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Investigating the Mediating role of Brand Image in the effect of Brand Schizophrenia on the Brand Loyalty of Automobile Managers

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ABSTRACT

The purpose of this research is to investigate the mediating role of brand image in the effect of brand schizophrenia on brand loyalty in Modiran Khodro Company. This is an applied research with a quantitative (comparative) approach conducted through a descriptive survey using standard questionnaires. The statistical population included all the Customers of "Modiran Khodro" products, numbering 500000, according to the statistics. Of this population, using Cochran's formula, a sample consisting of 385 was formed ($n=385$), the individual members of which were selected using simple random sampling. For measurement of the variables, we made use of the standard questionnaire developed by Harris (2023). Validity of the questionnaire was assessed and confirmed by the academic experts. Its reliability, as measured in terms of Cronbach's alpha ($=0.878$), was high and thus, confirmed. The obtained survey data for the test of the research hypotheses were analyzed using SEM-PLS technique. The obtained results from the test of the hypotheses indicate that brand schizophrenia has a negative and significant effect on brand loyalty and brand image of the products of Modiran Khodro Company. The results also indicate that the brand image has a positive and significant effect on the brand loyalty of the mentioned company's products.

KEYWORDS: Brand image; Brand schizophrenia; Brand loyalty; Modiran Khodro Company

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1. Introduction

Today, companies seek to retain customers, and the picture that is formed of brand image in the mind of customers is one of the prominent constructs that shape brand loyalty. Therefore, according to the results, it can be said that brand personality traits improve brand loyalty through customer adaptation and satisfaction (Rezaei and Zamani, 2021).

In recent years, numerous constructs have been introduced in brand literature to describe brands, their working mechanisms, and the relationship that consumers establish with them. Most of these structures have been the result of conceptualizations through the attribution of human characteristics to brands and relationships with them. One of the reasons given in this regard is that it is usually assumed that the potential of consumers for establishing relationships with brands springs from their tendency to generalize human characteristics to inanimate objects. Fournier (1998); Eagle et al (2015), for example, enumerate constructs such as brand identity (Aaker, 1984), brand personality (Aaker, 1997), brand relationship (Fournier, 1998), brand love (Batra et al., 2012), brand hate (Zarantonello et al., 2016), brand romance (Patwardhan & Balasubramanian, 2011), and brand attachment (Hwang & Kandampully, 2012) that have been conceptualized and expanded in recent years in the field of marketing and branding. Following this stream, one of the concepts that has recently been raised in the brand related literature is brand schizophrenia. From a psychological perspective, schizophrenia is a chronic mental illness that has recently been applied to describe a specific type of brand behavior in the marketing literature. This term appeared in some writings of brand and advertising activists and rarely in a few academic books (e.g. Schaffneister, 2015; Eagle et al., 2015; Temporal, 2010).

Brand personality, due to its high significance in marketing knowledge, can affect brand trust, brand loyalty, brand equity, etc. Aaker (1996) describes brand loyalty in terms of the indicators that measure the degree to which the consumer is willing to pay more for a brand relative to other brands, as well as the customer satisfaction and repurchase intention regarding a specific brand (Aaker, 1997). It is important to point out that brand loyalty is one of the most important advantages of creating a positive mental image and is a manifestation of the brand equity. Brand loyalty is largely influenced by brand personality and brand preference (Cha et al., 2016).

Iran's automotive industry is prone to brand schizophrenia, given its condition which is characterized by such features as the multiplicity of car manufacturers, the presence of brands with no significant difference in performance, and high prices along with low quality. Unfortunately, these companies have had a poor performance in providing a strong brand with a distinct personality and superior features. The personality of Iranian brands, especially in the automobile industry, is not such that evokes a unique feature. The success of a brand in fulfilling its promise depends on whether it can evoke a certain quality feature in the minds of customers. The current research contributes to advancement of the efforts in resolving the existing research gaps in these fields. Therefore, this research intends to conceptualize some of the brand related constructs based on the relevant literature and fill the existing gap and enrich the brand literature in this field. Therefore, the main question of the research is whether brand schizophrenia has a negative and

significant effect on the relationship of brand loyalty with brand image in Modiran Khodro Company.

