The Influence of Brand Identity and Identification on Customer Loyalty

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Abstract:
Customer loyalty has become a strategic goal for companies’ survival. The objective of this paper is to determine new explanatory variables of brand customer loyalty. This study provides an overview of previous work that has explored issues on why and under what conditions consumers enter into strong, committed, and meaningful relationships with particular brands, making them become loyal to it. Thus, drawing on theories of social identity and organizational identification, we advance that strong consumer-brand relationships often result from consumers’ identification with this brand. We, then, propose to elaborate on the nature of consumer-brand identity, including brand identification, and draw up a conceptual framework that presents outcomes linked to the consequences of such identity in the consumer brand loyalty. This study aims at highlighting the importance of a recent approach that deals with the relationship between the customer and the brand, incorporating both variables of social identity that are consistent to identity and brand identification,
into the framework of traditional variables such as perceived value, satisfaction and trust to achieve this Loyalty. Thus, after a short review of literature, we shall present the results of an empirical study conducted among a sample of 360 representative respondents of the wilaya of Tlemcen (Algeria). Exploratory and confirmatory analyses that have been undertaken attest of the reliability and validity of the measurement scale. Most of the results that stem from the use of the structural equation modeling confirm the hypotheses proposed through the positive impact of these variables on customer loyalty to the brand.

Key words: social identity, social identification, brand identity, brand identification, perceived value, satisfaction, trust, and loyalty.

JEL code(s): M31, C52

Introduction and Research Interest

Research addressing the theme of brand identity and organizational identification has expanded since the early 80s. Most studies have focused mainly on brand loyalty, their perceived quality, perceived value, satisfaction, trust personal characteristics and the difficulties... (Oliver 1980, 1984; De Bruin et al. 2007; Carrier et al. 2006; Carter et al. 2003; Filion et al. 2008; Cornet 2006) but few studies have explored the influence of brand identity and identification on brand loyalty. Mainstream research into brand loyalty neglects the role of brand itself (i.e. brand identity) and consumers' identification with the brand (i.e. brand identification). Studying the relationship between brand identity and customer loyalty, He et al (2012), propose on the basis of social identity (e.g., Tajfel and Turner, 1985), corporate/organizational identity (e.g., He and Balmer, 2007; He and Baruch, 2010) and organizational identification theories (e.g., Ashforth et al., 2008), that brand identification is a distinctive construct that mediates the effects of brand identity and maintains that people go beyond their personal identities to develop or claim social identities in
articulating and constructing their sense of selves (Tajfel and Turner, 1985; Turner, 1987). The social identity perspective of customer–brand relationships suggests that consumers engage in pro-brand behavior because they identify themselves with the focal brand or company, and such brand identification arises largely due to the identity of the brand (Ahearne et al., 2005; Bhattacharya and Sen, 2003; He et al, 2012). People establish their self-concepts and social identities by categorizing themselves as members of certain social categories. Social identity perspective places brand identity as a key antecedent to brand identification. Brand research also suggests that brand identity has a direct effect on brand relationship (e.g., Madhavaram, et al., 2005). Bhattacharya and Sen (2003) and He and Mukherjee (2009), and He et al 2011, suggest that brand identity (as manifested through properties such as prestige and distinctiveness) leads to stronger customer relationship. Ahearne et al. (2005) offer important evidence on the effect of corporate brand identity (via identification) on customer relationship indicators (i.e., extra-role behaviors and product utilization).

This approach based on multidisciplinary foundations (Ravasi and van Rekom 2003) allows better report on consumer identification. Thus, on the theoretical side, the paper presents some relationships between determinant variables such as: brand identity, perceived value, satisfaction and trust. On the practical side, this paper uses the approach borrowed from consumer psychology such as self-brand connection and consumer–brand relationships, Van Doorn et al. (2010). The rest of the paper is organized as follows. The next section presents an overview of the relevant literature and hypotheses. Section two is a presentation of the methodological study followed by discussion and findings. The paper concludes by highlighting managerial implications, research limitations, and suggestions for future research.
1. Literature Review and Hypotheses elaboration

