ROLE OF BRAND PERSONALITY AND CONSUMER BRAND IDENTIFICATION ON HYPERMARKET BRAND EVALUATION AND LOYALTY DEVELOPMENT AMONG MALAYSIAN CUSTOMERS

SEYED RAJAB NIKHASHEMI

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By

SEYED RAJAB NIKHASHEMI

Thesis Submitted to the School of Graduate Studies, Universiti Putra Malaysia, in Fulfillment of the Requirements for the Degree of Doctor of Philosophy

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DEDICATION

In the name of God, the Most Gracious, the Dispenser of Grace,
I dedicate this work to my dear beloved parents and Maryam, my love,

Thank you in believing in me
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By

SEYED RAJAB NIKHASHEMI

September 2015

Chairman:  Professor Laily Paim, PhD
Faculty:        Human Ecology

In Malaysia, the robust economic growth in the late 1980s and early 1990s has resulted rapid expansion of foreign and local hypermarkets. In line with this trend, Malaysia has experienced a massive increase in brand-conscious customers who demand greater product varieties and qualities, posing challenges to the quality of the hypermarkets. Therefore, building customer brand loyalty through branding strategies, as weapons to secure a competitive edge in the hypermarket industry, has gathered momentum among researchers. Both firms and customers can enjoy considerable advantages in terms of a strong customer brand loyalty. A strong hypermarket brand enhances the market value of a property, financial performance, and other key performance indicators, such as revenue, return on investment, and average price. On the other hand, a strong hypermarket brand reduces customers’ perceived risks and search costs, provides a good indicator of quality assurance, and simplifies customers’ pre-purchase assessment of the experience. Paying attention to the factors which play major roles in building and maintaining customer brand loyalty is essential for consumer science and brand managers.

In this study, a structural model of customer brand loyalty was developed to investigate the relationships among brand personality, customer brand identification, and some selected mediating variables, including customer perceived service quality, perceived value, brand trust, brand commitment and positive word-of-mouth communication towards building customer brand loyalty among Malaysian hypermarket customers. The theories of self-congruity, anthropomorphic, mean end, social identity and cognitive approach among others, best accentuates the important roles of the mentioned variables in customer brand loyalty. These theories build up the theoretical foundation of this research’s conceptual model.

In this study, self-administered questionnaires through convenience sampling were distributed among 460 Malaysian hypermarket customers of four selected Klang Valley hypermarkets, i.e. Mydin, Giant, Tesco and Aeon Big. Descriptive, exploratory and confirmatory factor analyses were run to analyze the data. Besides, structure equation modeling with 381 respondents was conducted to examine the hypothesized relationships among the constructs as postulated in the proposed model.
The results of EFA revealed that sincerity, followed by sophistication and competence were the most significant dimensions to predict brand personality in Malaysian hypermarket industry. The results of the hypothesized structural model also showed the indirect relationship between brand personality (BP) and customer brand loyalty (CBL) through mediating customer brand identification (CBI). Moreover, CBI partially- through mediating perceive service quality (PSQ), perceive value (PV), brand trust (BT), brand commitment (BCOMM), and positive word-of-mouth communication (WOMC) associated with customer brand loyalty. Interestingly, among the aforementioned mediating variables, BCOMM and WOMC showed the highest direct impacts on customer brand loyalty. Finally, testing a rival model proposed that customer brand loyalty will be formed by the amalgamation of the indispensable aforementioned antecedents.