2. Theoretical framework and research background

A brand can be defined as a name, term, sign, symbol or a combination of these that identifies the goods and services of a seller or a group of sellers and distinguishes them from other competitors (Hwang & Kandampully, 2012). Each of the constituent parts of the brand is called the brand features which together form the brand. It can be said that the use of brand as a means of marketing advancement began in the second half of the 19th century. However, even before that, as far back as the Middle Ages and Ancient Rome, marketers sometimes marked their products in different ways to help consumers identify the products recommended by their friends or the products they had already tried and were satisfied with and buy them again (Aaker, 1997). Customer loyalty, customer relationship, perceived quality, personal experiences, organizational culture, knowledge and brand equity are among intangible assets which are created by companies. Like other intangible assets, brand equity can also become a powerful tool that can make a significant difference in the competitive market. Brand equity does not exist within the product or service. Rather, this value is created in the minds of customers, and it is this brand that creates real value in the minds of customers. Successful companies have shown that it is necessary to pay attention to this concept in order to achieve a sustainable competitive advantage (Eagle et al., 2015).

Rezaei Dolatabadi et al (2013), in research titled the effect of brand personality on brand loyalty: examining the mediating role of brand influence, trust and brand preference, confirm the importance of the role of brand personality in brand influence, preference and trust in predicting customer loyalty. Tutian Esfahani et al (2015), in research titled investigating the effect of brand personality on brand loyalty, stated that in order to create a desirable brand personality in the market, businesses should meet the expectations and demands of customers, including human values, and satisfy their social needs. Shirakvand et al (2017) investigated the relationship between brand personality and brand loyalty, given the mediating role of brand image. Their results showed that the competence dimension had the greatest impact on the brand image and that the effect of brand image on attitudinal loyalty was greater than on behavioral loyalty. In addition, they found that brand image mediated this relationship. Jaberi et al (2019), in research titled the effect of team brand personality on brand preference and loyalty, confirmed the effect of brand personality on brand preference, the effect of brand personality on brand loyalty, and the effect of brand preference on brand loyalty. Soleimanzadeh et al (2023) investigated the effect of brand love on brand schizophrenia with the mediation of customer behavioral loyalty and found that behavioral loyalty mediated the effect of brand love on brand schizophrenia of the store's. Ebrahimi and Khalifeh (2013) observed that the awareness of company managers about the subjective aspects of brand loyalty is a prerequisite for influencing the traditional model of brand loyalty. Coelho et al (2020) stated that both brand quality and innovation play a role in brand experience and personality. In addition, they found that both brand experience and personality are related to perceived value, and brand personality and experience partially mediate the relationship between

brand innovation and perceived quality and value. Merlo et al (2023) showed that brands communicate with customers by evoking specific archetypes. Critically, however, strong brands tend to use multiple archetypes at once rather than just one archetype as previously thought. Therefore, based on the above research background and the model of Harris (2023), the research conceptual model is drawn as follows:

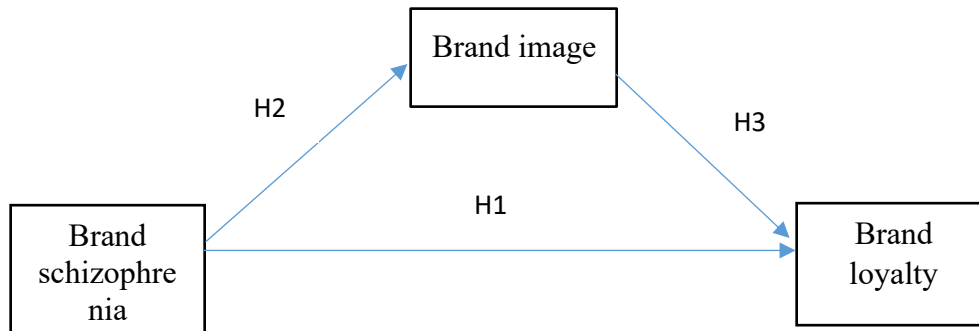


Figure1. Research conceptual model (Harris, 2023)

Hence, the following hypotheses are made:

First hypothesis: brand schizophrenia has a negative and significant effect on brand loyalty.

