

IMPACT OF BRAND PERSONALITY ON SATISFACTION AND LOYALTY OF CONSUMERS (CASE STUDY: LUXURY BRANDS OF WATCHES IN THE CITY ISFAHAN)

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ABSTRACT

The purpose of this research is to review the impact of various dimensions of brand personality which includes: honesty, qualification, being exciting, perfection, and strength on customer's satisfaction and its impact on customer's loyalty. The statistical population of this research includes customers who have used luxury brands of watches in the city Isfahan. For selecting the sample of this research, a number of 150 questionnaires were distributed and ultimately, 135 questionnaires were analyzed. The validity of the questionnaire was confirmed by the industry experts. Also, the validity of its content was confirmed by the KMO test. The reliability of this questionnaire is 0.922 for the variable customer loyalty, 0.934 for customer satisfaction.

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For the change of brand personality, we reviewed its indexes and the reliability of the index brand honesty is 0.762, 0.767 for being exciting, 0.745 for brand qualification, 0.770 for brand perfection and 0.898 for brand strength. The hypotheses were reviewed by using the first-order and second-order factor analysis, path analysis method and by using the LISREL 8.54 and SPSS 18. The results indicate that the independent variables which include dimensions of brand personality (honesty, qualification, being exciting, perfection and strength) have a positive and significant impact on the dependent variables including customer loyalty and customer satisfaction. Also, the rate of impact of each of the variables on one another is calculated.

Keywords: Brand; Brand Personality; Satisfaction; Customer's Loyalty.

1. INTRODUCTION

Business brand specification is the subject of popular researches in many experimental and applied researches (Aaker, 1997; Geuens, Weijters and De Wulf, 2009; Grohmann, 2009; Venable, Rose, Bush and Gilbert, 2005) and it is an important business component and plays an important role in business brand management (Aaker, 1996). Three research fields can be introduced for the preliminary researches on brand specification. Firstly, the research focuses on recognition and duration of the experimental and empirical validity of various aspects of business brand specifications (Aaker, et l., 2001). Secondly, some researches review the records of the research specifications which include experiences associated with business brand (Brakus, Schmit, and Zarantonello, 2009), behavior of its employer (Wmetzel, 2009) and spokes person (Grohmann, 2009). Finally, some researches focus on the impacts of business brand. Of course brand specification increases customers' meaning-orientation and gives them its emotional and sensual aspects (Landon, 1974). Specification of business sign (business brand) of the companies enables them to have special and desirable impacts on the minds of their customers and increase the brand equality and it is considered as an important concern for the consumers and the businessmen (Johnson, Soutar and Sweeney, 2000, Keller, 1993). Brand specification, from the perspective of businessmen, is an effective method in making them stand out and be seen in comparison with their competitors and

increases marketing efficiency and profitability. From the perspective of consumers, specification of a business brand shows the beliefs and features of the consumers themselves and is a symbol of their internal features. Specification of a brand which has been around for a long time helps the consumer to establish a strong emotional link between themselves and the brand and increases their loyalty, trust and priorities (Siguaw, Mattila and Austin, 1999).

The customer's loyalty theory is relatively new in the literature of international management. True loyalty is created in a customer when they are motivated to purchase something without any encouragement (Oliver, 1977). Over the past ten years, the attention paid to customer's loyalty has been considerably increased and it is mentioned as an instruction for increasing income and it is crucial for being successful in a business (Stanely, 1999). On the other hand, consumers' satisfaction is considered as an important marketing notion so that the needs and demands of the customers would be met (R. A. Spreng, Mackenzie and Olshavsky, 1996). Oliver defines satisfaction as follows: a physiological state is created when the emotions associated with unjustified expectations is together with the emotions of consumer about their consuming experience (Oliver, 1981). In this applied research, the impact of brand personality on the satisfaction and loyalty of the consumers and customers of luxury brands of watches in Isfahan is reviewed.

