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**SIGNIFICANCE OF DETERMINANTS OF BRAND
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Significance of Determinants of Brand Loyalty

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Abstract – Marketing strategies for brands have shifted its focus on relationships and value creation that directly links to brand loyalty, is the main focus of this paper and two key factors: brand experience and brand commitment, within automotive sector, are investigated to examine relative relationships. These factors have already been established to have a connection to brand loyalty. However, as brand commitment consists of both affective and continuance commitment, it is still somewhat unclear about which of these aspects of commitment has the greatest, or most important impact on brand loyalty.

Keywords: Brand Loyalty, Brand Experience, Brand Commitment, Branding

INTRODUCTION

The marketing field first took an interest in brand loyalty on an academic level through Copeland's work in 1923 (cited in Kabiraj and Shanmugan, 2011, p. 288), with the understanding that brand loyalty existed only at the behavioural level. At this time, brand loyalty was measured using factors such as purchase sequences, percentage of total purchases, and purchase probability (Kumar and Advani, 2005; Kabiraj and Shanmugan, 2011; Iglesias et al, 2011).

This notion led to a focus on price, functionality, and quality when marketing products and services, with the expectation that customers would develop a repeated purchase pattern if these factors met the customer's criteria. However, another level of loyalty was revealed during the 1950's, as brand loyalty became an increasingly popular research area. Several researchers, such as Cunningham (1967), Day (1969) and Jacoby (1971), began to recognise that the attitudinal aspects of brand loyalty were just as important as the behavioural aspects.

As it became apparent that brands often held an emotional component as well as a functional one, marketing strategies shifted to focus on relationships and value creation (Iglesias et al, 2011).

Wel et al (2011) explained the two components of the phenomenon that is brand loyalty, by stating that in addition to having the intention to repurchase a brand, brand loyalists also have to hold some degree of emotional connection and/or commitment towards the brand. It has therefore become natural for both researchers and marketers to treat brands as having both a rational and an emotional component. This has in turn contributed to creating more complex surroundings for researchers.

As more research on the subject was completed, several drivers of the construct that is brand loyalty surfaced, and to this day authors are still not in complete agreement in regards to which components to apply when measuring brand loyalty. Fullerton (2003) established that commitment was of great importance to brand loyalty, and had an impact on several factors, such as values, trust, and perceived quality.

Later on, Brakus et al (2009) located brand experience as another important driver, stating that it influenced brand loyalty indirectly through brand personality. These are just two of the measures located by authors during the last decade, and the large assortment of influencing factors greatly contributes to the academic understanding of brand loyalty.

However, they can also be the cause of great confusion, as both scholars and marketers can find it difficult to determine which factors to use when measuring the level of loyalty a consumer holds towards a specific brand. Therefore, the main focus of this paper would be on the two aforementioned factors, brand experience and brand commitment within automotive sector, which have received increasing attention from scholars during the last decade. These factors have already been established to have a connection to brand loyalty. However, as brand commitment consists of both affective and continuance commitment (Fullerton, 2003; Iglesias et al, 2011; Batra et al, 2012), it is still somewhat unclear about which of these aspects of commitment has the greatest, or most important impact on brand loyalty.

Moreover, the existing research and literature surrounding the brand experience construct is

extensive. However, it is not entirely clear regarding this construct's relationship to brand loyalty. While some authors claim that it affects brand loyalty directly, others have found that it is a dependent variable, which, alone does not have any immediate effect on brand loyalty. This study also aims to establish a connection between brand experience and brand loyalty as far as automotive sector is concerned, both with and without commitment as a mediator.

DRIVERS OF BRAND LOYALTY

In recent times, both academics and marketing practitioners have recognized that it is crucial to manage the customer's experience if value creation is to be achieved (Berry et al., 2002; Iglesias et al., 2010). As such, marketing is shifting its focus from quality to experience (Klaus and Maklan, 2013), and it is therefore becoming increasingly important to be able to define and develop brand experience if organisations hope to gain a competitive advantage in the market (Ismail et al., 2011).

