Brand communication using symbolic brand values: implications for consumer satisfaction and loyalty

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Abstract
The growing interest of research into idiosyncratic brand values highlights the importance of understanding brand symbolism. However, there is still a limited understanding about this area, and in particular its effects on consumer relationships with brands. This suggests the importance of investigating of how corporate brand symbolism contributes to some of the key performance indicators such as consumer satisfaction and loyalty. This research tests the effects of symbolic brand values on consumer satisfaction and loyalty. Regression results reveal favourable and significant effects of symbolic brand values on both consumer satisfaction and loyalty. This study does not intend to deny the role of economic utilitarianism in formulating brand value marketing strategies, particularly for the companies operating in a technologically intensive markets. The findings of this study point to the strategic role of the brand symbolism in generating both satisfaction and loyalty.

Introduction
The popularization of automobiles has been increasing and has generated important social changes, in terms of improved quality of life and greater efficiency of consumer journeys (Lois & Sáez, 2009). A car choice is a complex process that involves both socioeconomic and psychosocial factors affecting consumers (Domarchi, Tudela, & Gonzále, 2008). Along with an instrumental function of transporting, private vehicles fulfil symbolic consumer needs such as self-expression (Belk, 1988); status and social comparison also play a considerable role in a consumer relationship with cars (Lois & Sáez, 2009). Given the nature of the car industry, where the technological innovations are paramount - the focus on utilitarian and practical features often prevail though (Lois & Sáez, 2009). As result, competitive differentiation is still viewed in terms of how automakers innovate compared to the competition – in three parameters: quality, cost/value and timeliness measures (Tay, 2003). A report by KPMG states that although the general quality of cars has reached the highest level ever; there has been a sharp increase in complaints about other types of technology (e.g. navigation, entertainment), according to a new study by a global marketing information agency (KPMG, 2012). It is a cautionary tale, however, because even the most innovative technology in the world also will quickly create dissatisfaction if owners cannot get it to work. Some researchers began to note the importance of symbolic processes within the consumer/brand relationship – such as status and social comparison (Steg, Vlek, & Slotegraaf, 2001; Steg, 2005). Brands also make statements to other people as they are a shorthand communication of who consumers are and also meant to assist consumers in winning acceptance, approval in some cases avoid disapproval of others (Langer, 1997). According to Farquar (1989), as opposed to the product, “which is something that offers functional benefits’, a corporate brand is “a name, symbol, design, or mark that enhances the value of a product beyond its functional value” (p.24). de Chernatony and Dall’Olmo Rilley (1999) contend: “managers develop structured and scientific logic for understanding brands, while consumers rely on raw

“Why has the Toyota Prius enjoyed such success … when most other hybrid models struggle to find buyers? One answer may be that buyers of the Prius want everyone to know they are driving a hybrid … In fact, more than half the Prius buyers surveyed this spring…said the main reason they purchased their car was that ‘it makes a statement about me’”...

The automobile market in Australia has been a significant contributor to economic activity and is exporting vehicles and components to the world market. The sector operates in a highly competitive, international arena with various pressures that include rising cost of oil, sustainability demands, changing consumer demand patterns and shifting geographies of innovation (Anisimova & Mavondo, 2014). The automotive market is dominated by subsidiaries of Japanese and American car manufacturers. Due to the strong Australian dollar it is increasingly difficult for Australian manufacturers to remain competitive in the global market. In addition, car assembly plants did not have sufficient scale in their market in Australia and they also were engaged in product lines customers were increasingly finding unpopular (Robin and Redrup, 2014, Rody, 2014). As a result, Australian consumers are becoming increasingly more interested in European brands such as Audi and BMW, and prepared to purchase them even though they are more expensive compared with Australia-assembled counterparts.

