



**EXPLAINING THE ROLE OF BRAND  
IDENTITY IN BRAND LOYALTY WITH THE  
MEDIATING ROLE OF BRAND COMMITMENT –  
A CASE STUDY: FIVE-STAR HOTELS IN TEHRAN, IRAN**

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**Abstract**

The present study aimed to explain the effect of brand identity on brand loyalty with mediating role of brand commitment. In order to achieve the research goals, brand commitment, brand identity, brand loyalty, and brand trust variables were introduced into eight hypotheses. This is an applied research objectively, and a descriptive-survey study in terms of data collection. The population of this study was the customers of five-star hotels in Tehran, whom were sampled by simple random method. There was a sample size of 384 individuals, for which 400 questionnaires were distributed, and finally, 386 questionnaires were acceptable. The results were obtained through structural equations with SmartPLS software. The findings show that brand identity has significant positive relationships with brand trust and brand commitment variables, and an indirect and significant relationship with brand loyalty. Also, the role of the two moderating variables of age and gender indicated that, unlike gender, age has no moderating role in brand identity and brand loyalty relationship.

**Keywords:** brand trust, brand loyalty, brand commitment, brand identity

**1. Introduction**

Marketing in the present age is so important that few organizations can be found without having a marketing department. But what is the purpose of these marketers? In

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our opinion, the most important goal of marketers is nothing but fixing a brand. Brand and its management issue is undoubtedly the most important topic of today's marketing. Brands establish goods and services in the minds of customers. In the complex and ever-changing world of business, if one fails to create a brand and establish it in the customer's mind, different advertisements, beautiful and eye-catching packaging, and other activities are nothing but staggering costs and no guarantee exists for the return of capital. Brand and its management importance have progressed to the extent that marketing researchers consider the gradual deterioration of the marketing concept to be synonymous with the brand concept. A strong and valuable brand can boost brand loyalty in consumers and gain increasing interest in the company, which eventually leads to achieving the ultimate goal of any organization and company, *i.e.* achievement of maximum profitability. Brand loyalty in customers, on the other hand, reduces marketing and advertising costs. In fact, customers who have already had an appealing and successful experience in the use of firm's goods and services, and are considered among brand-loyal customers are not influenced by competitors' encouraging and promotional activities and keep their relationships with the organization.

One of the ways to create brand loyalty in customer is to develop a good brand identity. Brands are identified by their identities, which distinguish them from other competitors. Professor John Kapferer believes that having an identity, *i.e.* being you as you are by following a fixed but of your own design [1]. Brand identity is one of the most important topics in the field of marketing that has been considered in a few studies [2] and [3]. Previous research indicates brand identity has a pivotal role in creating differentiation and brand management process [4].

Customer identification with brand refers to the sense of one's similarity to the brand and represents a psychological state leading to perception, feeling and valuation of one's belongings to the brand. Brands carry symbolic meanings and can assist customers in achieving their basic identity goals. Brands also have the ability to visualize and notify the person's desired identity and communicate to others.

Another important concept in brand topic is the role of brand commitment. Customers use different brands, but are committed to some of them. Commitment means a sustainable desire to maintain a relationship.

Various studies have examined the benefits of brand commitment. For example, a tendency to pay higher prices, repurchase intention, brand belief, and resistance to negative propaganda. Of course, it is not yet fully understood that what factors can cause brand commitment in the client [6].

Trust is one of the typical expectations of an individual relative to another person's commitment who is trustworthy [7]. Trust will affect the future and communications. Brand trust is to offer an impression based on an impact the outcome of which is brand dependent and commitment [8].

According to previous researchers, brand trust and commitment to a trademark are of particular importance in different industries, which received less attention in the

hotel industry during the past few years. Domestic customers in hotels typically have a significant understanding of their opted brand identity in the selection and decision-making process. This issue motivated the present study to investigate the impact of consumer brand identity on customer loyalty. Customer brand identity grants meaning to a brand according to the customer's perspective. Brand trust and commitment ultimately lead to loyalty. This paper provides guidance for hotels and their managers to maintain current customers, attract new customers, and increase trust and commitment.

## 2. Theoretical foundations

One of the ways to create customer brand loyalty is to develop an appropriate brand identity. Brands identify themselves to customers by their identities, which distinguish them from other competitors. Professor John Simpson believes that having an identity means being you as you are by following a fixed plan but of your own. Brand identity is one of the most important topics in the field of marketing which has rarely been considered in studies.

