one channel contradicts that in another, the inconsistency feeds the PaR reservoir regardless of how strong any single channel may be. Consistency of brand messaging across all touchpoints is now treated as a precondition for durable competitive advantage rather than a cosmetic concern (Onalaja et al., 2021). The strategic task is unchanged in kind but far larger in scope: the same Promise To Perform must survive intact across many more touchpoints than the original framework contemplated.

Two developments deserve particular attention. First, universal market expectations — the hardest term in the equation to quantify — now form and propagate far faster than they did in 1998, because review platforms and algorithmic recommendation systems aggregate and broadcast strangers' experiences as a de facto minimum standard for an entire category. A competitor’s over-delivery, once local, can become a category-wide expectation within a single purchasing season. Second, the Market Variables that the framework insists the firm must continually track are now measurable in close to real time. Contemporary applications of the service-quality gap model embed dynamic feedback mechanisms that recalculate the distance between expected and perceived service as expectations shift (Khan et al., 2025), giving the firm a continuous instrument for the very question the framework poses: does the strength of strategy still exceed the strength of negative forces? The discipline the framework prescribes has not changed; the cadence at which it can now be exercised has.

The expansion of touchpoints has been accompanied by a parallel revolution in how firms attempt to manage expectations at the individual level. Where the original framework assumed a firm positions itself to a defined customer base, artificial intelligence now allows the firm to tailor its Promise To Perform to each customer in turn. AI-enabled personalization — the use of machine learning to predict individual preferences and deliver customized content, recommendations, and offers — has become a primary engine of contemporary engagement marketing (Kumar, Rajan, Venkatesan, & Lecinski, 2019), operating at every stage of the customer journey from initial profiling to post-purchase retention (Gao et al., 2022). Done well, personalization raises perceived value by making the firm’s communications feel relevant rather

than intrusive; the customer experiences the firm as understanding her, which is itself a form of met expectation.

Yet personalization introduces a hazard that the original framework did not contemplate. The same behavioral data that enables relevance also exposes the firm to a personalization–privacy tension: consumers reward personalization they perceive as helpful and punish that which they perceive as surveillance, and the line between the two is itself a matter of expectation and trust (Schweidel et al., 2022; Raji et al., 2024). An algorithm that promises perfect anticipation and delivers uncanny intrusion has, in the framework's terms, authored an expectation it cannot honor without violating another — a digital-age forced position. More broadly, algorithmic recommendation systems now mediate much of what a customer ever sees of a firm, shaping perception before the firm's positioning is consciously evaluated at all. The cycle of strategy, positioning, perception, and expectation increasingly runs through the code the firm tunes but does not fully govern. It is the framework that prescribes, therefore, acquires an ethical edge it did not originally carry: to manage expectations responsibly in an algorithmic marketplace is to use the firm's growing power to anticipate the customer in the service of the customer, not at her expense.

Authenticity and the Trust Economy

In a market that can verify nearly every claim, the expectation asset is only as durable as the firm's willingness to be, in fact, what it has promised to be. The cumulative effect of these developments — a market saturated with claims, a customer empowered to verify them publicly,

and algorithms quietly shaping what she sees — has been to raise the premium on authenticity. In a low-trust, high-connectivity environment, consumers increasingly evaluate not only whether a firm performs as promised but whether its promise is sincere, consistent, and continuous with who the firm genuinely is. Brand authenticity, built on perceived consistency, continuity, and integrity, has been shown to be a powerful driver of both perceived value and brand trust (Fritz, Schoenmueller, & Bruhn, 2017; Portal, Abratt, & Bendixen, 2019). Transparency has become its operational expression: when a firm openly discloses how its products are made and priced, consumers perceive it as more authentic and place more trust in it (Yang et al., 2020). This is, in an important sense, the original framework's thesis stated in moral terms. The Promise To Perform was always meant to be honored; what the trust economy adds is that it must now also be seen to be honored and sincerely meant.

