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#### ORIGINAL ARTICLE

# How Do Brand Communication and Brand Personality Shape Consumer Loyalty?

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#### Abstract

The concept of brand personality plays a crucial role in brand literature as consumers tend to anthropomorphize brands by attributing human characteristics to them. The creation of a brand personality that resonates with consumers leads to greater customer satisfaction and loyalty over the long term. This study investigates the mediating potential of brand personality dimensions, specifically Competence and Sophistication, in the relationship between brand communication (both controlled and uncontrolled) as an antecedent and brand loyalty as an outcome. Using a sample of 340 users of a cosmetic brand, we employed structural equation modeling to analyze the data. Our results indicate that controlled communication significantly influences both the Competence and Sophistication dimensions of brand personality, and that there are significant indirect effects of both controlled and uncontrolled communication through reference groups on loyalty mediated by personality dimensions. These findings provide valuable insights for brand managers and marketers seeking to enhance brand loyalty by developing effective communication strategies that align with the desired brand personality dimensions.

Keywords: Brand personality, Brand communication, Brand loyalty, Beauty industry

JEL classification: C1, C3, M3

#### Introduction

lthough a strong and positive brand personality Ahas been found to be linked to customer loyalty, its importance has not been widely recognized in academic literature. Specifically, there has been a lack of research addressing the underlying reasons and mechanisms through which brand personalities influence consumers' loyalty towards a brand. This study addresses the different types of brand communication and their effects on consumer loyalty through the dimensions of brand personality. Brand personality is an important concept in marketing (Aaker, 1997; Plummer, 1985) because it is based on brand anthropomorphism, a process by which consumers assign certain human symbols and characteristics (Kim, 2001). Brand personality can help improve the relationship between consumers and a brand because

consumers are more likely to gravitate to brands that are consistent with their self-identification (Belk, 1988; Govers & Schoormans, 2005; Lin, 2010), so they can serve as symbols of the self and sources of self-expression (Keller, 1993). In recent academic literature, the relationship between a brand's personality and consumer attitudes towards the brand has been extensively studied (e.g., Cam et al., 2019; Cardoso et al., 2022; Kapoor & Banerjee, 2021), along with the connection between the consumer and the brand (Attor et al., 2022; Jibril et al., 2019; Radler, 2018). To measure brand personality, most studies have employed Aaker's five-dimension scale (e.g., Cortez & Dastidar, 2022). However, limited research has been conducted to explore the mediating role of brand personality dimensions between marketing communication efforts as an antecedent and loyalty as a consequence. Therefore, further research is required

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to gain a deeper understanding of the complex relationships among these concepts.

Research on brand personality is motivated by the significant association observed between brand personality and outcome variables such as preference (Aaker, 1997), usage (Sirgy, 1982), emotions (Biel, 1992), trust, and loyalty (Fournier, 1994). Perceived brand personality plays a key role in driving consumer loyalty, enhancing product differentiation, and reinforcing consumers' active engagement with brand information (Aaker, 1992; Biel, 1992; Fournier, 1998). The presence of distinct brand personalities can foster stronger consumer-brand attachment, ultimately leading to higher levels of lovalty (Ang & Lim, 2006; Doyle, 1990; Kim et al., 2011; Kumar et al., 2006). As a predictor of loyalty, brand personality can also lead to reduced marketing and advertising costs for retailers (Ivens & Valta, 2012). A recent study by Memon et al. (2021) further confirms the positive and significant impact of brand personality on brand loyalty.

