

# **BUILDING BRAND LOYALTY: IDENTITY THEORY PERSPECTIVE**

**Dominic Appiah**

University of Plymouth

Plymouth (UK)

+44 (0) 793 0195 598 dominic.appiah@plymouth.ac.uk

## ***Abstract***

*There has been little research on how market disruptions affect customer-brand relationship and how firms can reposition to sustain brand loyalty when disruptions occur in today's complex and global business environment. Marketing managers are faced with the task of developing their products into brands to help prospective customers identify specific products that are uniquely established in their minds. The management of products and brands is therefore a key factor in marketing. From the brand loyalty literature and identity theory perspective, this study proposes a conceptual framework to examine the issue of loyalty in a specific market disruption, namely the introduction of a radically new brand. It is widely accepted that brand switching is as a result of functional utility maximisation, drawing from a conventional economic perspective, however recent research propose that brand switching can also be as a consequence of customers' social mobility between brand identities. This study deviates from an economic perspective to confirm that brand switching may be due to customers' social mobility between brand identities.*

**Key words:** *Brand loyalty, Branding, Loyalty literature, Identity Theory, Consumer Behavior*

## **1. Introduction and Context**

There has been little research on how market disruptions affect customer-brand relationship and how firms can reposition to sustain brand loyalty when disruptions occur in today's complex and global business environment. From the brand loyalty literature and identity theory perspective, this study proposes a conceptual framework to examine the issue of loyalty in a specific market disruption, namely the introduction of a radically new brand. It is widely accepted that brand switching is as a result of functional utility maximisation, drawing from a conventional economic perspective, however recent research propose that brand switching can also be as a consequence of customers' social mobility between brand identities (Lam et al. 2010). Consistent with this view are more recent studies that echo this claim by suggesting that identity theory could be insightful in describing the relationship between a company and its patrons (He et al. 2012). Flowing from the above, this study deviates from an economic perspective to confirm that brand switching may be due to customers' social mobility between brand identities. Identity theory 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). Brands and the ideas behind have evolved many years ago. The word brand is

derived from the Old Norse word ‘brandr’ which means to burn, as brands were and still are means by which livestock owners mark their animals to identify them.

Mollerop (1997) insist, the initial brand-like marks, existing long before industrialisation and the emergence of distinct commercial brands, included monograms, earmarks, ceramic marks, hallmarks, watermarks and furniture marks and elaborates further that some of these marks have been traced to Ancient Greece and Rome, while others like hallmarks and stonemasons’ marks, dates from the fourteenth century.

The core element in the marketing mix is the company’s product as this presents the functional requirements customers seek on the market. Marketing managers are faced with the task of developing their products into brands to help prospective customers identify specific products that are uniquely established in their minds. The management of products and brands is therefore a key factor in marketing.

A product therefore is anything that is capable of satisfying customers’ needs, while brands on the other hand creates individual identity by developing a distinct name, packaging and design. From the above, branding can be said to be the process by which companies distinguish their product offerings from their competitors. By developing a distinctive name, packaging and design a brand is created. Branding has developed from initially marking property and ownership, and identifying the origin and content of goods, to connoting different types of values, meanings and reputations. Branding is also increasingly used as a marketing strategy for non-commercial organisations like political parties, sports organisations, charities and celebrities (Liz Moor, 2007). The American marketing association defines brand as “a name, term, sign, symbol or design or a combination of them intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors”.

Philip Kotler (2003), insist that everything is a brand; Coca cola, FedEx, Porsche, New York city, The United States Madonna and you. He explains further that a brand is any label that carries meaning and associations.

From the customer’s point of view, a brand can be defined as the total accumulation of all his/her experiences, and its built at all points of contacts with the customer (Kapferer, 2004). Keegan and green (2008), shared the same view that brand is a complex bundle of images and experiences in the customers mind. Below is a table of the world’s top ten brands for 2013, published by Brand Finance Plc, the world’s leading brand valuation consultancy headquartered in London.

## **2. Understanding Brand Loyalty**

It is important that companies build strong brands. A strong and healthy brand is instrumental in creating a sustainable competitive advantage (Aaker 1995; Bhattacharya and Lordish 2000). Brand loyalty is a “deeply held commitment to rebuy or re-patronise a preferred product or service consistently in the future ,

causing repetitive same-brand or same-brand-set purchasing, despite situational influence and marketing efforts having the potential to cause switching behaviour” (Oliver 1999, P.34). Dimitriadis (2006) shares similar view by saying, it is widely accepted that satisfied consumers are less sensitive to price change, less influenced by competitors’ attack and loyal to the firm longer than dissatisfied customers.

Naik and Reddy (1999), defined brand loyalty as the name generally given to the phenomenon of deliberate consumer preference and consistent use of one particular brand over others due to real or imagined superiority of that brand in relation to others in the consumer’s mind. Despite the extensive research in brand loyalty, there are limitations that call for further investigations (Lam et al. 2010). Lam et al (2010) confirmed two of these limitations and as far as this research project is concerned, are highlighted below; First, sustainability of brand loyalty predictors refers to standing the test of time and market disruptions, however drawing from the above definitions, the brand loyalty literature mainly touches on how brands perform under normal market conditions (Lam et al. 2010). However, in today’s complex business environment disruptions are a common place. A second limitation, is identified if perceived value is conceptualised and operationalized as functional utilitarian value, as is prevalent in the literature, it does not capture other non-utilitarian factors, such as socio psychological benefits, that might motivate customers to continue buying they buy as confirmed by Lam et al (2010).

