

Investigating relationship between brand image, personalities traits and customer loyalty (case study: laptop buyers in Isfahan city)

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Abstract: Some researchers believe personality traits are stable, but some other researchers indicate personality traits will continue to evolve and may even change and its important factor that effect consumer behavior .we considered personality trait as independent variables .The purpose of this study was to explore the relationship between brand image , personality traits and loyalty in laptop industry. We selected laptop buyers from Sony company and questionnaires were distributed between their customers. The model proposed in this research was tested by structural equations modeling. Findings show the relationship between brand image, personalities traits and customer loyalty also refine the overall understanding that researchers and managers have of the direct or indirect impact of personalities traits on consumers loyalty with a brand.

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Introduction

In a globalised world where markets become more and more international, where access and offer of different products increase and where products become more and more similar, the importance of brands gain essential meaning .Brands have become a major player in modern society and shape our lives. Brands represent immaterial assets that often have greater financial value than material assets. Brand equity can be measured through either a financial or customer-based perspective (Keller and Lehmann, 2006).

By referring to Costa and McCrae (1985), this study defines personality traits as the degrees that consumers think of themselves in terms of extroversion, agreeableness, conscientiousness, neuroticism and openness. Extraversion assesses an individual's quantity and intensity of interpersonal interaction and activity level. The higher scorers tend to be sociable, active, talkative, person-oriented, optimistic and affectionate. Agreeableness assesses an individual's quality of interpersonal orientation along a continuum from compassion to antagonism in thoughts, feelings, and actions. The higher scorers are likely to be soft-hearted, good-natured, trusting, helpful, forgiving, gullible, and straight forward. Conscientious assesses one's degree of organization, persistence, and motivation in goal-directed behavior. The higher scorers of this dimension tend to be organized, reliable, and hard working. Neuroticism

assesses an individual prone to psychological distress, unrealistic ideas, excessive cravings or urges, and maladaptive coping responses. The higher scorers tend to be worried, nervous, emotional, and hypo chondriacal. Openness assesses an individual's proactive seeking and appreciation of experience for its own sake, toleration for, and exploration of the unfamiliar. The higher scorers tend to be curious, creative, original, imaginative, and untraditional. The study also refers to the method developed by Chow (2004) for measuring the degree of personality traits in respective dimensions. In addition, a seven-point Likert scale is also used to measure the degree of consumers' agreement, in which consumers are requested to fill in their agreement level from one point to seven points as designed to identify their personality traits.

A brand image is anything linked in the memory to a brand (Aaker, 1991). The associated link could be a product, competitor, retailer), store or users with particular demographic or lifestyle characteristics (Fournier, 1998; Patterson, 1999). Brand image does not exist in the features, technology or the actual product itself, it is sometimes brought out by advertisement, promotion or users. Brand image enables a consumer to recognize a product, lower purchase risks, evaluate the quality and obtain certain experience and satisfaction out of product differentiation.

Aaker, 1991 theorized brand image is one of dimensions of brand equity. Marketing researchers such as Keller (1993) have proposed that brand image is a most important element of brand equity. Researchers have proposed that brand equity is to an extent driven by the brand association composition of the image. price, place and brand name are three important factors of brand image. price can be used as a reason for brand choice in two ways; either by going for the lowest price in order to escape financial risk or the highest price in order to achieve product quality, which influence customer loyalty. Besides that, style is visual appearance, which includes line, store layout, noises, smells, temperature, shelf space and displays, sign, colours, and merchandise, silhouette and details affecting consumer loyalty towards a brand (Frings, 2005). Pitta and Katsanis (1995) stated that the brand image of a hotel include the hotel's physical appearance, the brand's symbol or logo, the hotel's star rating, the history and reputation of the brand, the relative price, the country of origin, the location of the hotel, and the user image, which can have effect on customer loyalty or repurchase or resistance to better alternatives or brand competitor.