Although symbolic consumption received attention in the marketing literature, the concept's application to corporate branding is limited (Karathanos, 1998; Tsai, 2005; Vazquez, Rio & Iglesias, 2002). Specifically, the investigation of symbolic consumption related to the car brands is scarce (see Schembri, Merrilees & Kristiansen, 2010 for an exception). Previous studies imply that brands provide more than the functional value and the meaning of the brand for consumers becomes critical to understand (Cooper, McLoughlin, & Keating, 2005; Schmitt, 2012). Based on the previous lines of literature, this study builds a valid, parsimonious measure of brand symbolism construct and examines the effects of brand symbolism on consumer satisfaction and loyalty. By focusing on the consumer viewpoint, which is considered a priority for marketing research (Hoeffler & Keller, 2003), this study this study seeks to achieve a better understanding of symbolic brand benefits on consumer behaviour and contribute new knowledge to consumer brand identification theory and a better understanding of symbolic values as drivers of consumer satisfaction and loyalty.

**Background to the research and the study hypotheses**

**Brand symbolism, consumer satisfaction and loyalty**

The importance of understanding of how consumers perceive and respond to a corporate brand increases. As Helm (2006) points out, although corporate brand image is known to facilitate acquiring new consumers, how a corporate brand impacts on already established customer relationships has not been adequately investigated. The conceptual and practical significance of examining the antecedents of corporate brand symbolism is predicated on the extent to which brand symbolism, in turn, produces valuable brand outcomes. Drawing on prior research, this study relates corporate brand symbolism to two valuable consequences-brand satisfaction and loyalty that contribute to a company's financial performance and, ultimately, to its long term success (Gupta & Zeithaml, 2006; Oliver, 1997). This study includes satisfaction as it was shown to play an important role in generating consumer loyalty. Satisfaction was found to be an important post-purchase response associated with favourable word-of-mouth (Brown, Dacin, Pratt & Whetten, 2006; Reynolds & Beatty, 1999) and consumer loyalty (Swan & Oliver, 1989). Consumer satisfaction has generally been studied in the marketing literature as a mediator
through which brand impacts on consumer loyalty and less attention has been paid to direct
effects of brand benefits on consumer satisfaction (see Ekinci, Dawes, & Massey, 2008 for
exception). Their study found symbolic consumption benefits to be the antecedent of consumer
satisfaction. Previous studies that examined the effects of brand symbolism on consumer loyalty
found varied results. Peters, Haan and Scholz (2014) found the construct of symbolic motives had
significant negative influence on two of the direct predictors – personal norm and valence of less
power and size - and thus, inhibiting indirectly the behavioral brand loyalty in terms of the
vehicle purchase. Stokburger-Sauer, Ratneshwar & Sen (2012) found that consumer-brand
identification is tied to two important consequences of consumer-brand relationships such as
brand loyalty and brand advocacy. The relevance of social symbolism in terms of norms for the
intention of buying a vehicle has been suggested in Klocke’s study (2002), however, its influence
on the purchase itself was not observed. In their study of car brands in Australia, Schembri,
Merrilees and Kristiansen (2010) found that consumers use brands in different ways, including
symbolic. They have not examined the link between the symbolic brand use and any behavioural
brand use outcomes.

Several questions, remain unanswered though. Are self and social symbolisms
distinguished in consumers’ minds? Are self and social symbolisms the two ends of a continuum?
What is the link between symbol brand values and consumer satisfaction and loyalty? The
paucity of research to illuminate these issues resulted in this study. Based on these various lines
of research, it is argued that consumers’ satisfaction and loyalty are more likely to be linked with
brands that help them to connect with important others (social symbolism) and self (self-
symbolism). Two research hypotheses, according to the comprehensive reviews of the previously
discussed literature are postulated as follows:

**H1:** Symbolic corporate brand values are significantly and positively related to consumer
satisfaction

**H2:** Symbolic corporate brand values are significantly and positively related to consumer loyalty

**Methodology**

**Data collection**
The unit of analysis in this study was an automobile manufacturer, a subsidiary of the leading
Japanese original equipment manufacturers (OEM) located in Australia and involved in the
corporate branding strategy. The structured questionnaire used for the survey, was first pre-tested
by academics and four managers from the marketing and communications divisions of the
participating OEM. In this way the questionnaire comprehensibility was assured and verified the
clarity and relevancy of the measures in the specific context of this research. A questionnaire, two
cover letters (from the investigator and a CEO of the car manufacturer), and postage a paid return
envelope were mailed to these individuals. The mail survey method was considered the most
appropriate for primary data collection due to its advantages, such as its ability to accommodate
large sample sizes at relatively low costs and ease of administering (Lukas, Hair, Brush, &
Ortinau 2004). The questionnaires were distributed by post and were returned by reply paid post.
The consumer sample yielded 285 usable questionnaires representing 33.5 percent response rate.
There were zero returns to the sender.

