

Brand Social Identity Perspective Effect on Creating Brand Loyalty and Developing Brand Equity

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ABSTRACT

Brand is among the most valuable properties of an organization which its proper management can pave the ground for acquiring more market share and profitability in any industry including food industry. In this line, brand identity which is an intra-organizational factor and one of the most important discussions on marketing and brand is considered in a few studies. On this basis, present study with the purpose of studying the impact of brand identity impact on brand loyalty development and brand equity is conducted in food industry (dairy and meat products). This is a survey – type research in which questionnaire is used to collect data.

In present study, Kaleh brand (Kaleh Dairy and Meat Products Company) as a well – recognized brand in Iran is selected for studying. All customers of the company in Tehran Metropolitan are selected as research statistical population and finally a sample of 476 customers was chosen. To analyze and confirm data, Structural Equations Modeling (SEM) and Confirmatory Factor Analysis (CFA) techniques are utilized.

According to research findings, the impact of brand identity on both brand loyalty and brand equity in food industry was confirmed.

KEYWORDS: brand identity, brand loyalty, brand equity, food industry

INTRODUCTION

Brand identity is an important discussion in marketing paid attention in a few studies [5; 24; 83]. Both researchers and practitioners have concluded that brand identity plays a vital and effective role in distinguishing and management process [46; 47; 49]. Brand identity is defined as an internal construct that emanates unilaterally from the organization-what managers want the brand to be-and that requires stability over time [2; 47]. Based on their identity, brands are recognized by customers and are distinguished from other rivals. Having an identity means your existence [47]. You exist and follow your fixed but personal plan. Accordingly, brand managers should develop and maintain a clear and consistent identity, so that brands can serve as stable references for consumers [2; 47]. Contrarily, brand literature did not have a sufficient attention to the relationship between brand and loyalty and there is still no integrated contractual framework for it. However, in recent studies, the impacts of brand identity on consumers' brand loyalty are pointed out [42; 60] and few studies have measured the impact of brand identity on loyalty comprehensively and multilaterally [41]. Brand identity is an intra-organizational factor which promotes brand equity [24]. Paramount studies are conducted on brand equity which have measured the role of external factors such as customers' awareness of brand, brand perceived value, customers' confidence to brand, customers' satisfaction, brand perceived quality and so on [52; 57; 89; 90]. Few studies have focused on effective internal factors on brand equity namely brand identity which is mainly shaped by organizational members and personnel [24; 65]. The purpose of present study is to investigate the impact of brand as an intra-organizational concept which is mostly controlled by the organization on brand loyalty and brand equity.

Conceptual framework

In this study, first, we discuss relevant literature and hypotheses, followed by a discussion of our method and the results of model estimation. Finally, we conclude with a general discussion of the findings, limitations of the research and avenues for future research.

Brand identity

The process of creating brand identity is to devise mindsets which brand tries to create and confidence of brand recognition by customer and relating it to a certain class of need [49]. Brand identity is a unique set of brand associations which express on concluding a promise and contract with customer [36]. Brand identity should be resonated with customers in order to be effective, to be distinguished from rivals and shows its organizations as it wants [3]. A key and important factor for being successful in brand building is to understand how to develop brand identity, that is, to know that what brand demands and to express it effectively [2]. A brand has a distinguished identity when it provides relevant, stable and believable promises on the value of product, service and/or organization and also shows the resources of such promises [94]. Companies which provide integrated and distinguished brand identity can dominate the market, add to the value of their products and services, and may achieve advantages through price leadership [77]. Contrary to managers' opinions who say that brand identity should be stable over time, since the environment is highly dynamic and ever-changing, brand identity should be also dynamic and developed over time. Based on current literature on brand identity

they concluded that brand identity is a completely dynamic process and should be developed over time by bilateral impacts of brand managers and other social elements (i.e. consumers). Brand identity dynamism leads into brand resilience in environmental changing conditions [83]. By their identity, brands are recognized by customers and are distinguished from rivals.

