

Dr. Dikdik Harjadi

by Abas Hidayat

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Consumer identification in cigarette industry: brand authenticity, brand identification, brand experience, brand loyalty and brand love

Abstract:

The cigarette industry faces market competition, and the pressure that suppresses its existence stems from ambiguous policies. The ambiguous policy is because the government still expects cigarette excise income as a significant source, but also that the government is faced with the demands of the anti-smoking community who establish cigarettes as a sunset industry. This condition does not make cigarette business actors give up, given that the cigarette industry still contributes to employment, state income, and market demand is still there. This study aimed to determine the effect of brand authenticity, brand identification, brand experience, brand loyalty, and brand love. The relationship between the five brand theories is examined using the Structural Equation Model. The sample for this study was 200 cigarette consumers, using a non-probability sampling technique. The result shows that: 1) Brand experience significantly and positively impacts brand identification among cigarette industry consumers; 2) Brand identification significantly and positively impacts brand love among cigarette industry consumers; 3) Brand authenticity significantly and positively impacts brand love among cigarette industry consumers; 4) Brand identification significantly and positively impacts brand loyalty among cigarette industry consumers; 5) Brand love significantly and positively impacts brand loyalty among cigarette industry consumers. The product marketing strategy component must take five branding theories. The product's market strengthens with the value of five brand components.

Keywords: cigarette industry, brand authenticity, brand identification, brand experience, brand loyalty, brand love

1. Introduction

Cigarette prices worldwide are increasing; this is due to the impact of the increase in customs duties for all countries. In Spain, an increase in the price of cigarettes has resulted in a decrease in smoking residents (Martín Álvarez et al., 2020). That means there are marketing constraints in convincing consumers to buy cigarettes, even though they are expensive. In Vietnam, increasing cigarette prices aims to improve state finances and reduce poverty (Wu et al., 2020). This policy can have an impact on the price of cigarettes every year. However, it will be in vain if an accurate marketing strategy does not support this increase. Cigarettes are products that involve many parties, are systemized in such a way, integrated from upstream to downstream vertically and horizontally. Cigarettes are not just an economic product but contain values and culture that are embedded in the actors involved in production and marketing. Therefore, cigarettes are also a cultural product (Rudd et al., 2020). Cigarettes are a controversial product (Maclean & Buckell, 2021). In many parts of the world, cigarettes are today seen as a fairly obvious type of smoking (Karanam, 2023). The cigarette industry is facing pressure due to resistance from the anti-smoking community, government policies and industrial competition. In Indonesia, the response of the cigarette industry to these pressures varies depending on the problems according to the factory class, capacity and interests of each. In Indonesia, as excisable goods, the factories are divided into groups I, II, and III. The criteria for the factory group are based on the maximum production that can be carried out in one year. Category I, the minimum production limit is two (2) billion sticks per year, with no maximum limit.

Category II, cigarette factories that produce 500 million to two (2) billion cigarettes per year. Category III, originally a maximum of 500 million cigarettes (Hardjito, 2008).

The cigarette industry is predicted to continue to grow every year. The government routinely increases excise rates in Indonesia during 2015–2020 (Fauzi & Pongpanich, 2022). The Indonesia policy of increasing excise tariffs from 2007 to 2010 has reached 40% and will continue to increase to 55% in 2020 (Samuel, 2022). The increase in excise tariffs has a direct impact on the higher selling prices of cigarettes. This affects the general decline in sales, and is expected to reduce the number of cigarette consumption. The decline in cigarette consumption in the cigarette industry will have an impact on production. Reduction of production, affects the use of production factors such as raw materials (tobacco, cloves) and labor. For small industries, the increase in cigarette prices will lead to reduced sales and the possibility of factory bankruptcy. Entrepreneurs will make various efforts to survive, and their factories will continue to operate even though they are forced to not use excise stamps.

Besides being caused by excise, cigarette marketing competition is also challenging for cigarette industry organizers. Tight market competition and high taxes have resulted in intense competition in the cigarette industry. Marketing activities are essential for tobacco companies because their function is to increase state revenues, company revenues, and tobacco farmers. Government regulations in making cigarette advertisements in the media make organizers think hard to be able to market cigarettes optimally. Therefore, a solid and accurate strategy is needed. The development of 5 brand theories, namely brand authenticity, brand identification, brand experience, brand loyalty, and brand love, is the right solution so that cigarette companies continue to run and are not eliminated.