Against this background, the focus of this study is to evaluate the potential mediating effect of brand personality dimensions between marketing communication efforts as an antecedent and loyalty as a consequence. Communication in marketing includes all formal and informal conversations that lead to meaningful and timely information exchange between buyers and sellers (Ranjbarian & Berari, 2009). Providing timely, accurate, and reliable information to customers, including information about new services and promises, is considered critical to building customer relationships. Open communication channels between the company and customers ensure a smooth exchange of information. Therefore, communication between the company and customers must be solid and predictable so that both parties are aware of the mutual benefits that result from this relationship. In this way, both the customers and the company will be willing to commit to these relationships for the long term. It is also argued that communication increases trust between partners as well as the ability of partners to align their expectations and perceptions (Alrubaiee & Al-Nazer, 2010). Brand communication can affect consumers in choosing a brand (Afriani et al., 2019). Further on, brand communication is the strongest variable in creating a brand image (Putri et al., 2019), and in bringing about positive brand behavior (Afriani et al., 2019), which will later lead to brand loyalty. The brand communication challenge is to harmonize customer-perceived brand personality as much as possible with the intended brand personality as defined by the company (Ivens & Valta, 2012). The fact that brand image and personality work together in that they both represent non-visual

methods for communication that live inside the audience's heads motivated this study to further explore the influence of brand communication on brand personality.

The results of analyses done by Ivens and Valta (2012) point to weaknesses in the brand personality communication of many companies. We focus on two types of communication (Grace & O'Cass, 2004): formal and informal. Informal communication is further divided into communication through advertising and communication through word of mouth from reference groups. Advertising and promotion are a crucial marketing communication tool that reflects the essence of a confident brand, and it is recognized as the main component of integrated marketing communication (Finne & Grönroos, 2017). "Identification, integration, and symbolism come directly through the marketing communication of the brand, its signals" (Loureiro, 2023). Well-known brands and non-brands are expected to have different ways to communicate, but brand managers benefit from more research that clarifies the differences (Loureiro, 2023).

The intended contribution of this study is twofold. First, the study addresses the lack of research on the underlying reasons and mechanisms through which brand communication and brand personality influence consumers' loyalty towards a brand. The study explores the potential mediating effect of brand personality dimensions between marketing communication efforts as an antecedent and loyalty as a consequence. It highlights the importance of brand personality in driving consumer loyalty, enhancing product differentiation, and reinforcing consumers' active engagement with brand information. Second, this study emphasizes the critical role of communication in marketing, including formal and informal communication channels, and the need for timely, accurate, and reliable information to build customer relationships. In this way, the study also underscores the importance of harmonizing customer-perceived brand personality with the intended brand personality defined and communicated by the company.

#### 1 Literature review

Brand personality is very important in building the strength of a brand (Aaker, 1997). Nowadays, customers are willing to pay any price for "their" brand, i.e., a brand with which they identify. Well-known brands invest both time and money to stabilize brand identity, maintain brand loyalty and popularity, and develop new product lines to achieve a greater market share. Studies of customer loyalty and risk aversion, as well as brand personality, enable marketers to identify factors that help stabilize customer behavior.



Fig. 1. The conceptual framework of the research.

Increasing customer loyalty is very important for brands, and they use a number of strategies to achieve brand loyalty as an end goal.

This study aims to investigate how different types of communication (controlled and uncontrolled) together with the perception of brand personality affect brand loyalty in the branded cosmetics industry. The cosmetics industry has seen significant growth in recent years, and companies are eager to understand the behavior patterns of their customers and how they can influence their brand personality through various communication channels. The conceptual framework for this study is illustrated in Fig. 1, which provides an overview of the concepts that may contribute to brand loyalty in the cosmetics industry. The framework suggests that both controlled and uncontrolled communication can impact brand loyalty through the perception of brand personality, which plays a mediating role in this process.

### 1.1 Brand communication and brand personality

The successful integration of marketing communication tools increases sales, and communication is the primary factor that affects costumer behavior (Purwanto, 2023) and the only factor in which partial control is in the provider's hands. Appropriate communication with the customer can be helpful, it can be positive and pleasant, and it can evoke various types of engagement (Nandan, 2005) and therefore can have important effects on customer behavior. For example, to ensure effective communication with their customers, many companies rely on customer service centers, where they can effectively engage with consumers and address their potential issues and complaints (Chandra et al., 2022).