1.1 Customer Identification with a Brand
Customer identification is an important but underutilized construct (Bhattacharya, Rao, & Glynn, 1995; Bhattacharya & Sen, 2003). Customer identification helps explain the relationship between employees and their organization (Berger, Cunningham, & Drumwright, 2006; Kramer, 1999), as well as the relationship between customers and their consumed brands (Underwood, Bond, & Baer, 2001, Keh, and. Xie 2009). Organizational identification theory states that an individual becomes a member of a social group in order to support his identity and his sense of belonging. Similarly, consumers define their social identity by consuming brands or associating themselves with brands (Del Rio, Vazquez, & Iglesias, 2001). Thus, consumers positively value those brands that enjoy a good reputation among the groups to which they belong or aspire to belong (Long & Shiffman, 2000). Brand consumption also differentiates consumer’s social identity from other social identities (Kim et al., 2001). Hence brand identification allows the consumer to integrate or dissociate with groups of individuals who constitute the social circle (Nam, J., et al 2011). Beside this view, most definitions of consumers’ identification with a brand derive from social identity theory based on social psychology. According to this theory, Kim et al. (2001) define the level of consumer–brand identification as the degree to which the brand expresses and enhances consumers’ identity. Del Rio et al. (2001) distinguish between personal identification and social identification function of a brand (see also Carlson et al., 2008). Personal identification function means that consumers can identify with a specific brand and develop feelings of affinity towards the brand, whereas social identification refers to the brand's ability to act as a communication instrument allowing consumers to manifest the desire to integrate with or to dissociate from the groups of
individuals that make up their closest social environment (Del Rio et al., 2001). According to Carlson et al. (2008), personal identification with a brand refers to the degree of overlap between an individual's self-schema and schemas he holds for a brand (Tuškej U, et al 2011).

Most research on organizational identification has focused primarily on membership in the relevant organization that is not only formal but also central (i.e., plays the most important role) to the lives of the identifying individuals (e.g., employees with organizations, students with schools).

**1.2 Brand Identity**
The concepts of social, organizational and corporate identity have been applied in different ways to research questions. Indeed, the differences in emphasis can be seen in the primary definitions of these constructs that appear in most prevalent research, Cornelissen, et al (2007). Tajfel, (1972) considers that social identity tends to be seen as an internalized knowledge structure. Furthermore, while organizational identity tends to be considered as a shared meaning, corporate identity could be comprehended as a projected image. So, for example, while the basis and form of shared meaning is a primary concern in the literature on organizational identity (e.g. Gioia, et al, 2002), this is also a discernible update theme in both social and corporate identity. Recent studies accumulate evidence on the effects of brand identity and identification on loyalty (He and Li, 2010; Marin et al., 2009). Thus, it is not surprising that these studies have drawn a strong and direct connection between identity attractiveness and organizational identification: the greater the attractiveness of the perceived identity of an organization, the stronger is a person's identification with it. However, consumers have a greater tendency to identify themselves with a brand, if the focal brand has a strong identity in terms of being distinctive and prestigious than those of compared brands (Bhattacharya and
Sen, 2003). Such proposal accords with notions that consumer company identification derives mainly from corporate identity (Ahearne et al., 2005; Bhattacharya and Sen, 2003) and with the suggestion that employee organizational identification derives from organizational identity (He, et al, 2011). In this case, He et al (2012) find that brand Identity is positively related to customer brand Identification. So the Hypothesis is:

**H.1: There is a causal link between Brand Identity and Customer Identification with a Brand.**

### 1.3 Customer Perceived Value

In the marketing literature, perceived value has been characterized as a central key to explaining consumer behavior (Petrick, 2004, P. Ramseook-Munhurrun et al, 2015). “*Perceived value is a subjective evaluation of gain and loss of exchange relationship*” (Zeithaml, 1988). The concept of perceived value has been hypothesized in several models. Starting with Dodds and Krishnan’s model in 1984 that showed the existence of a positive relationship between perceived quality and perceived value and on the contrary, a negative relationship between perceived value and perceived sacrifice. Consequently, “consumers elaborate intrinsically a benefit-cost analysis regarding the product as well as the purchasing decision they make accordingly “(Zaher et al, 2014). Since brand identification involves affective attachment with the brand, customers, with stronger brand identification, are more likely to evaluate more favorably the value of the exchange relationship with the focal brand (He, et al, 2012). As such, “consumers are likely to find brand’s identity more attractive when the brand matches their own sense of who they are because such identities enable them to maintain and express their sense of self more fully and authentically” (Bhattacharya and Sen, 2003, Tuškej U, et al 2011). According to the basic utility principle of perceived value (Parasuraman et al., 1988), “a brand with stronger identity tends to enhance value perception”.
Prior studies find some empirical support for such an effect. For example, Steenkamp et al. (2003) find that brand features (e.g., brand globalness) enhance brand value. Hansen et al. (2008) confirm that “corporate reputation positively relates to perceived economic value”. Since brand identification represents a deep relationship (Bhattacharya and Sen, 2003; He and Mukherjee, 2009) with corporate reputation (Berens et al., 2005, He, et al, 2012), we may set as a hypothesis that brand identification affects positively brand perceived value.