Several studies have mainly focused on the connection between two brand concepts. For example, Kumar & Kaushik (2020) examined the relation between a brand's experience and its identity. Dalman et al. (2019) researched the relationship between brand identification and brand love. Rather et al. (2020) examined the relationship between brand identification and brand loyalty. The difference in this study is that it examines all five brand theories in one case. This study aims to determine the relationship between brand authenticity, brand identification, brand experience, brand loyalty, and brand love. This research provides knowledge and evidence of the importance of marketing strategies using the five brand theories.

2. Literature Review and Hypothesis Relationship

2.1. Self-Congruence

Self-congruence is a type of customer behavior that can be predicted and explained (Gorbaniuk et al., 2021). Through self-congruence can be a determinant of a consumer in liking a brand (Mandal, 2020). Therefore, the connection between self-image congruence and assessment before and after the purchase may be investigated using self-congruence. Studies related to the self-congruence theory are found in the restaurant sector (Han et al., 2020). tourism (Chen et al., 2020; Huang et al., 2017), and the hospitality sector (Sop & Kozak, 2019; Wang et al., 2019). In the past research has mostly focused on the relationship between self-image congruence and consumer evaluations before purchase such as purchase intention (Li et al., 2011), product preference (Jamal & Al-Marri, 2007), and product choice (Nguyen & Nguyen, 2020). However, there are some researchers who see the benefits of expanding the conceptualization of self-congruence in order to be able to model post-consumption evaluations. The consumer behavior studies have examined the role of self-congruence in post-consumption

variables such as satisfaction (Ali et al., 2019; Meeprom & Fakfare, 2021), loyalty (Han et al., 2020), perceived quality (Frias et al., 2020) and attitudes (Kim & Cho, 2022).

Self-congruence can be the basis for consumers to build brand identification (Rather et al., 2020). Where consumers already have the same image and identification of the products and brands they consume. Until now, almost no research is known to simultaneously investigate self-congruence, on the variables of brand experience, brand authenticity, brand love and brand loyalty regarding the local restaurant industry.

2.2. Brand Identification within the framework of Self Congruence Theory

The influence between self-congruence and brand identification (Han et al., 2020). Aziz et al. (2023) state that for market competency, identifying a brand is something that consumers need. This is because the identification process is generally carried out to determine whether the selected product has conformity with the consumer. So that between self-congruence and product identification or brand identification, there is an interrelated relationship (Japutra et al., 2021). Brand identification is expressed as the desired product with a specific purpose (Berrozpe et al., 2019; Swaminathan et al., 2020). This means that the product identification process is carried out so that consumers can understand what the product has. Even according to Carr and Hayes (2019) brand identification can be dynamic which changes over time. This is because in general the development of a product will continue to grow. But creating the uniqueness of the product must be consistent. So that a consumer will still have conformity with a brand. Even by identifying a brand, someone will have confidence that he has conformity with the brand.

2.3. Brand Experience

A cognitive-oriented brand's equity, values, associations, attitudes, and personality can be explained in terms of brand experience (Japutra & Molinillo, 2019; King, 2017). For consumers, the most important goal of a brand is to provide an attractive experience (Mostafa & Kasamani, 2020; Pina & Dias, 2021). The manufacturer of a brand must be able to give an impression to customers through something real or authentic (Cinelli & LeBoeuf, 2020). This can indicate that brand experience functions as a facility for consumer responses to brands. Several studies of brand experience are indeed associated with brand identification. According to one study on mobile service consumers, brand experience and brand identification have a positive correlation (Kumar & Kaushik, 2020). This study stated that brand experience indicators (affective and sensory) influenced brand identification. In addition, Feiz and Moradi (2019) state that brand experience positively affects brand identification on the banking industry's consumer market. The difference with previous studies is that this research focuses on the cigarette industry consumer. The hypothesis that can be proposed in this study are as follows:

H1 = Brand Experience has a positive influence on brand identification in the consumer of the cigarette industry

2.4. Brand Love

The concept of brand love, according to Velicia Martín et al. (2020), is the positive behavior of a consumer towards a brand. This positive behavior describes consumers afraid to lose a particular brand. This behavior can provide a positive emotional connection between consumers and brands. Based on the results of the research, Dalman et al. (2019) stated that

