

## **RELATIONSHIP BETWEEN BRAND PERSONALITY AND BRAND LOYALTY: AN EMPIRICAL STUDY**

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### **ABSTRACT**

Customer satisfaction has been widely accepted as a marketing benchmark of a company's performance. It is generally believed that a satisfied customer is more likely to display loyalty behavior. However, researches shows that there has been a paradigm shift from emphasis on satisfaction to the pursuit of loyalty as a strategic business goal. Apparently, nowadays companies are concerned that today's consumers tend to be less loyal. Brand personality enables companies to create unique and favorable impressions in consumers' mind and then establish and enhance brand loyalty. . If brand personality is constant, robust, distinctive, and desirable, it is more likely to establish close relationships between companies and consumers. Thus, marketers may consider brand personality as an effective way of distinguishing from their competitors and enhance the effectiveness of marketing. In Aaker's (1997) study, she theorized that brand personality is associated with human characteristics. The five dimensions approach proposed by Aaker's model includes sincerity, competence, excitement, sophistication, and ruggedness. The focus of this study is to assess the effect of brand personality on consumers' brand loyalty. The finding of this study shows that three dimensions of brand personality (i.e., competence, excitement, and sophistication) have positive impacts on brand loyalty. In addition, the dimension of excitement has found to have the largest impact on brand loyalty than any other dimensions. Hence, the marketers have to offer their products up-to-date, daring and imaginative products.

**KEYWORDS:** Brand Personality, Brand Loyalty, Satisfaction

### **INTRODUCTION**

Customer satisfaction has been widely accepted as an important issue for many marketing managers. It is commonly used as a marketing benchmark of a company's performance (Bennet, R., & Rundle-Thiele, S., 2004). Furthermore, it is generally believed that a satisfied customer is more likely to display loyalty behavior, i.e. repeat purchase and willingness to give positive word of mouth (Schultz, 2005; Bennet, R., & Rundle-Thiele, S., 2004). Although this is the case, Taylor (1998) stated that "companies began to notice that they often were losing customers despite high satisfaction" Reichheld (1994) argued that satisfied customers are not necessary loyal. Evidently, Reichheld and Markey (2000) noted that those customers said to be satisfied or very satisfied on the survey, showed that between 60 and 80% would defect in most businesses. These researches showed that there has been a paradigm shift from emphasis on satisfaction to the pursuit of loyalty as a strategic business goal (Oliver L. R., 1999). The shift to measure loyalty is based on a desire to better understand retention, a component of loyalty which had a direct link to a company's profit.

Brand loyalty is a "marketers' Holy Grail" and it ideally measured the health of the company (Bennet, R., &

Rundle-Thiele, S., 2004). Studies has reported that a 5% increase in consumer retention can generate a profit of 25–95% over 14 industries, for example in auto service chains, software, brand deposits and credit card industries (Reichheld, F., & Detrick, C., *Loyalty: A prescription for cutting costs*, 2003) Additionally, those loyal customers are more likely to advocate for the brand and recommend it to relatives, friends and other potential consumers (Schultz, 2005).

In this backdrop, the present paper attempt to assess the relationship between brand personality, brand loyalty and satisfaction.

## **LITERATURE REVIEW**

### **Brand Personality**

Brand personality has been a popular research topic in many conceptual and empirical studies (Aaker, 1997) (Geuens, M., Weijters, B., & De Wulf, K., 2009). It is a significant brand component and plays an important role in brand management (Aaker D. A., 1996). Three areas of research can be identified in prior research on brand personality. First, research focuses on the identification and empirical validation of various dimensions of brand personality (Aaker, J. L., Benet-Martinez, V., & Garolera, J., 2001). Second, some researchers examine brand personality's antecedents, which include brand experience (Brakus, J. J., Schmitt, B. H., & Zarantonello, L, 2009) and employee behavior (Wentzel, 2009). Finally, some studies focus on the impacts of brand personality.