2. RESEARCH LITERATURE

Special value of brand

Some researches have considered the special value of brand as a quality received by the tangible and intangible components (Kamakura and Russel, 1991). The concept of the special value of brand has been discussed in both marketing literature and in accounting literature and having long-term focus on brand management has been confirmed (Wood, 2000). Accountants tend to define the special value of brand in a different way than marketers both regarding the relationship between customer and brand (customer-oriented definitions) and regarding what is given to the brand owners (company-oriented definitions) (same source). Feldwich (1996) have simplified various methods through a classification of different meanings of the special value of brand as follows:

- 1- Total value of brand as a separated asset (when it is sold);
- 2- Size of the strength of the customers' dependency on the brand;
- 3- Description of dependency and beliefs of the customers about the brand;

The first of these items is called brand assessment or special value of the brand and is mainly compatible with the financial concept. The concept of the size of the level of dependency of customers on business brand can be called strength of the brand (it is similar to brand loyalty). The third item can be called brand image, and Feldwich has used the word brand description (Wood, 2000).

Impacts of "special value of brand"

Special value of brand has a positive relationship with brand loyalty. More accurately, special value of brand increases the probability of selecting the brand which leads to the consumer's loyalty to the special brand.

One of the advantages of the high special value of brand is the probability of development of brand and its expansion to other classes of the product. Usually, brand development is defined as "using the available brand for entering a new class of product". When a brand is compared with a new brand, development of brands has less advertisement costs and more sale costs (Smith and Park, 1992).

The special value is a multi-dimensional concept and a complex phenomenon. Some of its dimensions have been tested empirically (Atilgan, et al., 2005). According to Aaker's view (1996), special value of brand is a multi-dimensional concept including brand loyalty, brand awareness, perceived quality, brand associations and other brand assets.

Brand loyalty

Aaker (1996) defines brand loyalty as a situation in which the customer goes to another brand when the brand is interpreted in terms of price and features. On the other hand Aaker (2001) tests brand loyalty with the word "brand intensity" which is traced back to the nature of the customer-orientation brand relation and develops the feeling that they are adapted with the brand in customers and they show high loyalty and active searching for the interaction with brand with real brand intensity and share their experiences with others.

Perceived quality

Perceived quality is not the real quality of the product but the mental assessment of the customer of the product. Like brand associations, perceived quality also provides value for customers so that they would have a reason for purchasing by distinguishing the brand from the competitors. Basically, the customer perception principle is related to the perception of the natural and external features associated with quality. Among the external features, company's doing their marketing activities through price, advertisement and advancement is considered as a prominent tool (Gil, et al., 2007).

Brand association

Aaker (1996) defines brand association as "the ability of purchasing identifying and remembering whether or not a brand belongs to a special class". According to the statement of Aaker (2001), brand awareness plays an important role in customer's decision making in order to achieve learning advantage, attention advantage and selection advantage. Special value of customer-oriented brand happens when the customer has a high level of awareness of the brand and closeness with it and helps them keep strong and unique associations of the brand in their minds (Atilgan, et al., 2005).

Brand association

Brand association is "anything in memory of the brand" (Aaker, 1996). Brand associations are seen in any form and reflect the features of the product or independent aspects of the product. Rio, et al., (2001) have emphasized the importance of brand associations for achieving various advantages. Product associations and organization associations are two important aspects of brand associations.

Customer satisfaction

The definition of customer satisfaction accepted by the experts is as follows: customer satisfaction is a result obtained from comparing the performance the customer expects before purchasing with the real perceived performance and the paid cost (Walfried, 2000).

Researches that have reviewed the users' satisfaction have made clear three important mental associations:

- Satisfaction is a function of the person's expectations, perceived performance and confirmation of the performance.

- Tendency to use a function of the user's satisfaction again.
- Selection of an organization by the users is a function of their expectations and their decision to use it again (Kumar, 2006).

3. CUSTOMER LOYALTY

Shomaker and Lewis believe that loyalty occurs when the customers strongly feel that the considered organization can meet their need in the best way possible; in such a way that the competitors of the organization exit the series of separated customers' considerations and attempt to purchase from the organizations exclusively (Elahi and Heydari, 2008). Nova believes that loyalty is customers' tendency to select a product or a business out of other products for a special need (Elahi and Heydari, 2008). Castro and Amario believe that loyal customers not only increase the value of business but give it the possibility to keep its costs low regarding attraction of new customers (Abdoli, 2008). And Beerli considers loyalty as a psychological process which includes evaluation of different options based on various criteria (Abdoli, 2008). Larson and Susanna believe that loyalty is creation of commitment in the customer for doing transactions with a specific organization and buy goods and services frequently (Abdoli, 2008).