In contrast to the above, the branding literature however reveals that brands can provide self-definitional benefits beyond utilitarian benefits (Fournier 1998). Research on customer-company identification based identity theory (Stryker 1968), suggests that in addition to the array of typical utilitarian values, customer-company identification functions as a higher order and thus far unarticulated source of company-based value (Bhattacharya and Sen 2003, p.77)

### **3. Brands and Identity Theory**

Identity theory is principally a microsociological theory that sets out to explain individuals' role-related behaviour, the theory places major theoretical emphasis on a multi-faceted and dynamic self that mediates the relationship between social structure and individual behaviour. Identity theory (Stryker 1968, 1980, 1987; Stryker and Serpe 1982) explains social behaviour in terms of the reciprocal relations between self and society. Consistently, Turner (2007) posit that identity theory seeks to explain why, where choice is possible, one role-related behavioural choice is made rather than another. Styker and Burke (2000), indicate that identity theory traces its roots to the writings of George Herbert Mead (especially 1934) which present a framework underwriting the analyses of numerous sociological and social psychological issues. Mead’s Framework asserted a formula: “Society shapes self-shapes social behaviour”. Identity theory then began by attempting to specify and make researchable the concepts of “society” and “Self” in Mead’s Framework.

In line with the above, Identity theory began with questions about differential salience of identities in a person's self-structures and why identity salience may change over time (Stryker 1968). These questions led to the development of theory concerning ways in which people are tied into social structure and the consequences of these ties for their identities. Identity theory is strongly associated with the symbolic interactionist view that society affects social behaviour through its influence on self (Mead 1934; Blumer 1969). Identity theory, however, rejects the symbolic interactionist view of society as a "relatively undifferentiated, co-operative whole", arguing instead that society is "complexly differentiated but nevertheless organized" (Stryker and Serpe 1982:206). This vision of society forms the basis for the central proposition on which identity theory is predicated: that as a reflection of society, the self should be regarded as a multifaceted and organized construct. Identity theorists refer to the multiple components of self as identities (or, more specifically, role identities). The notions of identity salience and commitment are used in turn to account for the impact of role identities on social behaviour. This research seeks to understand behaviour from participants from a subjective point of view; hence a Phenomenological approach is adopted for this study. The Phenomenological approach is considered appropriate for this study because it is widely accepted that human behaviour is not easily measured as in the case of the natural sciences.

#### **4. Conclusions and Managerial Implications**

Identity theory (Stryker 1968) focuses on the social roles of people in various social setting, hence marketing research based on identity theory focuses on how individual customers perceives a product a "me" or "not me" (Kliene et al., 1995) and how they behave in agreement with the most salient identity (Arnet, German and Hunt, 2003; Bolton and Reed, 2004). Consumer research, from identity point of view have recognised for some time that people consume in many ways that are consistent with their sense of self (Levy 1959; Sirgy 1982). Academics agree that successful brands are designed to satisfy not only consumers' functional needs but also their symbolic needs (Kapferer, 1997) Research finds that consumers often use the "self" as a reference category for understanding their surroundings (Rogers, Kuiper and Kirker, 1977), especially when they judge other people (Otten and Wentura, 2001). Customers can develop strong relationship with a brand for its unique identity (Fournier 1998). In support of Fournier's view, (Tian et al., 2001) insist that individuals have different levels of motivation and needs for distinctiveness in their identities. From the above arguments put forward, it can be said that shoppers re-purchase specific brands that carry meanings to them, as opposed to just the product utility. Hence it can be argued that particular brands that possess distinctive identity have the potential to obtaining consumers attention and loyalty. Identity theory is closely related to the self-concept literature and both examine the connection between the self and social entities (Belk 1988, Sirgy 1982).

These theories share several similar concepts that have been introduced into the marketing literature, hence this study draws from this theory to conceptualise customer-brand Identity. In doing so, a brand is perceived as a relationship partner that is significant to the private self, thus the individual customer uses the brand to define who they are and the social self, such that these customers consider themselves as part of a group of customers who identify with a particular brand.