**Measurement of variables**
Measures for all the constructs used in the study were adapted from previous research and via
personal interviews with senior managers of the participating car manufacturer. The independent
variables used in the regression analyses related to symbolic brand values items were measured
using a 7-point Likert type scale anchored on ‘1’=strongly disagree to ‘7’=strongly agree. Likert-type scales are commonly used in empirical studies on measurement of brand utilities (Davies & Chun, 2002; Sweenley & Soutar, 2001). A seven-point Likert scale was also selected for the purposes of increasing reliability as it has been shown to be superior in this aspect over a five-point scale (Churchill, 1999). In line with the previous study that viewed symbolic brand values as encompassing social and self-components of symbolism (Bhat & Reddy, 1998, Elliott & Wattanasuwan, 1998; Kleine III, Kleine, & Kernan, 1993), this study captured both self and social components within symbolic brand values construct. Satisfaction questions were captured primary elements of consumer motoring: satisfaction with the vehicle acquisition, including satisfaction with customized solutions and satisfaction with the vehicle maintenance (Kiff, 2000). The aggregated measure of consumer satisfaction was also tested in the regression test. In addition, overall satisfaction with X brand dealership and X brand was measured using single-item scale using descriptors that ranged from "very dissatisfied -1" to "very satisfied -7" (Rosenberg & Ster, 1971). The respondents were given an option to contact the researchers should they encountered any difficulty in responding to the questionnaire.

A comprehensive brand loyalty measure was adapted from Quester and Lim (2003). The itemized rating scale employed to assess affective and cognitive loyalty were on the seven-point scale ranging from ‘strongly disagree’ to ‘strongly agree’. The scale of behavioral loyalty asked customers to indicate their responses from ‘not at all likely’ (1) and ‘very likely’ (7). The number (4) provided neutral response, ‘not sure’. Measures for both independent and dependent constructs are displayed in Table 3. To achieve better reliability results and reduce measurement error, this study uses multiple items to measure brand symbolism (Churchill, 1979; Peter, 1979).

Data analysis procedures
Regression was used to test of the effects of corporate brand symbolism on consumer satisfaction and loyalty. The standard regression was used to evaluate the relationships between an independent variable (symbolic brand values) and a dependent variable (consumer satisfaction and loyalty). The assumptions of independence, normality, homoscedasticity and linearity were tested for and were in accordance with the suggestions by Hair, Anderson, Tatham, and Black, (1998) and Coakes and Steed (2001). Checks for the residual scatterplots for all the standardised residuals and standardized predicted values indicated that scatterplots for all the regression equations were randomly distributed, suggesting that there were no evident relationship between residual and predicted values. No outliers were identified. In addition independence of error was tested by mans of the Durbin-Watson statistic. All the values were close or below 2, a values that Norusis (1993) indicates as acceptable. An estimation of proportion of variation win the dependent variable was assessed suing the square of multiple correlation coefficients (R²) (Hair, Anderson, Tatham, and Black, (1998). The relative importance and significance of each of the dimensions is evaluated in terms of beta values and t-values.