Brand personality enables companies to create unique and favorable impressions in consumers' mind and then establish and enhance brand equity (Johnson, L. W., Soutar, G. N., & Sweeney, J. C., 2000). Brand personality may be an important concern for both marketers and consumers. In the viewpoint of marketers, the personality of a brand is an essential component of the image and equity of the brand and in consumers' minds, and is relevant to brand value (Keller., 1993). If brand personality is constant, robust, distinctive, and desirable, it is more likely to establish close relationships between companies and consumers. Thus, marketers may consider brand personality as an effective way of distinguishing from their competitors and enhance the effectiveness of marketing (Sung, Y. J., & Kim, J., 2010).

### **Satisfaction**

Oliver (1997) defined satisfaction as "the consumer's fulfilment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfilment, including levels of under- or over-fulfilment".

The previous research on consumer's satisfaction focused primarily on the effects of expectations, disconfirmation of expectations, performance, affect, and equity on satisfaction. The expectancy disconfirmation paradigm suggests that consumers are satisfied when the product perform better than expected (positive disconfirmation), dissatisfied when consumers' expectations exceeded actual product performance (negative disconfirmation), and neutral satisfaction when the product performance matches expectations (zero disconfirmation/confirmation) (Oli)

For this study, the satisfaction response will be reflected towards the level of affection for the brand which is in line with the suggestions by Jacoby and Chestnut (1978) and Oliver (1997, 1999). Oliver (1999) noted that consumers at the affective stage would develop a positive attitude towards the brand or liking the brand as a result of satisfactory repetitive usage over time.

## Brand Loyalty

Jacoby and Chestnut (1978) have identified more than 50 operational definitions of brand loyalty, which can be classified as behavioral, attitudinal and the composite approach in the literature. Generally, more than 60% (33) of the 53 loyalty measures are behavioral terms found in Jacoby and Chestnut's (1978) work. Behavioral loyalty has been considered as repeat purchase frequency or proportion of purchase, whereas attitudinal brand loyalty included "stated preferences, commitment or purchase intentions of the customers". However, most of these behavioral definitions above are criticized by Oliver (1999) and Jacoby and Chestnut (1978) as problematic. Oliver (1999) for instance argued that "all of these definitions suffer from the problem that they recorded what customer did, and none tapped into the psychological meaning of loyalty". The composite definition of loyalty emphasized two different approaches of loyalty: the behavioral and attitudinal concept, which is initially proposed by Jacoby and Chestnut (1978) and later by Oliver (1997).

Oliver (1997) defined customer's loyalty as "a deep held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts that have the potential to cause switching behavior" .

Brand loyalty can be operationalized either based on behavioral, attitudinal or composite approach (Jacoby, J., & Chestnut, R, 1978). Behavioral loyalty has been considered as repeat purchases frequency or proportion of purchase, while attitudinal brand loyalty referred to "stated preferences, commitment or purchase intentions of the customers. In addition, few academicians suggested that using the composite approach (attitudinal and behavioral approach) will provide a more powerful definition of brand loyalty.

It is important to note that the entire brand loyalty phenomenon cannot be assessed if the attitudinal loyalty is not extended over the action behavior (Amine, 1988). To sum up, the issues of loyalty mainly concerned on how loyalty is operationalized. It is very important to understand how we should measure loyalty. Although there are three approaches that can be used to measure loyalty (i.e. behavioral, attitudinal, and composite approaches), most researcher's resorted to attitudinal measurement in terms of intention to repurchase and intention to recommend as an indicator of.

## STATEMENT OF PROBLEM

Apparently, nowadays companies are concerned that today's consumers tend to be less loyal towards brand. As products and services are so easily replicable in today's environment, the biggest challenge for companies to compete in the market place is how to differentiate their products from the competitors. All other things being equal, the only feature that will help consumers identify and differentiate the product in the market is the brand. Product quality and price are no longer product differentiators. Consumers may prefer some brands or products that match with their own personality. Many marketing activities are thus employed to attract consumers through establishing certain brand personality. In addition, brand personality is also found to strengthen consumers' communication with brands and further improve brand loyalty and brand equality (Govers, P. C. M., & Schoormans, J. P. L., 2005). Companies must thus make serious commitment to investing in developing a brand strategy for their products and services.