Second hypothesis: brand schizophrenia has a negative and significant effect on brand image.

Third hypothesis: Brand image has a positive and significant effect on brand loyalty.

3. Methodology

This is an applied research with a quantitative (comparative) approach conducted through a descriptive survey using standard questionnaires.

The statistical population included all the Customers of "Modiran Khodro" products, numbering 500000, according to the statistics. Of this population, using Cochran's formula, a sample consisting of 385 was formed ($n = 385$), the individual members of which were selected using simple random sampling.

For measurement of the variables, we made use of the standard questionnaire developed by Harris (2023) as detailed in table 1.

Table 1. Features of the research questionnaire

Components	Number of items
Brand Image	6
Brand Schizophrenia	6
Brand Loyalty	5

The questionnaire was adapted and validated consulting the supervisor and other professors with expertise and knowledge of the field.

A preliminary test of reliability was performed by distributing the questionnaire among 30 respondents, according to which the obtained Cronbach's alpha for all variables of information sharing level and the whole questionnaire was more than 0.7. Next, the obtained data from the whole sample was analyzed in SPSS and the SmartPLS4 software, using structural equation modeling (SEM) technique for PLS.

4. Findings

In this section, the results of confirmatory factor analysis of each research variable by SmartPLS 4 are presented. The strength of the relationship between the latent and observable variable is given by the factor loading. Factor loading is a value between zero and one. If the factor loading is less than 0.4, the relationship is considered weak and is ignored. A factor loading between 0.4 and 0.6 is acceptable, and if it is greater than 0.6, it is very desirable (Klein, 2010). The factor loadings of the research variables were calculated separately as shown in figure 2.