Perceived value

Brand like a lens which leads into easier and more correct understanding of organizational values [85]. Today, brand building process has converted into one the most important research titles in marketing science. The value stems from customers' learned perceptions, preferences, and evaluations [51]. The value exchange model is basically a give-and-take model or a benefits-costs model [51], in marketing value means mostly customer's perceived value that involves economic and uneconomic elements [43; 92; 96]. Therefore, based on this definition, it seems that evaluation of value is only done by customer. Lassar et al. (1995) defined perceived value as "the perceived brand utility relative to its costs, assessed by the consumer and based on simultaneous considerations of what is received and what is given up to receive it".

Brand perceived value is seriously influenced by brand equity. Proper brand identity impacts on customers' perceived brand equity positively. A brand with strong identity meets customers' symbolic needs more than their functional needs [41]. The results of a research indicate that a brand with stronger identity is more capable in increasing equity understanding process [72]. The results of other researches follow such claim. Studies indicate that such traits as brand popularity and being global are rooted in brand identity, have a positive relationship to brand and increase brand equity (particularly brand economic equity [40; 84]. On this basis, the first hypothesis of research can be provided as below:

H1: Brand identity impacts on brand perceived value positively.

Customer satisfaction

Customers' general satisfaction is their judgment evaluation process regarding the latest purchase situation and their treatments with service providers [20]. Customers' satisfaction from the brand is defined as their general emotional evaluation on products and services of a brand in any moment [10]. Therefore, customer satisfaction can be considered as customer's positive judgment, cognitive and emotional process toward a brand.

Brand identity plays a crucial role in customer satisfaction [41]. More distinctive and prestigious is a brand, more attractive and stronger in customer's perspective [19]. Brand identity plays a vital role in meeting customer's uniqueness/exclusiveness need [75]. Humans tend to be different and more distinctive brand identity, more emotional, attitudinal and practical supports by customers [41]. A prestigious brand is not only enjoys a proper quality but also is used for flaunting uses. More prestigious and popularity is a brand, more self – enhancement feeling among customers [53]. Hence, more a brand is distinctive and prestigious; it increases more customers' satisfaction. Studies have proved a positive relationship between brand identity and customers' satisfaction [28; 41]. On this basis, the second hypothesis of research can be provided as below:

H2: brand identity impacts on customers' satisfaction of the brand positively.

Trust

Brand trust is a degree of brand capability and capacity in meeting its promises [31]. Customers tend to conceive the identity of those brands that are more capable to meet the promises and confidence. Confidence to a brand in customer perspective is a psychological variable which leads into a set of assumptions on brand credibility, integrity and benevolence by customers [38]. Brand credibility and integrity are respected in other researches as two main aspects in creating customers' trust [37]. Besides, one can measure the rate of brand trust by two brand reliability and brand tendency.

A brand with strong identity is a safe venue for customers since it mitigates distrust and risk in buying and consuming a product [78; 93]. The findings of some studies indicate that more famous brands are likely enjoyed more customers' trust. Conducted studies on brand identity show that strong brand identity would result in more customers' trust [18; 79]. On this basis, the third hypothesis of research can be provided as below:

H3: Brand identity impacts on customers' trust positively.

Relationship between perceived value and trust

In recent years, perceived value has been considered in many researches [72; 82; 87]. However, there are a little theoretical supports and studies on the relationship between perceived value and trust [80, 39]. Perceived value and trust have similar impacts on the relationship between satisfaction and loyalty [13]. The most empirical assessment on the relationship between perceived value and trust. Also, there is a direct relationship between equity and trust [81]. On this basis, the fourth hypothesis of research can be provided as below:

H4: Brand perceived value impacts on brand trust positively.

Relationship between consumer satisfaction and trust

Customers' trust to brand originates from their past experience on consuming branded products. Brand trust is shaped by various variables such as propaganda, word of mouth advertisement, under brand products and product satisfaction [55]. Many authors have defined satisfaction as a sensational response to a purchase circumstance [12; 15; 17; 76]. Trust brand will be created if the acquired feeling is positive. Satisfaction can lead into strengthening customers' decision to more participation with the company. Customers' satisfaction has favorable ramifications such as

cooperation, customers' long time tendency to company and loyalty and commitment [56]. Satisfaction is the precondition of trust and it paves the ground for trust [33]. Countless studies have examined the impact of satisfaction on trust [70;76; 91]. On this basis, the fifth hypothesis of research can be provided as below:

H5: Customers satisfaction impacts on brand trust positively.