Results and discussion
The purpose of this paper is to empirically analyze a relationship that has been scarcely considered in the literature: how perceived symbolic corporate brand values affect brand satisfaction and brand loyalty. To that end, we define nine different univariate regression models, (1) to (9), and test them on a cross section of 285 existing end users of one of the leading Japanese original equipment manufacturers (OEM) located in Australia and involved in the corporate branding strategy. Each model explains several aspects of consumer satisfaction and loyalty with a construct called symbolic corporate brand values (Symbval). The explanatory
variable is the outcome of a factor analysis carried out in a previous step to remove redundancy from a set of correlated variables. These variables all loaded on one factor; Symbval. Although the previous literature views social and self-components of brand symbolism as addressing two distinct consumer needs (e.g. Elliott and Wattanasuwan, 1998; Tsai’s, 2005; Vazquez, del Rio and Iglesias, 2002), the results of factor analysis implies that consumers do not seem to distinguish between items related to social symbolism and social symbolism in their minds and see symbolic brand values as one whole. Table 4 reports Ordinary Least Squares (OLS) estimation results for the nine models. As can be seen in Table 4, in all eight specifications, the respective coefficient for Symbval has the hypothesized positive sign and is highly statistically significant, suggesting a strong impact of brand symbolism on brand satisfaction and brand loyalty. The first part of the empirical analysis consists of models (1) to (5), where the relationship between symbolic corporate brand values and various aspects of brand satisfaction was examined. In models (6) to (9), the second part of the investigation, the link between corporate brand values and different features of brand loyalty was considered.

Table 4. Estimated regression coefficients for the effect of symbolic brand values on customer satisfaction and brand loyalty

<table>
<thead>
<tr>
<th>Model</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
<th>(7)</th>
<th>(8)</th>
<th>(9)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Symbval</td>
<td>(0.143)</td>
<td>(0.198)</td>
<td>(0.149)</td>
<td>(0.205)</td>
<td>(0.211)</td>
<td>(0.154)</td>
<td>(0.172)</td>
<td>(0.223)</td>
<td>(0.151)</td>
</tr>
<tr>
<td>Symbval</td>
<td>0.238***</td>
<td>0.174***</td>
<td>0.266***</td>
<td>0.187***</td>
<td>0.234***</td>
<td>0.306***</td>
<td>0.297***</td>
<td>0.360***</td>
<td>0.262***</td>
</tr>
<tr>
<td>Symbval</td>
<td>(0.029)</td>
<td>(0.040)</td>
<td>(0.030)</td>
<td>(0.042)</td>
<td>(0.043)</td>
<td>(0.031)</td>
<td>(0.035)</td>
<td>(0.045)</td>
<td>(0.031)</td>
</tr>
<tr>
<td>R Square</td>
<td>0.190</td>
<td>0.062</td>
<td>0.213</td>
<td>0.066</td>
<td>0.095</td>
<td>0.251</td>
<td>0.203</td>
<td>0.182</td>
<td>0.204</td>
</tr>
</tbody>
</table>

Note: The table reports OLS estimation results for nine univariate linear regression models defined to explain several aspects of brand satisfaction and loyalty with a construct called symbolic corporate brand values (Symbval). OLS is justified because the respective Durbin-Watson tests suggest that the assumption of independent error is not violated. The underlying data is a cross section of 285 existing OEM end users. The data were obtained from the Australian representation of one of the leading Japanese original equipment manufacturers (OEMs) that uses corporate branding strategy. The dependent variables for the respective models are as follows: (1) Overall brand satisfaction; (2) Overall satisfaction with brand dealership; (3) Satisfaction with vehicle acquisition (4) Satisfaction with customized motoring solutions; (5) Satisfaction with vehicle maintenance; (6) Overall loyalty; (7) Affective loyalty; (8) Cognitive loyalty; (9) Behavioral loyalty. Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

The key message this paper aims to convey in the first part of the investigation is found in models (1) and (2). There, it was examined how brand symbolism impacts overall brand satisfaction (model 1) and overall satisfaction with brand dealership (model 2). The estimation results provide substantial evidence that the stronger the symbolic image of a corporate brand, the higher, on average, the end user’s satisfaction with the brand as such, as well as with the OEM dealership. These general patterns are confirmed by models (3) to (5), which delve into more specific aspects of consumer satisfaction: Model (3) reports a positive and statistically significant effect of symbolic corporate brand values on an end user’s satisfaction with vehicle acquisition (e.g. fuel efficiency and driving safety); Likewise, model (4) provides robust evidence that an end user’s satisfaction with customized motoring solutions (e.g. vehicle financing) is positively affected by

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1 The original variables representing symbolic corporate brand values were as follows: ‘look successful,’ ‘look stylish,’ ‘feeling of making a smart choice,’ ‘stand out in a crowd,’ ‘enhance image,’ ‘get social approval,’ ‘make impression on people,’ ‘express personality,’ ‘look sophisticated,’ and ‘display status symbol.’ The results from the factor analysis are available from the authors upon request.
brand symbolism; Finally, the findings in model (5) reveal that brand symbolism on top of that enhances end user satisfaction with vehicle maintenance.

