THE MEDIATION ROLES OF QUALITY AND VALUE PERCEPTION ON BRAND LOYALTY

Wann-Yih Wu¹ and Nadia Anridho²

¹Department of Business Administration, Nanhua University, Taiwan
No.55, Sec. 1, Nanhua Rd., Dalin, Chiayi 62249, Taiwan
Email: wwanyi888@gmail.com; Tel: +886-933665781

²Department of International Business Administration
Chinese Culture University, Taiwan
55, Hwa Kang Rd., Yang Ming Shan, Taipei 11114, Taiwan
Email: nadiaanridho@gmail.com; Telp: +886975812455

Abstract

One of the most critical marketing topics which have been discussed extensively by both academicians and practices over the past decades is brand loyalty. Previous studies have focused on this research issue, especially regarding the determinants of brand loyalty. However, the results are still inconclusive and a comprehensive research framework has yet to be developed. This study aims to integrate previous literature to identify the antecedents and mediators of brand loyalty. Five research hypotheses with 45 sub-hypotheses were developed and validated through meta-analysis by collecting 144 studies of previous literature during 1996 and 2014. The results indicate that both cognitive-related variables and hedonic-related variables have significant impact on brand loyalty and quality perception toward the brand. The results of this study can be provided as an important reference for academicians and professionals to identify marketing strategies and to enhance the profitability of the firm.

Keywords: brand loyalty, brand awareness, hedonic attitude, commitment, trust

INTRODUCTION

One of the most critical marketing topics which have been discussed extensively is brand equity (Atligan et al., 2005; Emari, et al., 2012). Successful brands can allow firms to gain competitive advantages. Brands that have higher equity can result in higher brand awareness, higher perceived quality, stronger brand associations, and better brand value (Emari, et al., 2012). Brand value may further relate to the thinking, feeling, and acting of consumers with respect to consumer behaviors (Kotler & Keller, 2012). A strong brand can provide series of benefits for a firm, including greater customer loyalty, more licensing and brand extension
opportunities, higher resiliency to response to price change, which may further result in higher profit margin (Emari, et al., 2012).

First of all, the brand-related constructs as proposed by Aaker (1991, 1996) are normally regarded as the cognitive aspect of antecedents. Holbrook and Hirschman (1982) argued that, in addition to consider the effects from the cognitive aspect, experiential perception may be more effective for attitude change and purchase intention. They further stated that “hedonic consumption designates those facets of consumer behavior that related to the multisensory, fantasy, and emotive aspects of one’s experience with product (or brand).” This study argued that the experiential aspects of brand-related constructs including experiential perception, entertainment, aesthetic, enjoyment, and hedonic attitudes, should be regarded as some of the most important antecedents for persuasion, besides those cognitive antecedents. However, the integration between hedonic antecedents and cognitive antecedents deserves further and deeper evaluation.

Secondly, the antecedents and mediators of brand loyalty have been evaluated extensively. However, different studies tend to select their antecedents and mediators randomly. This random selection of antecedents and mediators has resulted in mixed or conflict of study results among different studies. This divergence of research design has resulted in more difficult to integrate the study results into a more solid theoretical foundation. Specifically, the objectives of this study are to develop a comprehensive model of antecedents and mediators for brand loyalty, to identify the cognitive-related and hedonic-related antecedents of brand loyalty, and identify the mediators of brand loyalty.

**LITERATURE REVIEW**

The influence of cognitive-related constructs on quality perception and value perception

According to Aaker (1996), brand awareness refers to the ability of customer to recognize and recall a certain brand in different situations. Brand awareness can be the predictor of brand perception which consists of perceived quality, reputation, and brand image. Many researchers concluded that brand awareness has positive influence on perceived quality (Chi, et al., 2009; Lin, 2006; Kan, 2002), reputation (Helm, 2011), and brand image (Ramos, et al., 2008). Besides, brand awareness can predict customer perceptions which consist of perceived value, commitment, and trust.

Moreover, according to Aaker (1996), brand personality is “the set of human characteristics associated with brand.” It can be created through direct and indirect contact with customer experience of that brand (Nili, et al., 2013). It means that customers may evaluate the product quality in order to get more understanding about the brand (Ha & Janda, 2013). This study proposes that brand personality has a positive effect on brand reputation, brand image, perceived quality, perceived value, brand trust, and brand commitment (Keller, 1993; Keng,
et al., 2013; Rajagopal, 2006; Sorayaei & Hasanzadeh, 2012) stated that brand personality has significant effect on trust and commitment.