The mechanism by which authenticity earns trust is increasingly the firm's own content. Rather than persuading directly, firms now cultivate relationships by offering relevant, valuable content that fosters engagement and trust over time (Hollebeek & Macky, 2019) — a patient, relational posture that stands in sharp contrast to the interruptive advertising of the era in which this paper was first written. The condition of constant connectivity that makes this possible cuts both ways. It allows a firm to nurture trust continuously, but it also means that any gap between the firm's stated position and its actual conduct is discoverable, shareable, and permanent. Authenticity, in this environment, is not a communications strategy layered on top of the Promise To Perform; it is the requirement that the promise and the performance be the same thing, observed continuously by a market that can no longer be told what to believe and must instead be shown. The firm that internalized the original framework's discipline — say what you will do,

do it consistently, confirm that you did — was already practicing authenticity before the term acquired its current strategic weight.

The Framework at Twenty-Eight Years

The thread that has held throughout is the inversion with which this revision began — that strategy is sustained as expectations, not merely by satisfying them. Surveying nearly three decades of subsequent scholarship and practice, what is most striking is how little of the original argument requires retraction and how much of it has been independently confirmed. The four-area cycle — strategy producing positioning, positioning shaping perception, perception hardening into expectation, and expectation feeding back to sustain or subvert strategy — remains an accurate description of how a firm's place in the market is made and unmade. Prospect theory confirmed the loss asymmetry that the forced-position equation assumed; the service-profit chain and internal-branding research confirmed that the Promise To Perform is provisioned internally before it reaches the market; brand-love, attachment, and self-congruity research confirmed that consistently met expectations harden into emotional and identity-based Resistance to Change; and the customer-experience and authenticity literatures confirmed that positioning is written through the totality of a firm's clues and survives only where promise and performance coincide.

What has genuinely changed is the field in which the cycle runs. In 1998, the firm enjoyed substantial control over the channels through which its position was communicated and a comfortable interval to detect and correct any drift between its variables and the market's. Both

have eroded. The customer now co-authors the firm's reputation in public and in permanence; universal expectations form and propagate at a velocity the original paper could not have imagined; algorithms mediate perception before the firm's positioning is consciously weighed; and the premium on authenticity has made the gap between promise and performance not merely costly but instantly visible. In return, the firm has gained an unprecedented capacity to listen to and anticipate its market. The net effect is not that managing expectations has become less important but that it has become more demanding, more continuous, and more consequential — a discipline to be exercised in real time across a contested field rather than projected from a position of control.

Long-term competitive advantage, on this account, belongs to the firm that treats expectations as the strategic asset they are: that sets them deliberately through a coherent strategy, communicates them honestly through positioning, earns them internally through an aligned workforce, confirms them continuously through a consistent and authentic experience, and listens for their drift through the abundant signals the market now emits. None of these obligations is new. What is new is that the market will no longer wait, will no longer be told what to believe, and will no longer keep its disappointments private. The firm that understands what is expected of it — and organizes itself, in full, to meet those expectations — still holds the most durable advantage there is. The firm that does not will find, faster than ever before, that its position has been rewritten without its consent.

Positioning the Contribution: A Synthesis, Not a New Theory

Intellectual honesty requires a clear statement of what this framework does and does not claim to be. The Forced Position Equation is not advanced here as a novel formal model, nor as the discovery of a new mechanism. More mathematically rigorous models of competitive positioning already exist, and the deeper logic the equation expresses is older still. A position that holds while the strength of strategy exceeds the strength of opposing forces, and collapses when that balance tips, is a marketing-specific restatement of Kurt Lewin's (1947) force-field analysis, in which any state of affairs persists only as an equilibrium between driving and restraining forces and shifts when that balance is disturbed. Readers familiar with Lewin will recognize the family resemblance at once, and it would be dishonest to obscure it.

The same candor applies to the equation's treatment of negative perception. The claim that the negative perceived-attitude reservoir (−PaR) does disproportionate damage — that a disappointment outweighs an equivalent delight — is loss aversion, and its application to brand evaluation was formalized before this paper was first written. Hardie, Johnson, and Fader (1993) modeled brand choice as a function of a brand's position relative to multiattribute reference points and demonstrated, with calibrated scanner data, that consumers weight losses from those reference points more heavily than equivalent gains. The asymmetry the Forced Position Equation builds in was thus already established, and more precisely measured, three decades ago. To present it as original would be to ignore the record.