Relationship between trust and brand loyalty

Brand loyalty is relatively biased behavioral reactions in shopping created among people over time to a brand and causes certain propensity to this brand during decision making process and a group of names that such person has in his/her mind [25]. Such reaction is a function of psychological and mental processes of a person. Customers' loyalty to a trading name leads into word of mouth propaganda, creating fundamental entry barriers for rivals, empowering the company in answering competitive threats, more selling, more income and mitigating customers' sensitivity to rivals' marketing efforts. High quantity of loyal customers to a trading name is considered as the property of a company and as the main index of brand equity. In the meantime, loyal customers' sensitivity to price changes is lower than non-loyal customers. In fact, loyalty leads into repetitive purchase of consuming goods. In marketing literature, brand loyalty concept is often synonym to such concepts as repeat purchase, preference, commitment and allegiance and these terms are used interchangeably [76]. Brand – customer relationship plays a vital role in building brand loyalty [27; 35]. Brand experience leads into brand loyalty, active reference to brand and brand profitability rising [63].

The platform of loyalty shapes always based on trust [69]. More customers' trust to brand, more their loyalty to brand. Hence, customer's purchase process is occurred without any costs and benefits assessment. Therefore, loyalty to a brand involves also brand trust [58]. Trust can be defined as customer's confidence by which he/she can rely upon seller until promised service delivery [4]. On this basis, building a reliable brand keeps the relationship between buyer and seller [4, 8]. Keeping this relation is loyalty to brand. Trust plays a vital role in building a strong relationship between customers – brand and has also a positive link with brand loyalty [76]. Customers' trust to a brand is improved and developed by positive beliefs on their expectations from the behavior of the organization and the performance of its products [4, 8]. Trust impacts increasingly over time on customers' loyalty and customers' trust to brand increase their brand loyalty [27].

Paramount researches have studied the role of trust in brand loyalty [7, 58; 61; 86]. The findings of such researches indicate that customers' trust to brand has a positive relationship to their loyalty to brand. On this basis, the sixth hypothesis of research can be provided as below:

H6: Customers' satisfaction impacts on brand trust positively.

Relationship between brand identity and loyalty

Brand loyalty concept is increasingly analyzed in marketing literature [30; 32; 39; 67]. Although there are many definitions on brand loyalty, the best definition is that loyalty reflects a deep sustainable commitment to repurchase and being a permanent customer of product or service in future [67]. Studies on brand loyalty within recent decade have addressed loyalty in two points: behavioral loyalty and attitudinal loyalty [16]. Behavioral loyalty refers to frequency and repeat of purchase by customers. Attitudinal loyalty refers to customers' mental commitment to purchase act like the intention to buy and the intention to sell. Attitudinal loyalty may not necessarily lead into real repeat of purchase behavior [44; 45]. In another categorization, brand loyalty can be divided into four groups: cognitive loyalty, affective loyalty, conative loyalty and practical loyalty [41].

As mentioned so far, brand identity relates to three variables of perceived value, satisfaction and trust. The relationship between brand trust and loyalty is also expressed. Hence, it is expected that brand identity impacts on brand loyalty indirectly and through equity, satisfaction and trust variables. On this basis, the seventh hypothesis of research can be provided as below:

H7: Brand identity impacts on brand loyalty positively indirectly and through equity, satisfaction and trust variables.

Relationship between brand loyalty and brand equity

Authors in brand field have provided diverse definitions on brand equity concept. Brand equity is (1) a set of brand – related assets and debts and name or symbol which subtract or add the provided value by a product or service to customers, (2) distinguished impact of brand knowledge on consumer's response to brand marketing, (3) the power may brand achieves through name, symbol or logo in the market, and (4) added – value of a product for a customer attributed to brand name [8; 48; 97]. If a customer believes that there are remarkable differences among brands and this constitutes an important part of his/her information regarding purchase decision, then the rate of customers' relying upon brand – based decision making will be increased. Brands especially those ones that enjoy high value are considered as the most valuable and powerful assets of an organization [9]. The structural relationships model is well established in consumer marketing, and knowledge produced from this model is useful for understanding how brand equity is developed and how it affects market performance in business markets [52].