While the significance of brand personality on the prediction of customer brand identification and customer brand loyalty had not been empirically scrutinized by the past studies, the current study provides findings which are essentially complementary to those studies. The findings of this study recommend that in building and maintaining customer brand loyalty, brand managers and consumer science researchers should pay closer attention to the indispensable roles of proposed brand loyalty antecedents, especially brand personality and customer brand identification. Finally, it is hoped that the findings of this study would help local hypermarket policy makers facilitate building customer brand loyalty in facing immense competition with foreign hypermarkets.
PERANAN PERSONALITI JENAMA DAN PENGENALAN JENAMA KE ATAS PENILAIAN DAN PEMBENTUKAN KESETIAAN PELANGGAN TERHADAP JENAMA PASARAYA DALAM KALANGAN PELANGGAN MALAYSIA

Oleh

SEYED RAJAB NIKHASHEMI

September 2015

Pengerusi:  Professor Laily Paim, PhD
Fakulti:    Ekologi Manusia


Dalam kajian ini, soal selidik yang ditadbir sendiri telah diedarkan kepada 460 pelanggan pasar raya besar Malaysia melalui kaedah persampelan mudah di empat buah pasar raya besar terpilih di Lembah Klang, iaitu Mydin, Giant, Tesco dan Aeon Big. Analisis deskriptif, analisis faktor penerokaan dan analisis faktor pengesahan telah dijalankan untuk menganalisis data. Selain itu, model persamaan struktur dengan 381 responden telah dijalankan untuk memeriksa hubungan yang dihipotesiskan antara konstruk seperti yang diandakan dalam model yang dicadangkan.
Keputusan EFA mendapati bahawa keikhlasan, diikuti dengan kecanggihan dan kecekapan adalah dimensi yang paling penting untuk meramalkan personaliti jenama dalam industri pasar raya besar Malaysia. Keputusan model struktur menggunakan hipotesis juga menunjukkan hubungan langsung antara personaliti jenama (BP) dan kesetiaan pelanggan terhadap jenama (CBL) melalui pengantara pengenalan jenama kepada pelanggan (CBI). Lebih-lebih lagi, sebahagian CBI - melalui perantara tanggapan kualiti perkhidmatan (PSQ), tanggapan nilai (PV), kepercayaan terhadap jenama (BT), komitmen jenama (BCOMM), dan kata-kata positif terhadap jenama (WOMC) –berhubung kait dengan kesetiaan pelanggan terhadap jenama. Menariknya, antara pembolehubah perantara yang dinyatakan di atas, BCOMM dan WOMC menunjukkan kesar langsung yang tertinggi pada kesetiaan pelanggan terhadap jenama. Akhir sekali, ujian model saingan mencadangkan kesetiaan pelanggan terhadap jenama akan dibentuk oleh gabungan antisiden yang dinyatakan di atas tidak boleh diketepikan.

Walaupun kepentingan personaliti jenama pada ramalan pengenalan jenama oleh pelanggan dan kesetiaan pelanggan terhadap jenama belum pernah diteliti oleh kajian lepas, kajian semasa menyediakan penemuan yang pada dasarnya merupakan pelengkap kepada kajian mereka. Hasil kajian ini mencadangkan bahawa dalam membina dan mengekalkan kesetiaan pelanggan terhadap jenama, pengurus jenama dan penyelidik sains pengguna perlu memberi perhatian lebih terperinci terhadap peranan penting yang dicadangkan oleh latar belakang kesetiaan terhadap jenama, terutama personaliti jenama dan pengenalan jenama kepada pelanggan. Akhirnya, adalah diharapkan bahawa hasil kajian ini akan membantu membuat dasar pasar raya besar tempatan membina kesetiaan pelanggan terhadap jenama dengan mudah dalam menghadapi persaingan yang besar dengan pasar raya besar asing.
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The finality of this dissertation could not have been accomplished without insightful encouragement, support and patience of a number of people. I am grateful to the people I have crossed paths with on my journey.

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I would also like to express my great gratitude to my committee members, Prof Samsinar Sidin and Dr Syuhaily Osman. They provided me invaluable guidance in research methodology and inspired me to explore the edge of knowledge. I am also grateful to Prof. Ahasanul Haque, Prof Ali Khatibi, and Prof Brian who support me during my PhD journey.

I owe my deepest gratitude to my dear family and friends for their unceasing patience and constant encouragement through these years of my PhD study. My thanks go to my beloved wife, Dr Maryam Foroutan, for her unceasing patience and constant encouragement; to my mother, who sacrificed everything to see this day come; to my father Seyed Ibrahim who is my best support.