Brand identity of a company is composed of tangible and intangible features that differentiate its business, products and services from other competitors on the basis of its functional and symbolic value in consumers' minds through planned strategic communications and targeted behavior at the appropriate brand position to target audiences.

Brand commitment means an emotional or psychological attachment to a brand and how much a brand can be selected by consumers as the only option among other brands. Brand commitment is also closely associated with brand loyalty, though, being completely different. Brand loyalty refers to a behavioral perspective and essentially leads to repurchase a particular brand, reducing the buyer's effort, and simplifying his/her decision-making process. On the other hand, brand commitment is related to the attitude perspective. This view is the reason why brand commitment is a better criterion for consumer satisfaction to choose the brand [10]

Loyalty results from a more favorable attitude to a trademark in comparison to other brands and from repurchase behavior [11]. Gounaris and Stathakopoulos (2004) showed that attitudinal loyalty might lead to an increase in behavioral loyalty [12].

Trust is one of the concepts studied by scholars in different disciplines. Personality psychologists, for example, traditionally look at trust as a belief, expectation or feeling rooted in human character or in the initial psychic capacity of an individual. In addition, trust is affected by or related to various concepts and variables such as organizational culture, social capital, organizational commitment, control, communication, job satisfaction, etc. The concept of trust has various dimensions, the most important of which are the following: [13]

- competence;
- openness & honesty;

- vulnerability;
- concern for employees;
- control mutuality;
- satisfaction;
- benevolence;
- equanimity;
- identification.

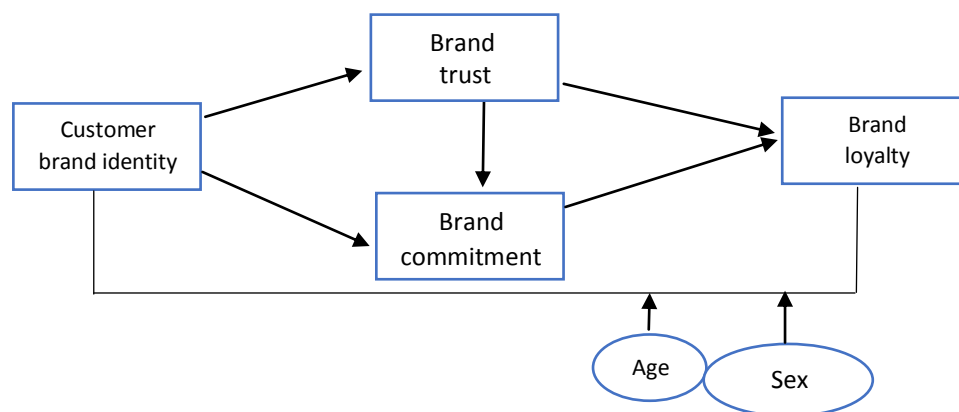
### 3. Research methodology

This is an applied study implemented as a correlational research with structural equations. The population of this research was customers of five-star hotels in Tehran. Given the infinite number of customers, the number of statistical population was 384 people according to the Cochran’s formula. Therefore, 384 customers of these hotels were selected as the research sample, whom were chosen by the simple random method. In order to ensure the return of questionnaires, 420 questionnaires were distributed and 386 returned questionnaires were included in the analysis. The research variables were measured from the standard questionnaires according to Table 1.

**Table 1:** Variables, items, and the references

Brand identity	1-15	Stoke Berger et al., 2012, Albadiohi et al., 2016.
Brand loyalty	16-30	Zhang et al. , 2016; Kim et al., 2013
Brand trust	31-39	Sahin et al., 2013; Eric et al., 2012
Brand commitment	40-49	Eric et al., 2012

Figure 1 shows the conceptual model of the research. Accordingly, brand identity as an independent variable directly affecting brand trust and brand commitment. Brand trust and brand commitment are two dependent variables between brand identity and brand loyalty. Also, such moderating variables as age and gender are introduced in the relationship between brand loyalty and brand identity.



**Figure 1:** Conceptual model of research

Based on the conceptual framework, the research hypotheses are as follows:

1. Brand identity has a positive effect on brand trust.
2. Brand identity has a positive effect on brand commitment.
3. Brand identity has a positive effect on brand loyalty.
4. Brand trust has a positive effect on brand commitment.
5. Brand trust has a positive effect on brand loyalty.
6. Brand commitment has a positive effect on brand loyalty.
7. There is a greater positive relationship between brand identity and brand loyalty when age increases.
8. The positive relationship between brand identity and brand loyalty is greater in women than that of men.