Brand equity is seen in both marketing and financial literature [73]. By brand equity, we mean “customer – based brand equity” shown in marketing literature. Customer – based brand equity looks at brand value generating resources in customer's perspective [49]. Thus, brand power is hidden in what customers feel, see or hear over time through their experiences on brand [50]. Brand generates value for both customer and organization and the main resource of such value is hidden in customer and his/her mindset which shape the real value for organizational stakeholders [49]. Customer – based brand equity includes four aspects namely awareness, image, quality and loyalty [54]. Awareness points out an

individual's capability in identifying a trading name or mark which shows a certain class of products. Image originates from consumers' paramount conceptions in their minds toward a brand. Quality shows the quality of provided goods and services by a brand. Loyalty shapes via positive conceptions and feelings toward to a brand and leads into purchase repeat [62]. Satisfaction and loyalty intention as consequences of the overall value of brand equity [52].

Brand equity is an important marketing concept discussed widely by marketing authors and practitioners. Practitioners have also developed brand identity frameworks as illustrations of their experience in brand management [83]. One of the reasons is brand equity strategic and important role in managerial decisions and building a competitive advantage for organizations and their customers[14]. Many authors have described brand equity. Brand equity defined as a set of brand assets and debts related to a brand, its name and its symbol which increase or decrease the value of a product or service for customers [1]. Another definition of brand equity is as a different impact of brand knowledge on customers' response to brand marketing actions [2]. In another definition, brand equity is the power by which a brand may dominate the market through its name, symbol or logo [32].

Brand equity enables organizations to demand more sum in the extent of their brand in addition to keep their market share [59]. In 1991, David stated that brand equity increases the efficacy of marketing plans and customers' loyalty to brand, mitigates the costs and expenditures of promotional activities and creates a platform for its growth and development via brand expansion. Therefore, brand equity leads into brand profitability and creates cash flow for the organization [23]. A strong brand can be considered as the most valuable asset of a trading firm since it causes that organization can achieve more margin, better collaboration channels and other advantages [68]. Brand equity can distinguish markets or product and service demands [74].

An important affecting factor on brand equity is customers' loyalty to brand. There is a contradictory insight on the relationship between loyalty and brand equity. Many authors believe that brand loyalty is both input and output of brand equity, that is, brand loyalty both impacts on brand equity and is also impacted by it. More obviously, brand loyalty and brand equity impacts each other mutually [64]. However, loyalty impact on brand equity is often measures. In present study, the impact of loyalty on brand equity is also measured. Paramount studies have introduced brand loyalty as the most important affecting variable on brand equity. The findings show that only brand loyalty impacts on brand equity and other three variables have no impact on brand equity. A customer's evaluation of a brand includes awareness, image, quality, and loyalty dimensions[54]. The findings of their research confirmed a positive significant relationship between loyalty and brand equity.

In recent years, many researches are conducted on the relationship between loyalty and brand equity. Most of them have confirmed the radical role and positive impact of loyalty on brand equity [21; 22; 65]. On this basis, the eight hypothesis of research can be provided as below:

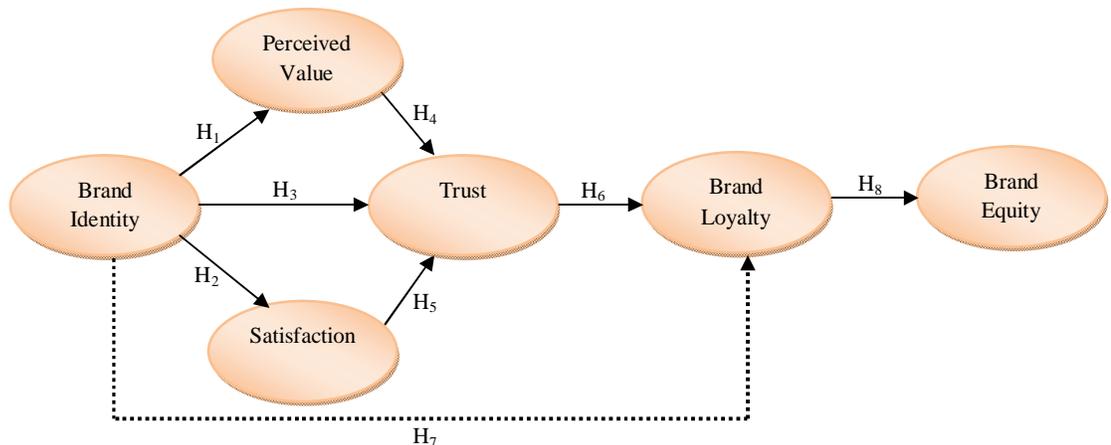
H8: Brand loyalty impacts on brand equity positively.

