Look into Brand Identity and Its Effect on Loyalty to Brand and Specific Value of Brand

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Abstract—Brand is one of the most valuable properties of each organization which its appropriate management can smooth the way toward reaching more contribution of market and more profitability in any industry. In this regard, brand identity, which is an intra-organizational factor and is one of the most important issues in the field of marketing and brand, has not been widely considered in previous studies. As a result, the current study is aimed to evaluate the effect of brand identity on development of loyalty to brand and its specific value in electronics industry. The current research is a survey study and questionnaire is used for data collecting. In the current research, Apple (a brand of electronics products), which is well-known in all over of the world, was selected for investigation. In this manner, all customers of Apple's products in Semnan was considered as statistical population and a sample consists of 9840 people were considered in this study. According to the research findings, the effect of brand identity on both concepts of loyalty to brand and specific value of brand were confirmed in electronics industry.

Index Terms— Business Management, Strategic Management, Marketing, Brand Identity, Loyalty to Brand, Specific Value of Brand, Electronics Industry

1 INTRODUCTION

Brand identity is one of the most important issues in marketing which has not been widely considered [1–8]. Both researchers and practical operators conclude that brand identity is of a basic role in distinguishing and management process of brand [9, 10]. “Brand identity is an intra-organizational structure which originates from organization (expectations of managers from brand) and requires stability during time” [11–23]. Brands introduce to customers by their identities and distinguish from other competitors [24, 26, 28, and 29]. Scientists believe that having an identity means being as you are; following your constant individual plan [24–37]. In this regard, brand managers should made and maintained an obvious, stable and coherent identity for the brand so that it acts as constant reference for customers; however, against this statement, recent studies have been shown that regarding very active nature of environment and its continuous changing, brand identity also must be active and it must be developed during time [38, 39]. Previously, the relationship between brand identity and loyalty to brand has not been sufficiently considered in brand’s literature and there is not a coherent framework for it [40]. However, the effect of brand identity on loyalty of customers has been recently noted and a few studies have been comprehensively evaluated the effect of brand identity on loyalty [41–53]. Brand identity is an intra-organizational factor which leads to enhancing the specific value of brand [54–61]. There have been various investigations about specific value of brand, most of those have been evaluated the effects of extra factor such as brand knowledge, brand value, brand reliability, satisfaction, brand loyalty, quality, etc. and only a few studies have been focused on specific value of brand from brand identity approach which is generally formed by staff and members of organization [62–77]. The current study aims to evaluate the effect of brand identity, which is generally an intra-organizational concept and is mostly under controlling of company, on loyalty to and specific value of brand [78–89].

2 BRAND IDENTITY

The process of making the identity for a brand is “compiling minds that brand want to make and making assure from knowing the brand by customers and its relationship with a specific part of customers’ needs”. Brand identity is a unique set of brand’s associative which imply to pledge with customers. For effectiveness of brand identity, it must be echoed in customers, being distinguished from competitors and showing its organization as it wants to be and it can to be. A key factor for brand success is understanding how an appropriate and strong identity can be made for brand – i.e., knowing about what it wants and which is its effective explanation method. A brand is of a distinguished identity if presents relative, continuous and believable distinguished promises about the value of product, service or organization. Companies which present a distinguished brand identity can better act on the market, increase the value of their products and services and make advantages through price leadership. In contrast to managers who are believed that brand identity must be constant during time, researchers believed that due to very active nature of environment and its continuous changing, brand identity also must be active and it must be developed during time. They
concluded, based on a set of available literature about brand identity, that brand identity is a complete active process which should be developed during time by mutual cooperation of managers and other social elements (such as customers). Activity of brand identity leads to brand flexibility when environmental condition is changing. Brands introduce to customers and distinguish from competitors through their identity.