Although the concept of brand personality is not new, the consideration of its importance in brand communication practice has been increasing immensely since the inception of the new millennium, and many practitioners and researchers have started to view it as the core of all advertising and marketing activities. Brand personality is created by the "intentional behaviors" a brand shows, which are observed by consumers. Brand personality becomes a priority in creating better communication with customers, so brands strive to develop a unique and recognizable

personality. Therefore, some studies believe that creating brands with a personality similar to that of the target consumer group is an effective marketing strategy (Ling et al., 2014).

A brand personality is created through any kind of communication between the brand and the consumer. There is usually nothing inherent in a brand that makes it young, exciting, or traditional, for example. Instead, these brand qualities are shaped by consumers' direct or indirect contact with the brand, including the product's user image (Aaker, 1997; Plummer, 1985). Consumers are thought to like brands with more distinct personalities, but it is also likely that consumers are more familiar with the brands they prefer. In other words, all marketing activities aim to make consumers trust and recognize the brand personality and to strengthen communication between the brand and consumers (Farhat & Khan, 2011) to improve brand loyalty.

A well-defined brand personality can create a stronger emotional connection with consumers and increase trust and loyalty (Ling et al., 2014). In addition, consumers tend to rate a brand with a stronger personality more highly (Ling et al., 2014). If companies motivate their customers to speak well of their offerings through their marketing activities, this will increase customer loyalty.

Considering previous studies, we argue that brand communication shapes the brand personality perceived by customers and helps to create dominant personality dimensions in consumers' minds. Communication interventions help consumers build brand awareness, meaning, and image, thus helping to identify brand personality dimensions and strengthen the connection between the brand and consumers. Despite the large amount of research dealing with brand personality, the relationship between personality and communication shows that a large number of practitioners rely on intuition to transmit the desired personality through message communication (Vinyals-Mirabent & Koch, 2020). Clearly, this type of practice entails a lack of consistency between desired and perceived personality. This opens up space for additional research into the connection between these two concepts. By understanding how different types of communication influence the perception of brand personality, brands can develop

more effective communication strategies that resonate with their target audience and build stronger brand loyalty. For instance, the way a brand communicates with its customers may shape the perception of its personality. For example, a brand that uses humorous or playful messaging in its advertisements may be perceived as more lighthearted and fun-loving than a brand that uses more serious, straightforward messaging. Furthermore, consistent communication across different communication channels can reinforce the perception of brand personality. When a brand communicates in a consistent manner across different touchpoints, customers are more likely to develop a clear and consistent understanding of the brand's personality. Furthermore, the type of communication used by a brand can influence the emotions and attitudes of its customers, which in turn can shape the perception of brand personality. For example, a brand that uses emotional storytelling in its advertising may be perceived as more empathetic and caring than a brand that simply lists product features. Therefore, we hypothesize the following:

**H1.** Brand communication dimensions are positively and significantly related to brand personality.

# 1.2 Brand personality and brand loyalty

In assessing brand personality and its effects, studies typically use the five-dimensional scale developed by Aaker (1997) to measure the concept. These dimensions are (1) Sincerity, (2) Excitement, (3) Competence, (4) Sophistication, and (5) Ruggedness. Accordingly, there are already several studies investigating the role of brand personality in brand loyalty. These studies have mainly been conducted with real brands in various industries (ranging from high-involvement product brands to various service brands).

Previous research shows that brand personality has a positive influence on customer loyalty in the sport (Nike) and technological (Sony) industries (Mengxia, 2007), food and beverage industry (Balakrishnan et al., 2009), telecommunication industry (Alhadid, 2015; Teimouri et al., 2015; Tuzcuoğlu et al., 2018), banking industry (Koppalavenugopal, 2019; Nysveen & Pedersen, 2014), hotel industry (Li et al., 2019), and leasing (Jayasundara et al., 2022).