Marketing in its course of development is in a phase in which the organizations are no more only thinking of finding new customers, and nowadays one of the most important goals of marketing is demand management through pushing customers up the loyalty ladder (Haj Karimi, Jalalzadeh, 2008). In every organization, whether manufacturing or service, customer is the most important element for survival. In other words, if the organization is successful in drawing satisfaction and especially loyalty of its customers, it has prepared the foundation for a long-lasting existence and growth. customer loyalty promotes profitability and increases the share in competitive market (Aghasi pour, 2009). On the other hand, companies are to deal with two groups of customers: old ones, and new ones. Studies show that attracting new customers costs

5 times more than saving the current ones. Therefore, paying attention to attaining the old customers is of greater importance than attracting new ones (Kotler and Armstrong, 2006). In fact, consumer loyalty supports the company; thus the company can have a better control on the programs (Wong and Shoal, 2002). Loyalty to brand is considered as a major issue in today's business world. Although most companies have understood the importance of creating and maintaining loyalty as a factor which guarantees long-term profitability, it has become increasingly difficult in today's competitive atmosphere to do so (Russell-Bennett et al., 2007).

Although empirical evidences indicated that brand equity can affect purchase intention in the

various contexts (Ashil and Sinha, 2004; Chang and Liu, 2009), the number of studies which measure the effect of brand image on purchase intention is limited. Wang and Yang (2010).

investigated the impact of brand credibility on consumers' brand purchase intention focusing on China's automobile industry. They proposed that brand awareness and brand image play a moderating role in this relationship. However, Bian and Moutinho (2011) examined the impact of perceived brand image, direct and indirect effects (mediator and moderator effects) of product involvement and product knowledge on consumer purchase intention of counterfeits in the context of non-deceptive counterfeiting. Their results indicated that brand image is not a mediator of the effects of involvement/knowledge on purchase intention. Wu et al. (2011) also investigated the direct effects of store image and service quality on brand image and purchase intention for a private label brand. The above presented arguments lead to our research hypotheses and are showed in figure 1:

H1: brand image. has a significant impact on customer loyalty

H2: personality traits has a significant impact on customer loyalty

H3: personality traits has a significant impact on Brand image

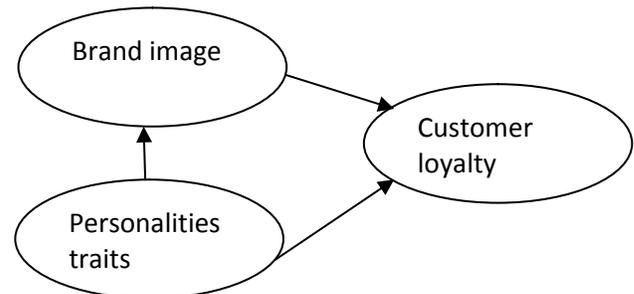


Figure 1: proposed model

Sample

The statistical population of this research was laptop buyers in Isfahan City. In order to collecting data, A total of 150 self-administered questionnaires were distributed to customers. After eliminating surveys with incomplete and invalid answers, 127 valid questionnaires were collected. Table 1 shows demographic data.

Table 1. Descriptive Statistics Results

Characteristics Description		Frequency	Percent %
Gender	Female	75	59.1
	Male	52	40.9
Age	Less than 20 years	0	0
	20 to 30 years	108	85
	31 to 40 years	19	15
	more than 40 years	0	0
Education	Advanced diploma and less	3	2.4
	Bachelor	49	38.6
	Master Degree	66	52.0
	PhD and above	9	7.1

Structural model

The data gathering instrument was a self administered questionnaire. All the items were measured using five-point Likert scale items with anchor points 1 = strongly disagree and 5 = strongly agree. To analyze the hypotheses of the study, one-sample t -test has been used. To test the reliability of data gathering instrument, a preliminary study has been conducted with a sample of 30. The results of the primary sample show that Cronbach alpha (α) index is 0.74 that indicate a good reliability. Also for testing the existence of linear relations between variables, P.correlation was used. In this research we used Structural Equation Model (SEM) for testing hypothesis. For analyzing data we used the two steps Structural Equation model. For analyzing relation between constructs, in step one, we used Confirmatory factor analysis (CFA), and in other step Path Analysis have used. For determine that to what extent, indexes are acceptable for measuring patterns, first we must analyzing all of the measuring patterns separately. After review and confirmation pattern, for meaningful test of hypothesis we have used Critical Value (CV) index and P. Critical value is the ratio that resulted of dividing the "Regression Weight Estimation" on "Standard Error". According to meaningful level of 0.05, critical value must above 1.96. Below this value, the related parameter in pattern is not considered important. And values below 0.05 for P value have showed meaningful difference in accounted value for regression weights with value of 0 in meaningful level of 0.95.