Finally, brand identity is a unique set of brand associations that imply a promise to customers and its identity (Ghodeswar, 2008). According to Aaker and Joachimsthaler (2002), brand identity can be divided into three layers which are core identity, extended identity, and brand essence. This study proposes that brand identity has a positive influence on perceived quality (So, et al., 2013), brand reputation (Hirvonen & Laukkanen, 2013), brand image (Aaker & Keller, 1996), perceived value (He, et al., 2012), brand commitment (Carlson, et al., 2008), and brand trust (He, et al., 2012). Therefore, the following hypothesis is developed:

Hypothesis 1. Cognitive-related constructs (e.g., brand awareness, brand personality, and brand identity) positively influence quality perception (e.g., perceived quality, reputation, and brand image) and value perception (e.g., perceived value, commitment, and trust).

The influence of hedonic-related constructs on quality perception and value perception

Customers’ hedonic attitude is related to the behavior of customers that is driven by hedonic (or affective) gratification, such as the sensation they feel after using the products (Homer, 2007). According to Overby and Lee (2006), hedonic value refers to the overall assessment of experiential benefits and sacrifices that can be both entertainment and escapism. This study proposes that hedonic attitude positively influence perceived quality, brand image, brand reputation, perceived value, brand trust, and brand commitment (Kang, et al., 2014; Park, 2004; Tsao & Tsao, 2013).

Furthermore, Hwang and Hang (2014), entertainment refers to the action of providing amusement or enjoyment. It can be used to enhance the customer’s positive emotions and feelings (Hyun et al., 2011; Wolf, 1999). This study proposes that entertainment positively influence perceived quality, brand image, brand reputation, perceived value, brand trust, and brand commitment (Hyun & Kim, 2011; Liu, et al., 2011; Okazaki, 2008).

Finally, according to Tsai (2011), aesthetic or aesthetic attractiveness refers to a sense of beauty and attractiveness that created by having direct contact with the brand. This study proposes that aesthetic positively influence perceived quality, brand image, brand reputation, perceived value, brand trust, and brand commitment. Therefore, the following hypothesis is developed:

Hypothesis 2. Hedonic-related constructs (e.g., hedonic attitude, entertainment, and aesthetic) positively influence quality perception (e.g., perceived quality, reputation, and brand image) and value perception (e.g., perceived value, commitment, and trust).

The influence of quality perception on brand loyalty

Perceived quality refers to the subjective judgment of customers to the consistency of product specification or evaluation on the added-value of the product (Zeithaml, 1988; Dodds, et al., 1991; Aaker, 1991). Brand reputation can be created by corporate reputation which is defined
as “a particular type of feedback received by an organization from its stakeholders, concerning the credibility of the organization’s identity claims” (Whetten & Mackey, 2002). Brand image refers to emotional perception of customer for the brand that is related to specific attribute of a product or a service (Cretu & Brodie, 2007). This study proposes that perceived quality, brand reputation, and brand image have positively influence brand loyalty (Bontis, et al., 2007; Ha & Park, 2012; Hamid, 2013). Therefore, the following hypothesis is developed:

Hypothesis 3. Quality perceptions (e.g., perceive quality, reputation, and brand image) positively influence brand loyalty.

The influence of value perception on brand loyalty
According to Shirazi, et al. (2013), perceived value refers to the customers’ perception about something that they can get for the benefits with lower cost. Brand commitment is a mutual trust between both parties to get mutual benefits and it needs efforts to maintain a sustainable relationship (Morgan & Hunt, 1994). Chaudhuri and Holbrook (2001) defined brand trust is the willingness of customer to believe on the ability of the brand related to its performance and functions. This study proposes that perceived value, brand commitment, and brand trust have influence on brand loyalty. Therefore, the following hypothesis is developed:

Hypothesis 4. Value perception (e.g., perceived value, commitment, and trust) positively influence brand loyalty.