In short, I wish to express my sincere appreciation to all people who contributed in steering my path towards success.
I certify that a Thesis Examination Committee has met on 9 September 2015 to conduct the final examination of Seyed Rajab Nikhashemi on his thesis entitled "Role of Brand Personality and Consumer Brand Identification on Hypermarket Brand Evaluation and Loyalty Development among Malaysian Customers" in accordance with the Universities and University Colleges Act 1971 and the Constitution of the Universiti Putra Malaysia [P.U.(A) 106] 15 March 1998. The Committee recommends that the student be awarded the Doctor of Philosophy.

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<th>Description</th>
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<tr>
<td>BP</td>
<td>Brand Personality</td>
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<td>CBI</td>
<td>Customer Brand Identification</td>
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<td>PSQ</td>
<td>Perceived Service Quality</td>
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<td>PV</td>
<td>Perceived Value</td>
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<td>BT</td>
<td>Brand Trust</td>
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<td>BCOMM</td>
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CHAPTER 1

INTRODUCTION

1.1 Background of the study

The retail environment in Malaysia has exhibited a pronounced and constant evolution over the past decades (Osman, 2011). The number of hypermarkets in Malaysia has increased significantly from only one in 1995 to thirty in 2003 (Moreira, 2003). After the height of the recession in 2008 and 2009, retail has experienced resurgence with the increased purchasing power of shoppers as the economy revived in 2010 (Retailing in Malaysia, 2011). Likewise, the 2010 GDP of Malaysia was predicted to grow at 7% (Malaysia Exporter Guide Annual, 2010). In 2010, the population of Malaysia climbed up to 27.5 million, and accordingly the number of hypermarkets increased significantly from 79 to 91 outlets. Malaysian hypermarkets have recently become the dominant retail format in cities, with 45% to 60% of household customers opting to shop at hypermarkets (Malaysia Exporter Guide Annual, 2010).

The term “hypermarket” basically refers to a store that combines the broadest category of products carried by supermarkets and department stores in a vast floor space and provides ample parking space for clients; in the meanwhile, its products are linked to a policy of discounted prices, self-service, and networking methods based on sales promotion techniques and effective merchandising (1974-1975). Malaysian hypermarkets are defined by researchers (Aghaei, 2012) as foreign or local hypermarkets which are located in Malaysia. Local Malaysian hypermarkets are represented by Mydin, and foreign hypermarkets embody Giant, Tesco, and Aeon Big. Hypermarket customers are people who prefer to shop at hypermarkets. The major hypermarkets in Malaysia are listed in Table 1.

The status of hypermarkets in Asia is typically described by researchers based on hypermarket trends in Thailand and Korea. Thai and Korean hypermarkets receive the highest earnings from shoppers at 64% and 58%, respectively, which is significantly higher than the earnings of other retail industries (Retail and Shopper Trends Asia Pacific, 2010). Malaysian hypermarkets receive 37% of earnings from shoppers, which is higher than the earnings of regular supermarkets, personal care stores, and convenience stores (Retail and Shopper Trends Asia Pacific, 2010). Hence, Malaysian hypermarkets share similar features with those of Thailand and Korea.

In Malaysia, the strong economic growth in the late 1980s and early 1990s has propelled changes in customer purchasing behavior (Malaysia Exporter Guide Annual, 2010). Accordingly, the number of hypermarkets in Malaysia can be potentially increased due to the significant number of brand-conscious customers who demand greater product varieties and qualities. Building strong hypermarket brands produce value for the firm and the customers. From the perspective of retail
chain stores and hypermarkets, a strong brand enhances the market value of a property (O’Neill & Xiao, 2006), financial performance (Lo, 2012), and other key performance indicators, such as revenue, return on investment, and average price (Forgacs, 2003). From the customer's perspective, strong hypermarket brands reduce perceived risks and search costs (Kayaman, 2007), provide a good indicator of quality assurance (Prasad, 2000), and simplify customers’ pre-purchase assessment of the service.