¹ the relationship between brand identification and brand love has a positive influence. This result is similar to the research on Portuguese consumers by Coelho et al. (2019), where there is a positive correlation between brand identification and brand love on among household consumers. The relationship between the two variables has identified feelings of liking for a brand so that consumers can guarantee a committed relationship. The difference with previous studies is that this research focuses on the cigarette industry consumer. The hypothesis that can be proposed in this study are as follows

H2 = Brand identification has a positive effect on brand love in the consumer of the cigarette industry

2.5. Brand Authenticity

Brand authenticity is the idea of an item's originality that cannot be replicated (Tran et al., 2020). According to Riefler (2020), the definition of brand authenticity is communication between consumers and brands that can make consumers understand the authenticity and history of certain brands. In the study related to guests of luxury hotel brands, brand authenticity can also function as a key to finding a brand's characteristics (Manthiou et al., 2018), such as the characteristics or traditional recipes contained in the product. In addition, brand authenticity is evaluating a brand's perception as being distinctive, honest, legitimate, and devoid of falsehood (He et al., 2023). In connection with the authenticity of the brand, brand authenticity can be used as a form of commitment to quality, heritage, and sincerity are so important for business people to increase the values of authenticity in brands. The difference with previous studies is that this research focuses on the cigarette industry consumer. The hypothesis that can be proposed in this study are as follows:

H3 = Brand authenticity has a positive influence on brand love in the consumer of the cigarette industry

2.6. Brand Loyalty

⁹ Brand loyalty is a form of loyalty from customers to a brand. However, this loyalty is not only in consumer repurchase. Brand loyalty theory defines it as a three dimensions positive impact tendency. One of these dimensions is emotional tendencies (affective) (Diallo et al., 2020). It can refer to affective tendencies, fears, respect, or obedience that are systematically manifested in a brand. The existence of brand loyalty can be the key to success for companies. Brand loyalty can be used as a reference for how likely customers are to switch to other products (Ledikwe et al., 2019). The existence of customer commitment to be able to buy the same product consistently can be referred to as brand loyalty. It is independent of situational factors and other product marketing that can encourage customer behavior to switch to other brands. Thus, brand loyalty is the level of interest between consumers and brands based on the advantages of each brand (Ting et al., 2021). Consumers who can identify a brand can better understand the advantages of the brand, and this can be evidence of a correlation between brand identification and brand loyalty (Ahn & Back, 2020).

¹¹ Research by Heggde and Tampi (2019) on information technology companies states that there is a positive relationship between brand identification and brand loyalty. In addition, research in the hospitality sector also shows a positive relationship between brand identification and brand loyalty (Nasir et al., 2022; Rather et al., 2020). The difference with previous studies is

that this research focuses on the cigarette industry consumer. The hypothesis that can be proposed in this study are as follows:

H4 = Brand identification has a positive influence on brand loyalty in the consumer of the cigarette industry

Several studies have shown that brand loyalty can be influenced by brand love. As the research of Coelho et al. (2019) stated that brand love directly has a positive relationship to brand loyalty. In addition, Zhang et al. (2020) stated that there was a strong correlation between brand love and brand loyalty for the consumers of tablet PCs. In another study which stated a positive relationship between brand love and brand loyalty in the luxury branding sector (Shetty & Fitzsimmons, 2022). The difference with previous studies is that this research focuses on the cigarette industry consumer. The hypothesis that can be proposed in this study are as follows:

H5 = Brand love has a positive influence on brand loyalty in the consumer of the cigarette industry

3. Method

The relationship between 5 brand theories (brand authenticity, brand identification, brand experience, brand loyalty and brand love) is examined using the Structural Equation Model (SEM). Customers who buy cigarettes made by the Kudus city cigarette industry in Indonesia are the population of this study. Kudus is the second largest industry in Indonesia from 1951. The sample for this study was 200 cigarette consumers, using a non-probability sampling technique. Figure 1 below is a framework for testing the H1 -H5 hypothesis. SEM analysis to get test results on each hypothesis using the help of AMOS software.

