

AN OVERVIEW ON BRAND LOYALTY AND CUSTOMER LOYALTY

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DOI: 10.5958/2249-7137.2021.02628.8

ABSTRACT

Brand Loyalty or Customer Loyalty? Brand Loyalty and Customer Loyalty are two ideas that have been dug into by academics since they are two extremely significant aspects in marketing. Brand loyalty is a biased behavioral reaction exhibited over a period of time. It indicates a consistent repurchase behavior of the brand as a consequence of positive love towards the brand. Brand loyalty theories stated that loyalty to brands is the result of many variables including emotional, behavioral and attitudinal aspects. Customer loyalty is defined as it is a strongly held commitment to re-buy or re-patronize a chosen product or service continuously in the future despite situational factors and marketing efforts having the ability to induce switching behavior. This article examines the distinction between Brand Loyalty and Customer Loyalty and the techniques employed by academics in academic study. Brand Loyalty in marketing has been linked with a positive perception of customers towards the whereas Customer Satisfaction has been associated with the purchasing power of consumers induced by different loyalty programs. However research in both Brand Loyalty and Customer Loyalty utilizes the same multi-dimensional notions of emotional and behavioral approach.

KEYWORDS: Applications, Behavioral, Brand Loyalty, Customer Loyalty, Market.

1. INTRODUCTION

1.1. Brands:

Brands include the logo, the visual depiction of the business or organization, the signature of the organization. According to the American Marketing Association a brand' is a name, phrase, sign, symbol or design or a combination of them designed to identify the products and activities of one seller or group of sellers and to distinguish them than those of competitors . Today a brand is also characterized by a personalities and a trademark song to grab the hearts of customers and keep people loyal.

1.2. Benefits of Branding:

Strong brands offer a variety of advantages for a business, the retailer, the customer and for society as a whole. Strong brands help the customer find and identify goods and assess their quality and makes it simpler for them to create attitudes and expectations. Branding also makes

purchasing more effective as it tends to decrease the amount of decision-making time needed and the perceived risks of buying because a brand guarantees a constant level of quality. Well-known brands are capable of generating positive attitudes and perceptions more readily, leading to higher sales. Higher perceived quality offers the customer a strong incentive to acquire the goods.

The same brand equity components may provide the company an efficient foundation for line or brand expansions. The image and personality of the brand is readily carried over to the new goods, giving it a head start. An extended set of brand helps the customer retrieve information from memory, therefore it simplifies the buying process and biased towards the brand. In a competitive corporate climate, brands are not simply icons that act as identifiers but have an economic purpose. The value of brands is their capacity to create a unique, positive and prominent connotation in the minds of customers. A brand may leave a great impression on consumers and this may result in brand recognition or attract loyal customers[1].

1.3. Loyalty:

Loyalty is a biased reaction towards a brand or product exhibited over an amount of time and is defined by the purchasing behavior of a decision making unit which may be a person, a household or a business. Therefore loyalty means continuous repurchase of a brand coming from favorable affinity of customers towards the brand or the product. Commitment is an important aspect of loyalty and differentiates between loyalty and recurrent purchasing which is caused to inertia. Former Ford vice president, Basil Coughlan believes that every percentage point of loyalty is worth 100 million dollars in revenues to his business. Brand loyal customers are ready to pay greater costs and are less price sensitive to price rises. Therefore loyalty is at the core of a company's success. Researchers and marketers are eager to understand the factors that influence loyalty to a business or to a product and to distinguish between brand and customer loyalty, although there wasn't much difference between the two notions. The benefits gained by a brand with strong and persistent consumer loyalty include the capacity to retain price premium, better negotiating power with channels of distribution, lower expenses, a high barrier to prospective new entrants into the product or service in the same category[2].

