

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/344249141>

Mediating Effect of Brand Identity on Social Support and Customer Loyalty among Selected Supermarkets in Western Kenya

Article in *IJARKE Business & Management Journal* · September 2020

DOI: 10.32898/ibmj.01/1.3article06

CITATION

1

READS

57

1 author:



Tom Mboya
Kisii University

5 PUBLICATIONS 3 CITATIONS

SEE PROFILE

INTERNATIONAL JOURNALS OF ACADEMICS & RESEARCH (IJARKE Business & Management Journal)

Mediating Effect of Brand Identity on Social Support and Customer Loyalty among Selected Supermarkets in Western Kenya

Faraji Anduku Yatundu, Kisii University, Kenya
Dr. Kennedy Ntabo Otiso, University of Eldoret, Kenya
Dr. Tom Mboya, Technical University of Mombasa, Kenya
Prof. Christopher Ngacho, Kisii University, Kenya

Abstract

Due to the complexity that has been experienced in customer retention organizations have been forced to craft strategies that can be employed to keep the customers longer. The purpose of the study was to examine the mediating effect of brand identity on the relationship between social support and customer loyalty among selected supermarkets in Western Kenya. The study was guided by social exchange theory and the study applied explanatory survey research design. The target population of the study was 30,200 respondents drawn from the four supermarkets namely, Choppies, Tuskys, Khetias, and Naivas operating in Western Kenya. The study adopted a stratified random Sampling method from which a sample of 395 customers was obtained using Yamane's formula. Cronbach alpha method was used to test the reliability of the research instruments while factor analysis and expert judgment was used to test the validity of the research instruments. Further, the data collected was analyzed using descriptive and inferential statistics. To test the null hypotheses multiple regressions was used. Mediation test was conducted following Barron and Kenny four steps. Further, Sobel test was used to test the level of significance of the mediation. The results revealed that Social support had significant effect on Customer loyalty. Further, Brand identity had partial mediation effect on the relationship between Social support and Customer loyalty. The study recommends that supermarket management should put more emphasis on Social support strategies since they influence Brand identity and hence Customer loyalty. The study provides new theoretical insight into factors influencing customer loyalty by incorporating Brand identity as a mediator in the relationship between Social support and customer loyalty.

Key words: *Brand Identity, Customer Loyalty, Social Support*

1. Introduction

Abubakar, Mokhtar, & Abdullattef, (2014) in their study defined customer loyalty as the commitment to a product or certain brand that makes the customer to continuously buy that product without having an intention of switching to any other products that can serve the same purpose. According to (Stone, Woodcock, & Machtynger, 2000) customer loyalty is a physical and emotional commitment that customers give in exchange for their needs being met. Organizations have developed customer loyalty schemes that guide them in making choices that will influence them on how to retain and influence customer behavior positively towards the company's products and services through rewarding customers that are loyal (McMullan & Gilmore, 2008). In a business environment that is competitive it becomes important for supermarket operators to sustain customers trust by ensuring that they enhance good practices in their business operations (Levy & Weitz, 2007).

Mboya (2017), define social support as the value adding strategy that is designed to help loyal customers when in distress. The question that comes up is what type of strategy is this that will help the customers when in distress so that they may be able to get the care, love and support of the members of the group? From various studies the answer is found through the use of social media. The coming up of social media platforms have necessitated the sharing of information and generation of content in an online context (Chen, Xu, & Whinston, 2011a). It's even said that, individuals receive social support and friendship from the community that participate on social media (Ridings & Gefen 2004). A number of social media in use like Wikipedia, Facebook, among others creates social interactions that have been made able through use of online forums reviews and recommendations that produce online social support.

