Original Article

Consumer–brand identification revisited: An integrative framework of brand identification, customer satisfaction, and price image and their role for brand loyalty and word of mouth

Received (in revised form): 2nd November 2016

Bastian Popp
is a Senior Research Fellow in Sports Business and Marketing at the Carnegie School of Sport of Leeds Beckett University, UK. From 2005 to 2016, Bastian was working at the Department of Services Management at the University of Bayreuth, Germany. His main research interests include brand management, value co-creation, social media, and sport management.

Herbert Woratschek
is Professor and Head of Department in Service Management at the University of Bayreuth where he is also responsible for BA, MA, and MBA programs in Sport Management. Herbert was extraordinary professor at the University of Trondheim, Norway, and visiting professor at the University of Calgary, Canada, at La Trobe University, Melbourne, Australia, and at the University of Auckland, New Zealand. His main areas of research include the service-quality-value-framework in various contexts, service-dominant logic, service quality, and sport management.

ABSTRACT **Consumer--brand identification has received considerable attraction among scholars and practitioners in recent years. We contribute to previous research by proposing an integrative model that includes consumer--brand identification, customer satisfaction, and price image to investigate the interrelationships among these constructs as well as their effects on brand loyalty and positive word of mouth. To provide general results, we empirically test the model using a sample of 1443 respondents from a representative consumer panel and 10 service/product brands. The results demonstrate that identification, satisfaction, and price image significantly influence both loyalty and word of mouth. Moreover, we find significant interrelationships among the constructs: Identification positively influences both satisfaction and price image, which also increases satisfaction. By disclosing the relative importance of three separate ways of gaining and retaining customers, this study helps**

Correspondence:
Bastian Popp, Carnegie School of Sport, Leeds Beckett University, Cavendish Hall 211, Headingley, Leeds LS6 3QU, UK.
E-mail:
b.popp@leedsbeckett.ac.uk

managers more appropriately choose the right mix of branding, pricing, and relationship marketing. From an academic point of view, our research is the first to explicitly examine the effects of the concept of identification for price management and to integrate variables from the fields of branding, relationship marketing, and behavioral pricing, which have separately been identified as particularly important determinants of marketing outcomes.
Journal of Brand Management (2017). doi:10.1057/s41262-017-0033-9

Keywords: consumer--brand identification; customer satisfaction; price image; brand loyalty; positive word of mouth

INTRODUCTION

Research has identified consumer–brand identification as one of the most important topics in marketing research and practice of the past decade (Lam, 2012). Many empirical studies report positive effects of higher degrees of identification on key indicators of marketing success, including customer satisfaction (Tuškej *et al*, 2013; Algesheimer *et al*, 2005; Ahearne *et al*, 2005), brand commitment (Tuškej *et al*, 2013), customer loyalty (Algesheimer *et al*, 2005; Homburg *et al*, 2009; Stokburger-Sauer *et al*, 2012; Wolter *et al*, 2015), repurchase (Kuenzel and Halliday, 2008), and willingness to pay a price premium (Del Rio *et al*, 2001; Haumann *et al*, 2014). Moreover, researchers emphasize that consumer–brand identification significantly increases customer extra-role behaviors, such as positive word of mouth (WOM), brand advocacy, and other supportive behaviors, for the benefit of the company (Ahearne *et al*, 2005; Stokburger-Sauer *et al*, 2012; Boenigk and Helmig, 2013; Wuyts, 2007).

The resultant increased focus on identity-based marketing strategies is accompanied by marketing researchers' and practitioners' observation that purely satisfaction-based loyalty strategies increasingly fail (Homburg *et al*, 2009). Continuously rising customer expectations challenge companies to fulfill or outperform these expectations, and customer satisfaction no longer suffices to differentiate from competitors. Consumer–brand identification therefore has developed into the new strong force in marketing in recent years.

As such, consumer–brand identification is considered as a crucial driver of marketing success (Bhattacharya and Sen, 2003). In particular, this construct stands out for its sustained, long-term effects on consumer behavior (Stokburger-Sauer *et al*, 2012) and its ability to forge long-term relationships (Boenigk and Helmig, 2013; 2003). As a consequence, marketers try to build high levels of brand identification among their customers.

Focusing on relational rather than transactional aspects, identity-motivated marketing relationships (Lam, 2012) are closely linked to relationship marketing, in which this perspective has already been well established (Grönroos, 2000; Bitner *et al*, 1997). In particular, Ahearne *et al* (2005) view the shift to identification as an expansion of the domain of relationship marketing, which helps to build even stronger customer relationships. Identification therefore seems to be the last step in the evolution of customer–company relationships, starting on a transactional basis, moving to a focus on enduring relationships, and ending in perceived oneness of consumers with brands.

This notion emphasizes the important role of brands as relationship facilitators and substantiates their relevance for consumer decisions (Chaudhuri and Holbrook, 2001). Today, for many consumers the symbolic value of a brand is more important than the physical attributes and functions of the product or service (Wolter *et al*, 2015). Rather, people choose their brands because of long-term, affect-laden relationships with them (Fournier, 1998). Therefore, it is not surprising that consumer–brand identification is extensively discussed in the literature on brand management mainly focusing on branding issues such as the co-creation of brand meaning in brand communities (Algesheimer *et al*, 2005; Schau *et al*, 2009) and consumer–brand relationships (Tuškej *et al*, 2013).

However, despite the positive findings of prior research on consumers' identification with a brand, we identify several important gaps in research on consumer–brand identification.

First, a shortcoming of many previous studies on consumer–brand identification is their focus on single brands that often possess high levels of symbolic meaning and evoke consumer commitment and emotional involvement, such as sports teams (Carlson *et al*, 2008), cars (Kuenzel and Halliday, 2008; Algesheimer *et al*, 2005), and smartphones (Lam *et al*, 2010). To better assess the true value of identification in marketing, studies should include multiple brands with different degrees of consumer–brand identification.

Second, empirical studies have not adequately addressed causal relationships between identification and many other constructs that have proved to play an important role in relationship marketing. In particular, prior research provides an insufficient picture of the relationship between customer–brand identification and customer satisfaction; this relationship is either not discussed (Homburg *et al*, 2009) or analyzed in specific contexts, such as donors (Boenigk and Helmig, 2013), car owners (Kuenzel and Halliday, 2008), or online communities (Casalo *et al*, 2010). As a result, the relationship between both constructs and the relative importance of each for key marketing outcomes remains unclear.

Third, and partly a result of the previous issue, we observe a lack of adequate integration of identification into many traditional theories and models established in relationship marketing, such as the widely used service-profit chain (Heskett *et al*, 1994). Similar shortcomings apply to many other traditional approaches that explain long-term relational outcomes using a relationship marketing perspective, which neglect value co-creation triggered by consumer–brand identification (Gwinner *et al*, 1998; Hennig-Thurau *et al*, 2002). Therefore, with the evolution of knowledge on the relevance of identification, we propose reconsidering traditional models and exploring how they should be altered in accordance with these findings.

Fourth, we also observe little attempt to integrate the concept of identification into the broader field of marketing research. Instead, existing literature has predominantly examined consumer–brand identification from the perspective of brand management and relationship marketing, thereby predominantly focusing on the role of the construct in consumer–brand relationships and relationship variables. Specifically, to the best of our knowledge, research has not attempted to empirically examine the causal relationships between consumer–brand identification and pricing, though the management of price perceptions entails great opportunities for management (Steiner *et al*, 2013). An explanation for this surprising research gap might be that relationship marketing and branding have made customers less price sensitive by providing them with added value, that is, something that is not physically part of the product (Grönroos, 1997). As a result, marketing scholars have increasingly focused on relationships and brands, thus neglecting the role of price perception in the management of customer satisfaction and customer loyalty (Steiner *et al*, 2013; Varki and Colgate, 2001). However, price still plays a considerable role even for branded products because it may have a stronger influence on consumers' assessment of a brand than quality (Voss *et al*, 1998), and it is directly linked to profitability (Homburg *et al*, 2005a). Hence, an important field of marketing has remained vastly untapped in relationship marketing (Varki and Colgate, 2001; Steiner *et al*, 2013).

Consequently, the aim of our study is to gain insights into these research gaps by broadening the scope of research on consumer–brand identification and integrating the different lines of research on identification, satisfaction, prices, and loyalty. In particular, we develop and empirically test an integrative model that illustrates a comprehensive view of the relationships between consumer–brand identification and other crucial psychological constructs in marketing (customer satisfaction and price image) and key indicators of economic success (customer loyalty and positive WOM). In doing so, we particularly address the following research questions:

1. How is consumer–brand identification related to customer satisfaction and consumers' evaluations of prices?
2. What is the relative importance of consumer–brand identification, customer satisfaction, and price image for retaining customers (i.e., brand loyalty) and gaining new customers (i.e., positive WOM)?