**H.2: There is a causal link between Brand Identification and Customer Perceived Value.**

### 1.4 Customer Satisfaction

Customer satisfaction has received much attention in the marketing literature. Satisfaction is defined as customers’ judgments about products or service fulfillment (Oliver, 1993; 1997). Del Bosque and San Martin (2008) suggest that consumer satisfaction is not only cognitive but also emotional. Previous literature theorized that customer satisfaction can be classified into two types: transaction-specific satisfaction and general overall satisfaction (Yi, 1991). Transaction-specific customer satisfaction refers to the assessment customers make after a specific purchase experience, and overall satisfaction means the customers’ rating of the brand based on their experiences (Deng et al. 2010). Therefore, consumer satisfaction is view as “a consumer’s overall emotional response to the entire brand experience following the last purchase”. Although earlier work focused on global evaluations (Griffin & Hauser, 1993), academics have recently tended to investigate an attribute-level conceptualization (Mittal, et al, 1998). Attribute-level antecedents of satisfaction include functional, symbolic, and experiential benefits. Through its mediating influence on the beliefs and evaluations of these attributes, past consumption experience may affect customer satisfaction (Ajzen & Fishbein, 1980, Suh and Yi, 2006).
In addition, brand identity positively relates to customer satisfaction, since, as noted earlier, the identity of a brand represents certain prestige and distinctiveness, which in turn can accommodate customers' needs for uniqueness and self-enhancement. For example, Chun and Davies (2006) find that brand character/personality is positively related to customer satisfaction. According to expectation-disconfirmation theory of customer satisfaction (Oliver, 1980; Oliver, 1993), “customer satisfaction happens when the actual brand performance exceeds/confirms the prior-purchase/consumption expectation of performance” (Yi and La, 2004). The standard performance disconfirmation paradigm forms the basis for the majority of empirical studies in the field of customer satisfaction. Satisfaction is “the consumer's response to the evaluation of the perceived discrepancy between prior expectations and actual performance” (Linda et al, 2009), with expectations seen as predictions about what will probably occur in the future (Parasuraman et al., 1988, Linda et al, 2009). Brand identification could enhance customer satisfaction in two ways: by enhancing the perceived performance as indicated by its effect on perceived value and by “more favorable overall appraisal due to affective attachment with the brand” (Chaudhuri and Holbrook, 2001; He and Li, 2010). The antecedent role of brand identification can happen for noncustomer consumers (Bhattacharya and Sen, 2003, He, et al, 2012). However brand satisfaction’s occurrence requires the act of purchase (in other words, it happens only for actual customers). These arguments lead to the following hypothesis:

**H.3.1: brand Identification has a positive impact on Customer Satisfaction.**

Prior research has shown that perceived quality positively relates to perceived value (Moliner, 2008). “Value refers to the psychological process by which the individual confronts the benefits received (especially quality) and the costs, including the
price” (Lai, 1995; Holbrook, 1999). Several empirical studies confirm that a higher level of service quality and value is related to a higher level of customer satisfaction (Brady & Robertson, 2001; Cronin, Brady, & Hult, 2000; Dabholkar et al., 2000; Parissier. 2002; Yang, Wu, & Wang, 2009; Deng, et al, 2010). Perceived Quality and perceived value are both considered as the main drivers of customer satisfaction (Lim, Widdows, & Park, 2006; Deng, et al, 2010, Benhabib and Benachenhou, 2013). Previous studies have recognised that perceived value and satisfaction are the antecedents of behavioural intentions (McDougall & Levesque, 2000; Parasuraman & Grewal, 2000; Petrick, 2004; Chen & Tsai, 2007). However, to date, little research suggests that perceived value may be a better predictor of repurchase intentions than satisfaction (Cronin et al., 2000; Chen & Chen, 2010). Thus, the following hypothesis is derived:

**H.3.2: There is a causal link between Perceived Value and Customer Satisfaction to a Brand.**

1.5 Brand Customer Trust

Brand trust is “the willingness of the average consumer to rely on the ability of the brand to perform its stated function” (Moorman et al 1993, p. 315, Cemal Zehir et al. 2011). Morgan and Hunt, 1994 (p. 23), define trust as “Confidence in the exchange partners' reliability and integrity” (Chouk, 2005). Arrow (1974) defines trust as “a lubricant of the social system” and much research has gathered across various academic fields the link of trust with institutional efficiency and economic growth (La Porta et al., 1997, Guth et al, 2008). Moorman, Zaltman, and Deshpande (1993) and Doney and Cannon (1997) stress that the notion of trust is only relevant in situations of uncertainty (e.g., when greater versus lesser differences occur among brands). Specifically, trust reduces the uncertainty in an environment in which consumers feel especially vulnerable because they know they can rely on the trusted brand. Doney
and Cannon (1997) suggest that the construct of trust involves a "calculative process" based on the ability of an object or party (e.g., a brand) to continue to meet its obligations, and on an estimation of the costs versus rewards of staying in the relationship. At the same time, Doney and Cannon point out that trust involves an inference regarding the benevolence of the firm to act in the best interests of the customer based on shared goals and values. Thus, beliefs about reliability, safety, and honesty are all important facets of trust that people incorporate in their operationalization of trust, as we shall discuss subsequently. Overall, brand trust can be viewed as "involving a process that is well thought out and carefully considered, whereas the development of brand affect is more spontaneous, more immediate, and less deliberately reasoned in nature" (Cemal Zehir et al. 2011).