Brand identity is the image a company passes across about its product or product category (McCormack, and Cogan, 2004). Brand identity portrays what the brand is and its associated promises to the customers (Aaker, 2002). Thus, (Kostehjk and Erik, 2008), maintains that every brand should create a unique identity in the market, let people look at your brand as being strong, since strong brands creates more brand satisfaction (Taylor, *et. al.*, 2004), let it appear powerful, desirable and unique which

should be formulated on the basis of three qualities of a good brand, namely; durability, consistency and realism. For Strong brands they portray a brand identity that is well defined and explained (McCormack & Cogan, 2004). Brand identity is the image an organization conveys about its products, it gives a picture of what the brand is and what the customers expect to get as they consume it (Aaker, 2002). Every organization must be able to create a brand that has unique identity that looks strong and powerful that is formed on the basis of three qualities namely; durable, consistent and realistic (Kosteljik, 2008). According to (Silverman, 2001) and (Taylor, Celuch, & Goodwin, 2004) strong brands create brand satisfaction which leads to brand commitment that eventually creates loyalty.

Currently, organizations appear to focus more on customer loyalty (Ngambi & Ndifor, 2015). A number of scholars have carried out studies locally in line with social bonding and customer loyalty. A study carried out by (Karanja & Gakure, 2012) on the importance of customer loyalty on fast moving consumer goods (FMCG) at Unilever Nairobi Kenya, revealed that customer loyalty enhanced customer commitment, helped in retaining the already established customers, improved the brand image of the FMCG and provided customer experience which led to repeated purchase. Muturi, (2004) did a research on factors that determine customer loyalty of phone users to a mobile phone service provider in Nairobi. The findings were service quality; price indifference and perceived value were the major factors to be considered. Tanui, (2007) did a study on factors that contributed to the customer loyalty of petrol stations in Nairobi and the findings were two aspects: attractiveness of the brand personality and perceived quality. Mungai, (2008) did a study on the factors that determine customer loyalty at the port of Mombasa. He found out that customer satisfaction; perceived quality and brand loyalty were the main determinants. Kibeh, (2013) did a research on the relationship between customer relationship marketing and customer loyalty in the mobile telecommunication industry in Kenya. The findings were that, the quality of a service, effective communication of pricing policies, flexible pricing and a positive brand image generates favorable customer loyalty among people.

The study sought to build on the present literature by examining whether organizations that takes advantage of a social bonding strategy, social support actually improves their customer loyalty and if it added value. The researcher introduced a mediating variable Brand identity to see how it affected both social bonding constructs and customer loyalty.

2. Study Objective

The main objective of the study was to assess the mediating effect of brand identity on the social support and customer loyalty among selected supermarkets in western Kenya.

3. Review of Literature

Social support is seen as that strategy that is designed to help loyal customers when in distress and this can be achieved by use of social media (Mboya, 2017). From studies carried out social media platforms provides an enabling forum for sharing of information (Chen *et al.* 2011a). It's even said that, individuals are attracted to online media in exchange of information as they receive social support and friendship in the online community (Ridings & Gefen 2004). A number of social media in use like Facebook, WhatsApp, YouTube and Twitter creates social interactions that produce online social support.

A study by (Maryam, Hormoz, & Feridon, 2013) on the relationship between brand and consumer loyalty in audio-video industry, with emphasis on Gonbad Kavoods city, Iran, used audio and video consumers as the study population with 384 subjects being selected according to Morgan table. The results showed a significant correlation between brand and consumer loyalty. The researchers recommended that the research subjects should be studied in another industry with comparative approach and results compared with findings of this study. Another study by (Kazemi, PaEmami, Abbaszdeh, 2013) looked at the impact of brand identity on customer loyalty and word of mouth communications, considering mediating role of customer satisfaction and brand commitment a case study of customers of Mellat Bank in Kermanshah. The results showed that all hypotheses were confirmed and showed significant relationship between brand identity, customer loyalty and word of mouth advertising considering mediating role of customer satisfaction and brand commitment. Shirazi, Lorestani, Mazidi (2013) did a study on the effects of brand identity on customer loyalty from social identity perspective. The results revealed that both brand identity and brand identification had an indirect effect on brand loyalty through perceived value, trust, and satisfaction.