The models (6) to (9) address how symbolic brand values affect loyalty, the second pivotal element of a corporate branding success. The empirical results again provide valuable insights as regards the important role played by symbolic corporate brand values: An increase in corporate brand symbolism is positively associated with an end user’s overall loyalty, which is an aggregate measure of various aspects of loyalty (model 6). Models (7) to (9) measure the three main components of loyalty such as cognitive, affective and behavioral loyalty. The coefficients for Symbval remain positive and statistically highly significant, which confirms the overall evidence regarding the impact of brand symbolism on brand loyalty. This findings is in line with the study by Stokburger-Sauer, Ratneshwar & Sen (2012) that found consumer-brand identification is tied to brand loyalty but not with Peters, Haan and Scholz (2014) who found that symbolic motives had significant negative influence on two of the direct predictors – personal norm and valence of less power and size - and thus, inhibiting indirectly the behavioral brand loyalty in terms of the vehicle purchase. Their research also found a direct negative influence of symbolic motives on the importance of fuel consumption.

The findings of this study provide important insights into how OEMs can enhance consumer satisfaction with and loyalty to their brands. Instead of emphasizing cars’ functional values, which is traditionally the case, OEMs might benefit from larger investments in their cars’ symbolic values. This is not to say, however, that investing in brand symbolism is superior to improving functional values. Both strategies should be used in a complementary way by management. An interesting issue in that context is whether one can discern patterns as to the relative effectiveness of brand symbolism in improving brand satisfaction and loyalty. To answer this question, the respective coefficient magnitudes as well as the reported model diagnostics in the form of R-squared provide some indications. The coefficient magnitude of models (6) to (9), on average, is slightly higher than that of models (1) to (5). This suggests that the effect of brand symbolism on brand loyalty is slightly higher than the corresponding effect on brand satisfaction. In other words, investing in corporate brand symbolism turns out to be slightly more effective for achieving brand loyalty relative to brand satisfaction. This tendency is confirmed by the R-square measure included in Table 4: On average, brand symbolism accounts for a slightly higher share of the total variation in the dependent variables related to brand loyalty relative to those related to brand satisfaction. In other words, the results suggest that while brand symbolism might be somewhat less important for explaining brand satisfaction, it matters more for explaining brand loyalty. One reason could be that OEM end users’ brand satisfaction, as opposed to their brand loyalty, hinges more on functional values (e.g. fuel efficiency, car safety) than on symbolic values.

Conclusions and implications
Brand positioning is a complex process and needs creative solutions for success. In the light of increasing advertising costs and decreasing consumer loyalty, strengthening symbolic brand benefits seem to make a lot of sense for existing consumers as the results shown. The findings from this study suggest that marketers need to take into account consumers' need for identity expression and consider this in their branding strategies. The findings may also assist communications and public relations managers in developing effective advertising strategies. Significant and positive link between brand symbolism and consumer satisfaction and loyalty has
implications to other marketing strategy elements (price, media selection, channel decisions, distribution, and advertising strategy) and how those aspects of branding strategy need to be geared towards long-term brand strength. Self-image benefits (this product makes me look successful or stylish) and social-image benefits (this product helps me to get social approval) challenge marketers in making such a combination of positioning.

**Limitations and future research**
Although this paper makes several contributions, there are a few limitations that emerge from the current study, which, however, present opportunities for future research. The cross-sectional nature of the data collection method limits the information gained to the single point in time. Future research is needed to further understand the relationship between self and social aspects of brand symbolism and establish which one of them produces another and how advertisers can use these in their communication strategies.

**References**