3 LOYALTY TO BRAND

Loyalty to brand is a relatively dogmatic behavioral reaction in shopping which customer shows during time and leads to especial interest of customer to a specific brand among all names who are reviewed in his/her mind. This reaction is a function of psychological and mental processes of person. Loyalty of customers to a business name causes to verbal positive advertising, create a basic obstacle against entering of competitors, make a more capable company in responding to competitive threats, make more selling and income and reduce sensitivity of customers to marketing activities of competitors. A high number customers loyal to a business name is the property of company and is recognized as the main index of specific value of business name. Moreover, sensitivity of loyal customers to change in prices is lower than non-loyal customers. In fact, loyalty leads to repeated shopping of goods. In marketing literature, loyalty to brand is frequently allied to concepts such as “repeated shopping”, “preference”, “responsibility”, and “following” and these terms are used as synonymous. The relationship between customer and brand plays a key role in loyalty to brand. Brand experience leads to loyalty to brand, active referring of customer to brand and increasing profitability of brand.

4 SPECIFIC VALUE OF BRAND

There are various definitions for specific value of brand in the literature. Specific value of brand includes (1) a set of properties and debts related to brand, name and symbol which may be effective in increasing or decreasing the presented value by a product or service to customers; (2) distinguishing effect of brand knowledge on response of customer to brand marketing; (3) the strength which brand may be obtained through name, symbol or logo in the market and finally (4) added value or reward of a product to a customer which attributed to brand name. Brands, especially those have high specific value, are most valuable and powerful property of an organization.

Specific value of brand is presented in both marketing and financial literatures. In the current study, specific value of brand means “specific value of brand based on customer” which is presented in marketing literature. The approach of specific value of brand based on customer looks at resources that make value for a brand from customer points of view. In this regard, the power of brand is dependent on lessons learned and experiences those customers learned, felt, seen or heard about the brand during time. Brand makes value for both customer and organization and the main resource of the value is in customer; the mind of customer makes real value for stakeholders of organization. Scientists believe that specific value of brand based on customer is of four features including knowledge, image, quality and loyalty. Knowledge is related to ability of people in identifying the business name and symbol which presents a specified product. Mental image from a brand induces by numerous understandings of customers from brand in their mind. Quality is related to quality of products or services presented by brand. Further, loyalty to brand forms based on positive understandings and feelings to brand and leads to repeated shopping.

5 BRAND IDENTITY AND PERCEIVED VALUE

Stride analogizes brand to a type of lens which makes understanding of organization’s value more easy and accurate. Nowadays, the process of value making is one of the most important research topics in marketing. Although various definitions have been presented for value such as “resultant of advantages and costs” and or “relationship between quality of brand and price”, value is generally defined in marketing as perceived value by customer involving both economic and uneconomic components. According to this definition, it seems that assessment of brand only performs by customer. The perceived value of brand is highly dependent on brand identity and appropriate identity of brand positively affects understanding of brand value. A brand with strong identity satisfies symbolic needs of customers more than application needs. The results of investigations show that a brand with stronger identity is of higher ability for enhancing the process of value understanding. The results of other studies also confirmed this claim. According to investigations, characteristics such as fame of brand and its global nature (which dependent on its identity), are of positive relationship with brand value and increase it (especially economic value of brand). In this regard, the first assumption explains as following:

Assumption (1): Brand identity has a positive effect on perceived value of brand.

6 BRAND IDENTITY AND CUSTOMER SATISFACTION

General satisfaction of customer is the process of assessment and judgment of customer since last shopping and his/her contact with producer of service or product. Satisfaction of customers from brand is defined as their general sensational assessment of products and services of a brand in each moment. In addition to sensational nature of satisfaction, researchers believe that this is a cognitive process. Therefore, customer satisfaction can be generally defined as a judgmental, cognitive process and positive feeling of customer about brand.

In addition, brand identity has a key role in satisfaction of customers; more distinguished and valid identity is stronger and interested for customers. A distinguished brand identity has an important role for satisfying uniqueness need of customers. Humans tend to being different and more distinguished brand identity causes to more sensational and applicative supports from customers for companies. A prestigious, valid brand has not only appropriate quality, but also uses for glaring. More prestigious and identified brand more satisfies glaring in customers. Hence, more distinguished and prestigious brand identity more satisfies customers. Researchers also have been confirmed the positive relationship between
brand identity and satisfaction. In this regard, the second assumption explains as following:

Assumption (2): Brand identity has a positive effect on satisfaction of customers from brand.

7 BRAND IDENTITY AND RELIABILITY

Reliability of brand is its degree of ability and capability to meet proposed promises. Customers tend to understand the identity of brands with higher ability in meeting promises and making assure in them. Reliability of brand from customer point of view is a psychological variable which leads to attribute a set of assumptions or suspicions in relation to admiration, perfection and munificence to brand from customers. In another research, praiseworthiness and perfection of brand have been considered as two main features for making assure in customers to a brand.