### 3.1 Data analysis methods

Data were analyzed by descriptive and inferential tests. The descriptive part includes percentage, mean, and standard deviation, and the deductive part involves Pearson correlation tests and structural equations by the partial least squares (PLS) method. The research data were analyzed with SPSS 23 and SmartPLS 19 software.

### 3.2 Case study and findings

The population of this study is infinite and includes customers of five-star hotels in Tehran. To test the research hypotheses, questionnaires were distributed among the passengers of five-star hotels in Tehran who travelled to this city for the first half of the year 2018. Descriptive indexes of the research variables are investigated in this section as presented in Table 2.

**Table 2:** Descriptive indicators of the research variables

Variable name	Average	Standard deviation
Brand loyalty	3.1	0.4
Brand identity	3.63	0.51
Brand commitment	3.12	0.29
Brand trust	3.47	0.33

Content validity, confirmatory factor analysis, diverging validity, and convergent validity were used in this study. Content validity of the questionnaires was investigated by some experts in the field of research. Regarding the confirmatory factor analysis, all relevant questions had significant implications on the variables of the research. Results of factor loadings, combined stability, and mean variance extracted for each of the variables are listed in Table 3, indicating the appropriateness of the investigated indices.

**Table 3: Appropriateness of the investigated indices**

Variable	Items	Factor loads	Standardized factor loads	AVE	CR
Brand identity	Q1	0/824	84/0	56/0	0/913
	Q2	0/812			
	Q3	0/891			
	Q4	0/921			
	Q5	0/938			
	Q6	0/842			
	Q7	0/835			
	Q8	0/912			
	Q9	0/930			
	Q10	0/789			
	Q11	0/891			
	Q12	0/902			
	Q13	0/865			
	Q14	0/823			
	Q15	0/868			
Brand trust	Q16	0/831	0/79	0/59	0/947
	Q17	0/795			
	Q18	0/765			
	Q19	0/891			
	Q20	0/921			
	Q21	0/697			
	Q22	0/764			
	Q23	0/799			
	Q24	0/712			
	Q25	0/814			
	Q26	0/746			
	Q27	0/777			
	Q28	0/802			
	Q29	0/816			
	Q30	0/749			
Brand commitment	Q31	0/825	0/77	0/65	0/841
	Q32	0/768			
	Q33	0/723			
	Q34	0/797			
	Q35	0/818			
	Q36	0/703			
	Q37	0/764			
	Q38	0/788			
	Q39	0/721			
Brand loyalty	Q40	0/841	0/79	0/54	0/968
	Q41	0/834			
	Q42	0/702			
	Q43	0/751			
	Q44	0/799			
	Q45	0/822			
	Q46	0/849			

### 3.3 Review of divergent validity

The correlation values for the variables obtained with the help of Pearson coefficient are observed in Table 4.