METHOD

Research method

Present study seeks to examine the impact of brand identity on two major constituents of brand namely brand loyalty and brand equity in food industry (dairy and meat products). In terms of problem and aim, this is an applied study and in terms of research method, it is interpretive and survey one. Questionnaire is used as a tool to collect data. Questions are designed by Likert five-point scale (completely agree, agree, neither agree nor disagree, disagree, completely disagree). Questionnaires were personally distributed among respondents. Research conceptual model and the framework of its hypotheses are outlined in figure 1. Direct and straight lines show direct relations without a mediator and crossed lines show indirect relation with a mediator.

Figure 1: research hypotheses and conceptual model



Analysis and results:

Measures

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In present research, six latent variables are measured: brand identity, brand perceived value, consumers' satisfaction, consumers' trust to brand, brand identity and brand equity. To measure each variable, a combination of varied items is used in different studies. To measure brand identity, four items are used that were utilized by Bhattacharya and Sen (2003) and all of them emphasize on distinguishing and prestigious. To measure brand perceived value three items are used that were utilized by Lassar [57]. To measure customers' brand satisfaction, four items are used. Many items have used these items to measure satisfaction [41; 88]. To measure trust latent variable, five items of He et al (2011) are used. Brand loyalty is measured in many researches. So, seven items on loyalty different aspects were selected [6; 41; 89; 95]. Finally, four indexes including product physical quality, brand awareness, lifestyle congruence, attachment. Three items were used to measure this index. Overall, twelve items were utilized to measure brand equity. Indexes and items were selected from different studies to measure brand equity [26; 29; 57; 65].

Structural Equation Modeling (SEM) is used to analyze the data and to test research hypotheses [11]. SEM is a strong multivariable analysis from multivariable regression which helps the author to test a set of regression equations simultaneously. Confirmatory Factor Analysis (CFA) is used to measure the fitness of provided model and the validity of the questionnaire.

Sampling method and sample size

To study the role of brand identity in loyalty development and brand equity, all customers of Kaleh Dairy and Meat Products Manufacturing Company in Tehran Metropolitan are considered as statistical population. Kaleh is a pioneer company in Iranian food industry, has a lot of customers in Iran and is well – recognized by customers. Since the number of its customers in Tehran is too high and it was impossible to list them and use simple random sampling, bi-step cluster sampling method is used. Initially, Tehran was divided into five north, east, west, south and center boroughs and then some big shops were randomly selected in each borough and those customers in these shops who have consumed Kaleh products were randomly asked. Sample size was 385 by using Kokaran formula to calculate an indefinite community.

Regarding sample size, confidence level ($\alpha = 0.05$) is calculated as 95% and estimation error as 5%. This figure shows that to achieve reliable results in such community, one should consider at least such sample size. On this basis, 500 questionnaires were distributed of which 476 ones were acceptable. Therefore, considered sample in this research consists of 476 subjects. In terms of gender, 56.4% of respondents were male and 43.6% were female. In terms of age, 42% of respondents were under 30 year-old, 49.5% were between 30 and 45 year-old, 8.5% were more than 45 year-old. Since brand issue is not properly established in Iran and is considered as an abstract concept. It is more recognized in academic level so it is tried to select the subjects from educated people. On this basis, 11.4% of respondents were high school or under it, 54.7% had associate are or bachelor and 33.9% had master or higher degrees.