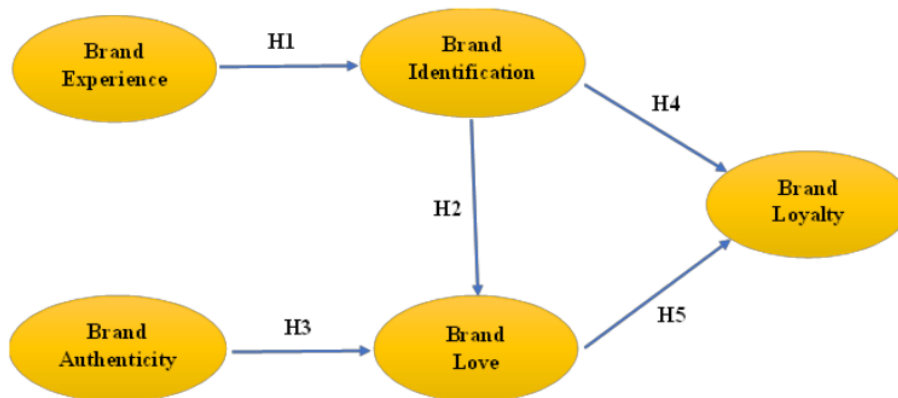


Fig. 1. Framework

4. Result and Discussion

The outcomes of the Goodness of Fit Model are displayed in Table 1 below. According to Dhamera et al. (2021), if SEM model analysis fits the Goodness of Fit Model criteria, hypothesis testing can be performed.

Table 1

Goodness of Fit Model

Index	Results	Goodness of Fit
Chi – Square	278.362	√
Probability	0.076	√
GFI	0.904	√
AGFI	0.903	√
TLI	0.991	√
CFI	0.992	√
RMSEA	0.030	√
CMIN/DF	1.132	√

In the whole SEM model analysis process, the findings of the data processing analysis are shown in Table 1 and demonstrate that all the constructs utilized to create a research model have satisfied the established goodness of fit requirements. The explanation of the requirements is as follows: 1) The chi-square value of 278.362 is included in the small category; 2) The probability value of 0.076 according to the fit requirements because it is less than 0.05; 3) The GFI value of 0.904 according to the fit requirements because it is less than 0.90; 4) The AGFI value of 0.903 according to the fit requirements because it is less than 0.90; 5) The TLI value of 0.991 according to the fit requirements because it is less than 0.95; 6) The CFI value of 0.992 according to the fit requirements because it is less than 0.95; 7) The RMSEA value of 0.030 according to the fit requirements because it is less than 0.080; 8) The CMIN/DF value of 1.132 according to the fit requirements because it is less than 2.00.

These results as a whole indicate that the model fit test produces good acceptance. Consequently, SEM model analysis can be performed to test the H1-5 hypothesis. Table 2 below is the result of the hypothesis measurement.

Table 2

Hypothesis Measurement

Hypothesis	P	Result
H1: Identification <--- Experience	***	accepted
H2: love <--- Identification	***	accepted
H3: love <--- Authenticity	***	accepted
H4: Loyalty <--- Identification	0.002	accepted
H5: Loyalty <--- love	***	accepted

Table 2 shows the results of hypothesis calculations H1 to H5 have a p-value of less than 0.01. This result can be interpreted that statements H1 to H5 is accepted.

4.1. Relationship of brand experience and brand identification

According to table 2's findings, brand experience significantly and positively impacts brand identification among cigarette industry consumers. Feiz and Moradi (2019), who researched the banking industry's consumer market, supports this finding by arguing that brand experience has a positive and significant impact on brand identification. In addition, according to Kumar and Kaushik (2020) research on 321 users of mobile services, there is a strong correlation between brand experience and brand recognition. All these results show that brand experience indicators (affective and sensory) influence brand identification.

To increase customer brand identification, the cigarette industry needs brand experience. However, according to Büyükdag and Kitapci (2021), brand-lifestyle congruence, identity, and functional, social, and emotional values all impacted the brand experience. For market competency, identifying a brand is something that consumers need. This is because the identification process is generally carried out to determine whether the selected product has conformity with the consumer.