What does appear to be genuinely under-occupied is not any single element but their particular combination. I have not found, elsewhere in the literature, the specific packaged construct this framework offers: the explicit division of the field into Firm Variables the firm

controls and Market Variables it can only influence, fused with a compact, named-term inequality — RsC, CP, EE, and PaR — and offered as a teachable, practitioner-facing heuristic for anticipating when a position is about to be lost. The formal models that exist are, for the most part, too elaborate to serve as a lens a working manager can carry into a planning meeting; Lewin's force field is general enough to apply anywhere but names none of these terms. The contribution here, then, is one of synthesis and pedagogy rather than of theory — a way of seeing and naming that makes an established dynamic usable. That is a more modest claim than novelty, but it is also more defensible.

There is, however, one idea — the inversion this revision has placed at its center and developed at length above — that holds the strongest claim to distinctiveness, and nearly three decades of subsequent reflection have only sharpened it: the treatment of customer expectations not as an output of strategy to be satisfied, but as the very thing a strategy exists to sustain. Most of the literature, from the expectation-confirmation tradition forward, asks whether a firm met expectations and what follows when it does or does not. This framework asks the prior question — what the firm's expectations of itself must be, and how the market's expectations and the firm's own must be held in alignment for a position to survive. The emphasis overlaps with expectation-confirmation theory, and I do not wish to overstate the distance between them. But the reorientation — from expectations as a yardstick of satisfaction to expectations as the load-bearing element of strategy itself — is the place where this work is most its own.

If the framework's claim to originality is modest, its path to a genuine contribution is clear, and it is empirical. No one, so far as I can determine, has operationalized these specific

terms and tested whether the inequality actually predicts the loss of a position in a real market. To do so would move the Forced Position Equation from a respectable framework to a falsifiable claim — and that is a line worth crossing. The remainder of this paper sketches how it might be done.

Operationalizing the Forced Position Equation

Because the asset at stake is the expectation structure itself, to test the framework is to measure whether that structure holds or is lost. Testing the equation requires turning each of its terms from a concept into a measured variable. The difficulty is not merely finding a proxy for each but finding proxies that can be gathered repeatedly, at the level of a single store or trade area, so that the balance of forces can be tracked over time and against outcomes. The operationalization below pairs a survey measure with a behavioral measure for each construct wherever possible, so that the test does not rest on self-report alone.

Term	Construct	Candidate measures	Data source
+PaR	Strength of favorable, position-relevant perception	Perceived performance on the claimed differentiator (semantic-differential rating); mean review valence; Net Promoter Score	Customer survey; review mining
−PaR	Accumulated negative perception (the loss side)	Share of one- and two-star reviews; complaint and return rates; negative-sentiment share; expectation-disconfirmation gap	Online reviews; CRM and complaint logs; survey
RsC	Resistance to Change (loyalty, commitment, switching-cost reservoir)	Repeat-purchase rate, churn, tenure, share of wallet; commitment and switching-cost scales; brand-attachment scale	POS and loyalty data; customer survey

CP	Current Position strength (clarity, distinctiveness, salience)	Unaided awareness; perceived distinctiveness; positioning consensus (inverse variance of attribute attributions); trade-area share	Survey; perceptual mapping; POS share
−EE	Negative external environment	Competitor density and new entry in the trade area; competitor promotional intensity; local economic and disruption indices; input-cost shocks	Trade-area analysis; market data; macro indicators
CoE ≠ FE	The forced position (dependent variable): gap between intended and perceived position	Distance on a perceptual map between management-intended and customer-perceived position; price-premium erosion; target-segment retention	Dual survey (managers and customers); POS pricing; segment tracking

The dependent variable deserves particular care, because it is the observable form of a forced position. The original framework defines that condition as the divergence of market expectations from firm expectations (CoE ≠ FE). Rendered as a measurement, this is the distance between the position the firm intends to occupy and the position customers actually perceive it to occupy. Management can be asked to articulate the intended position; customers can be asked to place the firm on the same attributes, or be located through a perceptual map; and the gap between the two, tracked over time, becomes a direct indicator of a position being rewritten. Behavioral corroboration — erosion of the price premium the firm can command, attrition of the target segment, or an involuntary recategorization in customers' minds — strengthens the measure and guards against treating ordinary perceptual noise as a forced position.

