The Importance of National Identity and Religiosity for Customer Based Brand Equity

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Extended abstract

Customer based brand equity (CBBE) represents a well researched concept in marketing. However, one of the challenges for managing and improving the customer based brand equity is that, very often, same brand is perceived in a different way in different countries. Variations in the perception are dependent upon cultural characteristics of the customers at the particular market. Studies conducted in the SEE (South Eastern Europe) region have detected significant differences in the perceived brand equity of the former Yugoslavia-era brands, between their home and foreign markets (e.g. Brečić et al., 2013). Variations are linked to the cultural context of newly (re)emerging states with high ethnocentrism, animosity and uneasy political relationships. Transnational brands, however, appear immune to much of the consumer ethnocentrism. Our research develops and tests conceptual links between national identity and religiosity of consumers, and customer based brand equity by offering comparison of local and global brands.

Keller (1993) conceptualizes customer based brand equity through brand knowledge, brand awareness and brand image. In the essence, consumers firstly need to know the brand, then they should be aware of what does the brand represent, and then they form their opinion about the brand (demonstrated through the brand image). It is widely accepted that brand equity should be managed by companies as an intangible asset (Aaker, 2009), however the real valuation of the brand could not be done without knowledge about brand’s external manifestation with customers. Therefore, Keller’s conceptualization (1993) and research stream that follows it, put the effort to understand how customers create their perceptions and hence create the brand equity. Research has been done in terms of analysis of antecedents and consequences of CBBE (e.g. Atilgan, Akinci, Aksoy, & Kaynak, 2009; He & Li, 2010; Huang & Sarigöllü, 2012; Yoo & Donthu, 2001), measurement of brand equity (e.g. Buil, de Chernatony, & Martínez, 2013; Cuneo, Lopez, & Yague, 2012) and managerial aspect of brand equity (Besharat, 2010; Glynn, 2010). In this paper, we focus on the overall customer based brand equity, defined by Yoo and Donthu (2001, p. 1) as: “...consumers’ different responses between a focal brand and an unbranded product when both have the same level of marketing stimuli and product attributes. The difference in consumer response may be attributed to the brand name and demonstrates the effects of the long-term marketing invested into the brand.”
National identity and religious commitment are formed out of a set of values, and serve as a lens through which individuals perceive themselves and the world around them (Sood, 1995). National identity belongs to concepts that are ambiguous and hard to define. It refers to “...an individual’s identification with the nation-state...” it also refers to “a person’s sense of uniqueness, historical heritage and pride at the nation/country level” (Vida, Dmitrovic, & Obadia, 2008, p. 331). Religious commitment is defined as (Worthington et al., 2003, p. 85): “…the degree to which a person adheres to his or her religious values, beliefs, and practices and uses them in daily living”. Although this definition is used more for counseling and clinical purposes (Gartner, 1996; Worthington et al., 2003), in this research we applied it for analyses of differences in the perceptions of more and less religious consumers. Religious commitment is conceptualized through two dimensions, intra-personal and inter-personal religious commitment. Intra-personal religious commitment assesses whether people are intrinsically motivated and genuinely committed to their faith, while inter-personal religious commitment assesses whether people are extrinsically motivated, and focused on the use of religion (Swimberghe, Sharma, & Flurry, 2011).

Customer based brand equity is basically a perception that a customer holds of a particular brand. Therefore, we content that national identity and religiosity are interrelated with brand equity, as they represent personality traits that then help in shaping the consumer perceptions. Our aim is to test the effect that national identity and religiosity have on CBBE. Furthermore, we propose that these traits differ with different types of brands and that consumers’ lens will be different when it comes to local brands that could be connected with certain national and/or religious context than in the case of global brands that are known worldwide and that do not carry national identity or religious connotations. Therefore, in our conceptual model we hypothesize a significant influence of national identity and religious commitment on customer based brand equity for local brand. Furthermore, we also hypothesize an insignificant effect of both national identity and religious commitment when it comes to customer based brand equity for global brands.

In order to test our conceptual model, we selected a context of the SEE country, which is heterogeneous in terms of nationality and religion. A total of 371 cases were used to assess overall fit of the proposed model and to test hypotheses using covariance-based structural equation modeling. We used the existing scales for measurement of the main constructs of interest. Religious Commitment Inventory-10 (RCI-10) scale (Worthington et al., 2003) was used for the measurement of the religious commitment. The national identity construct was measured using selected items from Keilor and Hult’s (1996) NATID scale. In order to measure brand equity we adopted items of overall customer based brand equity from Yoo and Donthu (2001).

Main results of the research suggest that national identity and religious commitment do not have a significant influence on CBBE of the global brands. On the other hand, local brand equity perceptions appear to be largely dependent on respondents’ national identity and religious commitment. This confirms the conceptual model of the study. Interestingly, our model revealed that the behavioral and inter-personal component of religious commitment, which concerns the level of activity in organized religious activities, does not have a significant influence on CBBE of local brands while intra-personal component of religious commitment that describes the intrinsic religious cues significantly influence the CBBE of local brands. This opens two different streams of discussion. Firstly, it should be understood whether both components of religiosity influence consumers’ perceptions in the same way and why the internal one (intra-personal) is more important for brand evaluation than the external one (inter-personal). Secondly, inter-personal component of the religious commitment is insignificant only when the control for the religion is introduced in the model. Therefore, it should be checked how and why consumers belonging to different religions differ in the extrinsic religious commitment manifestations.
Findings of our research show different theoretical and practical implications. Firstly, we show that national identity and religious commitment explain CBEE of the local brands, while there is no significant effect of both antecedents for global brands. When it comes to managerial implications, we can conclude that it is important for local companies of the SEE region to consider different prejudices and specific consumer traits in the process of building brand equity of their brands. Those prejudices are stemming from ethnic and religious differences, together with stereotypes that would make a task worthy of further exploration.

References