We organize the remainder of the article as follows: We first outline the conceptual framework of our research, providing relevant literature and developing the hypothesis of a structural model that depicts the relationships among consumer–brand identification, customer satisfaction, and price image as well as their effects on brand loyalty and positive WOM. Then, we describe the research design and the results of our empirical study and discuss our findings. Next, we outline some implications for an integrative marketing strategy that combines activities from branding, relationship marketing, and pricing. To conclude, we address some limitations of our research and suggest directions for further research.

CONCEPTUAL FRAMEWORK AND HYPOTHESES

The conceptual framework of our research primarily integrates fundamental aspects of the consumer–brand relationship and their effect on customer in-role behavior (brand loyalty) and extra-role behavior (positive WOM). In particular, we draw on prior research on consumer identification, customer satisfaction, behavioral pricing, and brand loyalty because research has separately identified these constructs as particularly important determinants of marketing outcomes and finally profits.

Consumer–brand identification

Brands have become an important driver of consumer behavior because they carry symbolic meanings that consumers use for developing their sense of self, constructing their (personal and social) identities, and achieving self-representation goals (Belk, 1998). Mainly based on a theoretical foundation in social identity theory (Tajfel and Turner, 1986), marketing scholars have examined consumer identification with regard to several targets of identification consumers may identify with, including companies (e.g., Ahearne *et al*, 2005; Bhattacharya and Sen, 2003), brands (e.g., Stokburger-Sauer *et al*, 2012; Lam *et al*, 2010; Tuškej *et al*, 2013; He *et al*, 2012), and brand communities (e.g., Algesheimer *et al*, 2005; Stokburger-Sauer, 2010). From their prominence and crucial relevance for consumer decisions in particular, brands have gained attention as a target of identification among scholars and practitioners. Research has consensually defined consumer–brand identification as a consumer's psychological state of perceiving, feeling, and valuing his or her belongingness with a brand (Lam *et al*, 2013). This definition illustrates the tripartite conceptualization of identification as including cognitive, affective, and evaluative aspects (Tajfel and Turner, 1986). Moreover, identification is considered an active, selective, and volitional act motivated by the satisfaction of one or more self-definitional needs that depends on the central, distinctive, and enduring characteristics of an object of identification (e.g., a brand) as perceived by the customer (Bhattacharya *et al*, 1995).

In the following, we aim to illustrate how this previously outlined psychological state of consumer–brand identification is related to satisfaction and pricing. We also investigate how important each of these three predominantly independent research streams is for both customer loyalty and the acquisition of new customers.

Customer loyalty

Oliver (1999, p. 34) defines customer loyalty, or brand loyalty, as "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior." Customer loyalty has emerged as one of the most important objectives of marketing activities and has proved to be one of the main drivers of profit (Hallowell, 1996).

Although brand loyalty is closely related to consumer–brand identification, there is a clear conceptual distinction between both constructs: In contrast to identification, brand loyalty represents a positive attitude toward the brand, while consumers' self and the brand remain separate (Ashforth *et al*, 2008). Moreover, brand loyalty refers to the behavioral perspective and has a more action-oriented focus. Therefore, both constructs have been established as separate latent variables and received a great deal of attention among marketing scholars (Haumann *et al*, 2014).

Theoretical considerations provide ample support for positive effects of consumer–brand identification on brand loyalty. First, loyal behavior strengthens the consumer's feeling of belongingness and fulfills his or her self-definitional need (McMillan and Chavis, 1986). Second, consumers who exhibit a higher degree of identification stay loyal to the brand to avoid losing emotional benefits they derive from the brand (Ahearne *et al*, 2005; Bhattacharya and Sen, 2003). Third, social identity theory suggests that people with high levels of consumer–brand identification exhibit supportive behaviors toward the brand (e.g., staying loyal to the brand) to raise its status (Kim *et al*, 2010). In other words, their identification motivates them to contribute to the brand's goals (Bhattacharya and Sen, 2003). Recent empirical studies also lend support to the assumption of a positive relationship between consumer–brand identification and brand loyalty (Homburg *et al*, 2009; Boenigk and Helmig, 2013; Lam *et al*, 2010; Kuenzel and Halliday, 2008; Bergkvist and Bech-Larsen, 2010). Thus, we propose our first hypothesis:

Hypothesis 1 A higher level of consumer–brand identification positively influences brand loyalty.

Positive word of mouth

The supportive behaviors for the benefit of the brand caused by high levels of consumer–brand identification may result not only in increased repurchase intentions but also in customer extra-role behaviors, such as positive WOM (Ahearne *et al*, 2005; Stokburger-Sauer *et al*, 2012; Boenigk and Helmig, 2013; Wuyts, 2007). We consider this an important aspect of identification; positive WOM, understood as favorable WOM passed on by a customer about a certain product or service, represents a powerful instrument in marketing. As WOM is characterized by high trustworthiness and a wide reach, it is considered to be an effective instrument for shaping consumers' attitudes and behaviors (Brown *et al*, 2005). Empirical research has demonstrated its ability to increase sales (Chevalier and Mayzlin, 2006) and sales performance (Eisingerich *et al*, 2014). Moreover, marketers consider it a particularly valuable instrument for acquiring new customers (von Wangenheim and Bayón, 2007). While some researchers treat WOM as an integral part of a multidimensional customer loyalty construct (Sirdeshmukh *et al*, 2002; Jones and Taylor, 2007), Söderlund (2006) empirically demonstrates that combining repatronage intentions and word-of-mouth intentions may conceal significant aspects of loyalty and its relation to other constructs in the nomological net. We therefore subscribe to the notion of positive WOM as a separate, unique construct (Gruen *et al*, 2006; Maxham III, 2001).

Positive WOM as a result of strong customer–company relationships and as a form of displaying loyalty to the company is a widely known phenomenon in relationship marketing (Bettencourt, 1997). Recently, research has also conceptualized positive WOM as stemming from consumer–brand identification. This is theoretically substantiated by the idea that saying positive things about a brand helps a consumer express his or her own self-identity (Arnett *et al*, 2003). In particular, the greater the degree of overlap between the brand and the self, the more likely the consumer will say positive things about the brand to others (Brown *et al*, 2005). Empirical research on the relationship between identification and positive WOM (Ahearne *et al*, 2005; Kuenzel and Halliday, 2008; Tuškej *et al*, 2013; Brown *et al*, 2005) or brand advocacy (Stokburger-Sauer *et al*, 2012) supports this claim.

Hypothesis 2 A higher level of consumer–brand identification positively influences positive WOM.

Customer satisfaction

Before the rise of identity-motivated marketing relationships, customer satisfaction was a dominant research area in service marketing (Fisk *et al*, 1993; Kunz and Hogreve, 2011), with research identifying this construct as an important determinant of customer loyalty and, thus, higher profits (Szymanski and Henard, 2001; Hallowell, 1996). Therefore, investigations of the relevance of consumer–brand identification for brand loyalty and positive WOM also need to take into account customer satisfaction both for modeling relationships between identification and satisfaction and for comparing the influence of these important drivers of loyalty and positive WOM.

The dominant model for conceptualizing and measuring customer satisfaction is the expectancy disconfirmation paradigm (Oliver, 1980). Thereafter, customer satisfaction occurs when the performance of a product or service meets or exceeds the customer's expectations (Oliver, 1980). In this research, we follow this performance-focused conceptualization of satisfaction, under which price is not included as part of the satisfaction judgment (Homburg *et al*, 2005a). We further take on a cumulative perspective, which is based on repeat purchases, of satisfaction because it better explains loyalty behavior than transaction-specific satisfaction, which is based on a single experience (Olsen and Johnson, 2003).

Several behavioral theories, including the theory of cognitive dissonance

(Festinger, 1957), learning theories (Nord and Peter, 1980), and risk theory (Cox, 1967), are useful for explaining the causal effect of customer satisfaction on brand loyalty. Indeed, empirical studies from various contexts have shown that customer satisfaction positively influences brand loyalty (e.g., Szymanski and Henard, 2001; Homburg *et al*, 2009; Boenigk and Helmig, 2013). Therefore, we also assume this relationship in Hypothesis 3:

Hypothesis 3 A higher level of customer satisfaction with a brand positively influences brand loyalty.

