



Investigating Critical Success Factors of Brand Loyalty: A Meta-data Analysis Approach

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ABSTRACT

Brand loyalty is a critical issue faced by organisations. It increases an organisation's profits and market share. Overlooking brand loyalty among customers raises problems in retaining customers. Besides, retaining the existing customers is more cost efficient rather than gaining and attracting new customers. Thus, this paper explores the elements of brand management that influence customer brand loyalty. This paper conducts a meta-data analysis addressing this lacuna in the literature and helps researchers to understand the concepts and elements used to measure customer brand loyalty. The study found that product quality, brand service quality, brand value and brand image, among others are factors influencing brand loyalty. Brand loyalty can be conceptualized with measurable brand dimensions and tested in future empirical studies for model fitness.

Keywords: Brand Management, Brand Loyalty, Meta-data Analysis

JEL Classifications: M1, M3

1. INTRODUCTION

In the 21st century, loyalty towards products and brands has declined, leaving marketers agitated. Marketers strive to differentiate their brand given the saturation of existing markets (Mise et al., 2013). Customers are prone to swing from one brand to another and/or to decide on the different brands equally thereby making it hard to establish loyalty to a brand. This creates a need to study the influence of several elements of brand management on brand loyalty. Brand loyalty is a customer preference when purchasing a specific brand in a product category (Giddens and Hofmann, 2010). Marketing academicians and practitioners accept that retaining the existing customers is more cost efficient as it costs five times more to attract new customers as compared to retaining the existing ones (Oladele and Akeke, 2012).

By establishing and maintaining high levels of brand loyalty among customers, companies can apply their best pricing and reduce their marketing and advertising cost on their products due to the willingness of their customers to not only pay for the brand even though the price is expensive but also to promote it to their

families and friends (Upamannyu et al., 2014). Thus, the price is not the only factor that influences people to purchase goods as the perception of product quality, brand service quality, brand value and brand image are essential elements in retaining customers and establishing brand loyalty (Mise et al., 2013; Senel, 2011).

Although both marketing scholars and practitioners have long taken an interest on the subject of customer behaviour (i.e. brand loyalty), it still needs to be explored in detail (Thaichon et al., 2013). Several problems face scholars and marketers in studying and establishing brand loyalty. A highly competitive business environment has urged companies to take action in establishing a long-term and close relationship with their customers. This is because customers satisfied with the quality of a product and service and the value of the brand will remain loyal to the brand as it exceeds their expectations. According to Koller et al. (2011), companies are being forced to embed excellent value in their products and service as individuals can switch brands easily due to numerous product brands available in the market. Improving the value of the product brand is not the only means to establish brand loyalty as companies also need to ensure that their customers

are completely satisfied with the products offered (Rad et al., 2014). Brand image is also necessary for companies as it creates satisfaction among customers (Malik et al., 2012). When the satisfaction level of a brand is low, customers tend to leave and choose another brand.

2. LITERATURE REVIEW

The topic of brands and branding has been of interest to marketers and academics since the 1950s (Bastos and Levy, 2012). The brand is valuable from the perspective of the customer because it not only reduces the time required to make a decision but also their risk in purchasing goods (Erdem and Swait, 1998). Many studies have measured the effect of several elements of brand management on customer brand loyalty. This is because brand loyalty will profit companies. At present, different variables exert different levels of influence on customer brand loyalty. The difference between one research and another could encourage scholars and marketers to further analyse and study the variables before deciding on the correct course action to establishing brand loyalty. For example, Andreassen and Lindestad (1998) measured the role of corporate image in influencing the quality, satisfaction and loyalty among customers. They acknowledged the strong effect of the corporate image on brand loyalty as compared to customer satisfaction. Even though they already investigated the effect of images and customer satisfaction on loyalty, they did not study the experience of existing customers and the perception towards their company. Therefore, it is suggested that further research enhances the validity of the study by seeking an accurate measurement of satisfaction, image and loyalty.

Meta-data analysis for marketing literature is a summary of past research constructed and contains several brand dimensions and elements used by previous researchers that have an influence on customer brand loyalty. This meta-data analysis is an 18-year timeframe in which the articles were analysed from the years 1998 to 2016. This analysis suggests several variables require further study and analysis. These variables were retrieved from different published journal articles, conference proceedings, reports and working papers. The variables are summarised in the meta-data analysis presented in Table 1.