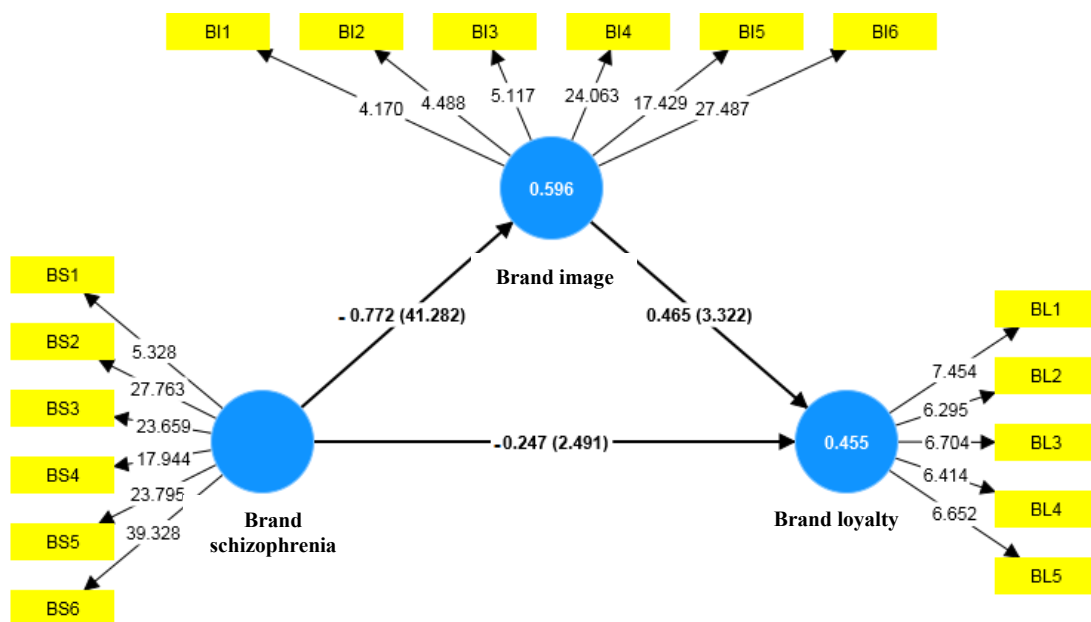


Figure 2. Factor loadings of model components in standard state

As can be seen in the figure above and table 2, in all the model's constructs, factor loadings have values greater than 0.4. Hence, the reliability of measurement models is acceptable. Having measured the factor loadings of the questions, Cronbach's alphas and composite reliability (Dillon–Goldstein's ρ) were computed, the results of which are reported in the table below.

Table 2. The results of Cronbach's alpha, composite reliability (CR), and convergent validity

Convergent validity (AVE)	Cronbach's alpha	CR	Dimension
0.536	0.870	0.823	Brand Schizophrenia
0.574	0.835	0.782	Brand Image
0.520	0.844	0.841	Brand Loyalty

As is seen in the above table the obtained Cronbach's alpha for all dimensions is greater than the threshold of 0.7, hence the research reliability is confirmed.

To test the composite reliability (CR) of each construct, the Dillon-Goldstein coefficient (ρ) is used. The composite reliability reported in table 1 for each construct is greater than the threshold 0.7, hence composite reliability of the constructs are confirmed.

Another criterion in examining the measurement model fit in terms of internal consistency of the constructs is convergent validity which is measured by average variance extracted (AVE). In the table above, the obtained AVE for all constructs is greater than the minimum acceptable value 0.5, whereby the convergent validity of the model is confirmed.

We also use the measure heterotrait-monotrait ratio (HTMT) to assess discriminant validity. If the HTMT value is less than 0.90, there is discriminant validity among the constructs (Henseler et al, 2015).

Table 3. Discriminant validity by HTMT

Brand Loyalty	Brand Image	Brand Schizophrenia	HTMT
			Brand Schizophrenia
		0.871	Brand Image
	0.483	0.540	Brand Loyalty

Overall model fit

Chen (1998) proposed three values of 0.19, 0.33 and 0.67 as criterion values for weak, moderate and strong R^2 values, respectively, as the indicators of the structural model overall fit.

Table 4. R^2 values

Q^2	Adjusted R^2 value	R^2 value	Variable
0.174	0.595	0.596	Brand Image
0.195	0.452	0.455	Brand Loyalty

The second structural model fit index is the Q^2 index. This measure indicates the predictive power of the model regarding an endogenous construct. As a rule, Q^2 values of 0.02, 0.15 and 0.35 indicate weak, moderate and strong predictive power corresponding to an exogenous construct, respectively. Given the R^2 and Q^2 values, as reported in table 4, the structural model overall fit and predicting power is confirmed.

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According to Henseler et al (2014), a standardized root mean squared residual (SRMR) value of below 0.1, and in a conservative case, of 0.08, indicates the model adequate overall fit.

Table 5. The results on the overall model fit using standardized root mean squared residual (SRMR) and NFI index

Estimated model	Saturated model	Latent variables
0.081	0.081	SRMR
0.589	0.589	NFI
1.115	1.115	d_ ULS
1.401	1.104	d_ G

The NFI index, which is called the Bentler-Bonnet index, is a comparative fit index. This index assesses the model by comparing the chi-square values of the independent model and the chi-square of the saturated model. An NFI value above 0.9 is acceptable, indicating the model suitability. Bootstrap provides confidence intervals for the two values discrepancy. Values greater than 0.05 for d_ ULS measure (i.e. the Euclidean least square discrepancy) and d_ G (i.e. the geodesic discrepancy) indicate good model fit. The obtained d_ ULS and d_ G values in the above table which are more than 0.05 indicate the model good fit.

By default, PLS4 software tests relationships at the 95% confidence level, and since the t-value at this interval is equal to 1.96, any relationship with a t-value outside the range of -1.96 to +1.96 is considered statistically significant at the 95% confidence interval.