As the concept of brand experience was introduced, it quickly received recognition by several scholars, and thereafter, the concept became an equivalent to value creation (Carù and Cova, 2003; Ponsonby-McCabe and Boyle, 2006; Iglesias et al, 2011). However, even though most agree that brand experience entails value creation, and holds great importance to the marketing field, an agreement of a common definition is not yet available. Moreover, brand experience has evolved into a generic concept that spans across several experience categories such as service experience, product experience, customer experience, etc. (Zarantonello and Schmitt, 2010).

Consequently, brand experience now consists of several dimensions, and regrettably, an agreement is yet to be reached as to which dimensions are more appropriate. As such, the complexity surrounding brand experience increases, and a review of the present dimensions is therefore in order. In context, Brakus et al (2009) located the four dimensions sensorial, affective, behavioural and intellectual, to be the most important aspects of brand experience. These dimensions are supported by scholars such as Ismail et al (2011), Zarantonello and Schmitt (2010), Iglesias et al (2011), and Hultén (2011). This, in addition to the fact that the four dimensions were tested across over 30 different brands in various industries, means that the dimensions are considered to be both valid and reliable, and directly applicable to the automotive industry, as this industry actually took part in the research. The authors will therefore apply these four dimensions of brand experience when moving forward with the primary research later on.

BRAND COMMITMENT

Brand commitment is an attitudinal concept that has received increasing interest within the marketing field during the last decades, and has been established as

an important factor regarding relationship marketing and consumer behaviour (Morgan and Hunt, 1994; Sargeant and Lee, 2004; Sung and Campbell, 2009). In fact, Bozzo et al (2003) found that a committed consumer would be willing to make some sort of sacrifice in order to make the relationship work, which further stresses the importance of brand commitment in marketing. As such, brand commitment can be defined as "an enduring desire to maintain a valued relationship" (Berry and Parasuraman, 1991, p. 316).

The value and importance of brand commitment is clearly displayed in the aforementioned definition, as it illustrates that a highly committed consumer will work harder to maintain a relationship with a brand than a consumer that holds no, or low commitment to a brand. However, researchers in the marketing field have been more concerned with commitment in a organisational context, where organisational and employee commitment is in focus, rather than consumer commitment towards the actual brand (Allen and Meyer, 1990; Burmann and Zeplin, 2005; Burmann et al., 2009; Gong et al., 2009; Priyadarshi, 2011).

Nevertheless, consumer brand commitment is still an important construct, and it is crucial that marketers are aware of the importance of building and maintaining consumer relationships, as this is closely linked with commitment.

Additionally, brand commitment is known to have several components. The most accepted components in the marketing field are affective and continuance commitment, stemming from a three-component model located in the organisational psychology field by Allen and Meyer (1990). Their research originally revealed commitment to consist of affective, continuance, and normative commitment. However, this three-component model is open to criticism, as there is a shortage of existing literature surrounding normative commitment, in addition to the fact that their research revealed an "overlap between affective and normative commitment" (Allen and Meyer, 1990, p. 13), making the two components difficult to separate.

This could explain why marketing scholars generally tend to focus on the first two components, and this research paper will therefore act in accordance with the marketing literature in determining that brand commitment consists of affective and continuance commitment.

SIGNIFICANCE OF THE STUDY

The concept of brand loyalty has been recognized as an important construct in the marketing literature for at least four decades (Howard and Sheth, 1969), and most researchers agree that brand loyalty can create firm benefits such as reduced marketing costs (Chaudhuri and Holbrook, 2001), positive word of mouth (Sutikno, 2011), business profitability (Kabiraj

and Shanmugan, 2011), increased market share (Gounaris and Stathakopoulos, 2004) and a competitive advantage in the market (Iglesias et al, 2011). These benefits clearly reveals the positive impact brand loyalty can have on a firm, and as such, Khan and Mahmood (2012, p. 33) suggested a definition that reflected these benefits in an efficient manner, by stating that "brand loyalty can be defined as the customer's unconditional commitment and a strong relationship with the brand, which is not likely to be affected under normal circumstances".