Hypermarkets can support retailers draw in customers while simultaneously cultivating loyalty by offering unique and premium product lines exclusive only to their customers (Das, 2013). You and Donthu (2001) “defined brand loyalty as the tendency of customers to be loyal to a certain brand, as exhibited by their purchase intention and first choice”. The ability to attract customers and ensure their loyalty is closely related to a thorough understanding of consumer behavior (Nikhhashemi, Laily Paim, Samsinar, & Khatibi, 2014). Building such a relation depends on the merchandising process which integrates psychology, consumer science, and business, aiming to determine the customers’ perception of tastes, habits, and needs (Vladas Griskevicius 2013). Employing tools such as customer brand loyalty applied by competitive retailers is necessary to gain a competitive advantage over other players. A key strategy that is vital in marketing and consumer science studies is identifying the precursor of customer brand loyalty (CBL) and the factors that give rise to positive brand evaluation and development. As a result, the use of branding strategy has arisen as a tool for differentiation (Christodoulides & De Chernatony, 2010) and competitive advantage (Hu, 2012; Pappu & Quester, 2006).

Moreover, building and retaining customer brand loyalty provides retailers with a significant competitive advantage (Jinfeng & Zhilong, 2009). Relevant strategies must recognize customer loyalty as a complex, multilayered construct that affects customer choices and preferences by understanding how this construct plays a role in customers’ decision making (Aghaei, 2012; Huddleston, 2004).

Although customer brand loyalty has been the subject of extensive research, studies have primarily focused on examining only few important marketing antecedents of loyalty, such as, customer perceived service quality (PSQ) (Bloemer & Odekerken-Schroder, 2002; Presbury, Fitzgerald, & Chapman, 2005), perceived value (PV) or price perception, (P.-T. Chen & Hu, 2010; Line & Runyan, 2012; Yang & Peterson, 2004), customer satisfaction, and brand commitment (BCOMM) (Back & Lee, 2009; Back & Parks, 2003; Bolkan, Goodboy, & Bachman, 2012; Han & Jeong, 2013), brand trust (BT) (Fung, King, Sparks, & Wang, 2013b), word-of-mouth communication (WOMC) (Anaza & Rutherford, 2014; Choi & Choi, 2013). However, Customer brand identification (CBI) and brand personality as the current buzz words used among marketing and consumer science researchers in the area of brand loyalty development, can also play major roles in customer brand loyalty (D. Kim, Magnini, & Singal, 2011). CBI with a hypermarket brand refers to an individual’s sense of match and mismatch with a particular brand, while brand personality (BP) refers to mental comparisons that customers make with regard to the similarity or dissimilarity between the personality and values of the brand and that of their own (Tuškej, Golob, & Podnar, 2013). CBI and brand personality have become
increasingly recognized in the field; yet some scholars such as M. Ahearne, Bhattacharya, and Gruen (2005); Keh and Xie (2009); Tildesley (2009), argue that much remains to be learned about the role and influence of brand personality and CBI on a brand. CBI has been found to have a significant effect on individual consumer behavior, such as buying-related decisions (M. Ahearne et al., 2005), brand preference (Tildesley 2009), loyalty, psychological sense of brand community and commitment (Casaló, Flavián, & Guinalíu, 2008), and customer satisfaction (Bagozzi & Dholakia, 2006; Kuenzel & Halliday, 2008). By including major antecedents of loyalty (PSQ, PV, BT, BCOMM, WOMC), the current research paid close attention to the utmost contribution of brand personality and CBI to customer brand loyalty (CBL) among Malaysian hypermarket customers.