Mutual trust is a key characteristic of successful social exchanges, both between persons and between organizations. Thus, companies consider building a trustworthy identity among the various stakeholders - customers, investors and other bodies - is a crucial task.

Recently, Rothstein and Uslaner (2005) have made a clear distinction between social (or generalized) trust, which links us to people who are different from ourselves, and "particularized" trust, which is restricted to our own kind. Brand identification can directly and indirectly influence brand trust. As noted earlier, brand identity engenders brand trust (Guth et al, 2008). Based on social identification theory, the effect of a social category identity on responses towards the focal social category normally happens through an individual identification with the social category (Ashforth et al., 2008; Riketta, 2005). Brand identification represents affective attachment to the brand, which provides a favorable platform for brand trust development (Dunn and Schweitzer, 2005; Williams, 2001). Similarly, He H, et al, (2012) both find
evidence of an interaction between brand identification and Customer Trust to a Brand. As such the fourth hypothesis is:

**H.4.1: There is a causal link between Identification and Customer Trust to a Brand.**

Perceived value is a subjective evaluation of gain and loss of exchange relationship (Zeithaml, 1988). Perceived value has received much attention in recent years (e.g., Parasuraman & Grewal, 2000;). Cronin et al. (2000) argue that the study of perceived value (along with service quality and satisfaction) has dominated research in the services literature. While a number of conceptual models of value have been put forward (e.g., Holbrook, 1994; Sweeney & Soutar, 2001), value is most typically presented as acquisition, transaction, in-use, or redemption-based (see Parasuraman & Grewal, 2000). Some conceptual support and limited empirical evidence also emerges for an association between perceived value and trust (e.g., Singh & Sirdeshmukh, 2000, Harris, and Goode, 2004). Trust is “Confidence in the exchange partners' reliability and integrity” (Morgan and Hunt, 1994;). According to Murphy and Zajonc, affective attachment with the focal object can influence cognitive evaluation (Murphy and Zajonc, 1993, He et al, 2011). Prior research has found that perceived value, and brand trust are all important antecedents to brand loyalty (see e.g., Harris and Goode, 2004). Perceived value and brand trust will mediate the effect of brand identification on brand loyalty. The literature is rich of a widespread evidence of the links between perceived value on brand loyalty (Grewal et al., 2003; He and Li, 2012; He and Mukherjee, 2007; Parasuraman and Grewal, 2000; Spiteri and Dion, 2004). The importance of trust is explored by Grabner-Kraeuter (2002) who theorizes that through generating trust in online purchasing, retailers add value for consumers through reducing complexity and thus diminish in part the uncertainty linked with transactions. However, to date, it is the work of Sirdeshmukh et al. (2002)
that provides the most detailed empirical evaluation of perceived value-trust. Sirdeshmukh et al. (2002) find some support for direct associations between trust and value, although they conclude that more research is needed to evaluate the nature of the link between value and trust (Harris, and Goode 2004). Therefore, we expect that Perceived Value relates positively to trust enhancement. Hence, the following is hypothesized:

**H.4.2: There is a causal link between Perceived Value and Customer Trust to a Brand.**

During the experience of consumption, the construct of satisfaction shares many common points with the perceived quality construct, (Oliver, 1993). “These two streams of thought are part of the paradigm of non-confirmation of expectations by assuming the existence of a benchmarking of perceived performance to some predictive or normative expectations” (Boulding & al, 1993). Customer satisfaction can be defined as customers'evaluations of a product or service with regard to their needs and expectations (Oliver, 1980, Bai et al., 2008). In a relational context, satisfaction represents a cumulative construction that describes “the experience of total consumption of a product or service” (Johnson and al, 1995). For Oliver, 1997, "Satisfaction means an evaluation of a consumer experience from a set of purposes or standard, which can lead to either a fulfillment, or an under fulfillment, or an over fulfillment". Previous studies document that trust and satisfaction are closely related to each other (Martínez, and Del Bosque, 2013). Mutual trust is the fulfillment of certain standards by the brand and the consumer and refers primarily to a process of internalization. Satisfaction reinforces the consumer trust towards the brand through positive reinforcement. Based on the above, the following is hypothesized:

**H.4.3: There is a causal link between Satisfaction and Customer Trust to a Brand.**
1.6 Brand Loyalty

Early views of brand loyalty focused on repeat purchase behavior. For example, Brown (1952) classified loyalty into four categories, (1) Undivided loyalty, (2) Divided loyalty (3) Unstable loyalty, and (4) No loyalty, based on the purchase patterns of consumers (Srinivasan et al., 2002). Despite the large number of studies on brand loyalty, much of the past three decades research investigates consumer loyalty from two perspectives: behavioral loyalty and attitudinal loyalty (e.g., Bandyopadhyay & Martell, 2007; Dick & Basu, 1994). Behavioral loyalty refers to the frequency of repeat purchase but Lipstein (1959) and Kuehn (1962) measured loyalty by the probability of product repurchase (Srinivasan et al., 2002). Some researchers (e.g., Day, 1969; Jacoby & Chestnut, 1978) have suggested that a behavioral definition is insufficient because it does not distinguish between true loyalty and spurious loyalty that may result (Srinivasan et al., 2002). Attitudinal loyalty refers to the psychological commitment that a consumer makes in the purchase act, such as intentions to purchase and intentions to recommend without necessarily taking the actual repeat purchase behavior into account (Nam, J., et al., 2011).

According to Oliver, (1999) loyalty develops through different stages, that are (1) a preference over competing brand attributes (beliefs), (2) an affective preference (attitude) toward the product, and (3) a greater intention (conation) to purchase the product beyond competing product offerings. According to Oliver, 1997 “These different phases of loyalty emerge consecutively rather than simultaneously” (Benhabib et al., 2013).

According to the theory of reasoned action (TRA), trust beliefs provide the underlying rationale for a consumer’s intention to purchase (Ajzen & Fishbein, 1980). Trust is essential in building strong consumer-brand relationships (Fournier, 1998; Urban, Sultan, and Qualls, 2000), and it is positively related to brand loyalty (Lau and Lee, 1999).
Consumers develop trust towards a brand on the basis of positive beliefs regarding their expectation for the behavior of the organization and the performance of products a brand represents. Thus perceived value, customer satisfaction and brand trust will mediate the effect of brand identification on brand loyalty (He et al. 2012). According to the theory of reasoned action (TRA), trust beliefs provide the underlying rationale for a consumer’s intention to purchase (Ajzen & Fishbein, 1980). Sirdeshmukh et al. (2002) position trust as directly linked to loyalty. Lau and Lee (1999) examine the link between consumers’ trust in a brand and their brand loyalty and find a significant positive association. These insights are extended by Chaudhuri and Holbrook (2001) who find strong evidence in support of a significant association between brand trust and both purchase and attitudinal loyalty. (Harris and Goode 2004). Thus, we suggest that brand trust will contribute to both purchase loyalty and attitudinal loyalty. Trusted brands should be purchased more often and should evoke a higher degree of attitudinal commitment (Cemal Zehir et al. 2011). Based on these literatures, the following hypothesis is proposed:

**H.5.1: Brand trust has a significantly positive effect on brand loyalty.**

3. Research Methodology

An empirical study is designed to test the research framework and the above-mentioned hypotheses. This study focuses mainly on Brand Identity, Brand Identification, Perceived Value, Satisfaction, Trust and Loyalty. Thus, the appropriate measurement of these constructs is the focus of this research. We shall be following three steps: data collection, Scale Measurement and Exploratory Analysis through a PCA and finally the presentation of the structural equation modeling.
3.1. Data Collection and sample
Data are gathered via questionnaire to survey the role of brand identity and consumer's identification about their favorite brand. Data collection took place over a period of 2 months. The survey was carried out in Tlemcen (Algeria). Depending on the familiarity of our target with the brands chosen, it was decided to administer a questionnaire to 360 respondent's at Tlemcen University (Algeria) aged between 18 and 45 years. Our sample reflects the distribution of the population within an educational environment, primary education (2.5%); middle education (8.33%); secondary education (25.77%); and university (63.88).