Furthermore, brand personality has a direct positive influence on attitudinal loyalty (Li et al., 2019; Roustasekehravani et al., 2015; Zentes et al., 2008), behavioral loyalty (Li et al., 2019; Roustasekehravani et al., 2015; Zentes et al., 2008), and conative loyalty (Li et al., 2019). Interestingly, previous studies have shown that brand personality explains a much smaller percentage of the variance in behavioral loy-

alty compared to attitudinal loyalty (Zentes et al., 2008). Brand personality, mediated by brand love, has a significant impact on customer loyalty among Iranian insurance buyers in Tehran (Sharahi & Heshmat, 2020).

In addition, different dimensions of brand personality affect loyalty in different manners. For example, in smartphone buyers, the domain of Sophistication received the highest rank, followed by the domain of Excitement, then the domain of Ruggedness, and the Sincerity domain received the lowest rank (Alhadid, 2015). Sincerity has a direct impact on brand personality (Jayasundara et al., 2022; Koppalavenugopal, 2019; Sindhu et al., 2021; Tuzcuoğlu et al., 2018). Competence shows direct positive impact on brand loyalty (Koppalavenugopal, 2019; Nasir et al., 2020; Sindhu et al., 2021; Tuzcuoğlu et al., 2018), or an impact through brand trust (Astono, 2021), or no effect at all (Jayasundara et al., 2022). Sophistication level has a significant influence on brand loyalty (Jayasundara et al., 2022; Koppalavenugopal, 2019). Previous research is inconclusive about the role of Excitement as a personality dimension. Some claim that there is no significant influence on any dimension of brand loyalty (Koppalavenugopal, 2019; Tuzcuoğlu et al., 2018), and others agree about direct positive effects of Excitement on brand loyalty (Jayasundara et al., 2022; Sindhu et al., 2021; Tuzcuoğlu et al., 2018). When all the previous findings are considered together, we can assess that when consumers perceive a brand as having a strong and desirable personality, they are more likely to develop an emotional connection with the brand and become loyal to it. Moreover, when a brand personality is well-aligned with the values and beliefs of consumers, it can create a deeper level of engagement and loyalty. A strong brand personality that resonates with consumers can be a key driver of brand loyalty. Based on these arguments, as well as previous evidence on the focal relationship, we hypothesize:

**H2.** Brand personality is positively related to brand loyalty.

Finally, this study further assesses whether brand personality is a vehicle for transferring the effect of brand communication dimensions on brand loyalty, by postulating that there is a mediating effect of brand personality between brand communication and brand loyalty. In fact, changes in brand communication dimensions may lead to changes in brand personality perception, which in turn can affect brand loyalty. Therefore, we hypothesize:

**H3.** Brand personality mediates the relationship between brand communication dimensions and brand loyalty.

# 2 Methodology

To empirically test the conceptual framework, we conducted a quantitative study with a real brand from the cosmetics industry. The cosmetic brand *Labeffective* was chosen as the target brand, and the company representatives provided their consumer database for this research. The brand has been active for five years in Bosnia and Herzegovina (BiH), from where the research was conducted, and worldwide. The market in Bosnia and Herzegovina is a suitable market for conducting this type of study, as the cosmetics industry market does not differ from other European cosmetics industry markets, and with *Labeffective* a niche brand was selected; it is a current global trend that new niche cosmetic brands with different characteristics are emerging.

An online survey was utilized for the study using the LimeSurvey platform. To reach consumers of the brand, invitations were sent via SMS and Viber to consumers in BiH and via email to consumers residing outside BiH. Respondents were offered the opportunity to enter personal information in order to receive a gift card for completing the survey.