Table 1.1 Major Hypermarkets in Malaysia

<table>
<thead>
<tr>
<th>Store name (Company)</th>
<th>Property</th>
<th>Retail formats</th>
<th>No. of stores</th>
</tr>
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<tbody>
<tr>
<td>Giant &amp; Cold Storage (GCH Retail (M) Sdn. Bhd.)</td>
<td>Dairy Farm International (DFI) Hong Kong</td>
<td>Hypermarkets/Super Stores/ Supermarkets</td>
<td>128</td>
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<tr>
<td>Tesco</td>
<td>Tesco plc (70%) and Sime Darby Bhd (70%)</td>
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<td></td>
<td>Hypermarket</td>
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</tr>
<tr>
<td>Big Aeon</td>
<td>CNBV Holdings (70%) Negeri Sembilan royalty (30%)</td>
<td>Hypermarkets</td>
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<tr>
<td>Mydin (Mydin Mohamed Holding Berhad )</td>
<td>The Mydin family</td>
<td>Supermarkets, Convenience stores, Emporiums, Mini markets</td>
<td>101</td>
</tr>
<tr>
<td>Jusco (AEON Co (M) Bhd.)</td>
<td>Aeon Group Co. Ltd (51%) Aberdin Asset Management, plc (7.4%)</td>
<td>Superstore chain and shopping center operation</td>
<td>18</td>
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Adapted from (Plaza, 2013; Releases, 2012)

1.2 Statement of the Problem

The growth of hypermarkets is a phenomenon that portrays many developing countries. Hypermarket growth can be contributed to the country’s economic progress of the foreign direct investment (FDI). The hypermarket development in Malaysia has experienced a constant and a noticeable revolution over the decades (Aghaei, 2012; Mui & Ghafar, 2003). Malaysian local hypermarket industry currently suffers from intense competition from established foreign hypermarkets such as Aion Big, Giant, and Tesco, as the biggest players in the industry (Abu & Roslin, 2008; Nikhashemi, Laily Paim, et al., 2014). Given that they have to contend with many competitors, Malaysian hypermarkets have to gain a competitive advantage, and they can do so by cultivating customer brand loyalty (CBL).
More importantly, the literature has not reached a consensus on what loyalty is and, what constitutes loyalty (Pan, Sheng, & Xie, 2012). While many studies have investigated the loyalty antecedents, such as brand commitment (Caceres & Paparoidamis, 2007; Dimitriades, 2006), perceived service quality (Bloemer, De Ruyter, & Wetzels, 1999; J. D. Brown, 2004), perceived value (Back & Lee, 2009), word-of-mouth communication (Chevalier & Mayzlin, 2006; Gounaris & Stathakopoulos, 2004), brand trust (Aydin & Özer, 2005; Chaudhuri & Holbrook, 2001; Erciş, Ünal, Candan, & Yıldırım, 2012), investigators have given little attention to the role of customer brand identification and brand personality as important antecedents of customer brand loyalty (So, King, Sparks, & Wang, 2013).

Most importantly, while only a handful studies have investigated the role of customer brand identification (CBI), as a current hot topic in brand management, in building customer brand loyalty (Fung et al., 2013b; He, Li, & Harris, 2012; C. K. Kim, Han, & Park, 2001; Kuenzel & Halliday, 2008), these studies have reported conflicting results; in the meanwhile, the direct or indirect effect of CBI on customer brand loyalty has not yet been fully investigated. In addition, the contradictory results of empirical studies have yielded considerable uncertainty about the existence of the relationship between CBI and customer brand loyalty. For example, a study on cellular phone brands determined that CBI was not crucial in explaining customer brand loyalty (D. Kim et al., 2011). On the contrary, a study on car brands found that customers’ development of relationships through brand identification gave rise to word-of-mouth communication and intentions to repurchase a particular car brand (Kuenzel & Halliday, 2008). Moreover, Tuškej et al. (2013) conducted a study on the hotel industry and found that CBI, through mediating factors of brand trust, service quality, and perceived value, has an indirect effect on customer brand loyalty. Indeed, inconsistencies and ambiguities in these studies have left the CEOs, brand managers and policy makers with a question of whether incorporating brand identification into consumer behavior and marketing strategies can reinforce customer brand loyalty. Therefore, the role of CBI in building customer brand loyalty should be investigated.