Fit of the model

To determine the fit of the provided model, Goodness of Fit is considered by CFA shown in table 1. Each acquired index cannot alone be the reason of fit or unfit rather these indices should be described along with each other. Table 1 shows the allowed domination of indices. As seen in table 1, all indices are in the allowed domination. One can conclude that the model enjoys proper fit.

Table 1: model fit indices

Index	Figure	Allowed domination
χ^2	909.58	
Df	459	
χ^2/df	1.98	<3
RMSEA	0.035	<0.1
NFI	0.99	>0.9
NNFI	0.99	>0.9
CFI	0.99	>0.9
IFI	0.99	>0.9
GFI	0.92	>0.9
AGFI	0.91	>0.8
RMR	0.048	>0.05

Validity and reliability

To analyze internal structure of the questionnaire and to determine the validity, the results of CFA are used and both convergent validity and discriminate validity were tested. Convergent validity occurs when all standardized factor loading related to measuring variables and average variance extracted rate on latent variables (constructs) are greater than 0.5 [34]. The rates of factor loading and AVE index are shown in table 2. As seen in table 2, standardized factor loading and AVE for all variables is greater than 0.5. Discriminate validity occurs when AVE index for each construct is greater

than squared correlation coefficients of that construct or other constructs [34]. The rates of variable correlations are shown in table 3. As seen, AVE index for that construct or the same latent variable is greater than squared correlation coefficients of that construct or other constructs.

To measure the reliability, Chronbach’s alpha values are used which sold be greater than 0.7 to be accepted [66]. Chronbach’s alpha values for all constructs are shown in table 2 and all of them are greater than 0.7.

Table 2: standardized factor loading rates, Chronbach’s alpha and AVE

	Standardized factor loading	Chronbach’s α value	AVE
Brand identity		0.841	0.56
It is far from rivals	0.72		
It is high level (high class) and high quality brand.	0.67		
This brand is very popular.	0.78		
It is a distinguished brand.	0.82		
Brand perceived value		0.790	0.57
I feel satisfied on paying money to achieve the products of this brand	0.73		
The products of t s brand are priced well	0.82		
Concerning the advantages I acquire through this brand’s products, I think buying this brand is a good transaction	0.70		
Consumers’ satisfaction		0.868	0.63
I’m satisfied of this brand’s products completely.	0.75		
I’m sure that I will be always satisfied of this brand’s products.	0.81		
I’m only satisfied of the products of this brand.	0.82		
I know that this brand will satisfy me in the best manner.	0.79		
Brand trust		0.880	0.59
I trust the products of this brand	0.75		
I have never faced with a bad experience in using the products of this brand	0.75		
This brand has a good credit among customers	0.77		
If this brand tells claims on its products/activities, they are certainly right	0.76		
This is an honest brand	0.79		
Brand loyalty		0.835	0.50
I believe that properties of its products are fully compatible to what I like	0.75		
I prefer its products to the products of other brands	0.67		
I have a negative attitude on this brand	0.72		
I like its traits and performance	0.76		
Its performance is repeatedly better than other brands’	0.75		
I always prefer its proposed products to other brands	0.45		
I always tend to test new products provided by this brand	0.75		
Brand equity		0.802	0.53
The products of this brand enjoy very good quality	0.74		
The products of this brand enjoy excellent traits	0.69		
The products of this brand enjoy proper packaging	0.74		
Kaleh is the first name which comes to my mind when I’m going to consume diary or meat products	0.74		
Watching Kaleh logo reminds me its name rapidly	0.71		
Through its advertisements, I get familiar with Kaleh’s new products adaptability with lifestyle	0.70		
This brand reflects my personal lifestyle	0.73		
Overall, this brand is in line with my lifestyle	0.77		
Consuming the products of this brand supports my lifestyle	0.73		
After consuming The products of this brand, my interest was increased	0.73		
I have positive personal feelings to this brand	0.81		
By using The products of this brand overtime, I was more interested to re-consume them			