4. Research Methodology

This study used explanatory survey research design. The main objective of the study was to establish the mediating effect of brand identity on social support and customer loyalty among selected supermarkets in western region in Kenya.

To test the study hypothesis, questionnaire developed was used to collect data. The items were scored in a 5-point Likert-type scale (ranging from 1= strongly agree to 5= strongly disagree). The construct validity of the questionnaire was evaluated using factor analysis (Rattray & Jones, 2001) and confirmed by several lecturers in marketing management.

The reliability was evaluated by Cronbach's alpha and the calculated coefficient of (0.933) for overall items represented a high and desirable internal consistency.

The population considered in this study consisted of the customers in four selected supermarkets in Western region in Kenya. For sampling, the (Yamane, 1967) formula was used.

The sample size, as calculated by the following formula, was (395).

$$n = \frac{30200}{1 + 30200(0.05 \times 0.05)} = 395$$

A total of 395 questionnaires were distributed to respondents out of which 360 were successfully retrieved. Of the 360 collected questionnaires, only 341 were found to be useful for further analysis.

First, to confirm the significance of the correlation between independent factors and the dependent factor, Pearson correlation analysis was performed. Next, to create variable composites from the original attributes and to identify smaller set of factors that explain the variances between attributes factor analysis all variables were entered in the analysis model simultaneously, was conducted. Finally, regression relationships among variables of this study were investigated by standardized coefficients and provided significance levels in SPSS software by which hypothesis is either rejected or accepted.

5. Research Results

The demographic data show that 54.5% of the customers from the supermarkets sampled were female with 45.5% being male. Most of the shoppers are middle aged between (30-49) years. From the data 35.2% and 30.5% of the respondents have bachelor's degrees and diploma levels of education respectively, hence most the shoppers have tertiary education and hence able to understand the items being asked. These findings are summarized in Table 1.

Table 1 Sample Characteristics

		Frequency	Percent
Gender	Male	155	45.5
	Female	186	54.5
Age	Total	341	100
	20-29 years	85	24.9
	30-39	128	37.5
	40-49	71	20.8
	above 50 years	57	16.7
Education	Total	341	100
	PhD	4	1.2
	Masters	38	11.1
	Bachelors	120	35.2
	Diploma	104	30.5
	Certificate	75	22
	Total	341	100

Internal consistency (reliability) of measures is evaluated by calculating Cronbach's alpha. As the variables' means in Table 2 show, the coefficients for value variable are between (0.757) and (0.884) that represent good internal consistency and hence acceptable reliability. All correlations are within the expected direction and are statistically significant. Highest and lowest correlation coefficient respectively belongs to relationship between brand identity and customer loyalty ($r = 0.688$) and relationship between brand identity and social support ($r = 0.461$).

Table 2 Internal Consistency and Correlation of Variables

Variables	Brand Identity	Social Support	Customer Loyalty
Brand Identity	(0.884)	0.461**	0.688**
Social Support		(0.757)	0.552**
Customer Loyalty			(0.847)

** Correlation is significant at the 0.05 level (2-tailed).

Note. N = 341; The values in parentheses are reliability coefficients (Cronbach's alpha) ** p < 0.01

In Table 4.3 below, for social support by the supermarket to the customers, 2 components were also extracted, the first 4 loaded on the first component relating strong bond and confidence with supermarket through social support by the supermarket and the remaining 2 loading on the second component relating to offer of social support and social meetings for customer interaction by the supermarkets.