Previously developed measurement scales were used in this research, namely: the brand communication scale was the same as in Grace and O'Cass (2004), the brand personality scale as in Aaker (1997), and the brand loyalty scale was adopted from Yoo et al. (2000). For the brand personality scale, we did not select all five dimensions of brand personality (Aaker, 1997): Sincerity, Excitement, Competence, Sophistication, and Ruggedness, but only three: Sincerity (the extent to which the brand is honest), Competence (the extent to which the brand is reliable, intelligent, and successful), and Sophistication (the extent to which the brand is upscale and charming). Some studies claim that there are only three general dimensions that are universally relevant and generic for studies in specific locations (Meiske & Balqiah, 2019), and our analysis of various communication materials showed that the majority of brand communication focused precisely on the dimensions of Sincerity, Competence, and Sophistication (details can be found in Section 1.2).

The final sample for the analysis consisted of 340 users of the *Labeffective* brand who had purchased the brand at least once before filling in the survey. In the subject sample, the largest number of respondents were female (93.5%), while 32.65% were between the ages of 46 and 55. This implies a much higher number of female than male consumers. Such a large percentage of women in the sample can be explained by the purpose of this cosmetic product. These types of treatments are mostly carried out by women, so this is the

reason for the predominantly female share of the population in the sample. The largest number of respondents in the subject sample had high school education or first degree of higher education (39.7%) and had above-average incomes (as much as 51.5%). It is also significant that in the subject sample, the largest number of respondents had found out about the brand through TV commercials (48.80%). Slightly fewer respondents had received information using the Internet and social networks (32.90%). The smallest number of respondents received a recommendation for the brand from a friend/acquaintance (18.20%).

#### 3 Results

To empirically test the developed model, we have conducted the analysis by using structural equation modeling (SEM) in the Lisrel program. We have pursued a two-step approach (Anderson & Gerbing, 1988) in our data analysis, assessing the measurement model first and then the structural model. The measurement model along with standard coefficient is shown in Table 1.

Here, it is important to stress that, due to multiple items that each sub-dimension of personality dimension included, we have primarily conducted a separate confirmatory factor analysis with the purpose of aggregating items of personality sub-dimensions. Thus, the dimension of Sincerity was measured with the following sub-dimensions and items: down-toearth (family-oriented, small-town, down-to-earth), honest (sincere, honest, real), wholesome (original, wholesome), cheerful (cheerful, sentimental, friendly). Competence was measured with the following sub-dimensions: reliable (reliable, hard-working, secure), intelligent (intelligent, technical, corporate), and successful (successful, leader, confident), and Sophistication with the following sub-dimensions: upper class (upper-class, glamorous, good-looking), charming (charming, feminine, smooth). We have aggregated the sub-dimensions after establishing the validity and reliability of items to make the model more parsimonious. Furthermore, when assessing the measurement model, the dimensions of Sincerity and Competence had a great overlap ( $\rho = 0.97$ ), hence we decided to merge those two dimensions into one. It is not unusual that dimensions of the same concept are highly correlated. When it comes to Sincerity and Competence, high correlation between these two dimensions has also been found by Sung and Kim (2010), who did a whole range of model re-specifications to address this issue in their work. Furthermore, in their meta-analytic study, Eisend and Stokburger-Sauer (2013) have found that Sincerity

Table 1. Confirmatory factor analysis and measurement model presentation.