Table 3: descriptive and correlation statistics

	Mean	1	2	3	4	5	6
1. Value	3.14	1.00					
2. Satisfaction	3.00	0.45	1.00				
3. Trust	2.92	0.50	0.80	1.00			
4. Loyalty	3.09	0.37	0.59	0.74	1.00		
5. Brand equity	2.95	0.37	0.59	0.75	0.89	1.00	
6. Brand identity	3.10	0.62	0.74	0.73	0.54	0.54	1.00

Hypotheses testing

The results of research hypotheses testing based on SEM are outlined in table 4. According to t statistic that showed in table 4, all hypothesizes of this paper confirmed in confident level 99% or 95%, except hypothesis 2. For example, in context hypothesis 1, brand identity variable impacts on brand perceived value in 99% level positively and significantly and the relationship between both variables is linear and direct. It means that by brand identity rising, brand perceived value is also increasing. Therefore, this hypothesis is supported. The β coefficient is 0.62 which shows that 1 unit increase in brand identity also increases brand perceived value as 0.62 with 99% possibility. The rate of r^2 is 0.44. It indicates that brand identity independent variable has been able to predict 44% of changes in brand perceived value dependent variable. For other hypothesizes testing can be act to same shape.

Table 4: the results of hypotheses testing

Hypothesis	T	(β) coefficient	Determining the ratio of dependent variables (r2)	Test result
H1	12.51**	0.62	0.44	Supported
H2	1.91	0.74	0.56	Not Supported
H3	3.37**	0.22	0.69	Supported
H4	1.96*	0.097	0.69	Supported
H5	9.61**	0.60	0.69	Supported
H6	14.66**	0.74	0.62	Supported
H7	13.01**	0.54	0.33	Supported
H8	16.44**	1.01	0.89	Supported

*p<0.05 **p<0.01

DISCUSSION

Present study aims at investigating important concepts in marketing namely brand identity, brand loyalty and brand equity and it measures the role of brand identity intra-organizational role in both brand loyalty and brand equity. In this line, a model on the relationships between key variables was proposed and confirmed after relevant analysis. The brand of Kaleh Dairy and Meat Products Company in a sample consisting of 476 customers in Tehran was studied. Data analysis shows the positive impact of brand identity on customers' loyalty development on brand the promotion of brand equity as well as supporting above hypotheses. Additionally, findings indicated that brand identity impacts on brand perceived value and customers' trust positively and directly. Also, brand trust impacts on brand loyalty positively and directly. Finally, brand loyalty impacts on brand equity positively and directly. However, the impact of brand identity on brand loyalty is indirect through brand perceived value, satisfaction and trust and the impact of brand identity on brand equity is also indirect and through brand perceived value, satisfaction and trust.

Managerial implications

Strong positive and significant impacts of brand identity on brand loyalty and equity as well as other variables namely customers' trust, perceived value and trust indicate that there is intensified competition between companies in food industries and they should pay more attention to brand identity concept and matter it. Today organizations have realized brand importance in part but they are not still aware of brand identity importance and reality. Organizations are looking for creating and developing loyalty while they neglect that the main root of both brand loyalty and equity originates from brand identity. Brand identity is shaping by brand owner and grows by customers. Companies should not use brand just for awareness and they should particularly pay attention to brand identity in customers' perspectives to invest on brands.

Present study confirmed the positive and indirect impact of brand identity on loyalty and equity through trust, perceived value and satisfaction variables. These variables can reveal high importance of brand identity in managers' perspectives partly.

Limitations and future research

Present research is facing with a few limitations that are necessary regarded by those authors who are going to keep on this route. First, it is conducted in food industry and in Iran. For more extendibility, it should be conducted in other industries especially servicing ones. By using provided model in other industries and communities, its extendibility will be high added. Second, this research has measured the impact of brand identity on brand loyalty and equity only though perceived value, trust and satisfaction variables. For future studies, authors can use other variables such as brand awareness, brand association, brand personality and brand image as mediating variables. Third, present study has only measured the impact of identity on loyalty and equity variables. Future authors can measure the impact of other variables like brand identification alongside brand identity on brand loyalty and equity. Fourth, present study has measured the role of brand identity only with regard to brand loyalty and equity. Future authors can measure the impact of brand identity on such concepts as supporting marketing activities, word of mouth propaganda and mitigating the costs of advertisements and promotions.

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