Table 3 Social Support Rotated Component Matrix

	1	2
Strong bond with my supermarket	0.747	
supermarket employees are socially responsible	0.708	
I encourage people to do business with my supermarket	0.843	
Confidence in my supermarket	0.876	
Supermarket offer social support when needed		0.605
social meetings for integration		0.932
Eigen Values	2.792	1.35
% of Variance	46.529	22.494
Cumulative %	46.529	69.023
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.82	
Bartlett's Test of Sphericity, Approx. Chi-Square	705.495	
df	15	
Sig.	0.000	

Extraction Method: Principal component Analysis

Rotation Method: Varimax with Kaiser Normalization

The cumulative variance contributed by the two components is 69.023% with the first component accounting for 46.529% while the second accounts for 22.494% of the cumulative variance. Sampling adequacy was tested using the Kaiser- Meyer- Olkin Measure (KMO measure) of sampling adequacy. As evidenced in Table 3 above, KMO was greater than 0.5 (0.82), and Bartlett's Test was significant, $\chi^2 (15) = 705.495$, p-value < 0.05.

On brand identity, 2 components were extracted, the first 3 loaded on the first component relating to the customer knows the name of the supermarket, trust the products and rates the supermarket highly and the remaining 2 loading on the second component relating to the customer knows the color of the supermarket products packaging and log as shown in Table 4.4. The cumulative variance contributed by the two components is 81.29% with the first component accounting for 46.035% while the second accounts for 35.254% of the cumulative variance. Sampling adequacy was tested using the Kaiser- Meyer- Olkin

Table 4 Brand identity Rotated Component Matrix

	1	2
The customer knows the name of the supermarket	0.769	
The customer trusts the supermarket's products	0.856	
The customer rates the supermarket highly	0.856	
The customer knows the common color of the supermarket products packaging		0.783
The customer knows the supermarket logo		0.899
Eigen Values	2.302	1.763
% of Variance	46.035	35.254
Cumulative %	46.035	81.29
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.851	
	922.14	
Bartlett's Test of Sphericity, Approx. Chi-Square	5	
df	10	
Sig.	0.000	

Extraction Method: Principal component Analysis

Rotation Method: Varimax with Kaiser Normalization

In Table 5, for customer loyalty, 2 components were also extracted, the first 1 loaded on the second component relating to preference to pay higher prices to my supermarket than leave for another supermarket and the remaining 4 loading on the first component relating to I would say great things about my supermarket and recommend it to other people as well as consider it as my first choice in future. The cumulative variance contributed by the two components is 81.436% with the first component accounting for 59.376% while the second accounts for 22.06% of the cumulative variance.

Table 5 Customer loyalty Rotated component matrix

	1	2
I prefer to pay my supermarket higher prices than leave for a competitor		0.979
I like to say positive things about my supermarket to other people	0.851	
Customer likely to recommend the supermarket to a friend or relatives	0.901	
I never seriously considered changing my supermarket	0.811	
I will consider my supermarket as my first choice in future	0.860	
Eigen Values	2.969	1.103
% of Variance	59.376	22.06
Cumulative %	59.376	81.436
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.849	
Bartlett's Test of Sphericity Approx. Chi-Square	875.2	
df	10	
Sig.	0.000	

Extraction Method: Principal component Analysis

Rotation Method: Varimax with Kaiser Normalization

The statistics in Table 6 showed the steps taken to arrive at the role of the mediator in the study. First, the social support strategies explained about 30.5% of the variance in supermarket's customer loyalty with an effect size of 0.552 ($t = 12.197, p < 0.05$). The second was an illustration of the significant impact of social support strategies in explaining 21.3% of the variance in brand identity (the mediating variable) with an effect size of 0.461 ($t = 9.563, p < 0.05$). Next, brand identity explained about 47.3% of the variance in supermarket's customer loyalty with an effect size of 0.688 ($t = 17.415, p < 0.05$). Lastly upon inclusion of brand identity in the relationship between social support and customer loyalty, it explained about 54.3% of the variance in the supermarket's customer loyalty up from 30.5% that was earlier explained by social support strategies. This means that brand identity increased the explanatory power from 30.5% to 54.4%, a 23.9 % increase in explanatory power and therefore the null hypothesis was thus rejected and it was concluded that brand identity significantly mediated the relationship between social support and customer loyalty.