| Construct   | Item   | Loading      | CR   | AVE  |
|---|--|--------------|------|------|
|   | I like the advertising and promotions of the <i>Labeffective</i> brand.  I react favorably to the advertising and promotions of the <i>Labeffective</i> brand. | 0.87<br>0.88 |      |      |
| Controlled Communication  | I have positive feelings toward the advertising and promotions of<br>Labeffective brand.   | 0.90         | 0.96 | 0.79 |
|   | The advertising and promotions of the <i>Labeffective</i> brand are good.  | 0.92         |      |      |
|   | The advertising and promotions of the <i>Labeffective</i> brand do a good job.   | 0.85         |      |      |
|   | I am happy with the advertising and promotions of the <i>Labeffective</i> brand.   | 0.89         |      |      |
| Uncontrolled Communication –                                      | Publicity has been significant in affecting my views about the <i>Labeffective</i> brand.  | 0.81         |      |      |
|   | Publicity revealed some things I had not considered about the <i>Labeffective</i> brand.   | 0.88         | 0.94 | 0.76 |
| Publicity   | Publicity provided some different ideas about the Labeffective brand.  | 0.90         |      |      |
|   | Publicity helped me formulate my ideas about the <i>Labeffective</i> brand.  | 0.88         |      |      |
|   | Publicity influenced my evaluation of the <i>Labeffective</i> brand.   | 0.89         |      |      |
|   | My friends/family have been significant in affecting my views about the<br>Labeffective brand.   | 0.82         |      |      |
| Harris II I Commission  | My friends/family mentioned things I had not considered about the<br>Labeffective brand.   | 0.90         |      |      |
| Uncontrolled Communication –<br>Reference Groups (Friends/Family) | My friends/family provided some different ideas about the <i>Labeffective</i> brand.   | 0.95         | 0.96 | 0.84 |
|   | My friends/family helped me formulate my ideas about the <i>Labeffective</i> brand.  | 0.95         |      |      |
|   | My friends/family influenced my evaluation of the Labeffective brand.  | 0.96         |      |      |
| The <i>Labeffective</i> brand is:                                 |  |              |      |      |
| -   | Down-to-Earth  | 0.69         |      |      |
|   | Honest   | 0.88         |      |      |
| Sincerity and Competence  | Wholesome  | 0.89         |      |      |
|   | Cheerful   | 0.90         | 0.96 | 0.77 |
|   | Reliable   | 0.92         |      |      |
|   | Intelligent  | 0.93         |      |      |
|   | Successful   | 0.91         |      |      |
| Combination   | Upper class  | 0.95         | 0.92 | 0.04 |
| Sophistication  | Charming   | 0.89         | 0.92 | 0.84 |
|   | I consider myself to be loyal to the <i>Labeffective</i> brand.  | 0.90         |      |      |
| I1(   | The <i>Labeffective</i> brand is my first choice when buying cosmetics.  | 0.90         | 0.04 | 0.70 |
| Loyalty   | I will not buy other brands if the <i>Labeffective</i> brand is available at the store.  | 0.87         | 0.94 | 0.79 |
|   | I will certainly continue purchasing the <i>Labeffective</i> brand in the future.  | 0.89         |      |      |

CFA model fit:  $\chi^2 = 1020.58$ ; df = 362;  $\chi^2/df = 2.82$ ; RMSEA = 0.073; NNFI = 0.980; CFI = 0.982; SRMR = 0.44.

and Competence behaved in the same manner with regards to their antecedents and consequences across studies, being the most important among the brand personality dimensions. To justify our decision to merge these two dimensions, we rely on a similar procedure that was done in an existing study (Ling et al., 2014), where due to the different cultural context between the United States and other countries, the brand personality scale might not be suitable to be applied in other countries (Aaker et al., 2001), thus it requires some modification to the traits proposed. The brand personality dimensions defined by Aaker can be starting points when identifying a specific brand's personality. However, there exist unique personality traits that fall under each broader dimension,

and the more specific one can be when identifying which traits belong to a brand, the more authentic and unique the brand's personality will become. In order to accurately and meaningfully reflect the measurement procedure, the decision to jointly assess these two dimensions has been made.

The resulting CFA in Table 1 demonstrates a good model fit ( $\chi^2 = 1020.58$ ; df = 362;  $\chi^2/df = 2.82$ ; RMSEA = 0.073; NNFI = 0.980; CFI = 0.982; SRMR = 0.44) and excellent validity and reliability properties, with all the loadings being significant and higher than 0.69, composite reliabilities being higher than 0.92 and average variances extracted higher than 0.77. We further assessed the discriminant validity (Fornell & Larcker, 1981), to establish whether there were

Table 2. Discriminant validity assessment.