By the same token, the identified antecedents of customer brand loyalty in different contexts should be reassured. Understanding the driving forces of customer brand loyalty among Malaysian hypermarket customers requires recognizing the role of brand personality in building customer brand loyalty. To the best of the researcher’s knowledge, studies on the role of brand personality in relation to CBI and customer brand loyalty in the hypermarket industry, especially in Malaysia, are very limited. Therefore, investigating how brand personality plays a role in identifying the customer with the brand (CBI) is a crucial task.

Hence, by adapting a theoretical framework based on anthropomorphic, mean end, self-congruity, cognitive, and social identity theories, this study attempts to examine how customers’ brand personality and identification affect customer brand loyalty, and whether CBI can mediate the effect of brand personality on customer brand loyalty among Malaysian hypermarket customers. Moreover, this study analyzes the relationship between CBI and brand personality, and the factors that are involved in determining the influence of CBI in customer brand loyalty.
1.3 Research Questions

Conceptual and empirical research has dealt with brand personality, customer brand identification, and its relationship with customer brand loyalty. However, areas for enhancement still exist, especially in the Malaysian hypermarket industry. Therefore, the following research questions are proposed:

1. Does brand personality effect on customer brand identification and customer brand loyalty?

2. Does customer brand identification result in customer brand loyalty?

3. Is customer brand identification associate with service quality, customer perceived value, brand trust and commitment, and word-of-mouth communication?

4. Do customer perceived service quality, customer perceived value, brand commitment, brand trust and word-of-mouth communication associate with hypermarket customer brand loyalty?

5. Do the customer perceived service quality, customer perceived value, brand commitment, brand trust, and word-of-mouth communication mediate the effect of customer brand identification on hypermarket customer brand loyalty?

6. Does customer brand identification mediate the relationship between the brand personality and customer brand loyalty?

1.4 Objectives of the Study

The central focus of this research is the role of brand personality (BP) and customer brand identification (CBI) on customer brand loyalty among Malaysian hypermarket’s customer. This research addressed the following objectives:

1. To examine the effect of brand personality on customer brand identification and customer brand loyalty among Malaysian hypermarket customers.
2. To examine the effect of customer brand identification on customer brand loyalty among Malaysian hypermarket customers.
3. To examine the effect of customer brand identification on service quality, customer perceived value, brand trust and commitment, and word-of-mouth communication.
4. To examine the relationship of customer perceived service quality, customer perceived value, brand trust, brand commitment, and word-of-mouth communication with customer brand loyalty.
5. To investigate the mediating effects of customer perceived service quality, customer perceived value, brand trust and commitment, and word-of-mouth communication on the relationship between customer brand identification and customer brand loyalty.
6. To examine the mediating effect of customer brand identification on the relationship between customer brand loyalty and brand personality.

1.5 Hypotheses of the Study

H1: There is a positive association between brand personality and customer brand identification.

H2: Brand personality has a positive association with hypermarket customer brand loyalty.

H3: Customer brand identification has a positive association with hypermarket customer brand loyalty.

H4: Customer brand identification has a positive association with customer perceived service quality.

H5: Customer brand identification has a positive association with perceived value.

H6: Customer brand identification has a positive association with brand trust.

H7: Customer brand identification has a positive association with brand commitment.

H8: Customer brand identification has positive association positive word of mouth communication.

H9: Service quality has a positive association with hypermarket customer brand loyalty.

H10: Perceived value has a positive association with hypermarket customer brand loyalty.

H11: Brand trust has a positive association with hypermarket customer brand loyalty.
**H12**: Brand commitment has a positive association with hypermarket customer brand loyalty.

**H13**: Positive word of mouth has a positive association with hypermarket customer brand loyalty.

**H14**: Customer perceived service quality, customer perceived value, brand commitment; brand trust and positive word of mouth communication mediate the relationship between customer brand identification on hypermarket customer brand loyalty.