The influence of cognitive-related and hedonic-related constructs on brand loyalty
According to Chi, et al. (2009), brand awareness has a direct impact on brand loyalty. It is because when the firms create a new product, they will need to promote their brand awareness to get best result and to enhance brand loyalty (Aaker & Keller, 1990; Peng, 2006; Wu, 2002; Chou, 2005). Furthermore, brand personality also has a positive relationship with brand loyalty (Das, 2013; Lin, 2010; Waheed & Yadav, 2007). Meanwhile, He, et al. (2012), Sauer, et al. (2012), and Shirazi, et al. (2013) explained that there is a positive influence of brand identity on brand loyalty, in both direct and indirect effects. The indirect effect is caused by the relationship which is mediated by perceived value and satisfaction (Shirazi, et al., 2013). Even though there are only a few studies that explain about the relationship between hedonic-related constructs and brand loyalty, the evidences have shown that hedonic-related constructs such as hedonic attitude, entertainment, and aesthetic, have positive relationships with brand loyalty (Hu & Chang, 2012; Kakar, 2013; Rocereto & Mosca, 2012; Saeed, et al, 2013; Hwang & Han, 2014; Ryu & Han, 2011; Tsa, 2011). Therefore, the following hypothesis is developed:

Hypothesis 5. Cognitive-related constructs (e.g., brand awareness, brand personality, and brand identity) and hedonic-related constructs (e.g., hedonic attitude, entertainment, and aesthetic) positively influence brand loyalty.
RESEARCH DESIGN AND METHODOLOGY

Meta-analysis

Research model

Based on the hypotheses developments above, the conceptual framework of this study is shown in Figure 1.

Figure 1 Research Model for Meta-analysis

Meta-analysis

This study implements a literature search in different scientific database in order to integrate the results of previous studies relevant to the topic of this study. In the literature search, the following databases were employed: JSTOR, Elsevier Science Direct, Wiley Online Library, Taylor & Francis Online Journals, and many others. After completing the literature search, this study obtained a total of 144 studies done during 1996-2014. In order to evaluate the studies to measure the effect size of the hypotheses, this study used correlation coefficient (r) between two variables. By using Comprehensive Meta-Analysis (CMA) software, the correlations were not only obtained from r-value, but also from t-value, z-value, and p-value. Those values were converted to r-value by CMA software.

Furthermore, to check the homogeneity of the effect size distribution, the Q-statistic test was adopted. The criterion for Q-statistic is that Q-value should be higher than Chi-square, and then it suggests that the null hypothesis of homogeneity is rejected. In this case, it can be concluded that the differences in effect size are attributed to factor other than sampling.
RESULTS

Meta-Analysis Results
The influence of cognitive-related constructs on quality perception and value perception
The results show that brand awareness has positive influences on perceived quality ($r=0.285$), reputation ($r=0.27$), brand image ($r=0.220$), value ($r=0.176$), commitment ($r=0.376$), and trust ($r=0.25$). Brand personality also has positive relationship with perceived quality ($r=0.380$), reputation ($r=0.366$), brand image ($r=0.335$), value ($r=0.321$), commitment ($r=0.483$), and trust ($0.529$). Furthermore, brand identity has positive relationships with perceived quality ($r=0.153$), reputation ($r=0.41$), brand image ($r=0.320$), value ($r=0.667$), commitment ($r=0.591$), and trust ($0.441$). Based on the criteria as stated by Lipsey and Wilson (2001), all relationships have effect sizes ranged from medium to high. These results are supported by 95% confidence interval with non-zero values. However, the influence of brand awareness on reputation and trust, and brand identity on reputation are not applicable because the number of study did not fullfill the criteria (less than 2 studies). Ryan (2013) stated that two studies are sufficient to perform Meta-analysis because it can be meaningfully pooled and provided sufficiently ‘similar’ results. Therefore, hypothesis 1 is partially supported.

The influence of hedonic-related constructs on quality perception and value perception
The results show that hedonic attitude has positive influences on perceived quality ($r=0.653$), reputation ($r=0.336$), brand image ($r=0.249$), value ($r=0.326$), and trust ($r=0.171$). Entertainment also has positive relationships with perceived quality ($r=0.417$), value ($r=0.45$), commitment ($r=0.43$), and trust ($r=0.5$). Furthermore, aesthetic has positive relationship with perceived quality ($r=0.508$), reputation ($r=0.371$), commitment ($r=0.579$), and trust ($r=0.139$). All relationships have effect sizes ranged from medium to high (Lipsey & Wilson, 2001). These results are supported by 95% confidence interval with non-zero values. However, the influence of hedonic on perceived value and commitment, entertainment on reputation, brand image, perceived value, commitment, and trust, aesthetic on brand image and perceived value are not applicable because the number of study did not fullfill the criteria (less than 2 studies). Therefore, hypothesis 2 is partially supported.