| # | Constructs                                    | 1    | 2    | 3    | 4    | 5    | 6    |
|---|---|------|------|------|------|------|------|
| 1 | Controlled communication                      | 0.89 |      |      |      |      |      |
| 2 | Uncontrolled communication (Publicity)        | 0.78 | 0.87 |      |      |      |      |
| 3 | Uncontrolled communication (Reference groups) | 0.45 | 0.50 | 0.92 |      |      |      |
| 4 | Loyalty                                       | 0.77 | 0.71 | 0.58 | 0.89 |      |      |
| 5 | Sincerity and Competence                      | 0.50 | 0.45 | 0.31 | 0.61 | 0.88 |      |
| 6 | Sophistication                                | 0.53 | 0.48 | 0.32 | 0.60 | 0.79 | 0.92 |

Notes: Square-root AVEs are shown diagonally in bold; Correlations are shown below the original.

overlaps between constructs of interest. We assessed correlation coefficients between constructs and ensured that all square-root AVEs were higher than correlations (see Table 2).

After assessing the measurement model, we proceeded with testing the structural part of the model. The results are shown in Table 3. The structural model also demonstrates a good fit ( $\chi^2 = 1203.04$ ; df = 365;  $\chi^2/df = 3.29$ ; RMSEA = 0.082; NNFI = 0.974; CFI = 0.977; SRMR = 0.049). We can see that the first hypothesis is partially confirmed since there are mixed relationships between the three different dimensions of communication and two dimensions of brand personality. The analysis shows that controlled communication has the greatest influence on the creation of both brand personality dimensions (Sincerity and Competence:  $\beta = 0.37$ , p < 0.001 and Sophistication:  $\beta = 0.41$ , p < 0.001). Uncontrolled communication, however, - only reference groups' communication impacts the first dimension of brand personality observed – affects Sincerity and Competence the most. Uncontrolled communication does not shape Sophistication at all. Therefore, we can say that our Hypothesis 1 is only partially confirmed.

Furthermore, communication (controlled and uncontrolled) explains 27% of the Competence dimension and 32% of the Sophistication dimension, while on the other hand these two dimensions explain 13% of user loyalty. Both dimensions of brand personality have a significant positive impact on customer loyalty, which confirms Hypothesis 2.

Regarding the mediating effect, our findings indicate that there is a significant indirect effect of controlled communication on loyalty through two dimensions of brand personality ( $\beta = 0.35$ , p < 0.001). Additionally, there is a marginally significant indirect effect of uncontrolled communication by reference groups on loyalty ( $\beta = 0.04$ , p < 0.06; one-tailed t-test). As a result, we can partially confirm Hypothesis 3.

# 4 Discussion and conclusions

This article focuses on brand loyalty and important but neglected concepts that shape brand loyalty. Specifically, we focus on two types of brand communication – controlled and uncontrolled – and their effect on loyalty with additional observation of brand personality as a mediation vehicle.

Ultimately, two theoretical contributions to the field of brand communication and brand personality can be derived from this research. First, we confirm that there is a mediating effect of perceived brand personality dimensions between controlled brand communication, as well as one aspect of uncontrolled communication, and loyalty. In terms of theory, this finding is relevant for both the fields of branding and consumer behavior as it highlights the importance of integrating brand personality into communication strategies to enhance customer loyalty. Furthermore, the indirect effect of uncontrolled communication by reference groups on loyalty through perceived brand personality dimensions provides insights into

Table 3. Results of hypothesis testing.

| Relationship   | β                         | $R^2$     |
|--|---------------------------|-----------|
| Controlled communication → Sincerity and Competence Uncontrolled communication (Publicity) → Sincerity and Competence Uncontrolled communication (Reference groups) → Sincerity and Competence | 0.37***<br>0.12<br>0.09** | 0.27      |
| Controlled communication → Sophistication Uncontrolled communication (Publicity) → Sophistication Uncontrolled communication (Reference groups) → Sophistication                               | 0.41***<br>0.14<br>0.08   | 0.32      |
| Sincerity and Competence $\rightarrow$ Loyalty<br>Sophistication $\rightarrow$ Loyalty   | 0.25***<br>0.41***        | 0.13      |
| Model fit: $x^2 = 1202.04$ , $df = 265$ , $x^2/df = 2.20$ , PMSEA = 0.082, NNIEL = 0.074, CEI  | _ 0 077, CDME             | 2 - 0.040 |