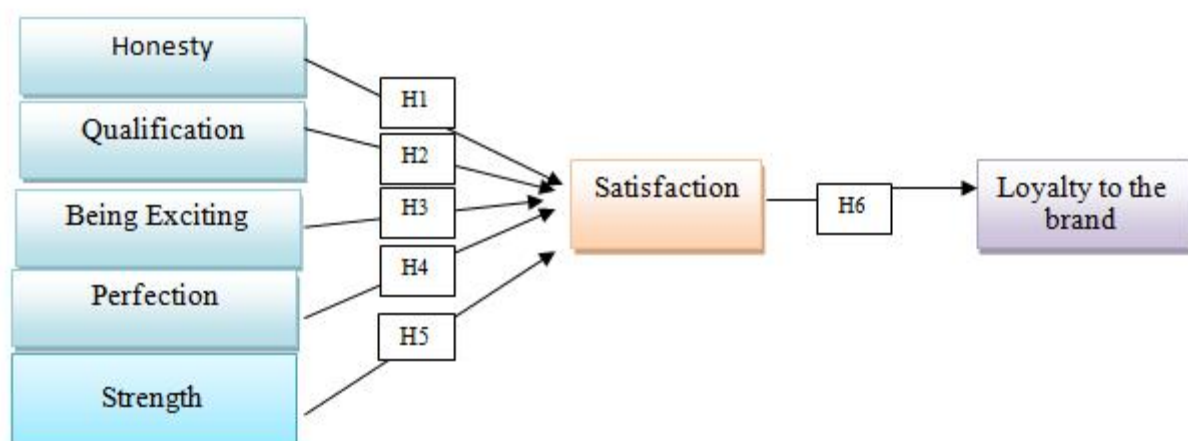


Fig.1. Conceptual model of the research

Research hypotheses

Hypothesis 1: brand honesty affects consumers' satisfaction.

Hypothesis 2: brand qualification affects consumers' satisfaction.

Hypothesis 3: the brand's being exciting affects consumers' satisfaction.

Hypothesis 4: brand perfection affects consumers' satisfaction.

Hypothesis 5: brand strength affects consumers' satisfaction.

Hypothesis 6: consumers' satisfaction affects their loyalty to the brand.

Research methodology

The present research is an applied research based on its purpose and it is survey based on the data collection method and it is a cross-sectional one based on its interval. In this research, the statistical population includes customers of some stores in the city Isfahan that are active in the field of supplying luxury watches. The sampling method in this research is a census and since the number of the statistical population of this research is low and they can be counted (30 stores) and the number of the statistical population will also be considered in order to distribute the questionnaire and for each store, 5 of their usual customers will be given the questionnaires and 150 questionnaires are distributed in total. For this purpose and for collecting the required data, the questionnaire has been used as the tool. Cronbach's alpha coefficient of this questionnaire for the variable brand personality has been calculated which includes the dimensions brand honesty (0.762), being exciting (0.767), brand qualification (0.745), brand perfection (0.770) and brand strength (0.898). These five dimensions are associated with brand personality which is the independent variable. The Cronbach's alpha coefficient for all questions associated with customer satisfaction 0.934 and the Cronbach's alpha coefficient for all questions associated with brand loyalty questions is 0.922. In order to analyze the data the LISREL 8.54 and SPSS 21 software and single-sample t-test, exploratory factor analysis and structural equations modeling (SEM) have been used.

Data analysis

Reviewing normality of the data

Table 1. Kolmogorov-Smirnov

Variable		Brand strength	Brand honesty	The brand's being exciting	Brand qualification
Sample volume		135	135	135	135
Parameters of normal distribution	Mean	3.0926	3.2019	3.1019	3.2148
	Standard deviation	.57687	.59811	.57732	.63149
The statistic of Kolmogorov-Smirnov test		1.212	.797	1.287	.997
Significance level of the test		.106	.550	.073	.273
Test result		It is normal	It is normal	It is normal	It is normal

Variable		Brand perfection	Customer's satisfaction	Loyalty to brand
Sample volume		135	135	135
Parameters of normal distribution	Mean	3.1407	3.1763	3.1704
	Standard deviation	.56862	.42412	.51257
The statistic of Kolmogorov-Smirnov test		1.226	1.193	1.100
Significance level of the test		.099	.116	.178
Test result		It is normal	It is normal	It is normal

Given the results of the table above, the distribution of all variables is normal.

