ACross Space and Time: How Cultural and Institutional Differences Explain Consumer-Brand Relationships’ Differential Effects on Brand Loyalty

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Research on consumer-brand relationships (CBR) has examined the CBR - brand loyalty link, but surprisingly little is known about the cultural and institutional settings that enable this link. We meta-analyze how and why different CBR constructs (e.g., love, identification) drive loyalty better in some cultural and institutional contexts than others.

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EXTENDED ABSTRACT
Researchers studying consumer-brand relationships have begun to empirically examine mechanisms behind the brand relationships—customer brand loyalty link (e.g., impression management, feelings of security; Sen et al. 2015), but still little is known about the cultural and institutional settings that enable these links. In this study, we conduct a meta-analytic investigation of how seven country-level, cultural, and institutional variables moderate the relationship between consumer-brand relationships (CBR) and customer brand loyalty. Specifically, we investigate why different types of CBRs—namely brand attachment, brand love, self-brand connection, brand identification, and brand trust—drive loyalty better in some cultural and institutional contexts than others.

Background
Over the last four decades, cross-cultural and institutional research has advanced many constructs that capture country-level differences. Various marketing and consumer research meta-analyses have also used some of these constructs to underscore the general idea that context is important. For example, Chang and Taylor (2016) find that the benefits of customer participation on new product development performance are greater in emerging than in developed countries, while Albers et al. (2010) establish that personal selling elasticity estimates are higher from studies conducted in European countries than from those conducted in the United States. We develop a series of hypotheses relating to a subset of these cultural and institutional variables, described below.

Data collection involved two stages. First, we collected studies published between October 1995 and August 2015, which provided 304 brand relationship elasticities from 143 studies based on data from 179,395 respondents. Using these data, we conducted a meta-analysis of the average effects for each type of CBR on brand loyalty. Second, because these data were drawn from samples in 35 countries, we also collected information about the hypothesized moderators corresponding to the year and country of data collection.

We focused on seven cultural and institutional variables: indulgence versus restraint, individualism versus collectivism, masculinity versus femininity, and power distance (Hofstede 2017); economic globalization (KOF Globalization Index; Gygli et al. 2018); voice and accountability (Worldwide Governance Indicators; Kaufmann and Kraay 2017); and level of urbanization (Urban Population data; World Bank 2017). Overall, we hypothesized that these seven variables moderate the results of the meta-analysis. To examine that possibility, we employed a multilevel modelling approach using a two-level hierarchical linear model (HLM) with the maximum likelihood estimation method.

Results
The indulgence versus restraint dimension was a significant moderator, such that the effect of all five different brand relationships on customer brand loyalty was significantly more positive in restrained cultures ($\beta_{trust} = -.46, p < .001; $\beta_{love} = -.51, p < .001; $\beta_{attachment} = -.47, p < .001; $\beta_{identification} = -.56, p < .001; $\beta_{self-brand connection} = -.60, p < .001$). In terms of masculinity versus femininity, we found that the link between brand trust and loyalty was significantly stronger in feminine societies ($\beta_{trust} = -.38, p < .001$). We examined the influence of identity-relevant CBRs (self-brand connection, identification) on customer brand loyalty in countries that were high versus low on power distance and found that in cultures higher on the power distance dimension, the positive effect of self-brand connection-based and identification-based relationship loyalty was stronger ($\beta_{self-brand connection} = .45, p < .002; \beta_{identification} = .30, p < .001$). Further, compared to countries that were high on economic globalization, countries that were comparably less economically globalized exhibited a stronger positive influence of brand identification on loyalty ($\beta_{identification} = -.17, p < .009$). Finally, countries that were lower on voice and accountability showed stronger brand identity-loyalty effects ($\beta_{identification} = -.41, p < .001$) as did less urbanized countries ($\beta_{identification} = -.25, p < .004$). However, similar moderating effects of voice and accountability, as well as the level of urbanization, did not emerge for the self-brand connection-loyalty link ($\beta_{self-brand connection} = -.19, p = .176$ and $\beta_{self-brand connection} = -.09, p = .490$).

Discussion
Our approach of tying meta-analysis to country-level factors is new to the consumer-brand relationship literature. We make several theoretical and practical contributions. Theoretically, this work helps identify what particular brand relationships drive loyalty most effectively under particular cultural and institutional settings (Eisingerich and Rubera 2010). In so doing, the present research also contributes to the literature by responding to a call by brand scholars for explicating how the broader context of influences brand connections (Fournier 2009; Goode et al. 2015), which this work does by examining the role of cultural and institutional contexts in influencing consumers’ brand evaluations. Second, we contribute to the work on cross-cultural consumer behaviour and cross-cultural research in general (Al Omoush et al. 2012; Hofstede and Bond 1984; Lam et al. 2009) by providing a more nuanced understanding of the differential influence of cultural dimensions in a branding context.

Practically, our findings suggest that it may be critical to approach selection and fostering of brand relationships differently based on the types of cultures and institutional contexts in which brand and market strategists operate. For example, investing in identification-based brand relationship is advisable in high power distance cultures, in societies with low levels of economic globalization, voice, and accountability, as well as countries with low urban population percentage. As a whole, brand loyalty building efforts may be optimized by adopting a refined approach whereby brand and market strategists match brand relationships to the specific cultural and institutional contexts in question. This also potentially speaks to segmentation and targeting efforts, for instance, by suggesting that it may be necessary for brand managers to communicate with rural consumers differently than their urban counterparts.
REFERENCES