1.4. Brand Loyalty:

Brand loyalty is a consumer's desire to purchase a specific brand in a product category. It occurs when customers believe that the brand provides the appropriate product features, images or degree of quality at the right price. This impression may convert into repeat purchase leading in loyalty. Brand Loyalty is thus linked to a customer's choice and connection to a brand. Define brand loyalty as the measure of connection that a customer feels towards a brand. Brand loyalty according to him indicates how likely a customer will be to switched brands when that brand makes a product modification either in pricing or product attributes. Aaker says that the core of a brand's equity is built on consumer loyalty. Therefore if consumers purchase with regard to features, affordability and convenience with little attention to the brand name, there is possibly little equity. It may arise owing to a lengthy history of using a product and confidence that has built as a result of the extended usage. brand loyalty as "the biased, behavioral reaction, expressed over time, by some decision-making unit, with regard to one or more alternative brands out of a collection of such brands, and is a result of psychology decision-making, evaluative processes." factor structure to initially conceived brand loyalty and discovered that

brand loyalty is linked to; proportion of purchase dedicated to the most bought brand, number of different brand purchased over the past two years, amount of times the new favorite brand was bought of the last five purchases, three purchases out of the last five purchases and the actual number of successive purchases of favourite brand out of the last five purchases[3].

1.5. *Customer Loyalty:*

customer loyalty as a strongly held resolve to re-buy or re-patronize a favored or service continuously in the future despite situational factors and marketing efforts having the ability to induce switching barriers. Four types of customer loyalty based on the premise that the consumers first absorb information to develop beliefs, utilize those beliefs as the foundation for dispositions and then make behavioral choices based on its relative attitude strengths. Customer loyalty as the strength of the connection between an individual's attitudes and recurring patronage. Customer Loyalty is a recent idea as contrasted to Brand Loyalty[4].

1.6. *Concepts in Loyalty Research:*

customer loyalty as a strongly held commitment to re-buy or re-patronize a preferred product or service continuously in the future despite situational factors and marketing efforts having the ability to induce switching behavior. Four types of customer loyalty based on the premise that the consumers first absorb information to develop beliefs, utilize those beliefs as the foundation for attitudes and then make behavioral choices based on relative attitude strengths. Customer loyalty as the strength of the connection between an individual's relative attitude and recurring patronage. Customer Loyalty is a recent notion as contrasted to Brand Loyalty[5]. Although Brand Loyalty and Customer Loyalty are two distinct ideas studies in both domains share the same characteristics. Brand Loyalty and Customer Loyalty in previous literature have been conceptualized by two major typologies, the behavioral and the attitudinal typologies. The behavioral typology to the approach of customer loyalty is mainly concerned with metrics of repeat purchase, percentage of buy and frequency of purchase. The popularity of the measures has fluctuated throughout time and among. Researchers since both groups have their benefits and limitations[6].

2. LITERATUREREVIEW

Hussein et al. studied about the Purpose of this research seeks to examine direct and indirect impacts of brand experience on brand loyalty and to explore the moderating influence of brand of origin in the setting of Indonesian casual dining restaurant. This study examined the direct impact of brand experience on brand loyalty and also the indirect effect via customer satisfaction. This research introduced the concept of brand of origin as a variable regulating the impact of brand experience on consumer satisfaction and brand loyalty. covariance based SEM was used to examine the data. The robustness of measurements was assessed using confirmatory factor analysis. Sobel's test was used to assess the indirect impact and multigraph analysis was conducted to explore the moderating influence of brand of origin. brand experience was shown to have beneficial direct impacts on both customers' satisfaction and brand loyalty. This research demonstrated the indirect impact of brand relationship with brand loyalty via consumer pleasure. However, multigraphanalysis did not detect the moderating influence on brand of origin. this research shows the direct impact of brand relationship with brand loyalty. In addition, this

research showed that customer satisfaction plays a significant role in moderating the impact of brand experience on brand loyalty[7].

Kevin Kam Fung King et al. discussed about Customer involvement has lately emerged in both academic research and practitioner conversations as a brand loyalty predictor that may be superior to other conventional loyalty antecedents. However, empirical research on consumer involvement is rather rare. As tourism and hospitality companies have extensively embraced customer engagement methods for managing customer–brand interactions, greater knowledge of this idea is important. Using structural equation modeling, this research examines the connections of consumer involvement with conventional determinants of brand loyalty. Results based on 496 hotel and airline customers indicate that customer interaction improves consumers' service brand assessment, brand trust, and brand loyalty. The findings indicate that service brand loyalty may be enhanced not just via the service consumption experience but also through consumer involvement beyond the service encounter. This research adds to the literature by offering an empirical assessment of the connections between consumer involvement and major brand loyalty building variables[8].