3.2. Scale Measurement and Exploratory Analysis through PCA
The questionnaire consists of two parts. The first covers the nominal variables (MSDS). The second consists of 34 items measuring our gender research variables. The questionnaire is primarily intended to measure gender components of brand loyalty. More conventional measures were taken into account: Brand Identity (04 items), Identification (05 items), Perceived Value (03 items), Satisfaction (02 items), Trust (04 items), and Brand Loyalty (16 items). Through these components, respondents are asked to give their views on Brand loyalty and specify their degree of agreement or disagreement on a 5 Likert
scale. A majority of the constructs are measured using multiple items where the respondents are asked to indicate the extent of their agreement on a scale from 1 (strongly disagree) to 5 (strongly agree). Some items are taken from literature; others are specifically elaborated for the analysis. A first exploratory analysis (PCA) is conducted through a factor analysis in several common and specific factors. This allows us to eliminate several items that are "Defective", i.e., those poorly correlated factors whose presence may deteriorate the internal consistency of scales construction by using Cronbach's alpha. These Exploratory analyzes are performed on all the scales used in the SPSS 20 software. The results shown in Table.1 Indicate for all scales that the scores are satisfactory with Cronbach's $\alpha$ indicating good internal consistency of the scales. Results that are satisfactory in terms of internal consistency tests make do for the selected dimensions. See Table 1, for the selected scales of PCA.

Table 1 Results of PCA (Principal Component Analysis)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of items</th>
<th>Approximate Khi square</th>
<th>Cronbach's Alpha Based on Standardized Items</th>
<th>Cronbach $\alpha$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Identity</td>
<td>3</td>
<td>1483.80</td>
<td>.674</td>
<td>.675</td>
</tr>
<tr>
<td>Identification</td>
<td>5</td>
<td>190.77</td>
<td>.833</td>
<td>.834</td>
</tr>
<tr>
<td>Perceived Value</td>
<td>3</td>
<td>870.74</td>
<td>.643</td>
<td>.645</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>2</td>
<td>2746.59</td>
<td>.695</td>
<td>.695</td>
</tr>
<tr>
<td>Trust</td>
<td>4</td>
<td>1168.93</td>
<td>.730</td>
<td>.729</td>
</tr>
<tr>
<td>Loyalty</td>
<td>13</td>
<td>205.77</td>
<td>.874</td>
<td>.873</td>
</tr>
<tr>
<td>Total items</td>
<td>34</td>
<td>/</td>
<td>/</td>
<td>/</td>
</tr>
</tbody>
</table>

Source: own elaboration by software SPSS, (N= 360)

3.3. The Structural Equation Modelling
To validate the structural model (see Fig.1), we used the two-step approach of Anderson and Gerbing (1988): first, the validation of the measurement model by a confirmatory factor analysis (Hair et al. 1998) and second, a structural link evaluation between the theoretical latent variables during the evaluation of adjustment measures of the integrated model (Hair et al. 1998). To test our theoretical model, we used a
structural equation analysis. SEM with Statistica.08 software is used to assess the proposed model. The most common SEM estimation procedure is maximum likelihood estimation (MLE).

3.3.1 Evaluation of the measurement of the structural model
The aim of this evaluation is to validate by checking the unidimensionality, reliability and factor contributions constructs using confirmatory factor analysis. The results of the fitting of the measurement model as well as the structural model are summarized in Tables 2, 3, and 4.

We may note that sequential tests of chi-square difference were performed to check the discriminant validity of each construct as well as their degree of freedom. Results show that ($\chi^2 / df$) are still acceptable with a value of 4.5 and 2.73.

<table>
<thead>
<tr>
<th>Table 2. Measurement and structural Absolute model Fitting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measure</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Chi² ($\chi^2$)</td>
</tr>
<tr>
<td>Steiger and Lind RMSEA Index</td>
</tr>
<tr>
<td>Joreskög and Sorböm GFI</td>
</tr>
<tr>
<td>Joreskög and Sorböm AGFI</td>
</tr>
<tr>
<td>Population Gamma Index</td>
</tr>
<tr>
<td>Adjustment Population Gamma Index</td>
</tr>
</tbody>
</table>

Source: own elaboration by software Statistica, (N= 360)

The overall absolute fit indices shown in Table 2 exhibit, firstly an acceptable RMSEA which is 0.08 and secondly some values close to 0.5 that can be considered as good whether with classical statistics calculated on the values of the sample (GFI, AGFI,) or with model fit indices of population estimates (Population Gamma Index (PGI), Gamma Adjustment Population Index (APGI)). The same evaluation can be formulated as to Parsimonious and incremental fits with values exceeding 0.55.
Table 3. Measurement and structural Parsimonious model Fitting

<table>
<thead>
<tr>
<th>Measure</th>
<th>Parsimonious model Fitting</th>
</tr>
</thead>
<tbody>
<tr>
<td>James-Mulaik-Brett Parsimonious Fit Index</td>
<td>0.558</td>
</tr>
<tr>
<td>Bollen's Rho</td>
<td>0.569</td>
</tr>
<tr>
<td>$\chi^2 / df$</td>
<td>4.50</td>
</tr>
<tr>
<td>Bollen's Delta</td>
<td>0.656</td>
</tr>
</tbody>
</table>

Source: own elaboration by software Statistica, (N= 360)

Thus we can say that the constructs used to examine the measurement and the structural models are acceptable and justify our evaluation of the structural model. Therefore, it is possible to perform the model analysis.

