Social identity perspective on brand loyalty ☆

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ABSTRACT

This paper proposes a social identity perspective of customer–brand relationship and integrates brand identity and identification with value, trust and satisfaction in predicting brand loyalty. Two studies' empirical results support this path to brand loyalty framework. The results offer several theoretical implications. First, this research confirms the presence of significant direct and indirect effects of brand identity and brand identification on traditional antecedents of brand loyalty (i.e. perceived value, satisfaction, and trust). Second, the research suggests that social identification perspective of brand loyalty can integrate with other perspectives to model the consumer's psychological path to brand loyalty. Third, the research confirms the pivotal role of brand identification in brand loyalty development and stresses the mediation effect of brand identification on the effects of brand identity on the path to brand loyalty.

1. Introduction

Identifying the psychological process/path to consumer brand loyalty is a focal issue in marketing research (Chaudhuri and Holbrook, 2001; Harris and Goode, 2004; Oliver, 1999; Woodside and Walser, 2007). Extant literature presents several perspectives on this issue (Harris and Goode, 2004). These studies frequently propose differing central or pivot constructs, including trust (Morgan and Hunt, 1994), customer satisfaction (Garbarino and Johnson, 1999; Oliver, 1999), and perceived value (Sirdeshmukh et al., 2002; Sweeney and Soutar, 2001) to brand loyalty. An integrated approach is emerging that incorporates these constructs into holistic conceptualizations (Garbarino and Johnson, 1999; Harris and Goode, 2004). To date the literature pays insufficient attention to social identification antecedents (e.g., brand identity and brand identification) to brand loyalty and has not yet incorporated them into traditional frameworks.

Recent studies suggest that a social identity perspective could be insightful in describing the relationship between a company and stakeholders (Ahearne et al., 2005; Bhattacharya and Sen, 2003; Mukherjee and He, 2008). A social identity perspective advocates the study of consumers' identity motives, specifically self-expression, self-enhancement, and self-esteem in developing meaningful relationships with companies and brands (Bhattacharya and Sen, 2003;

Escalas, 2004). Recent studies accumulate evidence on the effects of brand identity and identification on loyalty (He and Li, 2010; Marin et al., 2009). However, scant research is available on integrating social identity variables with social exchange variables in explaining brand loyalty. Since both social identification processes (Rindfleisch et al., 2009) and interpretations of service dynamics (e.g., value, satisfaction, and trust) (Harris and Goode, 2004) contribute to consumers' psychological processes, incorporating both processes into a broader conceptualization of brand loyalty formation seems intuitively logical.

This research offers an integrated framework to bridge this gap. Specially, this research contributes to the literature in the following ways. First, this research confirms the pivotal role of brand identification in the process of brand loyalty development and stresses the mediation effect of brand identification on the effects of brand identity on the path to brand loyalty. Second, this research suggests that social identification perspective of brand loyalty can integrate with other perspectives (e.g., perceived value, trust, and satisfaction) in explaining brand loyalty. Furthermore, this research provides initial evidence on the slightly differential paths to brand loyalty due to the product natures of the focal brands.

2. Model development and testing

The transition to a relationship marketing paradigm places brand loyalty as a central indicator of customer relational strength (Oliver, 1999). As a result, the issue of antecedents of brand loyalty becomes increasingly topical (Jang et al., 2008; Kressmann et al., 2006). Previous research on loyalty focuses on constructs, such as perceived value, brand trust, and customer satisfaction. Fig. 1 synthesizes such
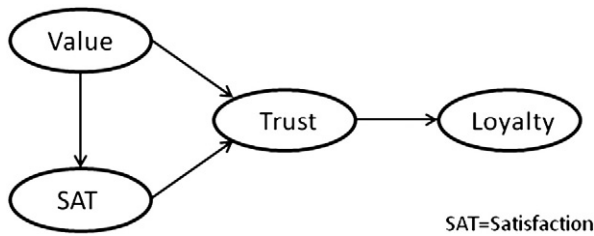
Fig. 1. Established framework of perceived value, customer satisfaction, brand trust, and brand loyalty.

research. Table 1 presents the definitions of the key constructs appearing in this research.

Brand loyalty research is increasingly adopting integrative approaches to model the antecedents to brand loyalty. However, mainstream research into brand loyalty neglects the role of brand itself (i.e. brand identity) and consumers' identification with the brand (i.e. brand identification). The social identity perspective of customer–brand relationships suggests that consumers engage in pro-brand behavior because they identify with the focal brand or company, and such brand identification arises largely due to the identity of the brand (Ahearne et al., 2005; Bhattacharya and Sen, 2003). Social identity perspective places *brand identity* as a key antecedent to brand identification. Brand research also suggests that brand identity has a direct effect on brand relationship (e.g., Madhavaram, et al., 2005; Schmitt and Pan, 1994). For example, de Chernatony (1999) stresses the important role of brand identity management for building brand reputation.