According to Rather Et al. On the basis of social individuality and congruency theories, the present study will propose that value congruency directly impacts customer–brand recognition (CBI), affective brand commitment and customer–brand interaction (CBE), which, in spin, paves the way for progressing customer relations with hotel chains, as measured through brand loyalty. As such, this research aims to improve current knowledge into customer relationship management dynamics, with a specific emphasis on hotel companies. The current research provides a theoretical framework that is empirically explored by utilizing confirmatory factor analysis and structural equation modelling studies. Data were gathered by utilizing a self-administered questionnaire of 340 customers of four-and five-star hotel chains in India. The findings indicate value congruity as a key driver of CBI, emotional commitment and CBE among hospitality brands. The findings also show CBI to function as a major predictor of emotional commitment, CBE and brand loyalty. Furthermore, emotional commitment and CBE are the major determinants of loyalty to hospitality companies. The research is exploratory in nature and is limited to four-and five-star hotel clients, thus highlighting significant limitations of this study. Given these problems, abundant possibilities exist for future study to further investigate and/or verify the presented results. Practical implications — the present study offers fresh insights for marketing practitioners planning or executing long-term customer relationship management strategies that focus on customer– brand identity, customer–brand engagement and brand loyalty. Originality/value - Despite existing insights, empirical research into the suggested conceptual connections remains restricted to date, especially in the hotel sector. By providing empirical data in this area, this research contributes to the existing body of knowledge on CBI/CBE-centric customer relationship management[9].

Nobar et al. discussed about this study seeks to examine the effect of customer happiness, experience, and loyalty on brand power in the Hotel sector. This study utilized a descriptive-survey research methodology based on the correlation technique. The chosen populations were Pars Hotels' clients. Sample size was 384, based on Crecy and Morgan's sampling table. The structural equation modeling was utilized to assess the causal simulation and to investigate the reliability and validity of the measurement model. The study findings revealed that consumer expectation had the greatest impact on customer satisfaction with coefficient of determination of

0.74. On the other hand, customer loyalty, with path coefficient of 0.65, is recognized as an important element. This research helps to realize that customer happiness and customer expectations are good factors of client loyalty. Customer loyalty also is a significant indicator of brand strength in hoteling and tourist sector. By improving that portion, which you have superior resources, you may have a better supply and therefore, there would be more chances in building reputation and boosting exposure[10].

3. DISCUSSION

Brand Loyalty and Customer Loyalty in previous literature have been envisaged by two major categorizations, the behavioral and the attitude typologies. The behavioral paradigm to the concept of customer loyalty is mainly concerned with metrics of repeat purchase, percentage of buy and frequency of purchase. The usefulness of the measurements has fluctuated throughout time and across 194 researchers since both groups have their merits and limitations. Developed metric of consumer loyalty Observational research of grocery store Indicated that brand dedication and brand support were essential and sufficient circumstances for consumer loyalty to exist. Produced a classification-loyal, habitual, variety seeking and switchers Provides advice for established rather than young or developing brands. Initially conceived consumer loyalty in a commitment-loyalty metric, called Psychological Committed Instrument (PCI) (PCI). Extended the idea of consumer loyalty to intangible products with their concept of service loyalty. They suggested a 12-item test with a seven point scale defined at each end strongly agree to strongly disagree. Brand Loyalty is multi-dimensional and include three dimensions namely, the emotional tendency towards the brand; the evaluation inclination towards to the brand and third the behavior tendency towards the brand. They hypothesized that all three aspects are present in any scenario where brand loyalty prevails

4. CONCLUSION

As the market grows more aggressive with goods and services which are alternatives, the study of Brand Loyalty and Customer Loyalty will become more important. Producers need to understand customer behavior in order to compete with competitors. Most metrics in the research of loyalty are either behavioral or cognitive dependent on relative focus of the research. The usefulness of the measures employed has changed throughout time and among researchers since each groups have their own strength and limitations. Based on their concept brand loyalty may be split into two main types of operational definitions. The first emphasizes the “based on behavioral reaction, exhibited over time” and relates to a sequence of transactions or recurrent purchases. Brand related attitudinal measurements. It is evaluated by looking at the intention of consumers who want to purchase the same product the following time. Individual oriented attitudinal measures. Brand related behavior measurements. Individual focused behavioral measurements. Consumers may be illogical individuals who make choices not on solid reasonable grounds. There will always be a gap in knowing how a strategic decision unit makes a choice inside a market that provides a lot of options.

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