Marketers and scholars seek to estimate the extent to which these variables influence customer brand loyalty. To establish a long-lasting relationship with customers, companies are developing and planning strategies to improve the reputation and value of a product or brand (Bastos and Levy, 2012). However, the irregular findings from the previous literature merit further investigation to identify the possible variables that could influence brand loyalty. Yang and Peterson (2004) examined the moderating effect of switching cost on customer loyalty via satisfaction and value. They demonstrated that both satisfaction and perceived value play important roles in retaining the existing customers. Nevertheless, they focused only on two elements that might influence customer brand loyalty. Moreover, the authors recommended that future studies should focus on additional variables that could impact on establishing brand loyalty within different industries. Auka et al. (2013), however, claimed that brand service quality has a direct effect on brand loyalty in the banking industry. In line with this study, Thaichon et al. (2013) agreed that brand image has an indirect effect on brand loyalty through brand trust. Results from their study reveal that trust mediates the relationship between brand image and brand loyalty. However, the study was conducted only to measure the relationship between a single variable of the brand image towards brand loyalty and the findings are insufficient to explain brand loyalty on the whole as other researchers recommended additional variables should be studied together (Tu et al., 2013). For example, Fianto et al. (2014) insisted that brand image influence purchase behaviour. To advance the knowledge of brand loyalty, this study includes two additional variables (i.e. brand value and brand trust) into the proposed framework to further explain and strengthen the brand loyalty relationships as suggested by Malik et al. (2013) and Nsairi and Khadraoui (2013).

Besides, Ishaq et al. (2014) mentioned that product quality, brand value and brand image are significant factors that explained brand loyalty relationships. Surprisingly, they found the variables studied are still insufficient to explain brand loyalty and suggested additional variables be studied in order to strengthen the relationship between predictors and criterion. Rad et al. (2014) examined brand trust as a mediator variable in strengthening the brand loyalty relationships. Moreover, Kuusik (2007) studied the influence of several factors (i.e. satisfaction, brand image,

Table 1: Brand dimensions and elements used in research of brand loyalty

Brand's dimensions/elements	And	Bei	Yan	Kuu	Jah	Kui	Ish	Tha	Kas	Lin	Alk	Total
Brand awareness								√				1
Brand equity						√						1
Brand personality								√				1
Consumer expectation								√				1
Customer relationship				√								1
Image	√			√			√	√		√	√	6
Marketing communication								√				1
Price		√										1
Product quality	√	√			√		√		√	√		6
Satisfaction	√	√	√	√	√	√		√	√			8
Service quality		√			√							2
Switching costs			√					√				2
Trust				√		√		√				3
Value	√		√			√	√	√	√		√	7

Brand's dimensions and elements adapted from previous studies

trustworthiness, the importance of the relationship) on customer brand loyalty. He measured the role of each factor on different levels of customer loyalty and concluded that customers should not be treated equally to enhance their loyalty towards the brand. In summary, additional factors should be derived to improve the development of the existing model of brand loyalty and its determinants.

Jahanshahi et al. (2011) concluded that both product quality and brand service quality play important roles in enhancing customer satisfaction and loyalty in the context of the Indian automotive industry. They measured the selected variables at the beginning of the purchase, and one or two years after the purchase. In another study, Kuikka and Laukkanen (2012) provided evidence on the effect of brand value on brand loyalty. They investigated the influence of four antecedents (i.e., brand satisfaction, brand equity, brand value and brand trust) on two dimensions of brand loyalty (i.e., behavioural loyalty and attitudinal loyalty), and concluded that attitudinal brand loyalty was determined by all the antecedents analysed, whereas the behavioural brand loyalty was strongly influenced by brand satisfaction and brand value with lesser influence. However, they did not study the antecedents of the brand since they did not examine all the possible elements that might contribute to the establishment of brand loyalty.

Kassim et al. (2014) analyzed the mediation effect of customer satisfaction in the relationship among perceived product quality, perceived value and brand loyalty and found that customer satisfaction plays important roles in mediating the relationship. Surprisingly, they found that perceived value has no significant relationship with brand loyalty. This result is in contrast to Rad et al. (2014) who debated that perceived value has a significant and positive relationship with brand popularity, satisfaction and brand loyalty. Nevertheless, no study has explored the influence of brand value and additional variables on brand loyalty. Therefore, the authors recommended further investigating the dimensions of perceived value and the additional variables of brand loyalty (e.g., brand image, emotion, trust) to be included in the proposed model.

Despite the recognition that product quality, brand service quality, brand value and brand image are important elements in measuring customer brand loyalty (Bei and Chiao, 2001; Lin et al., 2015), much uncertainty still exists about the combined effect of these elements (in a single model) on brand loyalty. To detail the matter, previous researchers have pointed out several significant factors in influencing brand loyalty, such as product quality (Kassim et al., 2014; Mise et al., 2013), brand service quality (Auka et al., 2013; Chinomona et al., 2013), brand value (Rad et al., 2014; Sugiati et al., 2013) and brand image (Alkhaldeh et al., 2016; Saeed et al., 2013; Upamannyu et al., 2014). This means that little empirical research has been conducted that concatenates on the variable of product quality, brand service quality and brand value together (Ahmed et al., 2014). However, other researchers recommended additional variables be studied to explain the brand loyalty relationships claiming that they will increase the explaining power of brand loyalty relationships (Rai and Medha, 2013; Suhartanto, 2011). Chinomona et al. (2013) insisted that the additional variable of the

brand image would increase the explaining power of brand loyalty as supported by Fianto et al. (2014) who acknowledged the direct linkage between brand image and purchase behaviour. Perhaps the irregularity in previous studies of predicting loyalty (Kassim et al., 2014) might be one of the reasons for separating the variables for study. Hence, it merits further investigation to measure the combined effect of product quality, brand service quality, brand value and brand image on brand loyalty.