**H15**: Customer brand identification mediates the relationship between brand personality and customer brand loyalty.

### 1.6 Significance of the Study

One of the most significant and recent trends in branding and brand management has been the gradual shift of focus from product to retail brands (Das, 2013, 2014a, 2014b; D. Grewal, Levy, & Lehmann, 2004; Mathews-Lefebvre & Dubois, 2013; Möller & Herm, 2013), emphasizing that “branding and brand management principle can and should be applied to retail brand” (Ailawadi & Keller, 2004, p. 340). In current extremely competitive context, building strong customers' brand loyalty secures a pleasant long-lasting advantage to the firms or retail stores. Accordingly, as loyal brand customers tend to be less price-sensitive and sustain their optimistic expectations about the brand (Yi & La, 2004), purchase frequently and attract more customers (F. P. Reichheld & Sasser, 1990), brand loyalty, as one of the branding strategies, has been of attention to many marketing researchers for decades (Eakuru & Mat, 2008; Wang, 2002). Despite widespread studies on loyalty, it is argued that customer brand loyalty suffers from lack of conceptual depth and theoretical foundation (Iwasaki & Havitz, 2004; Jacoby & Chestnut, 1978). Therefore, this study significantly clarifies how customer brand loyalty can be generated from a customer’s perspective, given that previous researchers have not devoted considerable attention to customer brand loyalty from anthropomorphism, social identity, self-congruity, cognitive, and means end theoretical perspectives. Besides, this study theoretically strengthens the relations among key concepts that will be examined by incorporating findings and concepts from the existing studies. The methods applied in this study acknowledge that theories serve as mechanisms for explaining and predicting the antecedents to customer brand loyalty especially in hypermarket industry, a road less travelled by the researchers.

It is well documented that in order to distinguish true and spurious customer brand loyalty, behavioral and attitudinal factors should not be underestimated by the researchers (Cheng, 2011; Fung et al., 2013b; Osman, 2011). Although it is well agreed upon that both attitudinal and behavioral factors (affecting cognitive, evaluative, affective and conative aspects), contribute to brand loyalty, studies to include both factors are very scarce.
Moreover, the mediating factors of perceived service quality, perceived value, brand commitment, word-of-mouth communication and brand trust, which have been examined separately for many years, in this study are integrated into a single model to supplement the missing gap in identifying factors which predict customer brand loyalty. This study contributes to an understanding of the literature in the fields of consumer behavior and marketing regarding the association of different factors which build customer brand loyalty among Malaysian hypermarket customers.

Equally important, customer brand identification and brand personality have become increasingly recognized to have multidisciplinary foundations in customer brand loyalty; yet some scholars such as M. Ahearne et al. (2005); Keh and Xie (2009); Tildesley (2009), argue that much remains to be learned about the role and influence of brand personality and customer brand identification on customer brand loyalty. Therefore, modifying the previous models, this study determines the significance of brand personality and customer brand identification in relationship with customer brand loyalty which has been overlooked by the researchers (C. K. Kim et al., 2001; Kuenzel & Halliday, 2008; So et al., 2013; Swoboda, Berg, Schramm-Klein, & Foscht, 2013; Urška Tuškej 2013b). In other words, this study provides managers with useful and important information regarding how brand personality and CBI can play major roles in building customer brand loyalty in Malaysian hypermarket industry.

Notwithstanding these practical implications, in order to build up a sustainable customer brand loyalty, direct or indirect impact of brand personality and CBI on brand loyalty development should not be discounted. The factors presented in this study may furnish brand managers and policy makers with a better understanding of their consumer behavior.

Moreover, the results of this study might be used by brand managers and developers in the hypermarket industry in constructing, managing, and evaluating their marketing strategies from a customer perspective as well as a marketing point of view in order to compete and gain market leadership especially in Malaysia. By testing the competing model, this study also provides a proposed model which can be exercised in building customer brand loyalty in Malaysian hypermarket industry.