One measurement hazard must be confronted at the outset rather than discovered late. The three components on the strategy side of the inequality — positive perception (+PaR), Resistance to Change (RsC), and Current Position strength (CP) — are likely to be empirically correlated, because favorable perception, loyalty, and a strong position tend to travel together.

Before the equation can be tested, these constructs must be shown to be discriminably distinct, through confirmatory factor analysis and standard tests of discriminant validity. If they collapse into a single factor, the equation reduces to a contest between positive and negative forces, and its more granular structure would need to be either refined or, honestly, set aside. Discovering this oneself is far preferable to having a reviewer discover it.

A Research Design for Testing the Equation

The equation makes a stronger claim than the truism that negative forces harm a position, and the test must be specified to match that claim. The natural approach is to construct a net-force index — the standardized sum of the strategy-side terms minus the standardized sum of the opposing terms — and to ask not simply whether that index correlates with position strength but whether the probability of a forced position rises sharply as the index crosses zero. That is a threshold, or tipping-point, prediction, best examined with a nonlinear or change-point specification rather than a simple linear regression. The framework's deeper structural claim — that Resistance to Change and Current Position strength act as a buffer absorbing shocks — implies testable interactions: the damage done by a negative environment or a wave of negative perception should be smaller where the buffer is deep. If those interaction terms are not significant, the buffering logic is wrong, and that too is a finding. Finally, and most importantly for any claim of contribution, the model must be benchmarked against a simpler baseline — such as overall satisfaction or a standard service-quality gap — to demonstrate that its additional terms add predictive value rather than mere complexity.

Three research designs could carry this test, in ascending order of ambition. The first is a within-firm panel: treating each store and its trade area, observed each quarter, as a unit; measuring all of the terms per period; and using lagged models to ask whether the balance of forces in one period predicts the intended-versus-perceived gap, premium erosion, or churn in the next. The second is a cross-category brand study, measuring the constructs across many brands and testing whether the inequality correctly classifies which brands lose position over a follow-up window; this is more generalizable but considerably more demanding. The third, and in my judgment the most elegant starting point, is an event study built around discrete shocks — a competitor entering a trade area, a service-failure spike, a cost-driven price increase — testing whether a position held or collapsed as a function of the buffer that was in place when the shock arrived. The event design isolates the framework's central mechanism with the least data.

Stating the conditions that would disconfirm the framework is what separates it from advocacy, and they should be named plainly. The framework fails if a single satisfaction measure predicts position loss as well as the full set of terms; if Resistance to Change and Current Position strength do not moderate the impact of shocks; or if positions are observed to collapse without the inequality having tipped, or to survive when it has. Each of these is a real possibility, and a study honestly designed must be willing to report any of them.

A modest first study is well within reach, and it is one I am positioned to conduct. Across a small set of competitive-entry or price-shock events in the trade areas our retail business serves, the pre-shock buffer — Resistance to Change and Current Position strength — can be reconstructed from point-of-sale repeat-purchase data and a brief retrospective customer survey,

while the external shock and the negative-perception response can be drawn from trade-area competitor data and review records. The test is then straightforward: did the locations that entered the shock with a deeper buffer hold their price premium and their target-segment share, while thinner-buffered locations did not? A result in that form would be a publishable pilot, it would directly test the one mechanism most distinctive to this framework, and it would begin the work of turning a heuristic that has served me for nearly three decades into a claim that others can test, use, or refute.

By managing expectations — the breadth and scope of the attributes and activities customers anticipate — a firm will sustain its chosen strategy. It solidifies a firm's positioning within the customers' mind and ultimately the employed strategy. If expectations and perceptions are left unmanaged, however, the strategy will be difficult to sustain and may severely damage the firm.

Managers must ask themselves, "If a firm doesn't understand what is expected of them through perception and expectations, how can one successfully maximize profit, sustain strategy, and fulfill underlying wants and needs?"

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