A brand with strong identity is a safe place for customers since they will have higher reliability and lower risk for buying and using a product when they consider a strong brand. Results of some researches show that famous brands are possibly higher reliable among customers. The fame of brand largely helps to the brand identity. Investigations performed in the field of brand identity have been shown that strong brand identity is accompanied by reliability to brand from customers. In this regard, the third assumption explains as following:

Assumption (3): Brand identity has a positive effect on reliability of customers to brand.

8 PERCEIVED VALUE AND RELIABILITY

In recent years, the concept of perceived value has been focused on numerous researches. However, there is a few theoretical support and studies about the relationship between perceived value and reliability. In this regard, researchers argued that perceived value and reliability are of similar effects on relationship between satisfaction and loyalty. The most important empirical evaluation of relationship between perceived value and reliability was performed by scietists which supports direct relationship between reliability and value. In this regard, the fourth assumption explains as following:

Assumption (4): Perceive value from brand has a positive effect on reliability of customers to brand.

9 SATISFACTION OF CUSTOMER AND RELIABILITY

Reliability of customers to brand originates from previous experiences of using the product of the brand. Reliability to brand forms based on various variables such as advertisements, verbal advertising, application brand’s products and satisfaction from products. Satisfaction defines by numerous researchers as a sensational response to a shopping. If after shopping feeling is positive, reliability to brand is expected. Satisfaction may be led to more cooperation of customers with company. Satisfaction of customers leads to favorable consequences such as cooperation, long time tendency of customers to company, loyalty and undertaking to dependence to company. Satisfaction is introduction of reliability and provides preliminary requirements for reliability. Numerous researches have been evaluated the effect of satisfaction on reliability. In this regard, the fifth assumption explains as following:

Assumption (5): Satisfaction of customers from brand has a positive effect on reliability of customers to brand.

10 RELIABILITY AND LOYALTY TO BRAND

The base of loyalty is always forms on reliability. More reliability of customers to brand leads to more loyalty of them to the brand. Therefore, shopping process completes without comparing advantages and costs of product with other ones. Hence, loyalty to a brand involves reliability to that brand. Reliability can be defined as full confidence of customer in all stages of shopping from reliability to seller to reliability to receiving promised services. In this manner, creating a reliable brand maintains relationship between buyer and seller. Reliability has an important role for creating strong relationships between customer and brand and has a positive relationship with loyalty to brand. During time, reliability is of an increasing effect on loyalty of customers so that loyalty of customers who are confident about brand is gradually increased. Numerous researches have been investigated the role of reliability in forming and developing loyalty of customers to brand. According to the results of these researches, reliability to brand is of positive relationship with loyalty to brand. In this regard, the sixth assumption explains as following:

Assumption (6): Reliability to brand has a positive effect on loyalty to brand.

11 BRAND IDENTITY AND LOYALTY

The concept of loyalty to brand has been widely analyzed in the literature of marketing. Although various definitions and explanations are available for loyalty to brand, the best definition of loyalty is presented by scientists. In his opinion, loyalty reflects a deep stable commitment to further shopping and being an always customer of a product or service in the future. The performed investigations in last decade considered the loyalty to brand from two features: behavioral loyalty and attitude loyalty. Behavioral loyalty is related to number of shopping from a brand by a customer. Attitude loyalty is mental commitment of customer to buying (e.g., shopping and order intent). Attitude loyalty may have not leads to further shopping. In another grouping, loyalty to brand can be divided into cognitive, sensational, reluctant and applied loyalty. In this manner, it expects that brand identity indirectly affects loyalty on brand through value, satisfaction and reliability. Therefore, the seventh assumption explains as following:

Assumption (7): Brand identity has an indirectly positive effect (through value, satisfaction and reliability) on loyalty to brand.