Condition of the variables

H_0 : the variable averagely and weakly exists in the statistical population. $H_0 = \mu \leq 3$

H_1 : the variable strongly exists in the statistical population. $H_1 = \mu > 3$

The results of testing the mean of a statistical population have been presented in table (2).

Table 2. Testing the mean of a statistical population

Variable	Mean	Standard deviation	t-value	Sig	Low rate	High rate	Condition of the variable
Brand strength	3.0926	.57687	1.865	0.064	-.1980	.3052	Average
Brand honesty	3.2019	.59811	3.921	0.000**	.1422	.2500	Strong
Brand's being exciting	3.1019	.57732	2.050	0.042**	.1792	.2871	Strong
Brand qualification	3.2148	.63149	3.952	0.000**	.1982	.3082	Strong
Brand perfection	3.1407	.56862	2.876	0.005**	.1989	.3071	Strong
Customer's satisfaction	3.1763	.42412	4.830	0.000**	.1639	.2713	Strong
Loyalty to the brand	3.1704	.51257	3.862	0.000**	.2495	.3566	Strong

Given the results of table (2), the sig of the test for all variables is less than 0.05 except for the variable brand strength which is indicative of the significance of the difference of the means of these variables with the number of the test (the number 3) and since the low and high rate of the variables is positive; therefore their means is higher than 3. Thus, H₀ is rejected and it is concluded that these variables strongly exists in the statistical population with a 95% confidence.

Fitting of the conceptual model

Figure (2) shows the number of the significance of the structural model. As it is shown in the graph as well, all of the estimated parameters in the structural model are at a significant level and these parameters are all positive and it shows that the relationship between the latent variables with one another and they are also in the same direction as the observed variables which is according the predefined assumed relationships. In table (3) the indexes of the fitting of structural model has also been provided. Given the calculated significance numbers and the

rates of the fitting indexes, the model and the data have acceptable fittings and therefore, the validity of the assumed model of the research is confirmed.

Table 3. Fitting indexes of the structural model

Fitting index	Desirable rate	Result
χ^2/df	<3.00	2.922
GFI	>0.90	0.92
RMSEA	<0.08	0.07
RMR	<0.05	0.024
NFI	>0.90	0.93
NNFI	>0.90	0.94
CFI	>0.90	0.95

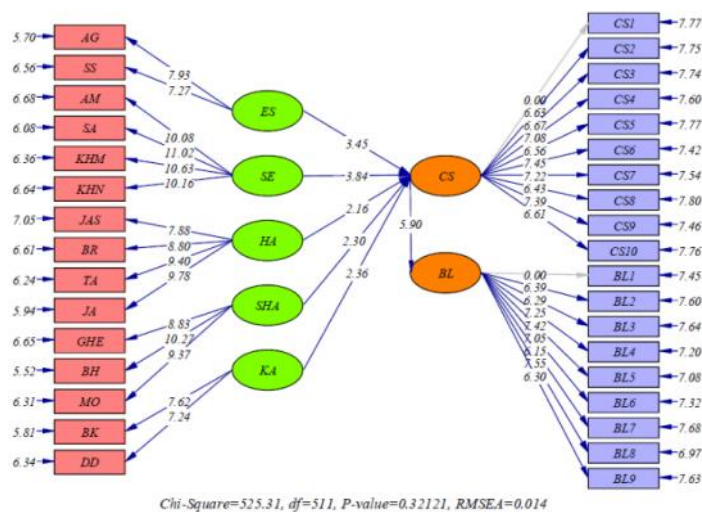


Fig.2. Significance numbers of the structural model of the research

In the figure (3), the standard estimation coefficients of the structural model have been shown.