Table 6 Summary of the Test Statistics

Parameters	Model 1 (SS on CL)		Model 2 (SS on BI)		Model 3 (BI on CL)		Model 4 (SS & BI on CL)		% Change (Model 4 – Model 1)
	Beta	t	Beta	t	Beta	t	Beta	t	
Constant	0.819	6.654	0.790	5.804	0.897	10.606	3.792	3.792	
SS	0.552	12.197	0.461	9.563			0.298	7.191	-0.254
BI					0.688	17.415	0.550	13.25	
R ²	0.305		0.213		0.473		0.543		0.238
Adjusted R ²	0.303		0.211		0.471		0.540		
F	148.765*		91.447		303.293		200.256		
Sig.	0.000		0.000		0.000		0.000		
Sobel-Good Man Mediation effects									
Variable	Test statistics		Std. Err		P value		Effects		
Brand identity	8.41824566		0.03931936		0.0000		Partial mediation		

Sobel test result was used to show the significant value for the indirect effect of Social support on customer loyalty via the mediator-brand identity. The Z-value obtained was $t=8.41824566$ which was more than the significant level 1.96, hence significant. The null hypothesis was not supported and therefore it was concluded that brand identity mediates the role of Social support to customer loyalty.

Table 7 Summary of Hypothesized Testing Results

Hypothesis	Beta values	P values	Decision
H _{0va}): Brand identity does not significantly affect the relationship between social support and customer loyalty among supermarkets in western region in Kenya.	0.298	< 0.05	Reject the H ₀

6. Conclusions and Recommendations

On the role of brand identity on the relationship between social support and customer loyalty, the study had postulated one null hypothesis:

H_{0vd}): Brand identity does not significantly mediate the relationship between social support and customer loyalty.

From the findings there was partial mediation in the relationship between variables where SS= ($\beta=0.298$, $t=7.191$, $p<0.05$ and BI= ($\beta=0.550$, $t=13.250$, $p<0.05$). The null Hypothesis was therefore rejected. Based on this, it means that while striving to build up customer loyalty based on social support, it is important to note that branding is critical and would require consideration of other factors such as age, sex and education in order to get it right.

The underlying differences for brand preference require proper consideration in order to ensure that each group is well catered for. Brand remains a mental flow that is created in the mind of consumers and other stakeholders in different sectors of the economy. The brands will always contain social identity and can only be successful when stakeholders own it and become part of it. This concept is supported by (Laforet, 2010), who identifies identity as a key element of branding and says that successful brands needs to retain its identity through its contract with itself, its goal and consumers. When looking at consumers, they will always go for products that are compatible with themselves, those that they want to be identified with. The findings of this study which are consistent with previous studies done by (Aaker, 1996; Kapferer, 2008) which emphasizes on the importance of brand identity as a critical tool for product differentiation and brand management. Hence it can be concluded that whereas organizations may emphasize on other strategies like customer relationship management, effective communication with their customers, employing of loyalty programs, they should invest more in brand identity creation that can improve brand awareness (Yatundu, Otiso, Rajab, 2016) and perceived brand equity which ultimately leads to customer loyalty.