Moreover, marketing research has identified a variety of theoretical reasons for a positive relationship between customer satisfaction and positive WOM, including altruism, reduction in cognitive dissonances, or the need to present the self in a positive light (Dichter, 1966; Arndt, 1967). Indeed, several researchers have found strong empirical support for a significant effect of satisfaction on customer referrals (e.g., Brown *et al*, 2005; von Wangenheim and Bayón, 2007). In line with this research, we propose that customer satisfaction with a brand exerts a positive effect on positive WOM.

Hypothesis 4 A higher level of customer satisfaction with a brand positively influences positive WOM.

Although customer satisfaction has been established as an integral part of customer relationships and identification has recently been identified as another crucial element of consumer–brand relationships, empirical studies that include both constructs are scarce. Only a few studies have simultaneously integrated identification and satisfaction into one empirical model. For instance, Homburg *et al* (2009) model a satisfaction-based path and a social identity-based path of the service-profit chain but do not account for a relationship between customer satisfaction and customer–company identification. However, theoretical considerations and empirical research indicate that both constructs are related to each other, though prior studies disagree on the direction of this link.

On the one hand, research argues that satisfied customers have fulfilled their self-definitional needs and thus are more likely to ascribe positive identity to the target of identification, which in turn increases identification (Bhattacharya *et al*, 1995; Arnett *et al*, 2003). Following this notion, some scholars have advanced models that feature a path from satisfaction to identification (e.g., Boenigk and Helmig, 2013; Kuenzel and Halliday, 2008), and Kuenzel and Halliday (2008) even demonstrate that a rival model in which identification is antecedent to satisfaction decreases model fit. Nevertheless, on the other hand, research treats identification more often as an antecedent of customer satisfaction (Stokburger-Sauer *et al*, 2008; Casalo *et al*, 2010; He *et al*, 2012; Millán and Díaz, 2014; Pérez and del Bosque, 2015). These studies argue that by fulfilling a basic self-definitional need, highly identified consumers derive additional benefits, which positively influence their evaluations of company performance (Stokburger-Sauer *et al*, 2008; Fournier, 1998). Moreover, consumer–brand identification enhances satisfaction by a more favorable overall judgment due to affective attachment with the brand (Chaudhuri and Holbrook, 2001; Millán and Díaz, 2014). In addition, the antecedent role of identification is justified by the notion that brand identification regularly occurs even before people become customers (He *et al*, 2012; Bhattacharya and Sen, 2003). Identification is also a long-term disposition of the customer and is directed toward a relationship (Haumann *et al*, 2014) and thus influences each transaction and satisfaction as transaction-oriented construct. Therefore, we follow these convincing arguments and assume that consumer–brand identification is an antecedent of customer satisfaction, rather than the other way around.

Hypothesis 5 A higher level of consumer–brand identification positively influences customer satisfaction with a brand.

Behavioral pricing

Compared with the emphasis of customer satisfaction and consumer–brand identification in relationship marketing, less research has examined the role of price perceptions and evaluation on customer retention and positive WOM. This is surprising because Fornell *et al* (1996) report that price plays an important role in various industries and in two of seven cases was even more important than perceived quality. The lack of integration of the different origins of customer retention and WOM is even more surprising, considering that prices are particularly important in services because of the variable, demand-based pricing that occurs in this context (Voss *et al*, 1998). Yet, despite these findings, the relationship between identification and price evaluation has not been investigated, and only a few studies have explicitly addressed the relationship between prices and satisfaction (Varki and Colgate, 2001; Steiner *et al*, 2013). Therefore, in addition to the relationship-oriented variables of consumer–brand identification and customer satisfaction, our research integrates the price image construct to broaden the scope of identification to the field of behavioral pricing.

In general, brands play an important role in price perception and evaluation because they lead to product differentiation and provide additional meaning to consumers (Mela *et al*, 1997). Satisfied customers are willing to pay higher prices (Homburg *et al*, 2005b) and loyal customers are less price sensitive (Mela *et al*, 1997). In line with these findings, retailers promote strong brands more frequently and pass on their trade deals compared to brands with weak loyalty (Allender and Richards, 2012). However, retailers and brand owners need to be cautious with price promotions because these make loyal, and particularly nonloyal, customers more sensitive to price (Mela *et al*, 1997). For these reasons, and in light of the recent technological advances that have empowered consumers with tools to gather price information (Hamilton and Chernev, 2013), continuously investigating strategies to manipulate consumers' price perceptions is important. Despite these considerations, price perception has been neglected in relationship marketing even though relationships can detract consumers' focus on price by building strong satisfaction-based relationships (Grönroos, 1997). Therefore, and in view of the emergence of consumer–brand identification in marketing research, we investigate the relevance of this construct for price perception.

In line with our focus on consumers, we investigate consumers' price perceptions – that is, the perceived price, not the real (i.e., objective) price (Dickson and Sawyer, 1990; Jacoby and Olson, 1977). Behavioral pricing has demonstrated that when consumers compare and evaluate offers, price image in particular is important for their decisions (Matzler *et al*, 2006; Hamilton and Chernev, 2013; Zielke, 2010). Research has predominantly investigated price image for retailers, identifying it as consumers' perceptions of the price level or relative price level of a retail store (Zeithaml, 1984). Zielke (2010) recently proposed a multidimensional view of price image, in contrast to the prevalent conceptualizations of price image as a one-dimensional construct that represents the categorical impression of the aggregate price level (Desai and Talukdar, 2003; Büyükkurt, 1986; Hamilton and Chernev, 2010). Thereafter, Nyström (1970, p. 134) defined price image as "buyer attitude towards price on the assortment level." Consequently, Hamilton and Chernev (2013) consider price image one particular aspect of a retailer's brand image.

We argue that the prevailing one-dimensional notion of price image as perceived price level can be easily applied to brands and that it offers a promising avenue to study price perception in the context of relationship marketing. As in the case of retailers, brands also commonly offer more than one product or service. Therefore, customers do not know or remember the actual prices of brands, but they encode the prices in meaningful ways (Zeithaml, 1984) and have price beliefs (Erickson and Johansson, 1985). Consequently, brand price images represent the way consumers perceive and evaluate prices.

Given that price image represents the perception of prices without taking quality differences into account (Zielke, 2010), use of this construct herein avoids confusions due to the role of price as an indicator of quality (Brucks *et al*, 2000; Zeithaml, 1988). Moreover, measurement of price image suggests it suitability in brand management. Unlike price perceptions of individual items, which tend to be nominally scaled and expressed in terms of a particular currency, price image is measured using ordinal scales (e.g., expensive vs. inexpensive) (Hamilton and Chernev, 2013; Zielke, 2006). Therefore, in line with the definitions of retailer price image, we define "brand price image" as the general belief about the overall level of prices that consumers associate with a brand (Hamilton and Chernev, 2013). Thus, price image matches the idea that consumers tend to make purchase decisions as simple as possible. From a company's point of view, price perception and price evaluation (and not real prices) deserve study because manipulation of customers' price perceptions is possible through a variety of means (Janiszewski and Lichtenstein, 1999).

Previous research suggests that price image positively influences brand loyalty. Research in a retailing context has particularly identified this causal relationship (Zielke, 2010; e.g., Hamilton and Chernev, 2013); however, ample evidence shows that this assumption also applies to brands and companies in general. For example, previous empirical models feature price perception as an aspect of "perceived value" (Johnson *et al*, 2006) or "value" (Sirdeshmukh *et al*, 2002), thereby demonstrating the positive effect of price image on loyalty. Bolton and Lemon (1999) further observe a positive influence of price on service usage. This substantiates Keaveney's (1995) findings from a qualitative study of customer switching behavior, which reveal that (more than half the studied) customers switched because of unfavorable price perceptions. Finally, Varki and Colgate (2001) show that price perceptions significantly affect customer retention. In line with research, we assume that the more favorable consumers judge the price, the more likely they are to buy this brand in the future.

Hypothesis 6 Brand price image positively influences brand loyalty.

From research on WOM and research on the relationship of WOM to price-related constructs, we further assume a positive effect of a favorable brand price image on consumers' intentions to recommend the brand. As Wirtz and Chew (2002) argue, people use WOM to reassure themselves in front of others, to gain support from others who share their opinions, to gain attention, to show connoisseurship, and to develop and enhance relationships. Sharing opinions of favorable prices can help consumers gain these "social benefits." For example, Matzler *et al* (2006) highlight the effect of perceived relative prices of a bank on WOM. Moreover, we substantiate the assumption of a positive influence of price image on positive WOM with the inverse findings of Xia *et al* (2004), who observe that consumers tend to spread negative WOM in the case of unfair prices; according to Hamilton and Chernev (2013), price fairness is closely related to price image.