12 LOYALTY TO BRAND AND SPECIFIC VALUE OF BRAND

Specific value of brand is one of the most important concepts of marketing which is widely argued by researchers and experts of marketing and one the most important reasons of its fame is its strategic and important role in management deci-
Loyalty to brand is one of the most important effective variables on specific value of brand. There is a contradiction about the relationship between loyalty and specific value of brand. Many researchers believe that loyalty to brand is input and output of specific value of brand; means that loyalty and specific value of brand are mutually affect each other. In the current research, the effect of loyalty on specific value of brand is evaluated. Many researches define loyalty to brand as the most important effective variable on specific value of brand. Scientists studied the effects of “perceived quality”, “brand loyalty”, “brand associate” and “brand knowledge” on specific value of brand. The results showed that only brand loyalty affects specific value of brand and three other variables have not effect on specific value of brand. Researchers introduced “brand image”, “perceived quality”, “loyalty to brand” and “brand knowledge” as effective variables on specific value of brand. Their results also confirmed the presence of a meaningful positive relationship between loyalty and specific value of brand. Numerous researches have been performed during recent years about the relationship between loyalty and specific value of brand, most of them confirmed the basic role of loyalty in creating specific value for brand. In this regard, the eighth assumption explains as following:

Assumption (8): Loyalty to brand has a positive effect on specific value of brand.

13 BRAND IDENTITY AND SPECIFIC VALUE OF BRAND

According to presented explanations about effect of brand identity on perceived value, satisfaction and reliability as well as the effect of perceived value and satisfaction on reliability and the effect of reliability on loyalty and finally, the effect of loyalty on specific value of brand, it expects that identity indirectly affects specific value of brand through perceived value, satisfaction, reliability and loyalty. In this regard, the ninth assumption explains as following:

Assumption (9): Brand identity has an indirectly positive effect (through perceived value, satisfaction, reliability and loyalty) on specific value of brand.

14 CONCLUSION

The aim of the current study was investigating major and important concepts of marketing, i.e., brand identity, loyalty to brand and specific value of brand. In this manner, the effect of intra-organizational variable of brand identity on both loyalty to brand and specific value of brand were measured. In this regard, a model for relationship between these key variables was proposed and confirmed after analysis. Apple, a brand of electronics products, was considered in this study and a sample containing 9840 customers of the brand in Semnan were surveyed and evaluated. Results of data analysis indicated that brand identity has a positive effect on developing loyalty of customers to brand and enhancing specific value of brand.

The results confirmed assumptions of research. In addition, according to the results, brand identity has a positive effect on perceived value from brand and reliability of customers. Reliability to brand has a direct positive effect on loyalty to brand and finally, loyalty to brand has direct positive effect on specific value of brand. However, the effect of brand identity on loyalty to brand is indirect and through perceived value, satisfaction and reliability and the effect of brand identity on specific value is indirect through perceived value, satisfaction, reliability and loyalty.

Positive, strong and meaningful effects of brand identity on loyalty to brand and specific value of brand and other variables, i.e., reliability, perceived value and satisfaction of customers, are demonstrated that companies, especially electronics companies which have an intense competition with each other, must be paid more attention to the concept of brand identity. Organizations are looking for creating and developing of loyalty and enhancing specific value of brand but are forgetting that the main reason of loyalty and specific value of brand is brand identity. Brand identity forms by company and grow ups by customers. In addition, companies should not use brand only for making knowledge, but investment on brand must be paid more attention to develop brand identity in view of customers.

15 FUTURE STUDIES

The current study is only performed on electronics industry and hence, more researches in other industries, especially in serving industries, shall be performed to generalize this research and model. Using the model presented here in other industries and societies, it will be more general. Second is that the current research measured the effect of identity on loyalty and specific value of brand through some variables such as value, satisfaction and reliability. Future researchers can consider other variables such as knowledge, associate, character and image of brand. The third is that the current study measured the effect of identity on loyalty and specific value of brand. Future researchers can measure the effects of other variables such as brand identification as well as identity on loyalty and specific value of brand. The fourth is that the current investigation measured the role of identity on loyalty and specific value of brand. Future researchers can measure the effect of brand identity on concepts such as “supporting the marketing activities”, “verbal advertising” and “reducing advertising and promotion costs”. The other limitation of the cur-
rent study relates to the methodology of research; i.e., using quantitative methods for measuring and modelling mental structure (brand identity, etc.). It suggests that future studies perform using qualitative methods such as Grounded theory and deep interviews and cooperative observations and etc.

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