References

1. Aaker, D. A. (1996). *Building strong brands*. New York: The Free Press.
2. Aaker, D. A. (2002). *Building Strong Brands*. London: Simon & Schuster.
3. Abubakar, M., Mokhtar, S., & Abdullatf, A. (2014). The role of long-term orientation and service recovery on the relationship between trust, bonding, customer satisfaction and customer loyalty. *Asian Social Science*, vol 10(2).
4. Chen, J., Xu, H., & Whinston, A. (2011a). Moderated online communities and quality of user generated content. *Journal of Management Information Systems*, pp. 237-268.
5. Kapferer, J. (2009). The specificity of luxury management: Turning Marketing upside down. *Journal of Brand Management*, Vol.16(5), pp 311-322.
6. Karanja, J., & Gakure, R. (2012). The Importance of customer loyalty on fast moving consumer goods in the era of globalization. Nairobi.
7. Kazemi, A., PaEmami, V. M., Abbaszadeh, A., & Pourzamani, J. (2013). Impact of brand identity on customer loyalty and word of mouth communication. *International Journal of Academic Research in Economics and Management Sciences*, Vol.2(4).
8. Kibeh, A. W. (2013). *Relationship Marketing and Customer Loyalty in Mobile Telecommunication Industry in Nairobi, Kenya*. Nairobi: Unpublished UON MBA Research.
9. Kosteljik, E. (2008). Commentary Identity based marketing: a new balance Marketing paradigm. *European Journal of Marketing*, vol.42, No.9,907-914.
10. Laforet, S. (2010). *Managing brands: A contemporary perspective*. London: McGraw-Hill.
11. Levy, M., & Weitz, B. (2007). *Retail Management*. New York: McGraw-Hill/ Irwin.
12. Maryam, S., Hormoz, M., & Feridon, A. (2013). Studying the Relationship Between Brand and Consumer Loyalty in Audio video Industry. *Advances in Applied Science Research*, 278-261.

13. Mboya, T. (2017). Relationship Between Social bonds and Customer Value in Commercial Banks in Kenya. *International Journal of Business and Management Invention*, 2319-8028.
14. McCormack, J., & Cogan, J. (2004). Capturing, Understanding and Exploring Brand Identity with shape Grammars. *Design studies*, vol.25,No.1, 1-29.
15. McMullan, R., & Gilmore, A. (2008). Customer loyalty; An empirical study. *European Journal of Marketing*, vol.42(10).
16. Mungai, E. (2008). Factors that determine customer loyalty:A case of the part of Mombasa. *Unpublished MBA University of Nairobi*. Nairobi.
17. Muturi, P. (2004). Factors that determine customer loyalty to a mobile phone service provider.A case of mobile phone users in Nairobi. *Unpublished MBA university of Nairobi*. Nairobi.
18. Ngambi, & M.T., N. P. (2015). Customer Relationship Management and firm performance:Revisiting the case of the Camccul Microfinance Institutions. *International Journal of Information Technology and Business Management*, vol.38 No.1.
19. Rattray, J., & Jones, M. C. (2007). Essential elements of questionnaire design and development . *Journal of Clinical Nursing* , Vol.16,234-243.
20. Ridings, C. M., & Gefen, D. (2004). Virtual Community attraction: Why people hang out online. *Journal of Computer Mediated Communication*, Vol.10(1), 1-10.
21. Shirazi, A., Lorestani, H. Z., & Mazidi, A. K. (2013). Investigating the Effects of Brand Identity on Customer Loyalty from Social Identity Perspective. *Iranian Journal of Management Studies*, 153-178.
22. Silverman, G. (2001). *The secrets of word of mouth marketing: How to trigger exponential sales through runaway word of mouth*. New York: AMACOM.
23. Stone, M., Woodcock, N., & Machtynger, L. (2000). *Customer Relationship Marketing: Get to know your customers and win their loyalty*. Kogan Page Publishers, 2nd Ed.
24. Tanui, P. (2007). A survey of customer loyalty programs applied by petrol stations in Nairobi. *Unpublished MBA University of Nairobi*. Nairobi.
25. Taylor, S., Celuch, K., & Goodwin, S. (2004). The importance of brand equity to customer loyalty. *Journal of Product & Brand Management*, vol.13, 217-227.
26. Yamane, T. (1967). *Statistics.An introductory Analysis 2nd Ed*. New York: Harper and Row.
27. Yatundu, F.A.; Otiso, K.N.; Rajab, F.N. (2016). Brand Awareness and Its Effect on Performance of Public Sugar Manufacturing Firms in Western Kenya. *International Journal of Advances in Management and Economics*. Vol.5| Issue 1|42-47