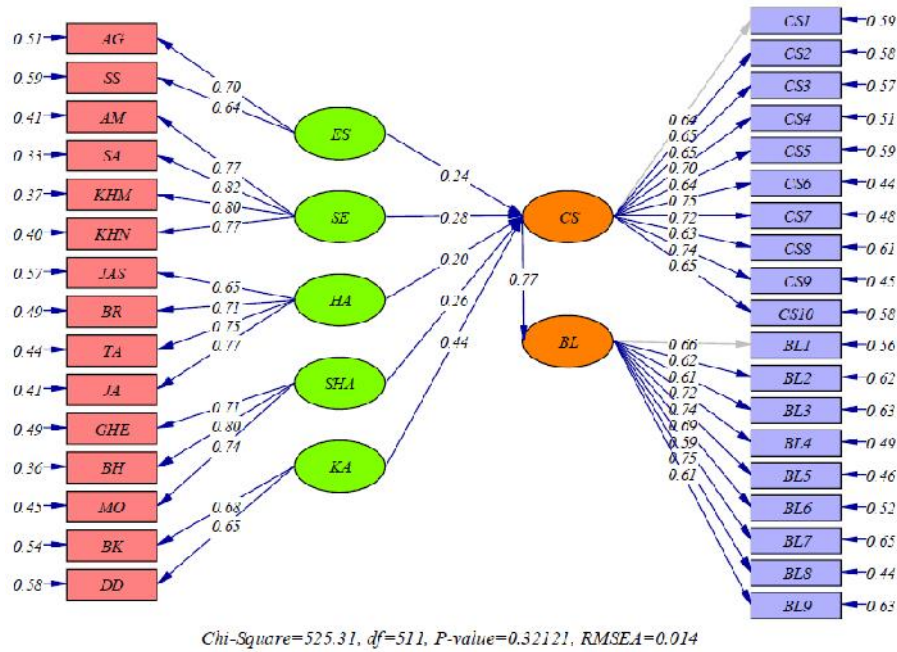


Fig.3. Standard estimation coefficient of the structural model

In order to have a better perception, the results of testing the structural model have been reported in table (4).

Table 4. The results of testing the structural model

Path		sig	()	(R ²)
From	To			
Brand strength	Customer's satisfaction	3.45	0.24	0.90
Brand honesty	Customer's satisfaction	3.84	0.28	
Brand's being exciting	Customer's satisfaction	2.16	0.20	
Brand qualification	Customer's satisfaction	2.30	0.26	
Brand perfection	Customer's satisfaction	2.36	0.44	
Customer's satisfaction	Loyalty to brand	5.90	0.77	0.59

4. CONCLUSION

First hypothesis

The significance number of the path between the variable brand honesty and the variable consumers' satisfaction is equal to 3.84 which is larger than 1.96; therefore the relationship between these two variables is confirmed at the level of 99% confidence. The path coefficient between these two variables is equal to 0.28 and this is indicative of the issue that a unit of change in the variable brand honesty leads to a change of 0.28 unit in the variable consumers' satisfaction and given the positivity of the path coefficient, this impact complies with the variable consumers' satisfaction and it will lead to its increase. Therefore, the first hypothesis of the research is confirmed and *brand honesty has a direct positive impact on the consumers' satisfaction*. Kater (2010), in a research, reviewed the impact of the quality of relationship (which includes honesty as well) on customer's loyalty and came to the conclusion that there is a positive and significant relationship between these two relationships.

Second hypothesis

The significance number of the path between the variable brand qualification and the variable consumers' satisfaction is equal to 2.30 which is larger than 1.96; therefore the relationship between these two variables is confirmed at the level of 99% confidence. The path coefficient between these two variables is equal to 0.26 and this is indicative of the issue that a unit of change in the variable brand qualification leads to a change of 0.26 unit in the variable consumers' satisfaction and given the positivity of the path coefficient, this impact complies with the variable consumers' satisfaction and it will lead to its increase. Therefore, the second hypothesis of the research is confirmed and *brand qualification has a direct positive impact on the consumers' satisfaction*. Motahari Nejad, et al., in an article in the year 2014 called reviewing the relationship between brand and consumer (case study: household electrical appliances), came to the result that brand experience and its qualification have a positive and significant impact on brand satisfaction, brand trust, brand commitment and brand love and therefore loyalty to the brand.