In spite of the fact that there is a common agreement between researchers regarding the benefits that follows brand loyalty, marketing practitioners and scholars have yet to agree on a definition of the concept. However, the literature still reveals some common denominators, as most researchers agrees that brand loyalty can be either true or spurious (Day, 1996; Lin, 2010; Iglesias et al, 2011; Kumar and Advani, 2005). While spurious loyalty is driven by situational circumstances such as price and convenience (Iglesias et al, 2011), true brand loyalty holds some indicator of previous psychological and affective attachment to the brand (Lin, 2010).

In addition to true and spurious loyalty, other scholars have suggested that brand loyalty holds several other dimensions. However, in recent marketing literature, true and spurious brand loyalty are still the most recognised dimensions, and as such, this research paper will focus on the impact brand experience and commitment has on true brand loyalty when moving forward with the research.

The notion of brand loyalty as a two-component structure is still considered as being highly appropriate among researchers. However, recent studies has viewed brand loyalty as a multi-dimensional construct, and as such, it is in need of multivariate measurements (Punniyamoorthy and Raj, 2011). This new prospect creates room for several measurements and interpretations, and as of this moment researchers are not yet in agreement regarding which measurements to use. While some researchers has used involvement (Traylor, 1983), brand trust (Garbarino and Johnson, 1999) and satisfaction (Wang et al, 2004), other researchers have revealed an increased interest in commitment and experience (Fullerton, 2003; Brakus et al., 2009; Iglesias et al., 2011). However, these are more recent constructs and therefore under-researched (Iglesias et al., 2011), especially regarding commitment as a mediating construct between experience and loyalty, as it is perceived in this research paper.

The literature has revealed that there was a lack of agreement among scholars both concerning brand loyalty definitions and measures. This disagreement, especially regarding the lack of a common brand loyalty measure, can be the cause of great confusion,

and evidently, invalid data. However, Newman and Werbel (1973; cited in Kabiraj and Shanmugan, 2011, p. 289) argued that in order for brand loyalty measures to be valuable for marketers, the measures should contain the consumer's unwillingness to switch brands.

Presuming that this statement is correct, brand commitment is a valid brand loyalty measure. As reflected in the literature, brand commitment is conceptualized as the consumer's desire to maintain a relationship with the brand, which has a direct influence on their reluctance to switch brands. Based on the literature, the authors therefore expect to find that both affective and continuance commitment has an impact on brand loyalty.

CONCLUSION

Based on Newman and Werbel's statement, it is also presumed that brand experience is a valid measure of brand loyalty, as it is more likely that **consumers** who encounters a superior brand experience will prefer this brand in the future (Brakus et al., 2009), which will evidently cause a reluctance to switch brands. The literature also revealed that brand experience can be viewed as having both a direct and indirect impact on loyalty, as some authors has named brand commitment as a mediator between experience and loyalty. However, there is not sufficient evidence in the literature to suggest which of these views are correct, as brand experience is still an under-researched concept, and commitment as a mediator of the relationship has yet to be validated. The authors, therefore, expects to validate this relationship between experience and loyalty, both with and without commitment as a mediator.

Moreover, the existing research and literature surrounding the brand experience construct is extensive. However, it is not entirely clear regarding this construct's relationship to brand loyalty. While some authors claim that it affects brand loyalty directly, others have found that it is a dependent variable, which, alone does not have any immediate effect on brand loyalty. This study also investigates a connection between brand experience and brand loyalty as far as automotive sector is concerned, both with and without commitment as a mediator.

As a result, continuance commitment was found to not have any considerable impact on the consumer's loyalty towards a brand, it is assumed that factors such as price and other available alternatives dos not influence this desire to maintain said relationship.

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