Hypothesis 7 Brand price image positively influences positive WOM.

In general, scholars agree that perceived price images depend on the way consumers process available information and that price evaluation is a subjective process (Zielke, 2006; Hamilton and Chernev, 2013; Padula and Busacca, 2005). In their research in retail management, Hamilton and Chernev (2013) refute conventional wisdom that assumes that price image is mainly a function of average price level by demonstrating that several price- and nonprice-related factors contribute to price image formation. In particular, they identify consumer traits that are particular to the individual consumer and are relatively stable over time as important determinants of beliefs about prices and price image formation. Applying these findings on consumer-based drivers of price image to our research, we assume that consumer–brand identification is one of the crucial traits that influence price-level formation. In particular, we propose that consumers highly identified with a certain brand will evaluate prices more positively, because unfavorable price evaluations would also negatively affect themselves.

There are two more lines of reasoning for the positive relationship between consumer–brand identification and price image. First, research considers price image part of price satisfaction, which is a component of overall satisfaction (Lymperopoulos and Chaniotakis, 2008; Varki and Colgate, 2001). Thus, following the arguments in Hypothesis 3, we expect a positive effect of consumer–brand identification on price image. Second, consumers highly identified with a brand are more concerned with the product or service and are willing to pay higher prices for the brand (Del Rio *et al*, 2001). Therefore, we propose the following:

Hypothesis 8 Consumer–brand identification positively influences brand price image.

The central role of price perception in post-purchasing processes has also been substantiated by empirical findings on the influence of price on customer satisfaction. Although the relationship between price and satisfaction has not gained as much attention as the influence of service quality on satisfaction, several scholars have argued that favorable price perceptions increase customer satisfaction (Voss *et al*, 1998; Bolton and Lemon, 1999; Varki and Colgate, 2001; Siems *et al*, 2008; Herrmann *et al*, 2007). That is, when consumers compare their perceived benefits with their perceived monetary sacrifice, they will be more satisfied the more the benefits derived from the brand outweigh the price (Herrmann *et al*, 2007). Several empirical studies that show that favorable price perceptions lead to higher levels of customer satisfaction lend support to this assumption (Herrmann *et al*, 2007; Varki and Colgate, 2001). Empirical research has also demonstrated that similar conceptualizations of price, including price as a part of perceived value (McDougall and Levesque, 2000), price fairness (Martín-Consuegra *et al*, 2007), and price satisfaction (Lymperopoulos and Chaniotakis, 2008), have a positive impact on customer satisfaction. Moreover, Matzler *et al* (2006) show that relative price significantly influences price satisfaction, which is a component of customer satisfaction. Finally, Lam *et al* (2004) show that a favorable price-to-quality ratio (as part of customer value) enhances customer satisfaction. From these findings, we put forth the following:

Hypothesis 9 Brand price image positively influences customer satisfaction.

Figure 1 depicts the derived structural model and illustrates the assumed relationships of consumer–brand identification to other important psychological constructs (i.e., customer satisfaction and price image), as well as key indicators of economic success (i.e., brand loyalty and positive WOM).

EMPIRICAL STUDY

Sample and procedure

We empirically tested the structural model posited in Figure 1 with a quantitative study using an online questionnaire. Given the aim of our research to provide general results for a variety of major brands, data were collected by a representative German consumer panel (for descriptive, see "Appendix"). We included a balanced set of 10 service and product brands that provided both symbolic and functional benefits. In particular, respondents were randomly assigned to the following brands: L'Oréal, Coca-Cola, Volkswagen, Adidas, Phillips, Toshiba, T-Online, Deutsche Bank, Visa, and McDonald's. By doing so, we gathered data from 1443 customers for these product and service brands.

Measures

We adopted all measures from previous research. In the following, we briefly present key details of these measures; a complete list of the items used and the confirmatory factor analysis (CFA) results appear in Table 1. All construct items were measured on 7-point Likert scales, ranging from 1 (*strongly disagree*) to 7 (*strongly agree*). In particular, our conceptualization of consumer–brand identification integrates cognitive, affective, and evaluative aspects, and we measure it with seven items from Algesheimer *et al* (2005) and Stokburger-Sauer *et al* (2012). For both brand loyalty and positive WOM, we use three-item measurement scales from Algesheimer *et al* (2005). We also measure customer satisfaction with three items commonly used in marketing research (Homburg *et al*, 2009). For measuring perceived brand price image, we draw on Keiser and Krum's (1976) and Zielke's (2006) conceptualizations of price image.

RESULTS

Because all data come from the same respondents, there is potential for common method variance. As Podsakoff *et al* (2003) recommend, we reduced this by using existing scales, proximally separating measures of predictors and criterion variables, and ensuring the respondents' anonymity.

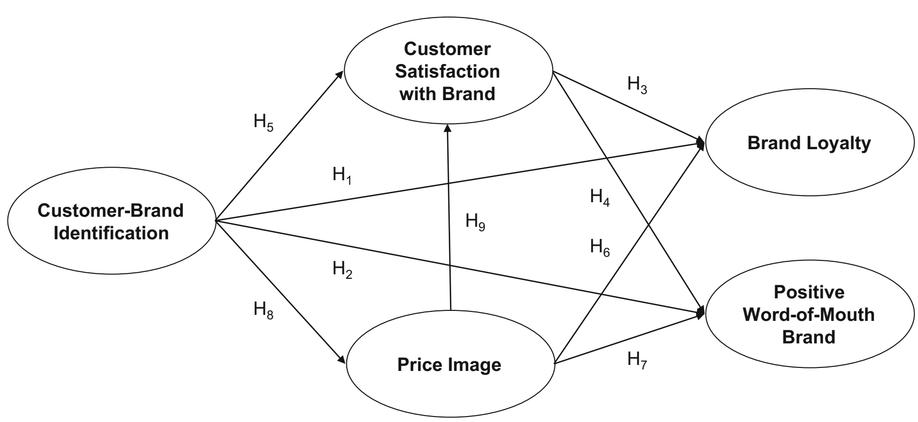

Figure 1: Integrative structural model for brand management and relationship marketing.

Table 1: Constructs and CFA results

Construct	*Item*	*Factor loading*
Consumer--brand identification (Algesheimer *et al*, 2005; Stokburger-Sauer *et al*, 2012)	This brand says a lot about the kind of person I am and I want to be	.82
	This brand's image and my self-image are similar in many respects	.87
	This brand plays an important role in my life	.90
	I am very attached to this brand	.94
	I feel a strong sense of belonging to brand X	.96
	Brand X has a great deal of personal meaning for me	.95
	Brand X embodies what I believe in	.91
Consumer--brand satisfaction (Homburg *et al*, 2009)	All in all I am very satisfied with this brand	.92
	"My experiences with this brand meet my expectations of ideal conceptions"	.91
	The performance of this brand has fulfilled my expectations	.93
Price image (adapted from Keiser and Krum, 1976; Zielke, 2006)	The price of this brand is less than the price of other brands in this product group	.88
	The price of this brand is rather low	.90
	The regular price level (without special offers) of this brand is very low	.75
	Products or services of this brand are cheaper than offers of other brands of the same quality	.78
Brand loyalty (Algesheimer *et al*, 2005)	I intend to buy this brand in the future	.84
	I would actively search for this brand in order to buy it	.84
	I intend to buy other products of this brand	.85
Positive word of mouth (Algesheimer *et al*, 2005)	I hardly miss an opportunity to say good things about this brand to others	.92
	I will actively encourage friends or relatives to buy this brand	.95
	If friends or relatives were to search for such a product or service, I would definitely recommend this brand	.89

Note: All items used a 7-point scale, ranging from *strongly disagree* (1) *to strongly agree* (7); $\chi^2 = 1386.990$, $\chi^2/df = 8.67$, comparative fit index = .98, Tucker--Lewis Index = .98, root mean square error of approximation = .08, and standardized root mean square residual = .04.

Moreover, to assess the reliability and to control for the panel respondents' consistency motif, which may cause common method bias, we applied Harman's (1976) single-factor test, which demonstrated that none of the factors accounted for the majority of covariance among items. Given these findings, common method bias is not a serious threat to our analyses (Podsakoff *et al*, 2003).