Table 4. Measurement and structural Incremental model Fitting

<table>
<thead>
<tr>
<th>Measure</th>
<th>Incremental Model Fitting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bentler and Bonett Normed Fit Index (NFI)</td>
<td>0.598</td>
</tr>
<tr>
<td>Bentler and Bonett Non-normed Fit Index (NNFI)</td>
<td>0.629</td>
</tr>
<tr>
<td>Bentler Comparative Fit Index (CFI)</td>
<td>0.654</td>
</tr>
</tbody>
</table>

Source: own elaboration by software Statistica, (N= 360)

3.3.2 Contribution factors

To test the hypotheses, we conduct a structural equation analysis over 360 individuals. The meaning and value of the parameters such as contribution factors, and T of student ($\geq 1.96$) show a good significance. Moreover, the factorial contributions of the manifest variables on the latent variables whose values are usually between 0 and 1 exhibit values greater than zero and allow for hypotheses testing through the correlation coefficient.

The goodness of fit results presented in Table 5, show that all correlations between latent variables (either positive or negative) sound significant with values ranging from 0.26 to 0.896 for all variables except those that concern identification, satisfaction and trust with 0.136, 0.056, and satisfaction and trust with 0.096.
4. Findings: Hypotheses testing

Our hypotheses concern the test of the direct and indirect effects of brand identity and brand identification on perceived value, satisfaction, trust, and customers brand loyalty.

Table .5 Correlations between latent's variables

<table>
<thead>
<tr>
<th>Relationships between latent's variables</th>
<th>Correlation Coefficient $\beta_i$</th>
<th>$T$ of student</th>
<th>Error type $\xi_i$</th>
<th>probability Level $p$</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Idet)-66-&gt;(Idef)</td>
<td>0.260</td>
<td>4.036</td>
<td>0.064</td>
<td>0.000</td>
</tr>
<tr>
<td>(Idef)-67-&gt;(Val)</td>
<td>0.339</td>
<td>5.281</td>
<td>0.064</td>
<td>0.000</td>
</tr>
<tr>
<td>(Idef)-68-&gt;(Satis)</td>
<td>0.136</td>
<td>2.214</td>
<td>0.061</td>
<td>0.027</td>
</tr>
<tr>
<td>(Val)-70-&gt;(Satis)</td>
<td>0.896</td>
<td>17.051</td>
<td>0.053</td>
<td>0.000</td>
</tr>
<tr>
<td>(Idef)-69-&gt;(Trust)</td>
<td>0.056</td>
<td>0.651</td>
<td>0.086</td>
<td>0.515</td>
</tr>
<tr>
<td>(Val)-71-&gt;(Trust)</td>
<td>0.786</td>
<td>1.515</td>
<td>0.519</td>
<td>0.130</td>
</tr>
<tr>
<td>(Satis)-72-&gt;(Trust)</td>
<td>0.096</td>
<td>0.175</td>
<td>0.547</td>
<td>0.861</td>
</tr>
<tr>
<td>(Trust)-73-&gt;(Loya)</td>
<td>0.595</td>
<td>14.108</td>
<td>0.042</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: own elaboration by software Statistica, (N= 360)

The structural model is used to test the validity of the hypothesized model and further provides path analysis for the determination of how constructs relate to one another. Firstly, the model fit is examined using the Absolute, parsimonious and incremental indices; these indices show an adequate fit between the hypothesized model and the observed data. Secondly, the path coefficients for the hypothesized links are tested; Table 5 shows the testing results.

The first hypothesis proposed that Brand Identity influences the identification of customer to a brand. This analysis shows that the contribution of Identity, and Identification is significant ($H.1: \beta = 0.26, T> 1.96, p < 0.05$), which shows that Brand Identity plays an important role in the formation of Brand Identification ($Idef = 0.26.Idet + 0.93$). This equation could explain the effect of Brand Identity on consumer identification. Therefore, the second hypothesis states that Brand Identification positively influences the
perceived value (H 1.2: $\beta = 0.339$, $t > 1.96$, $p < 0.05$) and increases the positive effect of this equation ($Val = 0.339.\text{Idef} + 0.885$) that could explain the effect of customer Identification on perceived value. Thus, Consistent with hypothesis H1.3 we observe that brand Identification has a positive influence on the satisfaction (H 1.3: $\beta = 0.136$, $T> 1.96$, $p < 0.05$). This shows the importance of brand Identification in shaping satisfaction. ($\text{Satis} = 0.136.\text{Idef} +0.896.\text{Val} +0.885+0.096$).