In this study, brand personality is considered as an important factor in understanding how consumers develop

their brand loyalty. Brand personality has been playing an important role in the process of a brand's success. It helps consumers to establish a strong connection with the brand (Doyle, 1990). Brand personality should be consistent and can last for a long time. Besides, it should also differ from other brands and make consumers satisfied.

## OBJECTIVE OF THE PAPER

Based on the above concerns, we aim to explore whether brand personality can make consumers loyal to the brand. The objective of this paper is:

- To assess the relationships between Brand Personality Dimensions with the customer satisfaction and brand loyalty.

In short, we examine the relationships among brand personality, consumer satisfaction, and brand loyalty.

## CONCEPTUAL FRAMEWORK

Based on the theoretical background, brand personality (with its five dimensions, including sincerity, competence, excitement, sophistication and ruggedness) is an important antecedent of consumer satisfaction, which further leads to brand loyalty. Figure 1 depicts the research model of our research.

Prior research shows that brand personality helps marketers and consumers differentiate various brands (Crask, M. R. & Laskey, H. A., 1990). In Aaker's (1997) study, she theorized that brand personality is associated with human characteristics with a specific brand. Extending existing studies on human personality, she further proposed five dimensions to explicate brand personality. The five dimensions include sincerity, competence, excitement, sophistication, and ruggedness. The five dimensions of brand personality have been applied in a few following studies (e.g., Brakus et al., 2009; Sung & Kim, 2010).

In this study, brand personality as consumers' perceived human characteristics that are associated with companies' brands. Given the focus of this study is to understand the effect of brand personality on consumers' brand loyalty, but not to propose new dimensions for brand personality, the study proposes, the following hypotheses:

**H1:** *Perceived brand sincerity of consumers is positively associated with brand loyalty.*

**H2:** *Perceived brand excitement of consumers is positively associated with brand loyalty*

**H3:** *Perceived brand competence of consumers is positively associated with brand loyalty;*

**H4:** *Perceived brand sophistication of consumers is positively associated with brand loyalty; and*

**H5:** *Perceived brand Ruggedness of Consumers is positively associated with brand loyalty;*

## METHODOLOGY

Empirical research design is adopted for the present study. The study has adopted survey research method to validate the research model. The data relevant for the study is collected through structured questionnaire in a real field setting. The period of study is during May-June 2014.

### Sampling Design

The study adopted non-probabilistic convenience sampling technique. The sample size is limited to 100

respondents in Coimbatore city. The data collected from the respondents who are visiting departmental stores of Sri Kannan Departmental store and Big Bazzar through questionnaire.

### Measuring Instruments

There are five dimensions in brand personality: sincerity, competence, excitement, sophistication, and ruggedness. A total of 13 questions on brand personality are asked and the respondents responded on a scale which ranged from 1 for "strongly disagree" to 5 for "strongly agree". A five-item scale taken from Oliver (1980) and Taylor and Baker (1994) measured overall satisfaction. The respondents answered the questions by indicating their level of agreement/ disagreement to the statement stated, using the scale from 1 for "strongly disagree" to 5 for "strongly agree". For Brand loyalty, four (4) items adapted from Zeithaml, Berry, and Parasuraman (1996) are used to measure brand loyalty : consumers' intention to repurchase and their willingness to recommend the branded product, using five-point Likert scale ranging from 1 for "very unlikely" to 5 for "very likely".

### ANALYSIS OF DATA

Data in this study were analysed using SPSS V17. Statistical tools used Multiple Regression analysis.

For the reliability of the variable used, all were found to show satisfactory Cronbach Alpha value of between 0.628 and 0.891 (refer Table 1). Thus, all variables are to be considered reliable.