Further analysis followed Anderson and Gerbing's (1988) two-step procedure and implemented the covariance-based approach of structural equation modeling (Jöreskog, 1978). We estimated both the measurement model and the structural model using the software LISREL 9.10 and the maximum likelihood method. The measurement model performed well, and no significant differences between a subsample comprising the product brands and a subsample comprising the service brands were found. Unidimensionality of all constructs was checked by exploratory factor analyses. Thereafter, the psychometric properties of our measures were assessed by CFA. The goodness-of-fit-statistics for the complete measurement model provided in Table 1 indicate a good fit to the data and, together, meet the standards suggested in the literature (Bagozzi and Yi, 2012). Table 1 further shows the individual items and their loadings, all of which were significant and greater than .70.

Table 2 provides other relevant psychometric properties and the correlation matrix for the CFA model, ensuring internal consistency and reliability of the measurement model. In particular, all average variances extracted (AVEs) exceeded .50, Cronbach's alpha values exceed .70, and all construct reliabilities were greater than .70, thus indicating excellent reliability and convergent validity of our construct operationalizations (Bagozzi and Yi, 2012). Furthermore, we checked for discriminant validity using Fornell and Larcker's (1981) criterion, and, as recommended, for all constructs, the square root of the AVE exceeded the factor correlations.

The structural equation model provides a good fit to the empirical data ($\chi^2 = 1526.461$, comparative fit index = .98, Tucker–Lewis Index = .97, standardized root mean square residual = .05, root mean square error of approximation = .09). Table 3 provides the estimated path coefficients of the proposed hypothesis and t-values.

We found strong support for all proposed hypotheses. All the path coefficients reveal the expected positive sign and are statistically significant ($p < .01$). In particular, our analysis shows that consumer–brand identification has a major direct effect on brand loyalty (Hypothesis 1: $\beta = .43$, $t = 16.32$, $p < .01$) and positive WOM (Hypothesis 2: $\beta = .65$, $t = 27.16$, $p < .01$). In addition, we find that both customer satisfaction and price image influence brand loyalty (Hypothesis 3: $\beta = .42$, $t = 17.38$, $p < .01$; Hypothesis 6: $\beta = .09$, $t = 3.68$, $p < .01$) and positive WOM (Hypothesis 4: $\beta = .18$, $t = 9.62$, $p < .01$; Hypothesis 7: $\beta = .15$, $t = 7.35$, $p < .01$). Moreover, we reveal that price

Table 2: Means, standard deviations, internal consistency, reliability, AVEs, and correlation matrix for CFA model

Constructs	*M*	*SD*	*α*	*CR*	*AVE*	*1*	*2*	*3*	*4*	*5*
1. Consumer--brand identification	2.69	1.64	.97	.97	.82	*.91*				
2. Customer satisfaction with brand	5.07	1.49	.94	.94	.84	.41	*.92*			
3. Price image	3.00	1.26	.90	.90	.69	.45	.33	*.83*		
4. Brand loyalty	3.86	1.78	.88	.88	.71	.64	.62	.41	*.85*	
5. Positive word of mouth	3.14	1.74	.94	.85	.74	.79	.49	.49	.75	*.86*

Note: *M* mean (calculated by averaging respective item scores), *SD* standard deviation, α Cronbach's alpha, *CR* composite reliability; the diagonal (in italics) shows the square root of the AVE for each construct; the off-diagonal numbers represent the correlations among constructs.

Table 3: Results of hypothesized model

Hyp.	*Path*	*Standard coefficient*	*t-value*	*Hypotheses*
H_1	Consumer--brand identification → customer loyalty	.43	16.32**	Supported
H_2	Consumer--brand identification → positive word of mouth	.65	27.16**	Supported
H_3	Customer satisfaction → customer loyalty	.42	17.38**	Supported
H_4	Customer satisfaction → positive word of mouth	.18	9.62**	Supported
H_5	Consumer--brand identification → customer satisfaction	.33	11.35**	Supported
H_6	Price image → customer loyalty	.09	3.68**	Supported
H_7	Price image → positive word of mouth	.15	7.35**	Supported
H_8	Consumer--brand identification → price image	.45	16.42**	Supported
H_9	Price image → customer satisfaction	.18	6.10**	Supported

Note: $^{**}p < .01$; $\chi^2 = 1526.461$, $\chi^2/df = 9.48$, comparative fit index = .98, Tucker--Lewis Index = .97, root mean square error of approximation = .09, and standardized root mean square residual = .05.

image is positively associated with customer satisfaction (Hypothesis 9: $\beta = .18$, $t = 6.10$, $p < .01$). Finally, our analysis demonstrates that consumer–brand identification positively influences both customer satisfaction (Hypothesis 5: $\beta = .33$, $t = 11.35$, $p < .01$) and price image (Hypothesis 8: $\beta = .45$, $t = 16.42$, $p < .01$), thereby exerting indirect effects on brand loyalty and positive WOM.

Analyzing the total effects of identification, satisfaction, and price image (see Table 4), we can conclude that consumer–brand identification has the strongest impact on both brand loyalty and positive WOM. Customer satisfaction is the second strongest determinant of brand loyalty, and price image has the weakest, but still significant, effect on brand loyalty. With regard to positive WOM, consumer–brand identification is by far the most important, whereas both satisfaction and price image contribute approximately evenly to positive WOM.

In total, consumer–brand identification, customer satisfaction, and price image explain 59 per cent of the variance of brand loyalty and 70 per cent of positive WOM. These moderate to substantial values of the squared multiple coefficient of correlation (R^2) indicate moderate to substantial statistical power of our empirical model (Chin, 1998). Although many other relevant variables can influence brand loyalty and positive WOM, the observed R-square values highlight the crucial role of the antecedents studied in our model. Moreover, the R-square values for price image ($R^2 = .17$) and customer satisfaction ($R^2 = .17$) show that consumer–brand identification (for customer satisfaction together with price image) considerably contributes to the explanation of both latent variables.

DISCUSSION

Our main research purposes were to propose and empirically test a model that integrates consumer–brand identification with customer satisfaction and price image and to examine the interrelationships among these latent variables and their effects on brand loyalty and positive WOM. By doing so, we help to explain the different but interrelated ways to retain and gain customers. Overcoming insufficient considerations of the relationship between identification and satisfaction (Homburg *et al*, 2009) and clarifying contradictory findings on the direction of the relationship (Boenigk and Helmig, 2013; He *et al*, 2012), we show that consumer–brand identification substantially influences customer satisfaction. Moreover, our comprehensive integration of identification and satisfaction into a framework of determinants of brand loyalty and WOM extends previous findings from Kuenzel and Halliday (2008). In their study on the direction between satisfaction and identification, the authors assume that either identification completely mediates the effect of satisfaction on brand loyalty and

Table 4: Total effects

Construct	*Brand loyalty*		*Positive WOM*	
	Total effect	*t-value*	*Total effect*	*t-value*
Consumer--brand identification	.64	23.36**	.79	32.77**
Customer satisfaction with brand	.42	17.38**	.18	9.62**
Price image	.16	5.78**	.18	5.19**

*$p \leq 0.01$

WOM or that satisfaction completely mediates the effect of identification on both target constructs. Above, we pointed out that the effect of identification on customer loyalty does not necessarily have to be mediated by satisfaction, but could also be a direct effect (e.g., loyal football fans who are dissatisfied with the team performance; fans of a mobile phone brand who stay loyal even in times of product failure). By considering this additional direct link in our conceptual model, we demonstrate the fundamental role of identification for brand relationships and brand-related behaviors.

Based on behavioral pricing, we include the price image construct in our model. As a consequence, we uncover the effects of consumer–brand identification on consumers' price perceptions as we demonstrate that consumers highly identified with a brand evaluate the price of a product or service more favorably than other consumers. This insight is particularly valuable, given that prior research has emphasized the importance of perceived prices for consumer purchase and satisfaction and has called for further research in relationship marketing on the topic (Herrmann *et al*, 2007; Martín-Consuegra *et al*, 2007).

The observed significant direct effects of consumer–brand identification on brand loyalty and positive WOM demonstrate that this construct fundamentally affects both customer retention and the acquisition of new customers. In line with previous research that highlights the emergence of customer extra-role behavior from identification (Ahearne *et al*, 2005; Stokburger-Sauer *et al*, 2012), we found stronger effects of identification on positive WOM than on brand loyalty. This is plausible because the question whether a consumer rebuys a certain product or service depends on more factors other than a strong overlap between the consumer's self and the brand. For example, the available budget, competition, and other situational factors may prevent the consumer from buying the brand despite a strong identification with it.