Model fit:  $\chi^2 = 1203.04$ ; df = 365;  $\chi^2/df = 3.29$ ; RMSEA = 0.082; NNFI = 0.974; CFI = 0.977; SRMR = 0.049.

*Notes*: \*\*\* p < 0.001; \*\* p < 0.05.

the power of social influence in shaping consumer behavior. This finding emphasizes the relevance of considering the impact of reference groups in shaping consumer attitudes and behaviors, which can inform marketing and branding strategies targeting specific consumer segments.

Our findings regarding the first contribution complement previous research (e.g., Chaudhuri & Holbrook, 2001; Koppalavenugopal, 2019; Lin, 2010; Ling et al., 2014; Su & Tong, 2015; Sung & Kim, 2010), by adding the mediating role of personality into the picture. A recognizable brand personality can enhance a relationship between consumers and the brand. Our findings confirm and additionally demonstrate that perceived brand personalities increase consumer loyalty (Aaker, 1992; Biel, 1992; Fournier, 1998) and, by doing so, help distinguish products, and enhance the active reception of information by consumers of a specific brand. Consumers have stronger connections with brands if the latter exude distinct brand personalities, which can lead to loyalty (Doyle, 1990; Fournier, 1998; Kim et al., 2011; Kumar et al., 2006).

Second, we contribute to marketing theory by reinforcing the idea that effective communication plays a crucial role in building and maintaining long-term relationships with customers. Our empirical findings show that effective communication plays a critical role in shaping customers' perceptions and loyalty intentions towards a brand. It is evident from the findings that consumers shape their perceptions of brand personality and subsequently their loyalty intentions based mostly on controlled communications by the company. Based on these findings, we also demonstrate that publicity has no real effect on brand personality creation, which calls for further investigation. One of the possible reasons might be that consumers are unable to distinguish publicity (e.g., when a paid person such as an influencer or a doctor advertises a brand) from controlled communication (e.g., video and radio ads).

This empirical study has important strategic implications for firms operating in the branded cosmetics industry. Firstly, it is crucial for companies to develop effective controlled communication methods to establish a unique and appealing brand personality, as this plays a significant role in creating and maintaining brand personality. Practitioners in the marketing field can utilize the findings of this study to develop communication strategies that align with their desired brand personality, ultimately improving customer loyalty. To create a brand personality, active communication by the company is necessary, and advertising is commonly used in this process (Ouwersloot & Tudorica, 2001). Marketers and producers of cosmetic brands should focus on advertising and promoting

their brand personality, along with recommendations, to attract a group of loyal customers through the Sincerity/Competence and Sophistication of their brand personality. Additionally, innovative brand loyalty programs should be implemented to create a stable group of dedicated customers. Social media platforms such as Facebook and online marketing can be used to create exciting promotional tactics and enhance the brand image. By adopting these strategies, firms can increase customer loyalty and achieve a competitive advantage in the marketplace.

This study is not without its limitations. One of the shortcomings is that it investigates only one product category (cosmetic industry), so generalization to other domains is potentially limited. The study can be strengthened by increasing the number of respondents and including participants from other geographical regions. Furthermore, literature assesses that there are other potential factors relevant to brand personality creation, such as self-identity or consumer brand identification, and those should be included in further analyses in order to get the complete picture. Previous research has devoted much more attention to studying brand personality direct and indirect outcomes (e.g., Bekk et al., 2016; Matzler et al., 2006; Sung & Kim, 2010; Virani, 2013), while there are not that many studies studying the determinants of brand personality.

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