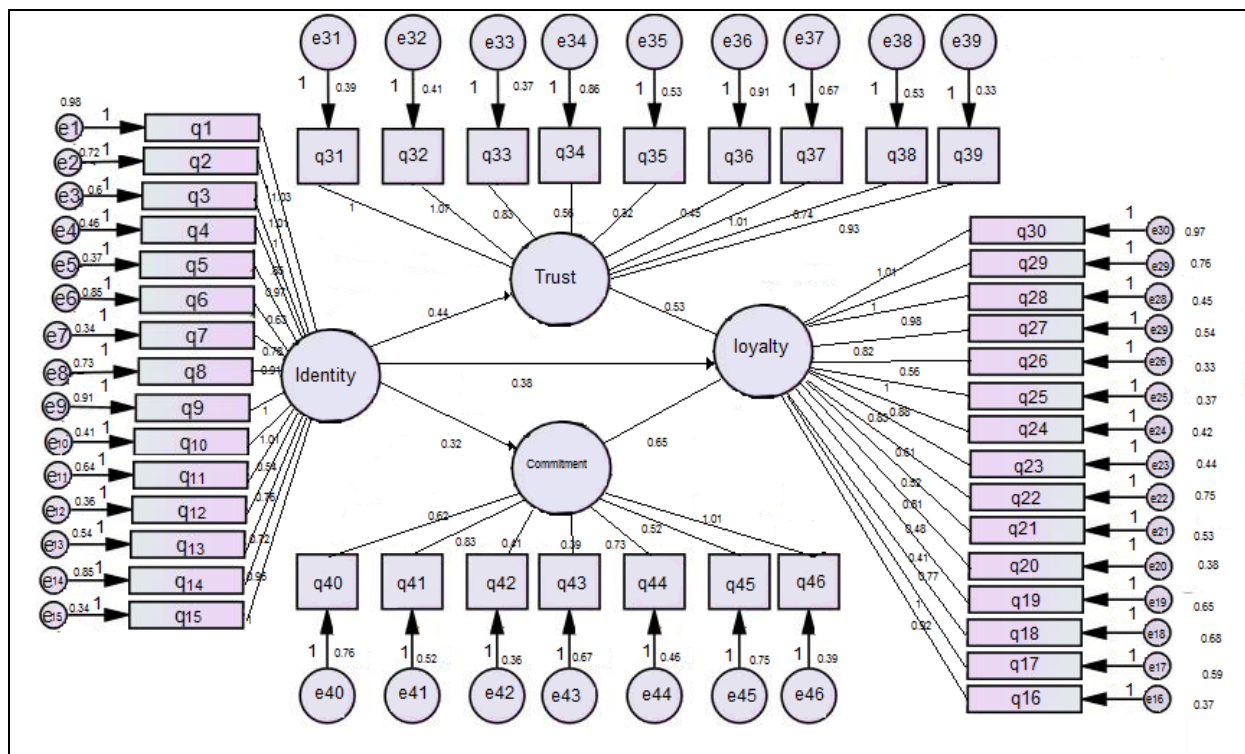
**Table 4:** The results of the correlation analysis based on Fornell Laker’s index

Variable	Brand identity	Brand trust	Brand commitment	Brand loyalty
Brand identity	1			
Brand trust	0.62	1		
Brand commitment	0.73	0.8	1	
Brand loyalty	0.54	0.74	0.59	1

Comparison of the results of Table 4 and Table 3, and the AVE factor reveals that the second exponent of the correlation coefficient of each construct with other constructs is smaller than the AVE factor, thus confirming divergent validity as well.

### 3.4 Data analysis using structural model

The analytical model of this study can be observed in Figure 2.



**Figure 2:** The analytical model of the research

### 3.5 Testing the research hypotheses

**Table 6:** The results of testing the realized hypotheses

Hypothesis	Path coefficients	Confirmed hypothesis	Declined hypothesis
Brand identity has a positive effect on brand commitment.	68/0	Confirmed	
Brand identity has a positive effect on brand loyalty.	58/0	Confirmed	
Brand trust has a positive effect on brand commitment.	58/0	Confirmed	
Brand trust has a positive effect on brand loyalty.	22/0	Confirmed	
Brand commitment has a positive impact on brand loyalty.	11/0	Confirmed	
There is positive relationship between brand identity and brand loyalty is bigger when age increases.	65/0		Rejected
The positive relationship between brand identity and brand loyalty is bigger when age increases.	12/0	Confirmed	

## 4. Discussion

### 4.1 Interpretation

#### 1) Brand identity impact on brand trust

The results of structural equations showed that brand identity coefficient has a positive and significant impact on brand trust. Thus, brand identity can lead to increasing brand trust. If the brand name becomes more popular, more reputed people use it and the brand offers more quality and more professional services. A special and popular brand can be verified by many celebrities and thus increasing the brand trust. The results of this study are in line with the results of Harianto et al.

#### 2) Brand identity has a positive impact on brand commitment.

The results of structural equation showed that brand identity had a positive and significant effect on brand commitment. Thus, it can be inferred that if the brand is specific, acceptable by many people, and can provide services in a desirable manner, brand commitment will increase by the customer, which is consistent with Harianto et al.

#### 3) Brand identity has a positive impact on brand loyalty.

Thus, it can be inferred that if the brand is specific, acceptable by many people, and can deliver services in a desirable way, it will attract a lot of customers, hence raising brand trust and commitment among, and consequently, increases brand loyalty. This is in agreement with the results of Milan et al.

#### 4) Brand trust has a positive effect on brand commitment.

Therefore, it can be inferred that if the hotel brand feels more security and its service quality is visible, also raises sense of self-confidence in an individual, and can be trusted, it will result in improved brand commitment, which corresponds to the results of Yeh et al. (2016).



