

# COMMITMENT VERSUS BRAND LOYALTY: AN ANALYTICAL STUDY

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## ABSTRACT

The development and maintenance of brand loyalty occupies a significant place in the brand building process, especially in the face of highly competitive markets with increasing unpredictability and decreasing product differentiation. Since the cost of building powerful brands have sky rocketed and failure rate of new brands is high, brand managers have started refocusing their attention on retaining their existing customers for long term benefits. Commitment captures the buyer's desire to maintain a relationship with a particular brand and reflects the strength of relationship the buyer has with the brand. Brand commitment is an essential ingredient for successful long-term relationships. This article aims to identify the relationship between commitment and brand loyalty.

Keywords: Brand loyalty, commitment.

## INTRODUCTION

The concept of brand is considered as most powerful idea in the business world. Strong brand names are described as the ultimate competitive weapon for companies (Brad VanAuken, 2004). Kapferer (1992) suggests that brands are the real capital of all businesses and represents a foundation upon which core competency is built. Powerful brands are the assets of a firm and they serve as arsenals in their armory to fight in the battle of grabbing more share. Launching a brand and making it powerful among competition are a Herculean task, which requires both financial power and time. Brand building exercise requires careful planning on the part of product executives with regard to positioning option and developing USP for their brands.

Branding is the process by which companies distinguish their product offerings from those of competitors (Aaker, 1991). Marketers develop their products into brands, which help to create a unique position in the minds of customers. By developing a unique identity, branding permits customers to develop associations and establish 'trust' in their minds. Ehrenberg et al. (1990) explains that brand superiority leads to high sales, has the ability to charge price premiums and the power to resist distribution strength. Brand loyalty refers to repetitive purchase behaviour or to the propensity to purchase a brand again (Baldinger, 1992) or to the result of cognitive activity and decision making (Avinandan and Ghosh, 1996). This kind of repeat purchase must be accompanied by an underlying positive attitude towards the brand. Today, successful brands are recognized as valuable assets that must be exploited carefully, with wise and knowledgeable management that retains their financial value, their economic power, and their social significance. Sritharan et al, way back in 2008 suggested that brand preference and brand equity closely associated with brand loyalty. The attitudinal bond and behavioural response strengthen brand loyalty and in turn it added more value to brand equity.

## REVIEW OF LITERATURE

While investigating the underlying determinant of consumer behaviour, it is accepted that the determinants of brand loyalty can act as an important factor to face competition. Brand loyalty refers not only to one's tendency to repurchase the same brand time after time, but also to psychological commitment or attitudinal bias towards the brand. Thus, the brand loyal customer not only buys the brand, but refuses to switch even when better offer comes along.

Jacoby and Chestnut (1978) explored the psychological meaning of loyalty. A psychological approach implies attitudinal loyalty that includes cognitive, affective, and conative elements. Several researchers argue that satisfaction is an antecedent of attitudinal brand loyalty. Increases in satisfaction lead to increases in attitudinal brand loyalty. In 2008 Sritharan and samudhrarakumar, added a strong finding through his research, that brand awareness will contribute more on brand loyalty and continues its worthy support to brand equity

Pura in 2005 examined the direct effect of perceived value dimensions on attitudinal and behavioural loyalty. The findings suggest that the behavioural intentions are mostly influenced by conditional value. He analysed the direct effect of perceived value dimensions (monetary, convenience, social, emotional, conditional and epistemic value) on behavioural components of loyalty: The findings suggested that the behavioural intentions were most influenced by conditional value; the context in which the service is used, followed closely by commitment and to some extent monetary value. The influences of social and epistemic values was not significant.

Knox and David (2003) reported a research design that attempted to integrate prior theory on consumer involvement and brand loyalty in a longitudinal study of grocery product purchasing. Using a previously identified and validated measure of involvement and separate measures of brand commitment, the relationship between the two constructs was estimated using LISREL. Their main finding confirms the existence of a weak but significant relationship between involvement and brand loyalty in grocery markets.

Commitment is the bond (or attitude strength) between a customer and a particular brand, extending the meaning of loyalty over the simple repeat purchasing of a brand (behavioural phenomenon). Commitment is associated with positive affect and though this may prevent the exploration of other alternatives in the short run, steady customer benefits are likely to accrue from such affective bonding in the long run (Berscheid, 1983).

Moorman et al. (1992) explain that commitment is an attachment between parties that leads to a desire to maintain a relationship. Morgan and Hunt (1994) denotes that customer commitment is a central construct in the development and maintenance of marketing relationships because it is a key psychological force that links the consumer to selling organization.