The t-statistic shows the significance of the relationship between the variables. A t-value greater than 1.96 indicates a positive and significant effect; a t-value between -1.96 and +1.96 indicates the lack a significant effect; and a t-value smaller than -1.96 indicates a negative and significant effect. Also, if the path coefficients are above 0.6, it means that there is a strong relationship between the two variables; If it is between 0.3 and 0.6, there is a moderate relationship, and if it is below 0.4, there is a weak relationship. As shown in the model, all the hypotheses of the model are confirmed as their t-value falls outside the specified range, indicating the significance of all hypotheses and relationships between variables at the 95% confidence interval. The results on the test of the research hypotheses are presented in the table below.

Table 6. Results on the test of the hypotheses

Test result	t-value	p-value	Path coefficient	Path	Hypothesis
Accepted	0.000	41.282	-0.772	Brand Schizophrenia -> Brand Image	2
Accepted	0.013	2.491	-0.247	Brand Schizophrenia -> Brand Loyalty	1
Accepted	0.001	3.322	0.465	Brand Image -> Brand Loyalty	3

Given the results in the above table, all the research hypotheses are confirmed.

5. Discussion and conclusion

The obtained results from the test of the hypotheses indicate that brand schizophrenia has a negative and significant effect on brand loyalty and brand image of the products of Modiran Khodro Company. It is also found that the brand image has a positive and significant effect on the brand loyalty of the products of the mentioned company. Therefore, the negative impact of brand schizophrenia on brand loyalty and brand image is confirmed. This may indicate that there are no specific differences in the products of Iran's automotive industry in terms of (tangible) quality features. In other words, the products are almost identical; therefore, brand image is very important for companies operating in this industry. Brand schizophrenia severely damages the brand image and causes problems for the company. In the current study, brand schizophrenia showed the most negative effect on the brand image. The process of creating a brand image is a three-stage process: brand identity, brand position and brand image (Feiz & Ahmadi, 2021). Brand schizophrenia causes multiple brand identities and makes brand identity faces problems at the very beginning. Thus, the damage of brand image, when a brand has an incoherent, chaotic and multiple identity, and in other words, has brand schizophrenia, is evident and not far from expected. In fact, factors such as uncoordinated messages, failure to fulfill the promise, inappropriate positioning, etc. endanger the brand identity and cause brand schizophrenia, leading ultimately to brand image damage. In order to create a favorable brand image of the in the customer's mind, a correct, coherent and deep understanding must be created. Brand schizophrenia causes mental anxiety in the customer regarding the brand. Schizophrenic brands are not aligned with the values and beliefs of consumers, provide contradictory messages and have unstable relationships with customers. These factors cause sufficient and coherent information about the brand not to be obtained and customers to get confused when making decisions. These factors lead to a weak and confused brand image. Therefore, due to the inverse relationship between these variables, it is suggested that the Modiran Khodro Company increase its knowledge of customers with regard to brands.

We also find an inverse relationship between brand schizophrenia and brand loyalty. Creating a coherent and distinct unique identity can lead to increased value of the company's products (Coleman et al., 2011) and increased consumer preference and loyalty (Simoes et al., 2005). Indiscriminately generalizing brands to new products and brand schizophrenia threatens customer loyalty (Marchese, 2002).

Finally, the results indicate a relationship between image and brand loyalty, which is in line with the findings of Ishaq (2012) and Cretu and Brodie (2007). The mental image of the customers of the brand has a significant relationship with customer satisfaction which, in turn, affects customer loyalty to the brand. Therefore, companies should strive to align their real and imagined ideal brand personality with each other. The closer these three characters are to each other, the less brand schizophrenia. In general, the management of Modiran Khodro Company and all car manufacturing companies should plan to strengthen their brand in such a way that their brand evokes a special and distinctive feature in the minds of customers.

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ETHICAL CONSIDERATION

Authenticity of the texts, honesty and fidelity has been observed.

CONFLICT OF INTEREST

Author/s confirmed no conflict of interest.