Moreover, our research extends previous studies that include both loyalty and WOM as consequences of identification by simultaneously examining customer satisfaction. In doing so, we show that customer satisfaction differs in terms of its consequences: While its direct effect on repurchase is similar to the effect of consumer–brand identification, we observe considerably smaller effects on WOM. As a result of the positive association of consumer–brand identification with customer satisfaction as well as with price image, we illustrate that identification not only directly influences brand loyalty and positive WOM but also has significant indirect effects on both indicators of economic success.

IMPLICATIONS

Our research is the first to explicitly examine the role of identification for price management. Moreover, we integrate consumer–brand identification and behavioral pricing, two research streams in marketing that have not been linked before. We further contribute to prior research by including a diverse set of brands and selecting respondents from a representative consumer panel. Thus, we extend previous research on consumer–brand identification that has predominantly focused on a single brand (Homburg *et al*, 2009), supporters of nonprofit organizations (Bhattacharya *et al*, 1995; Boenigk and Helmig, 2013), or brand communities (Stokburger-Sauer, 2010; Algesheimer *et al*, 2005) – in other words, consumers who are explicitly aware of their identification with a brand. However, our findings show that the positive aspects of consumer–brand identification apply for a variety of brands with symbolic and functional benefits and are not limited to some outstanding examples.

Our findings not only confirm many previous views regarding the importance of customer satisfaction and consumer–brand identification. They lead to several new insights for researchers and to important managerial implications, because of the integrative perspective on key drivers of marketing success, including identification, satisfaction, and price. In particular, we contribute with a broad view of the marketing advantages of strong brands (Hoefler and Keller, 2003), which sheds more light on the significant interrelationships among identification, satisfaction, and prices and their effects on loyalty and WOM. Managers who focus entirely on one of these aspects do so at their own peril and may not be able to make full use of their opportunities.

As our results reveal, consumer–brand identification provides the "silver bullet" for relationship marketing because it entails widespread positive effects on several crucial determinants and indicators of relationship marketing success. The influence of consumer–brand identification on brand loyalty and word-of-mouth intentions exceeds the effects of customer satisfaction on these important targets. Building strong relationships based on consumer–brand identification can outperform the effects of customer satisfaction and pricing strategies. However, the relative importance of satisfaction in comparison with identification demonstrates that satisfaction becomes more important for repurchase intentions, though identification still has a stronger impact than satisfaction. Therefore, companies should pursue identity-based marketing strategies and make use of the direct effects of identification on both retaining customers (brand loyalty) and acquiring new customers (positive WOM).

Moreover, managers can foster consumer–brand identification as an additional instrument for increasing customer satisfaction and improving perceived prices. First, high levels of identification may help compensate product or service failures by positively influencing the customer's evaluation. Second, consumer–brand identification brings additional scope for pricing policy of companies with which consumers identify. In particular, companies that succeed in developing strong consumer–brand identification have the chance either to set higher prices than their competitors or to set similar prices that will be evaluated more positively.

With this crucial importance of identification, companies should strive to foster consumer–brand identification by drawing on social influence and symbolic and psychological antecedents of identification. Branding activities could include brandfests, consumer clubs, brand communities, public consumption, and customer integration. Moreover, interactive, social components that increase involvement in the brand or service may help build identification from its value, rareness, inimitability, and nonsubstitutability (Balmer, 2008) and thus create a sustainable competitive advantage.

In addition to the crucial importance of consumer–brand identification for sustainable success, our research should not be misinterpreted as a call for exclusively targeting high levels of identification. Instead, a complementary, mixed use of the different areas of marketing seems appropriate. Although pricing decisions are under the control of marketers more than changes in customer satisfaction or consumer–brand identification, the latter two bring about more sustainable effects. The key challenge for managers is deciding which aspect to emphasize in a particular situation or over a longer period. Together with previous research in the field of marketing, our findings may help practitioners find a better mix between these elements to ensure long-term success. For instance, Haumann *et al* (2014) recently studied the long-term effectiveness of customer satisfaction and customer–company identification on customer loyalty and willingness to pay, thereby demonstrating that the effects of identification were more persistent than the effects of customer satisfaction. Moreover, in another longitudinal study of cellular phone customers, Johnson *et al* (2006) demonstrate that early in the life cycle, perceived value (mainly based on the consumer's price perception) drives loyalty intentions, whereas over time, more affective attitudes toward the brand become more important. Our results corroborate these findings, as we demonstrate significant effects of consumer–brand identification, which is a long-term investment, and of customer satisfaction and pricing decisions, which are rather short-term investments.

Finally, given the significant interrelationships among identification, satisfaction, and price perception, managers should carefully consider the mutual dependencies among marketing strategies according to these aspects. Thus, we also advise managers to rethink traditional management models that focus on only one aspect (e.g., the satisfaction-driven service-profit chain; (Heskett *et al*, 1994). Integrating new concepts and drawing on a more comprehensive framework such as ours may help protect managers from making wrong decisions.

LIMITATIONS AND FURTHER RESEARCH

The central aim of this article was to offer an integrative perspective of consumer–brand identification, customer satisfaction, and perceived prices to provide insights into the importance of these constructs for retaining customers (i.e., brand loyalty) and gaining new customers (i.e., positive WOM). As such, our research ponders the causal relationships of these constructs, while ignoring other antecedents and consequences.

In particular, we link the underrepresented topic of pricing to the concepts of identification and customer satisfaction through price image. However, further research could substantiate our findings with other conceptualizations of perceived prices.

By using a balanced set of 10 product or service brands in our sample, our study was able to overcome the limitation of previous studies of focusing on single brand or specific contexts. However, our sample is limited to cross-sectional data, which does not allow for testing dynamic effects within the causal structure of our model. Longitudinal data or an experimental setting could help address this issue in further research.

Nevertheless, our research is a first step toward a more comprehensive perspective on marketing activities by (re)integrating pricing into the areas of identification and satisfaction, which are extensively examined in brand management and relationship marketing. The proposed model, which provides insights into the relationships among key constructs from the different research streams, therefore should encourage future studies with similar endeavors.

ACKNOWLEDGEMENTS

The consumer panel was made available at no cost by "arvato online services."

REFERENCES

Ahearne, M., Bhattacharya, C.B. and Gruen, T. (2005) Antecedents and consequences of customer-company identification: expanding the role of relationship marketing. *Journal of Applied Psychology* 90(3): 574–585.

Algesheimer, R., Dholakia, U.M. and Herrmann, A. (2005) The social influence of brand community: evidence from European car clubs. *Journal of Marketing* 69(3): 19–34.

Allender, W.J. and Richards, T.J. (2012) Brand loyalty and price promotion strategies: an empirical analysis. *Journal of Retailing* 88(3): 323–342.

Anderson, J.C. and Gerbing, D.W. (1988) Structural equation modeling in practice: a review and recommended two-step approach. *Psychological Bulletin* 103(3): 411–423.

Arndt, J. (1967) Word of mouth advertising and informal communication. In: D.F. Cox (ed.) *Risk Taking and Information Handling*. Boston: Harvard University Press.

Arnett, D.B., German, S.D. and Hunt, S.D. (2003) The identity salience model of relationship marketing success: the case of nonprofit marketing. *Journal of Marketing* 67(2): 89–105.

Ashforth, B.E., Harrison, S.H. and Corley, K.G. (2008) Identification in organizations: an examination of four fundamental questions. *Journal of Management* 34(3): 325–374.

Bagozzi, R.P. and Yi, Y. (2012) Specification, evaluation, and interpretation of structural equation models. *Journal of the Academy of Marketing Science* 40(1): 8–34.

Balmer, J.M.T. (2008) Identity based views of the corporation. *European Journal of Marketing* 42(9/10): 879–906.

Belk, R.W. (1998) Possessions and the extended self. *Journal of Consumer Research* 15(2): 139–168.

Bergkvist, L. and Bech-Larsen, T. (2010) Two studies of consequences and actionable antecedents of brand love. *Journal of Brand Management* 17(7): 504–518.

Bettencourt, L.A. (1997) Customer voluntary performance: customers as partners in service delivery. *Journal of Retailing* 73(3): 383–406.

Bhattacharya, C.B., Rao, H. and Glynn, M.A. (1995) Understanding the bond identification: an investigation of its correlates among art museum members. *Journal of Marketing* 59(4): 46–57.

Bhattacharya, C.B. and Sen, S. (2003) Consumer-company identification: a framework for understanding consumers' relationships with companies. *Journal of Marketing* 67(2): 76–88.

Bitner, M.J., Faranda, W.T., Hubbert, A.R. and Zeithaml, V.A. (1997) Customer contributions and roles in service delivery. *International Journal of Service Industry Management* 8(3): 193–205.