## METHODOLOGY

The literature suggests that a consistency exists between the cognitive, affective and conative components of attitude, meaning that a change in one attitudinal component tends to product related changes in the other components. Thus, in order to capture the rich dynamics of brand loyalty, a comprehensive measure of the construct would be needed to include all three components of attitude.

Taking into consideration the conceptual definition proposed by Jacoby and Kyner (1973) and Dick and Basu's (1994) argument for the importance of relative attitude, Quester and Lim in 2003 addressed the measurement issue by developing a scale, which encompassed the three components of attitude (cognitive, affective and conative). The same scale has been used in this study.

### *Cognitive*

Cognitive component is measured by 4 items such as effort, thought of particular brand, consideration \ importance and attention to this particular brand.

### *Connative*

Connative component has been measured by 5 items namely, it is very important for me to buy my specific brand, although another brand is available with attractive gifts, I buy this brand, I consistently buy my favorite brand, once I have decided I will not change, and if my brand is not available I will not buy any other brand.

*Affective*

Affective component is measured by 5 items: I feel happy, I would be upset if the brand is not available, I am excited about this brand, I like the brand very much and I feel very much attached.

*Commitment*

Knox and David (2001) have suggested a two item scale to measure brand commitment. It has been measured by asking respondents whether they will recommend the brand to others and whether they are committed to that brand.

*Sample area*

Chennai city was taken as the research area where people have more knowledge about brands. Also, the availability of number of brands in each product category is more. Chennai was chosen as a sample area as it is the capital of Tamil nadu. The main objective of this research article is to identify the relationship between commitment and brand loyalty and the influence of demographic characteristics (Age) on commitment.

**ANALYSIS AND DISCUSSION**

The attitudinal bond to the brand strengthens the notion of brand commitment. It is considered that highly loyal consumers purchase repeatedly and are strongly committed to the brand. Many research studies confirm that there is a positive relationship between brand commitment and brand loyalty. The below table explores ANOVA between Commitment and Brand Loyalty

| Commitment | Mean  | N   | S.D   | F        | P     |
|------------|-------|-----|-------|----------|-------|
| Low        | 2.862 | 71  | 0.626 | 95.016** | 0.001 |
| Moderate   | 3.339 | 331 | 0.574 |          |       |
| High       | 3.982 | 120 | 0.530 |          |       |

\*\* - Significant @ 1 % level

It is inferred from the above table that consumers with different levels of commitment significantly differ in their opinion toward brand loyalty ( $F = 95.016$ ;  $p < 0.001$ ). In order to identify the significance of mean values, Bonferroni test was performed and the result shows that the mean differences significantly differ from each other. That is, respondents with high commitment (mean = 3.982) significantly differ in their opinion towards brand loyalty compared to moderate commitment and low commitment respondents. Also, brand loyalty of moderate commitment respondents (mean = 3.339) is more compared to low commitment (mean = 2.862) but less than high commitment respondents.

Psychological attachment of consumers towards a brand was treated as an antecedent to brand support on the grounds that any variance explained in brand commitment could legitimately be termed 'brand loyalty'. This result supports the views of Jacoby and Kyner (1973), Baldinger and Rubinson (1996), Samuelson and Sandvick (1997) and Bansal, et al., (2004).

**ANOVA between the Demographic Characteristics and Commitment**

| Demographic Character |              | Mean  | S.D   | F       |
|-----------------------|--------------|-------|-------|---------|
| Age                   | Below 20 yrs | 3.322 | 0.953 | 3.069** |
|                       | 20 – 25 yrs  | 3.706 | 0.842 |         |
|                       | 26 – 30 yrs  | 3.654 | 0.882 |         |
|                       | 31 – 35 yrs  | 3.637 | 0.731 |         |
|                       | 36 – 40 yrs  | 3.431 | 0.866 |         |
|                       | Above 40 yrs | 3.900 | 0.769 |         |

\*\* - Significant @ 1% level

In order to check whether consumers significantly differ in their opinion towards commitment with respect to demographic character (Age) ANOVA was carried out. It is identified that consumers differ

significantly with respect to their age. It is inferred through Bonferroni test that older age group (above 40 years) consumers significantly differ in their opinion over youngsters (below 20 years and 20 to 25 years).

## FINDINGS AND CONCLUSION

Consumers with different levels of commitment significantly differ in their opinion towards brand loyalty. The outcome of ANOVA shows that among the various demographic characteristics, age has the significant influence on commitment. Particularly elder age group is highly committed than the younger generation. The reason could be that older age group of respondents uses the brands for longer time, through which they are satisfied and hence, they are committed to the brand they use. This study aims to identify the relationship between commitment and brand loyalty. Through proper statistical analysis it is inferred that commitment has the positive influence on brand loyalty.

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