Madhavaram et al. (2005) advocate that brand identity management should be the starting point of integrated marketing communications for the purpose of building brand loyalty. Bhattacharya and Sen (2003) and He and Mukherjee (2009) suggest that brand identity (as manifested in properties such as prestige and distinctiveness) leads to stronger customer relationship. Ahearne et al. (2005) offer some initial important evidence on the effect of corporate brand identity (via identification) on important customer relationship indicators (i.e., extra-role behaviors and product utilization).

2.1. Study 1: Integrating brand identity

A first step in exploring and describing these relationships requires the incorporation of brand identity into the established framework of the drivers of loyalty (see Fig. 1). Fig. 2 identifies the key constructs in the first study.

Customers can develop strong relationships with a brand for its identity (Fournier, 1998). Brand (including corporate) identity refers to the distinctive and relatively enduring characteristics of a focal brand (or company) (Balmer, 2001; Bhattacharya and Sen, 2003). A brand tends to have a strong and attractive identity when the identity is more distinctive and more prestigious (Bhattacharya and Sen, 2003; Dutton et al., 1994). Distinctive brand identity can help consumers

fulfill their self-definitional needs for uniqueness (Berger and Heath, 2007; Ruvio, 2008; Tian et al., 2001). Different individuals have different levels of motivation and need for distinctiveness in their identities (Tian et al., 2001). Hence, a brand with more distinctive identity is advantageous in obtaining consumers' attitudinal and action supports.

Enhancing and protecting self-esteem are other identity-related motives for brand choice and consumption (Kressmann et al., 2006). Self-enhancement establishes when consumers believe that the focal brand is a prestigious and highly reputed one. A *prestige* brand is a brand that is for not just the quality but more importantly status, especially for conspicuous consumption (Kirmani et al., 1999). Research shows that corporate reputation positively influences customer–brand relationship (Cornwell and Coote, 2003; Sen and Bhattacharya, 2001), and construed that external prestige positively influences organizational identification (Fuller et al., 2006; Smidts et al., 2001).

The model proposed in Fig. 2 suggests that value, trust, and satisfaction mediate brand identity's effect on brand loyalty. First, brand identity enhances brand value. A brand with strong brand identity tends to satisfy customers' symbolic needs more than their functional needs. According to the basic utility principle of perceived value (Parasuraman et al., 1988), a brand with stronger identity tends to enhance value perception. Prior studies find some empirical support for such an effect. For example, Steenkamp et al. (2003) find that brand features (e.g., brand globalness) enhance brand value. Hansen et al. (2008) find that corporate reputation positively relates to perceived economic value. In addition, brand identity positively relates to customer satisfaction, since, as noted earlier, the identity of a brand represents certain prestige and distinctiveness, which in turn can accommodate customers' needs for uniqueness and self-enhancement. For example, Chun and Davies (2006) find that brand character/personality is positively related to customer satisfaction.

H1. Strong brand identity relates to brand value positively.

H2. Strong brand identity relates to customer satisfaction positively.

Brand identity also associates with brand trust positively. Two cognitive processes of the development of trust are particularly relevant to the effect of brand identity on brand trust (Doney and Cannon, 1997). The first process is calculative by means of calculating the costs/rewards of the target brand acting in an untrustworthy manner. Consumers could see a brand with a strong identity (i.e. high prestige and high distinctiveness) as incurring too much cost by acting untrustworthily due to the potential loss of brand reputation, which consequently enhances brand trust.

The second process of trust building relates to a brand's capability to fulfill its promises. Consumers tend to perceive brands with strong identity as highly capable and enjoying stronger consumer trust. Extant literature echoes the notion that reputed brands/companies are more likely to enjoy higher consumer trust (e.g., Sichtmann, 2007; Walsh et al., 2009). Baek et al. (2010) find that brand prestige positively relates to perceived quality, and negatively relates to

Table 1
Definitions of key constructs.

Constructs	Definitions
Trust	'Confidence in the exchange partners' reliability and integrity' (Morgan and Hunt, 1994, p. 23).
Satisfaction	Accumulated general emotional evaluation of a brand's products/service over time (Anderson et al., 2004).
Value	The overall assessment of the utility of a product based on the perceptions of what is received and what is given (Parasuraman and Grewal, 2000; Zeithaml, 1988).
Brand loyalty	"Biased behavior response expressed overtime by some decision-making unit with respect to one or more alternative brands out of a set of such brands" (Jacoby and Chestnut, 1978, p. 80).
Brand identity	The distinctive and relatively enduring characteristics of a focal brand (or company) (Balmer, 2001; Bhattacharya and Sen, 2003). A brand tends to have a strong and attractive identity when the identity is more *distinctive* and more *prestigious* (Bhattacharya and Sen, 2003; Dutton et al., 1994).
Brand identification	'…an active, selective, and volitional act motivated by the satisfaction of one or more self-definitional (i.e., "Who am I?") needs…' (Bhattacharya and Sen, 2003, p. 77).