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Consumer identification with store brands: Differences between consumers according to their brand loyalty



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Abstract Retail management of store brands (SBs) has focused on achieving positioning in value and creating associations of smart or expert shopping. The result is that value-conscious consumers and market mavens are the main targets of these brands. This study proposes and contrasts empirically a theoretical model of the effect of market mavenism and value consciousness on consumer identification with SBs. We also perform a multi-group analysis based on the consumer tendency to be loyal to the brands he or she buys. Consumers who are loyal to brands are very attractive segments for firms, due to the potential benefits these consumers represent in the long term, whereas consumers with little loyalty to brands can be an attractive segment for potential benefits in the short term. The results obtained in this study show differences between these two groups. For consumers who are loyal to brands, the results stress strong identification with the SB among the most value-conscious consumers, due fundamentally to their greater disagreement with the greater functional risk of these brands as compared to manufacturer brands and due to their greater conviction of the better price-quality ratio of SBs. In consumers with little brand loyalty, we find identification with the SB among the consumers with the greatest market mavenism, as a result of their greater perception of smart or expert shopping for these brands. Significant implications for management are derived from this study.

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Introduction

Brand identification is a recent concept in the discipline of marketing, and the concept has not been developed in

sufficient depth in this field despite its great importance in most business results (Kuenzel and Halliday, 2008). There is insufficient research on this issue, and the few published studies indicate the need to advance knowledge of the factors that influence its achievement (Lam et al., 2013; Tuškej et al., 2011).

Lam et al. (2013) study consumer identification with a brand in the introductory stage on the technology market and point to the need for broader conceptualization between future lines of research. They recommend

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analyzing the consumer's brand identification in different context, a line of inquiry justified as necessary because the variables that contribute to the formation of identification depend on the target market and, more specifically, on the brand's prototypical customer.

Our study seeks to contribute to this area by investigating consumer identification with a brand in the stage of maturity on the food market. Specifically, we choose store brands (SBs) because these brands represent a considerable percentage of the mass consumption products sold in Europe. According to data published by the PLMA (Private Label Manufacturer Association) based on a study performed by Nielsen in 20 European countries for 2012, the market share in volume of these brands was 19–3% and over 40% in six countries (Switzerland, Spain, the United Kingdom, Portugal, Germany, and Belgium). 50% of consumers believe that these brands provide an excellent price/quality ratio and constitute good alternatives to manufacturer brands. 60% claim that they buy more of these brands in periods of recession, and 92% state that they will continue to do so when the economy recovers.

In Spain, according to data from the Observatory of Consumption and Food Distribution obtained in a market study performed on consumers and published by the Ministry of Agriculture, Food, and Environment (Ministerio de Medio Ambiente, Rural y Marino – MARM), 70.4% of consumers bought SBs in 2005, in contrast to 91.5% in 2011 (45% indicate that their purchases range from quite a few to many of these products, 46.5% indicate some, and only 8.5% do not buy them). When compared to leading manufacturer brands, the price of these brands is considered to be especially attractive for consumers (7.19 vs. 6.00, on a scale of 11 points, from 0 to 10) and compensates for the lower perceived quality in favor of leading manufacturer brands (6.96 vs. 8.01). Further, in a study of distributors, the distributors declare that consumers' general loyalty to brands has decreased slightly (4.6) and has increased consumption of the distributor's own brands (6.4). 61.8% of distributors affirm that recently SBs have made consumers more loyal than manufacturer brands.

Distributors have adopted three different brand strategies for SBs: generic, standard, and premium brands (Kumar and Steenkamp, 2007). Generic SBs are positioned in low quality and low price, to which the distributor assigns a brand name different from the store's own label. Standard SBs are brands positioned in value, quality similar to leading manufacturer brands, and lower price, and they are brands for which the distributor usually uses its own label or an umbrella name that is repeated on a sufficiently wide number of products throughout the establishment. Premium SBs are brands positioned with excellent quality and a price that sometimes exceeds that of leading manufacturer brands. Standard SBs are widely accepted and consolidated brands on the food market, both in Spain and in many other European countries, and they constitute the object of this study.

To conceptualize the consumer's identification with the SB, we take as a reference and starting point the conceptual framework of the consumer's identification with the brand developed in Lam et al. (2013). Our study proposes a theoretical model for the SB that is validated through an empirical study on the Spanish food market. In addition, we

perform a multi-group analysis based on the consumer tendency to be loyal to the brands he or she buys. We consider this variable to be an important moderator in the context of the analysis for two reasons. The first is the strategic interest that brand loyal and non brand loyal segments have for the retailer. Consumers that are loyal to brands represent potential benefits for firms in the long term, whereas non brand loyal consumers can be profitable in the short term. Knowing the idiosyncrasies of the process of identification with the SB in both segments can enable retailers to design and implement adapted marketing strategies that lead to better results for their own brands. The second reason is the negative relationship that has traditionally existed between brand loyalty and attitude to the SB (Burton et al., 1998) and the recent results of market reports (MARM, 2011) and academic studies (Cuneo et al., 2012a,b) performed in the Spanish context, which show that these brands are achieving brand loyalty and brand equity.

Conceptual framework

Identification with the SB

Analysis of the concept of brand identification has evolved from its foundation in Social Identity and Self-categorization Theory (e.g., Tajfel, 1978, 1982). These theories argue that individuals try to achieve a social identity that is positive and their own by comparing themselves to the group to which they believe they belong.

The phenomenon of the individual's identification with a brand is conceptualized as a specific kind of social identification in which the object with which the subject identifies him- or herself is a specific brand. As conceptualized in Social Identity Theory, identification includes a multidimensional perspective (cognitive, affective, and evaluative) and is defined as the psychological state that includes three elements: perception, feeling, and evaluation of the connection with the brand (Fournier, 1998; Lam et al., 2013). It has also been defined in the academic literature, however, as congruence of self-image among consumers and brands (Donavan et al., 2006; Hughes and Ahearne, 2010; Kressmann et al., 2006) or involvement of a consumer in a brand (Pritchard et al., 1999). Individuals use brands to create and communicate their self-concept (Chaplin and John, 2005). Given the symbolic nature of brands, consumers identify themselves with the brands with which they share personality traits and values and construct their social identity based on these brands (Bagozzi and Dholakia, 2006; Carlson et al., 2008; Dholakia et al., 2004).

Brand identification represents a kind of relationship between the brand and consumers that is often confused conceptually with other relational variables, such as (1) love and passion for the brand, (2) connection between brand and self, (3) interdependence with the brand, (4) commitment to the brand, (5) close relationship with the brand, and (6) the brand as a partner (Fournier, 1998).

Identification with the brand has psychological benefits, such as strengthening individuals' self-esteem (Wann and Branscombe, 1995), and involves behavior such as loyalty, cross-buying, up-buying and word of mouth (Ahearne et al.,

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