Last but not least, as the analogous approaches such as self-brand connection and customer brand relationships in the fields of customer psychology and consumer behavior, are applied in this study (Van Doorn et al., 2010), the findings of the relationships among the investigated factors can practically contribute to the knowledge of these fields.
1.7 Definition of Terms

**Brand:** “It is a name, term, sign, symbol, design, or a combination of these elements that is intended to identify the goods or services of the seller and differentiate them from competitors (Kotler & Keller, 2012, p. 157).

**Brand Personality:** This term is defined by Ambroise, Ferrandi, Merunka, and Valette-Florence (2004) as “the set of human personality traits associated with a brand” (p.7).

**Brand Commitment:** Brand commitment is “(1) the biased (i.e., nonrandom), (2) behavioral response (i.e., purchase), (3) expressed over time, (4) by some decision-making unit, (5) with respect to one or more alternative brand out of a set of such brand, and (6) is a function of psychological (decision-making, evaluative) processes. As a result of this decision-making, evaluative process, the individual develops a degree of brand commitment. The concept of commitment provides an essential basis for distinguishing between brand loyalty and other forms of repeat purchasing behavior” (Jacoby & Chestnut, 1978, p. 84). From another perspective brand commitment implies an emotional or psychological attachment that reflects the degree to which a brand is firmly entrenched as the only suitable choice within a product or service class (Warrington & Shim, 2000).

**Customer Brand Identification:** From the perspective of customer behavior, CBI is “perceived oneness with or belongingness to an organization” (Bhattacharya, Rao, & Glynn, 1995, p. 46).

**Customer Brand Loyalty:** In this research, brand loyalty is the amalgamation of attitudinal and behavioral approaches. Therefore, the definition is drawn from Jacoby (1971) who mentioned “Brand loyal behavior is defined as the overt act of selective repeat purchasing based on evaluative psychological decision processes, while brand loyal attitudes are the underlying predispositions to behave in such a selective fashion” (p.26).

**Perceived Service Quality:** Perceived service quality is the “customer’s judgment about an entity’s overall excellence or superiority” (V. A. Zeithaml, 1988, p. 3). In this study, customers’ perceptions on service quality represent the consumer’s evaluation about “a product’s overall superiority” (V. A. Zeithaml, 1988, p. 3) based on their initial identification prior to purchase.

**Perceived Value:** Definitions of perceived value are generally based on the idea of value as “the customer’s overall assessment of the utility of a product based on perceptions of what is received and what is given” (V. A. Zeithaml, 1988, p. 14). Perceived value includes “the assessments customers make according to the quality and price of products and services after purchasing” (Erciș et al., 2012, p. 1397).
Brand Trust: Delgado-Ballester (2004) defined brand trust as “The confident expectations about the brand’s reliability and intentions in situations entailing risk to the consumer” (p.586).

**Word-of-Mouth Communication:** Westbrook (1987) defined WOM as “informal communication directed at other consumers about the ownership, usage or characteristics of particular goods/services/store.” (p.261).

### 1.8 Organization of the Thesis

This study consists of five chapters. Chapter One discusses hypermarket industry trends in Malaysia and the increasing competition among hypermarkets. The importance of customer brand loyalty is defined as a key strategy to gain a competitive advantage by taking into account the role of brand personality and customer brand identification in building customer brand loyalty. The chapter also presents the research problem, research question, objectives, hypothesis, and significance of the study. Chapter Two briefly introduces the status of customer brand loyalty, brand personality, customer brand identification, customer perceived service quality, perceived value, brand commitment, and positive word of mouth. Chapter Two also discusses common theoretical models that describe customer brand loyalty and the research framework as well as a conceptual model.

Chapter three presents and justifies the research design, population of the study, suitable sample size, sampling procedure, research instrumentation, questionnaire pre-testing and piloting, measurement scale, data collection, data analysis methods, and testing of the reliability and validity of the data. Chapter Four describes the demographic profile, discusses about exploratory factor analysis and confirmatory factor analysis as well as structural model and hypothesis testing and eventually discusses about the findings and proposing a rival model for the study. Finally, chapter five summarizes the findings and presents the conclusion, limitations, and suggestions for further research.
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