## References

- Aaker, D. A. (1995). "Building Strong Brands". New York: The Free Press
- Arnett, D.B., German, S.D., and Hunt S.D. (2003), The Identity salience Model of Relationship Marketing success: The case of Non-profit Marketing. *Journal of Marketing*, 67 (April) 89-105.
- Belk, Russell W. (1988), Possessions and the Extended Self. *Journal of Consumer Research*, 15 (September) 139-68.
- Bolton, Lisa E. and Americus Reed II (2004), Sticky Priors: The Perseverance of Identity Effects on Judgements, *Journal of marketing Research*, 41 (November), 397-410.
- Bhattacharya, C.B. and Lordish, L. (2000). "Towards a System for Monitoring Brand Health from Store Scanner Data". MSI working Paper, Report No. 00-111
- Bhattacharya, C.B., Sanker Sen (2003). Consumer-Company Identification: A Framework for Understanding Consumers' Relationship with Companies. *Journal of Marketing*, 67(April), 76-88
- Blumer, Herbert. (1969). *Symbolic Interaction: Perspective and Method*. Englewood Cliffs, NJ: Prentice-Hall
- Charmaz, K.C. (2008). 'Constructing Grounded Theory: A practical Guide Through Qualitative Analysis'. London: Sage.
- Collis, J. and Hussey, R. (2003) *Business research: a practical guide for Undergraduate and postgraduate students*, 2nd edn. London: Palgrave MacMillan.
- Dimitriades, Z.S. (2006). Customer Satisfaction, Loyalty and commitment in service organisations: Some evidence from Greece. *Management Research News*, 29 (12), 782-800.
- Escalas J.E. (2004). Narrative Processing: Building Consumer Connections to Brands. *Journal of Consumer Psychology*, 14(1-2): 168-80
- Fournier, S. (1998) Consumers and Their Brands: Developing Relationship Theory in Consumer Research. *Journal of Consumer Research*. 24(March), 343-73
- He, Hongwei, Li, Yan, and Harris, Lloyd (2012), 'Social identity perspective on brand loyalty', *Journal of Business Research*, 65 (5), 648-57.
- Howell, K.E. (2000). *Discovering the limits of European Integration: Applying Grounded Theory*. Nova Science Publishers Inc. Huntington, New York.
- Kapferer J.N. (2004). *The New Strategic Brand Management*. London and New York: Kogan Page.
- Keegan, W.J. and Green, M.C. (2008). "Global Marketing". Pearson/Prentice Hall

- Kleine, Susan Schultz, Robert E. Kleine III and Chris T. Allen (1995), How is a Possession 'Me' or 'Not Me'? Characterizing types and Antecedents of Material Possession Attachment, *Journal of Consumer Research*, 22 (December), 327-43.
- Kotler, P. (2003). "Marketing Insights From A-Z." John Willey and Sons Inc. Hoboken New Jersey
- Lam, Son K., Ahearn M., Hu Y., Schillewaert N. (2010), 'Resistance to Brand Switching When a Radically New Brand Is Introduced: A Social Identity Theory Perspective', *Journal of Marketing*, 74 (6), 128-46.
- Levy, S.J. (1959). "Symbols for Sale" *Havard Business Review*, 37 (July-August), 117-24
- Levy S.J. (1999). "Symbols for Sale" in Dennis W. Rook (Compiler) *Brand Consumers Symbols and Research*, Sage Publications, Inc.
- Liz Moor (2007). *The Rise of Brands*. Berg Publishers. Oxford
- Mead, George H. (1934). *Mind, Self and Society*. Chicago: University of Chicago Press
- Mollerup, P. (1997). *Marks of Excellence: The History and Taxonomy of Trademarks*, London: Phaidon
- Naik and Reddy (1999). *Consumer behaviour*. Discovery Publishing House, Delhi. India.
- Oliver, R. L. (1997). *Satisfaction: A Behavioural Perspective on the Consumer*. New York: Irwin/McGraw-Hill.
- Oliver, Richard L. (1999). "Whence Consumer Loyalty?" *Journal of Marketing*, 63 (October) 33-44
- Sirgy, J.M. (1982). "Self-Concept in Consumer Behaviour: A Critical Review" *Journal of Consumer Research*, 9 (December), 287-300.
- Strauss, A. and Corbin, J. (1990). *Basics of Qualitative Research: Grounded Theory Procedures and Techniques*. London: Sage publications
- Stryker Sheldon (1968). Identity Salience and Role Performance: The Relevance of Symbolic Interaction Theory for Family Research, *Journal of Marriage and Family*, 30 (40), 558-64.
- Stryker Sheldon (1980). *Symbolic Interactionism: A Social Structural Version*. Menlo Park, CA: Benjamin Cummings
- Stryker Sheldon (1987). "The Interplay of Affect and Identity: Exploring the Relationships of Social Structure, Social Interaction, Self, and Emotion." Presented at the annual meetings of the American Sociological Association, Chicago.
- Stryker, Sheldon and Richard T. Serpe. 1982. "Commitment, Identity Salience, and Role Behavior: A Theory and Research Example." Pp. 199-218 in *Personality, Roles, and Social Behavior*, edited by William Ickes and Eric S. Knowles. New York: Springer-Verlag
- Tian, K.T., Bearden, W.O., Hunter G.L., (2001). Consumers Need for Uniqueness: scale Development and Validation. *Journal of Consumer Research*; 28(1).50-56
- Turner, H. Jonathan (2007). *Handbook of Sociological Theory*. Springer  
[www.ama.org](http://www.ama.org) (American Marketing Association), accessed on March 1, 2014.  
[www.brandfinance.com](http://www.brandfinance.com)