4.2. Relationship of brand identification and brand love

According to table 2's findings, brand identification significantly and positively impacts brand love among cigarette industry consumers. This result is supported by Coelho et al. (2019), that in Portuguese consumers, there is a positive correlation between brand identification and brand love among household consumers. Brand identification is very important to increase brand love. The uniqueness of a product has the effect of giving a good impression and can attract consumer love for the product. (Le, 2021). Related to the cigarette industry, this indirectly influences consumer intentions to buy cigarette products.

Brand love is a term used to describe customer behavior that can generate effective results (Safeer, He, & Abrar, 2021). Brand love is considered a component of consumer participation when analyzing a brand. The evaluation process is founded on a strong emotional relationship, it boosts sales and fosters customer trust in the brand. While analyzing a brand of cigarette products, brand identification may be utilized to build a communication connection with customers and deliver the best outcomes possible.

4.3. Relationship of brand authenticity and brand love

According to table 2's findings, brand authenticity significantly and positively impacts brand love among cigarette industry consumers. Manthiou et al. (2018) states that brand authenticity supports this result affects building and growing consumer love for a product. In the modern era, in Asia, millennials' behavioral consumers show that brand authenticity substantially has a big relationship with brand love (Safeer, He, & Abrar, 2021; Safeer, He, Lin, et al., 2021). Because consumer love for the product is one of the factors related to the success of the cigarette industry, to strengthen market competitiveness, the cigarette industry cannot ignore brand authenticity. In the literature, it has been explained that increasing the value of authenticity will be able to affect consumer love for specific brands (Rosado-Pinto et al., 2020). Brand authenticity can be used as a commitment to quality, heritage, and sincerity, which are crucial for business people to increase the values of authenticity in brands.

4.4. Relationship of brand identification and brand loyalty

According to table 2's findings, brand identification significantly and positively impacts brand loyalty among cigarette industry consumers. These results follow research conducted by Fazli-Salehi et al. (2019) suggested that In Iran, Brand Identification had a positive and significant effect on Brand Loyalty. Brand loyalty is a form of loyalty from customers to a brand. However, this loyalty is seen from more than just consumer repurchase because brand loyalty theory defines it as a tendency for positive impacts consisting of three dimensions, one of which is emotional tendencies. It can refer to affective tendencies, fears, respect, or obedience that are systematically manifested in a brand. The existence of brand loyalty can be the key to success for companies. Thus, brand loyalty can be used to determine how likely customers will switch

to other products. Brand loyalty is the ability of a customer to commit to continuously purchasing the same product (Zaidun et al., 2020). Regardless of situational factors and other product marketing, it can encourage customer behavior to switch to other brands. Thus, brand loyalty is the level of interest between consumers and brands based on the advantages of each brand (Ting et al., 2021). In the cigarette market, this research can be evidence of a link between brand identification and brand loyalty since smokers who can recognize cigarette brands will better comprehend the benefits of brands.

4.5. Relationship of brand love and brand loyalty

According to table 2's findings, brand love significantly and positively impacts brand loyalty among cigarette industry consumers. In deference of consumer types, this research conducted by Zhang et al. (2020) stated that there was a strong correlation between brand love and brand loyalty for the consumers of tablet PCs. Another study stated a positive relationship between brand love and brand loyalty in the luxury branding sector (Shetty & Fitzsimmons, 2022). However, in the cigarette industry, attachment can indirectly increase brand loyalty through love for the brand. Market competition is not something easy (Cabral et al., 2021) but something that must be pursued. The more love for a product, the higher consumer loyalty, resulting in a higher competitiveness of a product. Brand love and loyalty can generate consumers' willingness to buy. If they have high loyalty, cigarette consumers will not be easily swayed to change brands. Even though the price of cigarettes is increasing, the willingness to buy has not changed.

5. Conclusions

Brand experience is formed by the customer's experience while being a consumer at a cigarette company. Several things are considered necessary in the brand experience process, namely the taste and type of tobacco according to what the customer wants, and the price can make customers enthusiastic. It can build identification between customers and the company well, customers have a strong sense of interest in the cigarettes produced by the company, and even customers feel that the type of cigarettes provided by the company. This process can create customer intentions to be loyal to the brands provided by cigarette companies. Brand authenticity, brand identification, brand experience, brand loyalty and brand love are interrelated concepts and have the power to compete in the market. Based on the research results, it is recommended that five forms of branding must be considered in the product marketing strategy component. The higher the value of the five brand components, the stronger the product's market power and readiness to compete.

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