Third hypothesis

The significance number of the path between the variable brand's being exciting and the variable consumers' satisfaction is equal to 2.16 which is larger than 1.96; therefore the relationship between these two variables is confirmed at the level of 99% confidence. The path coefficient between these two variables is equal to 0.20 and this is indicative of the issue that a unit of change in the variable brand's being exciting leads to a change of 0.2 unit in the variable consumers' satisfaction and given the positivity of the path coefficient, this impact complies with the variable consumers' satisfaction and it will lead to its increase. Therefore, the third hypothesis of the research is confirmed and *brand's being exciting has a direct positive impact on the consumers' satisfaction*. Abdolvand, et al., in their article called evaluation and prioritization of the effective factors on the acceptance of famous characters in advertising programs from the perspective of consumers in the year 2008, came to the conclusion that the factors attractiveness and controversial risk play an effective role in the acceptance of famous people by customers.

Fourth hypothesis

The significance number of the path between the variable brand perfection and the variable consumers' satisfaction is equal to 2.36 which is larger than 1.96; therefore the relationship between these two variables is confirmed at the level of 99% confidence. The path coefficient between these two variables is equal to 0.44 and this is indicative of the issue that a unit of change in the variable brand perfection leads to a change of 0.44 unit in the variable consumers' satisfaction and given the positivity of the path coefficient, this impact complies with the variable consumers' satisfaction and it will lead to its increase. Therefore, the fourth hypothesis of the research is confirmed and *brand perfection has a direct positive impact on the consumers' satisfaction*. Mohammadi, et al., in their article in the year 2013 called "reviewing the impact of compliance of brand personality, perceived quality and brand's image on loyalty to the brand", came to the conclusion that both the quality perceived from the brand and brand's image has a direct, positive and significant impact on loyalty to the brand.

Fifth hypothesis

The significance number of the path between the variable brand strength and the variable consumers' satisfaction is equal to 3.45 which is larger than 1.96; therefore the relationship between these two variables is confirmed at the level of 99% confidence. The path coefficient between these two variables is equal to 0.24 and this is indicative of the issue that a unit of change in the variable brand strength leads to a change of 0.24 unit in the variable consumers' satisfaction and given the positivity of the path coefficient, this impact complies with the variable consumers' satisfaction and it will lead to its increase. Therefore, the fifth hypothesis of the research is confirmed and *brand strength has a direct positive impact on the consumers' satisfaction*. In the research of Bajlan, et al., in the year 2014, which is called reviewing the relationship between trust and confidence of consumers on accepting retail brands, came to the result that the practical requirements, brands' strength and the variables confidence and trust in optimism leads to the facilitation of the more effective use of marketing by considering the retail brands.

Sixth hypothesis

The significance number of the path between the variable consumers' satisfaction and the variable loyalty to the brand is equal to 5.90 which is larger than 1.96; therefore the relationship between these two variables is confirmed at the level of 99% confidence. The path coefficient between these two variables is equal to 0.77 and this is indicative of the issue that a unit of change in the variable consumers' satisfaction leads to a change of 0.77 unit in the variable loyalty to brand and given the positivity of the path coefficient, this impact complies with the variable consumers' satisfaction and it will lead to its increase. Therefore, the sixth hypothesis of the research is confirmed and *consumers' satisfaction has a direct positive impact on loyalty to the brand*.

5. RESEARCH RECOMMENDATIONS

Based on the results obtained from the research, the following recommendations can be mentioned:

Today, in the business world, all organizations in the consumption market face their competitors. Presence of competition is somehow considered as a threat for the organization. Making the consumers loyal to the organization is crucially important for the organizations economically and given the results obtained from the research, the indexes of brand personality include: honesty, qualification, being exciting, perfection and strength have positive and direct impact on consumers' satisfaction and consumers' loyalty; therefore, it is recommended to the organizations to consider the indexes of brand personality in creating new brands of luxury goods but also all consumed goods; because these indexes lead to the satisfaction of the consumer and therefore lead to creation of the feeling of loyalty and commitment by the consumers to the considered brand.

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