Table 6 Measurement Error's of dependent variables

<table>
<thead>
<tr>
<th>Dependent variables</th>
<th>Error’s measurement Zeta i</th>
<th>T of student</th>
<th>Error type $\Xi i$</th>
<th>Probability $p$ Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>(ZETA1)--&gt;idef</td>
<td>0.932</td>
<td>27,814</td>
<td>0.034</td>
<td>0,000</td>
</tr>
<tr>
<td>(ZETA2)--&gt;val</td>
<td>0.885</td>
<td>20,324</td>
<td>0.044</td>
<td>0,000</td>
</tr>
<tr>
<td>(ZETA3)--&gt;satis</td>
<td>0.096</td>
<td>1,237</td>
<td>0.078</td>
<td>0,216</td>
</tr>
<tr>
<td>(ZETA4)--&gt;Trust</td>
<td>0.194</td>
<td>3,112</td>
<td>0.062</td>
<td>0,002</td>
</tr>
<tr>
<td>(ZETA5)--&gt;Loy</td>
<td>0.291</td>
<td>6,935</td>
<td>0.042</td>
<td>0,000</td>
</tr>
</tbody>
</table>

Source: own elaboration by software Statistica, (N= 360)

Therefore, Hypothesis 4, which argues that Perceived Value has a strong positive and significant influence on Satisfaction (H 4: $\beta = 0,896$, $t > 1.96$, $p < 0.05$) is confirmed. On the contrary, Hypothesis H5 with a $\beta$ value of 0,056: (H5: $\beta =0,056$, $T< 1.96$, $p >0.05$) happens to be not confirmed. Concerning the sixth hypothesis, the effect of brand Perceived Value has a positive influence on consumer Trust (H 6 : $\beta =0,786$ , $t > 1.96$ , $p < 0.05$) , and hence validates the proposed hypothesis. This measure confirms the results observed previously on the influence of perceived value variables on satisfaction. After analyzing the results of the seventh hypothesis it appears that consumer satisfaction has a low impact on Trust with $\beta = +0,096$ (H 7: $\beta = 0,096, , T< 1.96$, $p >0.05$). Finally, The correlation coefficient $\beta = 0.553 + (H 6: \beta =+ 0.553, T> 1.96, p <0.05)$ exhibits a positive value between trust and brand loyalty. This shows that the impact of brand identification as well as brand identity reacts positively on brand loyalty.
5 Discussion of the results

The key objective of the study was to conduct an empirical study to test the effect of brand identity on customer loyalty, by integrating variables such as brand identification, perceived value, customer satisfaction and brand trust. Our study has some implications as far as academic research and managerial practice are concerned.

Additionally, this study presents the effect of brand identity and customer identification on perceived value, satisfaction, and trust to win customer loyalty. The findings highlighted that brand identity has a direct effect on customer identification, and that the latter is significantly related to the perceived value and customer satisfaction, but not to customer trust. The results also reveal that identification has not a significant influence on customer trust. On the other hand the results of the study showed that the customer's trust has a significant impact on customer brand loyalty.

This research makes a number of contributions to the literature of brand loyalty. Firstly, the research confirms the presence of significant direct and indirect effects of both brand identity and brand identification on antecedent’s variable of brand loyalty such as perceived value, satisfaction and trust. Secondly, More recently, the literature accords attention to integrating the roles of different constructs, such as trust, satisfaction, and perceived value (Harris and Goode, 2004; Suh and Yi, 2006, He H, et al, 2012) to brand loyalty. And the second emerging research focuses the social identification process (Bhattacharya and Sen, 2003; He and Li, 2010, He H, et al, 2012). This research incorporates different perspectives of brand loyalty into a more general framework that stresses the antecedent role of brand identity and identification, through incorporating the mediation effects of social exchange variables (e.g., perceived value, satisfaction and trust).
Thirdly, this research stresses the mediation effect of brand identification on the effects of brand identity on the path to brand loyalty. Although brand identity itself can exert a significant effect on the path to brand loyalty, brand identification partially mediates its effect.

5.1 Managerial implications
These results are of interest to managers by suggesting that companies should invest on brand identity and consumer identification. This research notices that the effects of brand identity and identification go through some consumer psychological states, such as perceived value, brand satisfaction, and brand trust. This study also contributes to the organizational identification literature by empirically showing that the identified psychological state toward brands play an important role in influencing customer loyalty. Such results reinforce the importance for the building of strong brand identity and consumer identification, since a brand with a strong identity does not only affect brand loyalty through social identification process but also enhances consumer perception of social exchange relationships (He et al, 2012). The control of the feature sources of brand identity could guide managers in the preconception of their strategy of brand positioning. This research provides marketers a tool to measure the organizational identification and brand identity adapted to cultural Algerian context that can help them to measure the effect of identity of their brands to enhance brand loyalty.

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