3. METHODOLOGY

A meta-data analysis has been prepared to analyse and identify the elements used in measuring customer brand loyalty. By preparing this meta-data analysis, different variables need to be taken into consideration to measure brand loyalty among customers. The timeframe for analysing the existing journal articles is 18 years (i.e. from years 1998 to 2016). Based on the meta-data analysis, 14 elements of brand were identified, and four of the elements were chosen and analysed to measure the extent to which these elements influence customer brand loyalty. These elements were retrieved from journal articles, conference proceeding, reports and working papers. However, other elements could influence brand loyalty and are not included in this meta-data analysis as only the variables most used in the past research are included.

4. DISCUSSION AND CONCLUSION

In facing fierce competition in the market with the availability of numerous product brands, every company is trying to retain their customers by offering high-quality products and services. Once marketers improved the tendency among their customers to remain loyal to their brand, they will achieve a greater market share as loyal customers tend to engage in repeat purchase with companies offering them greater value than their competitors. Improving the qualities of product and service that offered did not help much to build loyalty in customers as other factors such as image and value of the brand also play an important role in their decision-making (Andreani et al., 2012). Customer brand loyalty can be established by improving the reputation and value of their product.

In this paper, four factors are identified and explored. The first factor is product quality which refers to the features and characteristics of the product that not only provide satisfaction to customers' needs but also that the quality exceeds their expectations. A high-quality material used in a product is important as it will affect the safety and performance of the product itself. Focusing solely on product quality will not help marketers build brand loyalty among their customers as offering good services to their customers is also important. This is because different customers have different levels of satisfaction. Therefore, the second factor is brand service quality. Mattila et al. (2003) stated that customers are using emotional communication to assess brand service quality and tend to be satisfied with the service provided by companies when employees have positive emotion involved in the communication.

An outstanding value embedded in the products will also increase the level of brand loyalty. Thus, the third factor explored in

this paper is brand value. The variety of brands available in the market offers buyers the opportunities to change brands easily. The changes in the value embedded in the product offered by marketers will help companies adapt to the needs and wants of their customers without requiring them to make changes to their brand (Gerlach and Witt, 2012). Embedding excellent value in the goods and offering high product brand image to their customers is equally important as the customers are seeking benefits from the products offered. Therefore, brand image which is viewed as a set of brand associations that form in the mind of customers (Andreani et al., 2012; Upamannyu et al., 2014) will be the last factor to be explored.

Meanwhile, Rai and Medha (2013) acknowledged that the additional variables would increase the explaining power of brand loyalty relationships. Fianto et al. (2014) acknowledged the direct linkage between brand image and purchase behaviour while Jahanshahi et al. (2011) concatenated the effects of product quality and brand service quality on brand loyalty in the context of the Indian automotive industry and concluded there was a positive relationship. Some researchers acknowledged that both product quality and brand value (Ahmed et al., 2014; Kassim et al., 2014) and brand value and brand image (Thaichon et al., 2013) have a combined effect on brand loyalty. Furthermore, some studies investigated the combined effect of product quality, brand value and brand image towards brand loyalty (Andreassen and Lindestad, 1998; Ishaq et al., 2014) and the combined effect of brand service quality, brand value and brand image towards brand loyalty (Suhartanto, 2011). However, the study examined the relationship between product quality, brand service quality, brand value and brand image on brand loyalty (Ahmed et al., 2014). Hence, this meta-data analysis is not limited to identify the literature, but also to delve deeper into the concepts and elements used by previous researchers to measure customer brand loyalty.

Moreover, in the face of competitive market conditions, retaining existing customers is more cost efficient compared to attracting new customers as it cost five times more to gain new customers (Oladele and Akeke, 2012). Therefore, to measure the level of brand loyalty among customers, a meta-data analysis was constructed in this paper. Based on the meta-data analysis, several elements of brand management were selected and analysed. The elements available in the 18-year meta-data analysis were retrieved from journal articles, conference proceeding, reports and working papers. Only the elements most frequently used by the researchers will be selected and analysed before the combined effect of these elements are investigated. Additionally, this paper aims to identify the elements that could influence brand loyalty. As investigated by many researchers, several elements of brand management are proven to have an influence on brand loyalty. However, far too little attention has been paid to measuring brand loyalty among the customers by combining all the elements of brand management in a single model (Suhartanto, 2011). Therefore, these elements should be explored further so that this research gap can be bridged.

As stated earlier, most of the studies have been conducted on the single determinant of brand loyalty with studies lacking in the area of examining the extent to which these combined effects of brand

management's elements have an influence on brand loyalty. Due to different elements of brand management having different levels of influence on brand loyalty, researchers should analyse these elements to produce an accurate measurement of brand loyalty. The improvement of a measurement model due to the inclusion of additional elements in the model will also aid marketers to estimate the level of customer brand loyalty by using a better measurement.

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