Table 2 presents General indexes of measuring patterns (CFA). Giving that for all of measuring patterns $p > 0.05$, could result that the ratio of χ^2 (chi-square) is fit for measuring patterns. Goodness-of-fit index (GFI) for all measuring patterns is above 0.9 (GFI > 0.9), showed that data are fit to patterns. RMR for all measuring patterns is below 0.05 (RMR < 0.05), showed that minimum error in patterns and acceptable fitness of them. Comparative fit index (CFI) for all measuring patterns except actual use is above 0.90 can be concluded that data clearly support measuring

patterns. RMSEA index for measuring patterns is below 0.05 (RMSEA < 0.05), showed that data are fit to patterns. And eventually, given the above contents can be concluded that measuring patterns have a good fitness and in the other words, general indexes confirmed that data clearly support measuring patterns.

Table 2 General indexes of measuring patterns (CFA)

Index	Brand image	Personality traits	Customers loyalty
CMIN	12.309	18.105	2.848
DF	8	10	2
P	0.138	0.053	0.241
CMIN/DF	1.539	1.811	1.424
RMR	0.057	0.040	0.042
GFI	0.971	0.961	0.989
AGFI	0.924	0.890	0.947
TLI	0.960	0.915	0.933
CFI	0.979	0.960	0.978
RMSEA	0.035	0.050	0.040

Table 3 show general indexes that presented in path analysis. Giving that for mentioned pattern $p > 0.05$, could result that the ratio of χ^2 (chi-square) is fit for that pattern. Goodness-of-fit (GFI) for pattern is 0.993(GFI > 0.9), showed that there is not little difference between reproduced and observed variance and co-variance, and it represented the good fitness of pattern. RMR for mentioned pattern is 0.006(RMR < 0.05), that is little and showed little error in pattern and good fitness of it. Comparative fit index (CFI) for mentioned pattern is 0.999 (CFI > 0.05) and showed that the fitness of pattern is good. RMSEA for pattern is 0.023(RMSEA < 0.05), this index too, showed that the fitness of pattern is good.

Table 3. Overall index of path analysis

Ind ex	CM IN	D F	P	CMIN /DF	R M R	GF I	AG FI	TL I	CF I	RMS EA
Val ue	2.13 3	2	0.3 44	1.066	0.0 06	0.9 93	0.9 49	0.9 97	0.9 99	0.023

Table 4 shows the result of hypotheses testing. As it is clear the p-value of presented hypotheses is lower than 0.05 ($p < 0.05$) that means these hypotheses are accepted. The information quality regression weight of 0.951 is the stronger factor, and the lowest regression weight of 0.316 is belonging to ease of use. Other hypotheses that do not present in table are rejected.

Conclusions and Implications

This study aims to investigate the relationships between brand image, personality traits and customer loyalty in laptop buyers in Isfahan city . Table 4 indicate all hypothesis are accepted The results show that strong brand image leads to customers' higher loyalty .In addition, it was

discovered that the effect of Personality traits on brand image is great. So it is important to develop brand image to improve customer loyalty. Aiming to be a listed company seems to make the best of both worlds as it improves the brand's reputation, and simultaneously facilitates raising funds for expansion plan. Therefore, establishing more branches and a renowned brand will enhance customer loyalty in the cognitive section. For long term development, loyalty program for members should be build with E-commerce systems. Offering different prices and promotions to different members at different models can make customers more loyal and meanwhile bring more profit to the buy.

Table 4. The result of hypotheses testing (regression weights)

Hypotheses		Description	Estimate	C.R.	P
customer loyalty	<-	brand image	0.53	7.108	***
customer loyalty	<-	personality traits	0.49	5.594	***
Brand image	<-	personality traits	0.41	4.927	***

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