**Table 1: Reliability Analysis of the Study Variables**

Variable	Number of Items	Cronbach Alpha	Mean	Std.Dev.
Sincerity	3	0.701	12.30	2.30
Competence	2	0.680	8.17	1.60
Excitement	3	0.657	12.06	2.39
Sophistication	2	0.628	8.24	1.28
Ruggedness	3	0.891	11.27	1.90
Brand Personality Overall	13	0.788	47.83	6.24
Satisfaction	5	0.850	19.75	3.365
Brand Loyalty	4	0.875	16.31	3.826

Source: Primary Data

The relationship between the brand personality and brand loyalty and satisfaction are analysed through correlation analysis. The results are depicted in the Table 2 with 5 % level of significance.

**Table 2: Correlation Analysis: Brand Personality with Brand Loyalty and Satisfaction**

Constructs	Brand Loyalty	Satisfaction	Brand Personality				
			Sincerity	Competence	Excitement	Sophistication	Ruggedness
Brand Loyalty	1.00	0.692*	0.343*	0.677*	0.721*	0.100	-.014
Satisfaction	0.692*	1.00	0.248*	0.509*	0.560*	0.161	0.002

Note: Correlation is Significant at the 5 % level

The Table 2 reveals that brand loyalty has significant strong relationship with following brand personality dimensions of competence and Excitement. The level of satisfaction also has significant positive relationship with brand loyalty. With respect to Sincerity dimension of brand personality, the brand loyalty has low significant positive relationship. In respect of sophistication personality, the brand loyalty has low level of positive insignificant relationship. The Ruggedness has negative insignificant relationship with brand loyalty.

With regard to satisfaction, Competence and Excitement dimensions of brand personality has moderate positive relationship with brand loyalty. Brand personality dimension of Sincerity has low positive significant relationship with brand loyalty. Sophistication and ruggedness has low insignificant positive relationship with brand loyalty.

Thus, brand personality dimensions of competence and excitement has significant positive relationship with brand loyalty.

In order to assess impact of brand personality dimensions on brand loyalty, regression analysis is done.

**Table 3: Regression Analysis of Brand Loyalty with Brand Personality Dimension**

	R	R2	F Static	Sig.	
	0.883	0.677	45.502	.000*	
	Unstandardized coefficients		Std. coefficients beta	t	Sig.
	Beta	Std. error			
Sincerity	0.099	0.078	0.079	1.278	0.204
Competence	0.879	0.145	0.406	6.077	.000*
Excitement	0.509	0.063	0.526	8.062	.000*
Sophistication	0.182	0.098	0.109	1.855	.067*
Ruggedness	-	0.067	-0.109	-	0.068

**Dependent Variable:** Brand Loyalty

**Source:** Primary Data

Multiple Regression is used to test all the hypotheses postulated in this study. For the hypotheses, it is anticipated that there is a positive relationship between brand personality and brand loyalty. Results in Table 3 indicate that 67.7 % variances in brand loyalty can be explained by brand personality dimension ( $R^2 = 67.7$ ,  $p$ -value  $< 0.05$ ). Competence ( $\beta = .406$ ,  $p$ -value  $< 0.05$ ) have significant impact on brand loyalty. Excitement ( $\beta = .526$ ,  $p$ -value  $< 0.05$ ) dimension and Sophistication ( $\beta = .109$ ,  $p$ -value  $< 0.05$ ) dimension of brand personality has significant impact on brand loyalty. Therefore, H2, H3 and H4 can be partially accepted.

## DISCUSSIONS AND CONCLUSIONS

This paper explores the relationships among brand personality, satisfaction, and brand loyalty. To explain the effect of brand personality, the paper empirically tests it with an survey study method. The analysis shows that three dimensions of brand personality (i.e., competence, excitement, and sophistication) have positive impacts on brand loyalty. It suggests that if consumers perceive a brand with competent, exciting, and sophisticated personality characteristics, then they will be more likely to be satisfied. In addition, the dimension of excitement has found to have the largest impact on brand loyalty than any other dimensions. Hence, the marketers have to offer their products up-to-date, daring and imaginative products.

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