Boenigk, S. and Helmig, B. (2013) Why do donors donate? Examining the effects of organizational identification and identity salience on the relationships among satisfaction, loyalty, and donation behavior. *Journal of Service Research* 16(4): 533–548.

Bolton, R.N. and Lemon, K.N. (1999) A dynamic model of customers' usage of services: usage as an antecedent and consequence of satisfaction. *Journal of Marketing Research* 36(2): 171–186.

Brown, T.J., Barry, T.E., Dacin, P.A. and Gunst, R.F. (2005) Spreading the word: investigating antecedents of consumers' positive word-of-mouth intentions and behaviors in a retailing context. *Journal of the Academy of Marketing Science* 33(2): 123–138.

Brucks, M., Zeithaml, V.A. and Naylor, G. (2000) Price and brand name as indicators of quality dimensions for consumer durables. *Journal of the Academy of Marketing Science* 28(3): 359–374.

Bruhn, M. (2003) *Integrierte Unternehmens- und Markenkommunikation: Strategische Planung und operative Umsetzung*, 3 edn. Stuttgart: Schäffer-Poeschel.

Büyükkurt, B.K. (1986) Integration of serially sampled price information: modeling and some findings. *Journal of Consumer Research* 13(3): 357–373.

Carlson, B.D., Suter, T.A. and Brown, T.J. (2008) Social versus psychological brand community: the role of psychological sense of brand community. *Journal of Business Research* 61(4): 284–291.

Casalo, L.V., Flavian, C. and Guinaliu, M. (2010) Relationship quality, community promotion and brand loyalty in virtual communities: evidence from free software communities. *International Journal of Information Management* 30(4): 357–367.

Chaudhuri, A. and Holbrook, M.B. (2001) The chain of effects from brand trust and brand affect to brand performance: the role of brand loyalty. *Journal of Marketing* 65(2): 81–93.

Chevalier, J.A. and Mayzlin, D. (2006) The effect of word of mouth on sales: online book reviews. *Journal of Marketing Research* 43(3): 345–354.

Chin, W.W. (1998) The partial least squares approach for structural equation modeling. In: G.A. Marcoulides (ed.) *Modern Methods for Business Research Quantitative Methodology Series*. Mahwah: Lawrence Erlbaum, pp. 295–336.

Cox, D.F. (1967) Risk handling in consumer behavior—an intensive study of two cases. In: D.F. Cox (ed.) *Risk Taking and Information Handling in Consumer Behavior*. Boston: Harvard University Press, pp. 34–81.

Del Rio, A.B., Vazquez, R. and Iglesias, V. (2001) The effects of brand associations on consumer response. *Journal of Consumer Marketing* 18(5): 410–425.

Desai, K.K. and Talukdar, D. (2003) Relationship between product groups' price perceptions, shopper's basket size, and grocery store's overall store price image. *Psychology & Marketing* 20(10): 903–933.

Dichter, E. (1966) How word-of-mouth advertising works. *Harvard Business Review* 44(6): 147–166.

Dickson, P.R. and Sawyer, A.G. (1990) The price knowledge and search of supermarket shoppers. *Journal of Marketing* 54(3): 42–53.

Eisingerich, A.B., Auh, S. and Merlo, O. (2014) Acta non verba? The role of customer participation and word of mouth in the relationship between service firms' customer satisfaction and sales performance. *Journal of Service Research* 17(1): 40–53.

Erickson, G.M. and Johansson, J.K. (1985) The role of price in multi-attribute product evaluations. *Journal of Consumer Research* 12(2): 195–199.

Festinger, L. (1957) *A Theory of Cognitive Dissonance*. Stanford: Stanford University Press.

Fisk, R.P., Brown, S.W. and Bitner, M.J. (1993) Tracking the evolution of the services marketing literature. *Journal of Retailing* 69(1): 61–103.

Fornell, C., Johnson, M.D., Anderson, E.W., Cha, J. and Bryant, B.E. (1996) The American customer satisfaction index: nature, purpose, and findings. *Journal of Marketing* 60(4): 7–19.

Fornell, C. and Larcker, D.F. (1981) Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research* 18(1): 39–50.

Fournier, S. (1998) Consumers and their brands: developing relationship theory in consumer research. *Journal of Consumer Research* 24(4): 343–373.

Grönroos, C. (1997) Keynote paper from marketing mix to relationship marketing—towards a paradigm shift in marketing. *Management Decision* 35(4): 322–339.

Grönroos, C. (2000) *Service Management and Marketing: A Customer Relationship Management Approach*. West Sussex: John Wiley & Sons.

Gruen, T.W., Osmonbekov, T. and Czaplewski, A.J. (2006) eWOM: The impact of customer-to-customer online know-how exchange on customer value and loyalty. *Journal of Business Research* 59(4): 449–456.

Gwinner, K.P., Gremler, D.D. and Bitner, M.J. (1998) Relational benefits in services industries: the customer's perspective. *Journal of the Academy of Marketing Science* 26(2): 101–114.

Hallowell, R. (1996) The relationships of customer satisfaction, customer loyalty, and profitability: an empirical study. *International Journal of Service Industry Management* 7(4): 27–42.

Hamilton, R. and Chernev, A. (2010) The impact of product line extensions and consumer goals on the formation of price image. *Journal of Marketing Research* 47(1): 51–62.

Hamilton, R. and Chernev, A. (2013) Low prices are just the beginning: price image in retail management. *Journal of Marketing* 77(6): 1–20.

Harman, H.H. (1976) *Modern Factor Analysis*, 3 edn. Chicago: University of Chicago Press.

Haumann, T., Quaiser, B., Wieseke, J. and Rese, M. (2014) Footprints in the sands of time: a comparative analysis of the effectiveness of customer satisfaction and customer–company identification over time. *Journal of Marketing* 78(6): 78–102.

He, H., Li, Y. and Harris, L. (2012) Social identity perspective on brand loyalty. *Journal of Business Research* 65(5): 648–657.

Hennig-Thurau, T., Gwinner, K.P. and Gremler, D.D. (2002) Understanding relationship marketing outcomes: an integration of relational benefits and relationship quality. *Journal of Service Research* 5(1): 230–248.

Herrmann, A., Xia, L., Monroe, K.B. and Huber, F. (2007) The influence of price fairness on customer satisfaction: an empirical test in the context of automobile purchases. *Journal of Product & Brand Management* 16(1): 49–58.

Heskett, J.L., Jones, T.O., Loveman, G.W., Sasser, W.E. and Schlesinger, L.A. (1994) Putting the service-profit chain to work. *Harvard Business Review* 72(March–April): 164–174.

Hoeffler, S. and Keller, L.K. (2003) The marketing advantages of strong brands. *Journal of Brand Management* 10(6): 421–445.

Homburg, C., Hoyer, W.D. and Koschate, N. (2005a) Customers' reactions to price increases: do customer satisfaction and perceived motive fairness matter?. *Journal of the Academy of Marketing Science* 33(1): 36–49.

Homburg, C., Koschate, N. and Hoyer, W.D. (2005b) Do satisfied customers really pay more? A study of the relationship between customer satisfaction and willingness to pay. *Journal of Marketing* 69(2): 84–96.

Homburg, C., Wieseke, J. and Hoyer, W.D. (2009) Social identity and the service-profit chain. *Journal of Marketing* 73(2): 38–54.

Jacoby, J. and Olson, J.C. (1977) Consumer response to price: an attitudinal, information processing perspective. *Moving Ahead with Attitude Research* 39(1): 73–97.

Janiszewski, C. and Lichtenstein, D.R. (1999) A range theory account of price perception. *Journal of Consumer Research* 25(4): 353–368.

Johnson, M.D., Herrmann, A. and Huber, F. (2006) The evolution of loyalty intentions. *Journal of Marketing* 70(2): 122–132.

Jones, T. and Taylor, S.F. (2007) The conceptual domain of service loyalty: how many dimensions?. *Journal of Services Marketing* 21(1): 36–51.

Jöreskog, K.G. (1978) Structural analysis of covariance and correlation matrices. *Psychometrika* 43(4): 443–477.

Keaveney, S.M. (1995) Customer switching behavior in service industries: an exploratory study. *Journal of Marketing* 59(2): 71–82.

Keiser, S.K. and Krum, J.R. (1976) Consumer perceptions of retail advertising with overstated price savings. *Journal of Retailing* 52(3): 27–36.

Kim, T., Chang, K. and Jae Ko, Y. (2010) Determinants of organisational identification and supportive intentions. *Journal of Marketing Management* 26(5–6): 413–427.

Kuenzel, S. and Halliday, S.V. (2008) Investigating antecedents and consequences of brand identification. *Journal of Product and Brand Management* 17(5): 293–304.

