



## The Moderating Role of Identity Expressiveness in Building Global Brand Equity

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Brand equity provides a sustainable, competitive advantage of selling products with higher profit margins (Lassar, Mittal, & Sharma, 1995). Multinational companies are increasingly marketing themselves as global brands to harness brand equity across diverse cultures. Their primary concern is building brand equity in other countries, which is crucial to domestic brands competing with global brands. Of utmost importance is the establishment of strong brand equity to enhance consumer evaluations and responses. Substantial research has investigated brand equity, but only a few empirical studies (e.g., Buil, Martínez, & de Chernatony, 2013; Jung & Sung, 2008; Yoo & Donthu, 2001) have done so in different countries. Furthermore, many studies have examined marketing mix factors (Yoo, Donthu, & Lee, 2000) in brand equity formation, but have neglected non-marketing mix variables such as identity expressiveness.

This study adapted an extended brand equity model (Cho, Fiore, & Russell, 2015) by excluding brand awareness and adding two factors: identity expressiveness and Word-of Mouth (WOM). Positive WOM leads to the spread of positive brand recommendations, elevating perceived quality (Brown, Barry, Dacin, & Gunst, 2005). Although WOM is a crucial attribute of brand equity, it was missing in Cho et al.'s model. Identity expressiveness refers to consumers' perceptions of how an object helps express their personal and social identities (Thorbjørnsen, Pedersen, & Nysveen, 2007). Whereas research has shown identity expressiveness is related to brand associations (Chernev, Hamilton, & Gal, 2011), its role has not been systematically studied in brand equity formation across cultures. To build strong brand equity in international markets, it is critical to examine similarities and differences of the moderating effect of culture and identity expressiveness in building brand equity. Thus, the present study hypothesized that (H1) the effects of cognitive, sensory, and affective associations on lovemarks, specifically brand love and respect (Roberts, 2005), will be moderated by culture (US vs. China) and (H2) identity expressiveness (low vs. high). Finally, we proposed that (H3) lovemarks will positively influence brand loyalty and (H4) WOM.

Professional survey firms gathered online survey data from national samples of consumers in the US and China who were between 18 and 75 years of age. The survey was originally written in English then translated to Mandarin by bilingual researchers. To ensure measurement equivalence across groups, the questionnaire was back translated into English by two bilingual researchers. At the beginning of the survey, respondents were asked to consider a favorite fashion brand and then answer the survey questions thinking of the particular brand. The survey contained measures assessing cognitive, sensory, and affective associations; brand love and brand respect (i.e., lovemarks); identity expressiveness; brand loyalty; and WOM. A total of 711 responses (362 for the US and 349 for the Chinese sample) were usable for data analysis. Confirmatory Factor Analysis (CFA) was used to evaluate the factor structure of each variable

and to test measurement invariance. Structural equation modeling (SEM) was employed to test a structural model and hypotheses.

The distributions of the two samples were similar in terms of gender and education. The US participants were highly-educated Caucasians (180 males and 182 females) between the ages of 18 and 76. The Chinese participants identified as highly-educated residents in Shanghai (167 males and 182 females) between the ages of 18 and 59 years. CFA established the factor structure of each variable. Upon review of the initial CFA results, one item from brand loyalty was deleted from both groups due to its low factor loading ( $\geq .05$ ). Retained items were the same across two samples. CFA results indicated a high degree of fit between the model and the data in both groups (CFI  $> .95$ , RMSEA  $< .08$ , SRMR  $< .05$ ). All standardized factor loadings were greater than  $.69$  ( $p \leq .001$ ), providing evidence of statistically significant construct validity (Byrne, 2012). Cronbach's  $\alpha$  and the composite reliability values for all measures were all above  $.70$ , supporting the reliability of the measures. Multi-group CFA confirmed cross-cultural measurement invariance to ensure whether participants in different groups respond to measures in a same manner (Steenkamp & Baumgartner, 1998). The measurement model showed a good fit to the data [ $\chi^2$  (359) = 835.42, CFI =  $.97$ , RMSEA =  $.06$ , SRMR =  $.03$ ]. All factor loadings were significant and higher than  $.70$  in both groups. This confirms the configural invariance of the hypothesized multi-group model with an acceptably good fit across two groups.

SEM showed the fit indices of each structural model demonstrated satisfactory fit to the data (CFI  $> .95$ ). To test H1 and H2, a two-group model was created for the two samples using a median split of culture (H1) and identity expressiveness (H2). To test H1, a chi-square difference test was conducted between a freely estimated model and a constrained model. The results confirmed that the fit of the freely estimated model was significantly better than the fit of the constrained model ( $\Delta\chi^2 = 96.08$ ,  $\Delta df = 5$ ,  $p < .001$ ), supporting H1. For US consumers, all three associations increased lovemarks, with cognitive associations producing the strongest positive impact. For Chinese consumers, affective associations had the strongest effect. The results confirmed the moderating effect of identity expressiveness (H2) in both groups: US ( $\Delta\chi^2 = 27.82$ ,  $\Delta df = 5$ ,  $p < .001$ ) and China ( $\Delta\chi^2 = 21.15$ ,  $\Delta df = 5$ ,  $p < .001$ ). In both groups, the impact of cognitive associations on lovemarks was stronger for those with high levels of identity expressiveness, whereas the impact of affective associations was stronger for those with low levels of identity expressiveness. The impact of sensory associations on lovemarks was significant in the US sample with high identity expressiveness, whereas no impact from sensory associations was found in the Chinese sample. The anticipated pathways from lovemarks to loyalty and WOM were positive and significant, supporting H3 and H4. These findings offer practical implications for global brand managers. Fashion brands entering Western cultures such as the US are advised to focus on all three associations, whereas fashion brands entering Eastern cultures such as China should focus on developing affective and cognitive associations since Chinese lovemarks are influenced by these associations more than from sensory associations. In all cultures (Western and Eastern), building lovemarks proves to be essential for promoting brand equity (brand loyalty and WOM).

***References are available upon request.***