The influence of quality perception on brand loyalty
The results show that perceived quality ($r=0.455$), reputation ($r=0.233$), and brand image ($r=0.520$) have positive influences on brand loyalty ($r=0.455$). All relationships have effect sizes ranged from medium to high (Lipsey & Wilson, 2001). These results are supported by 95% confidence interval with non-zero values. Therefore, hypothesis 3 is supported.
The influence of value perception on brand loyalty

The results show that perceived value (r=0.474), commitment (r=0.485), and trust (r=0.547) have positive influences on brand loyalty (r=0.474). All relationships have effect sizes ranged from medium to high (Lipsey & Wilson). These results are supported by 95% confidence interval with non-zero values. Therefore, hypothesis 4 is supported.

The influence of cognitive-related constructs and hedonic-related constructs on brand loyalty

The results show that brand awareness (r=0.291), brand personality (r=0.249), brand identity (r=0.446), hedonic attitude (r=0.147), entertainment (r=0.318), and aesthetic (r=0.502) have positive influence on brand loyalty. All relationships have effect sizes ranged from medium to high (Lipsey & Wilson, 2001). These results are supported by 95% confidence interval with non-zero values. Therefore, hypothesis 5 is supported.

CONCLUSIONS

Conclusions

The purpose of this study is to identify the antecedents of brand loyalty and brand equity. A comprehensive research model was developed and 5 research hypotheses with 45 sub-hypotheses were created. The research model was evaluated using meta-analysis by in-cooperating 144 previous studies during 1996-2014. Several conclusions could be drawn from the results of this study.

First of all, this study has identified brand awareness, personality, and identity as three of the cognitive-related variables that have significant impacts on three quality perception variables, three value perception variables, and brand loyalty. This study also identifies hedonic attitude, entertainment, and aesthetic as three of the hedonic-related variables that also have significant impact on the above brand-related variables. These results are very important because both cognitive-related and hedonic-related antecedents are important to promote brand loyalty. These results are in line with previous studies, including Callarisa, et al. (2012), Sorayaei & Hasanzadeh (2012), Hamid (2013), Ghalandri, (2013), Shirazi, et al. (2013), and He, et al. (2012).

Secondly, this study identifies perceived quality, reputation, and brand image as three quality perception variables that have significant impact on brand loyalty. This study also identifies value, commitment, and trust as three important value perception variables that also significantly impact on brand loyalty. These results are also very critical because without these brand and customer mediating variables, the promotion of brand loyalty could be largely discounted.
Academic and Managerial implication

Theoretical implications

Previous studies regarding brand-related construct have been criticized as (1) too much focus on mental activation rather than experiential perception of brand loyalty, (2) too much focus on individual dimension of consumer behavior, and (3) too much focus on fragmented views of brand loyalty, which may be significant with partial representation, but neglecting to develop a comprehensive framework of brand loyalty (Keller, 1993; Kayaman & Arasli, 2007; Villanueva & Hanssens, 2007). This study aims to fill these research gaps by integrating previous literature and developing a comprehensive framework to identify the antecedents of brand loyalty. Since most of the previous study studies do not integrate relevant research variables into a more comprehensive framework, the results of this study can provide important references for academicians to conduct further empirical validations on the research of brand loyalty. This study has developed a comprehensive model by integrating 144 studies and used meta-analysis to test 5 research hypotheses and 45 sub-hypotheses. The results of hypotheses development and testing should provide very precious information for both academicians and professionals to further validated the viability of the model and to identify the marketing and promotion strategies to enhance the profitability of the firm.

Managerial implications

Several managerial implications could be drawn from the results of this study. First, as the results of the study shown that both cognitive-related and hedonic-related variables are related to brand loyalty, brand manager should try to promote brand loyalty not only from cognitive perspective but also from hedonic perspective. Brand manager should be more concerned to create good relationship with customer through the increase of the brand image and reputation so that customer can perceive themselves with the brand and become loyal into it. Second, managers also need to improve the association of the brand in the consumer’s mind through customers’ commitment and trust because it leads to the brand loyalty and equity. Finally, managers should understand about the cognitive and hedonic-related because they will influence the customers’ perception about the brand.

Limitation

There are some limitations of this study. Firstly, this study applied meta-analysis method that conducted data from many different studies that have different measurement scales. In addition, meta-analysis method also conducted data from different sample and environment. This may create variations which may result in insignificant results. Furthermore, several research hypotheses cannot adopt the meta-analysis because there are less than two found in the literature. Therefore, future study needs to consider about these limitations. Finally, this study did not collect primary data to test the developed hypotheses. Future studies may
collect more data either from qualitative study or quantitative study to further validate applicability of the research model.

REFERENCES


(The rest of references available upon request to the second author)