Kunz, W.H. and Hogreve, J. (2011) Toward a deeper understanding of service marketing: the past, the present, and the future. *International Journal of Research in Marketing* 28(3): 231–247.

Lam, S.K. (2012) Identity-motivated marketing relationships: research synthesis, controversies, and research agenda. *AMS Review* 2(2–4): 72–87.

Lam, S.K., Ahearne, M., Hu, Y. and Schillewaert, N. (2010) Resistance to brand switching when a radically new brand is introduced: a social identity

theory perspective. *Journal of Marketing* 74(6): 128–146.
Lam, S.K., Ahearne, M., Mullins, R., Hayati, B. and Schillewaert, N. (2013) Exploring the dynamics of antecedents to consumer–brand identification with a new brand. *Journal of the Academy of Marketing Science* 41(2): 234–252.
Lam, S.Y., Shankar, V., Erramilli, M.K. and Murthy, B. (2004) Customer value, satisfaction, loyalty, and switching costs: an illustration from a business-to-business service context. *Journal of the Academy of Marketing Science* 32(3): 293–311.
Lymperopoulos, C. and Chaniotakis, I.E. (2008) Price satisfaction and personnel efficiency as antecedents of overall satisfaction from consumer credit products and positive word of mouth. *Journal of Financial Services Marketing* 13(1): 63–71.
Martín-Consuegra, D., Molina, A. and Esteban, Á. (2007) An integrated model of price, satisfaction and loyalty: an empirical analysis in the service sector. *Journal of Product & Brand Management* 16(7): 459–468.
Matzler, K., Würtele, A. and Renzl, B. (2006) Dimensions of price satisfaction: a study in the retail banking industry. *International Journal of Bank Marketing* 24(4): 216–231.
Maxham III, J.G. (2001) Service recovery's influence on consumer satisfaction, positive word-of-mouth, and purchase intentions. *Journal of Business Research* 54(1): 11–24.
McDougall, G.H.G. and Levesque, T. (2000) Customer satisfaction with services: putting perceived value into the equation. *Journal of Services Marketing* 14(5): 392–410.
McMillan, D.W. and Chavis, D.M. (1986) Sense of community: a definition and theory. *Journal of Community Psychology* 14(1): 6–23.
Mela, C.F., Gupta, S. and Lehmann, D.R. (1997) The long-term impact of promotion and advertising on consumer brand choice. *Journal of Marketing Research* 34(2): 248–261.
Millán, Á. and Díaz, E. (2014) Analysis of consumers' response to brand community integration and brand identification. *Journal of Brand Management* 21(3): 254–272.
Nord, W.R. and Peter, J.P. (1980) A behavior modification perspective on marketing. *Journal of Marketing* 44(2): 36–47.
Nyström, H. (1970) *Retail Pricing: An Integrated Economic and Psychological Approach*. Stockholm: EFI.
Oliver, R.L. (1980) A cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of Marketing Research* 17(4): 460–469.
Oliver, R.L. (1999) Whence consumer loyalty?. *Journal of Marketing* 63(Special Issue): 33–44.
Olsen, L.L. and Johnson, M.D. (2003) Service equity, satisfaction, and loyalty: from transaction-specific to cumulative evaluations. *Journal of Service Research* 5(3): 184–195.
Padula, G. and Busacca, B. (2005) The asymmetric impact of price-attribute performance on overall price evaluation. *International Journal of Service Industry Management* 16(1): 28–54.
Pérez, A. and del Bosque, I.R. (2015) Corporate social responsibility and customer loyalty: exploring the role of identification, satisfaction and type of company. *Journal of Services Marketing* 29(1): 15–25.
Podsakoff, P.M., MacKenzie, S.B., Lee, J.-Y. and Podsakoff, N.P. (2003) Common method biases in behavioral research: a critical review of the literature and recommended remedies. *Journal of Applied Psychology* 88(5): 879–903.
Schau, H.J., Muniz, A.M. and Arnould, E.J. (2009) How brand community practices create value. *Journal of Marketing* 73(5): 30–51.
Shin, D.-H. (2013) User experience in social commerce: in friends we trust. *Behaviour & Information Technology* 32(1): 52–67.
Siems, F., Mitter, C. and Kraus, S. (2008) Customer satisfaction models and the integration of price perceptions—a new managerial approach and an empirical demonstration. *International Journal of Business Research* 8(1): 146–157.
Sirdeshmukh, D., Singh, J. and Sabol, B. (2002) Consumer trust, value, and loyalty in relational exchanges. *Journal of Marketing* 66(1): 15–37.
Söderlund, M. (2006) Measuring customer loyalty with multi-item scales: a case for caution. *International Journal of Service Industry Management* 17(1): 76–98.
Steiner, W.J., Siems, F.U., Weber, A. and Guhl, D. (2013) How customer satisfaction with respect to price and quality affects customer retention: an integrated approach considering nonlinear effects. *Journal of Business Economics* 84(6): 879–912.
Stokburger-Sauer, N. (2010) Brand community: drivers and outcomes. *Psychology and Marketing* 27(4): 347–368.
Stokburger-Sauer, N., Bauer, H.H. and Mäder, R. (2008) Kundenidentifikation als Basis von Kundenloyalität—Theoretische und empirische Grundlagen für eine Umsetzung in der Unternehmenspraxis. *Zeitschrift für Betriebswirtschaft* 78(9): 923–950.
Stokburger-Sauer, N., Ratneshwar, S. and Sen, S. (2012) Drivers of consumer–brand identification. *International Journal of Research in Marketing* 29(4): 406–418.
Szymanski, D.M. and Henard, D.H. (2001) Customer satisfaction: a meta-analysis of the empirical evidence. *Journal of the Academy of Marketing Science* 29(1): 16–35.
Tajfel, H. and Turner, J.C. (1986) The social identity theory of intergroup behavior. In: W.G. Austin and S. Worchel (eds.) *Psychology of Intergroup Relations*. Chicago: Nelson-Hall, pp. 7–24.
Tuškej, U., Golob, U. and Podnar, K. (2013) The role of consumer–brand identification in building brand relationships. *Journal of Business Research* 66(1): 53–59.
Varki, S. and Colgate, M. (2001) The role of price perceptions in an integrated model of behavioral intentions. *Journal of Service Research* 3(3): 232–240.

von Wangenheim, F. and Bayón, T. (2007) The chain from customer satisfaction via word-of-mouth referrals to new customer acquisition. *Journal of the Academy of Marketing Science* 35(2): 233–249.

Voss, G.B., Parasuraman, A. and Grewal, D. (1998) The roles of price, performance, and expectations in determining satisfaction in service exchanges. *Journal of Marketing* 62(4): 46–61.

Wirtz, J. and Chew, P. (2002) The effects of incentives, deal proneness, satisfaction and tie strength on word-of-mouth behaviour. *International Journal of Service Industry Management* 13(2): 141–162.

Wolter, J.S., Brach, S., Cronin Jr, J.J. and Bonn, M. (2015) Symbolic drivers of consumer–brand identification and disidentification. *Journal of Business Research* 69(2): 785–793.

Wuyts, S. (2007) Extra-role behavior in buyer–supplier relationships. *International Journal of Research in Marketing* 24(4): 301–311.

Xia, L., Monroe, K.B. and Cox, J.L. (2004) The price is unfair! A conceptual framework of price fairness perceptions. *Journal of Marketing* 68(4): 1–15.

Zeithaml, V.A. (1984) Issues in conceptualizing and measuring consumer response to price. In: T.C. Kinnear (ed.) *NA—Advances in Consumer Research: Vol. 1.* Provo, UT: Association for Consumer Research, pp. 612–616.

Zeithaml, V.A. (1988) Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence. *Journal of Marketing* 52(3): 2–22.

Zielke, S. (2006) Measurement of retailers' price images with a multiple-item scale. *The International Review of Retail, Distribution and Consumer Research* 16(3): 297–316.

Zielke, S. (2010) How price image dimensions influence shopping intentions for different store formats. *European Journal of Marketing* 44(6): 748–770.

APPENDIX: PANEL DESCRIPTION

	Cases	%
Age in years		
18--24 years old	85	5.9
25--34 years old	449	31.1
35--54 years old	517	35.8
45--54 years old	274	19.0
55--64 years old	93	6.4
65 years or older	25	1.7
Sex		
Male	735	50.9
Female	708	49.1
Family status		
Single	313	21.7
Married/extramarital cohabitation	1020	70.7
Divorced	82	5.7
Widowed	28	1.9