- 5) 5) Brand trust has a positive effect on brand loyalty.  
Therefore, it can be inferred that if the hotel brand feels more security and its service quality is visible, also raises sense of self-confidence in an individual, and can be trusted, it will make a good brand in one's mindset so increasing brand loyalty, which is in line with Yeh et al.
- 6) Brand commitment has a positive influence on brand loyalty.  
Therefore, it can be inferred that brand commitment will lead to continuous use of the product and gives the brand a priority for subsequent decisions, hence increasing brand loyalty, which corresponds to the results of Yeh et al. [14].
- 7) Based on the seventh hypothesis concerning the influence of age on the relationship between brand identity and brand loyalty, age had no moderating role. The results of the structural equations showed that a path coefficient of 0.12 and t-statistic of 0.089 indicate rejection of this hypothesis. So it can be inferred that rising age has no effects on the relationship between brand identity and brand loyalty, which agrees with the results of Yeh et al.
- 8) According to the eighth hypothesis regarding the effect of gender on the relationship between brand identity and brand loyalty, gender has no moderating role. The results of the structural equations showed that a path coefficient is 0.38 and a t-statistic of 4.915 indicate confirmation of this hypothesis. Thus, it can be inferred that the relationship between brand identity and brand loyalty is higher in women than that of the men, which is in agreement with the results of Yeh et al.

#### **4.2 Practical suggestions for the research statistical community**

The following suggestions are presented based on the results of this research.

The first hypothesis suggests:

- Establish a friendly relationship with guests at the hotel;
- Proper treatment of managers and staff towards criticisms and suggestions;
- Invite celebrities and record their pictures on social networking sites.

The second hypothesis suggests:

- Display certificates and prizes received by the hotel and directors in a place visible by passengers;
- Provide specific services different from other hotels;
- Special discounts for celebrities in society;
- Fulfill promises and warranties made in advertising.

The third hypothesis proposes:

- Making special discounts for specific customers;
- Offering special and free services to frequent travelers, such as placing a dish of fruit in the room, etc.;
- Providing new and up to date services according to international hotels.

According to the fourth hypothesis, it is proposed:

- Training of the staff about the hotel industry and their financial satiation;

- Maintaining all health issues at the hotel as high as of 5-star hotels;
- Providing specific and different warranties to guests.

According to the fifth hypothesis, it is proposed:

- Establishing friendly relationships with frequent fliers;
- Timely response to criticism and proposals;
- Presenting special souvenirs to frequent travelers.

Based on the sixth hypothesis, it is proposed:

- Doing marketing campaigns and hotel advertising in brand magazines;
- Providing specific services pioneering the hotel versus other hotels;

According to the seventh hypothesis, it is proposed:

- Preparing some hotel rooms tailored to the age of individuals;
- Making some rooms ready that create a sense of nostalgia in older people.

According to the eighth hypothesis, it is proposed:

- Establishment of appropriate and enjoyable places for gentlemen in the hotel such as equipped gyms and billiard rooms.

## 5. Conclusion

The aim of this study was to investigate the effect of brand identity on brand loyalty with mediating role of brand commitment (case study of five-star hotels in Tehran). The present research was descriptive with a correlational design from the kind of structural equations. The statistical population of this study was customers of five-star hotels in Tehran, of which people 386 participated in this study. The findings indicated that brand identity had a positive and significantly direct relationship with variables of brand trust and brand commitment, and a positive indirect relationship with brand loyalty. Also, the role of the two moderating variables of age and gender was investigated in this research. It was found that age, unlike gender, plays no moderating role in brand identity and brand loyalty.

The statistical population of this research is one of the major touristic fields of the country. It is hoped that the results of this research will be useful in the development of tourism fields in the country. This study is not isolated from other research and suffers from defects and limitations such as bottlenecks in receiving and filling the questionnaire, and problems arising from the generalization of the results to other statistical populations. However, based on what was mentioned in this study, the following are recommended for future investigations:

- As stated, the present study was carried out in five-star hotels in Tehran. The proposed model is proposed to be examined in other hotels and tourist places and the results are compared with those of this study.
- The present research had a quantitative approach. The future research is recommended to have a qualitative approach or integrated qualitative and quantitative approach (mixed method) in order to provide a model for identification of factors affecting loyalty.

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