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ABSTRACT
The general business problem of this study is fifty-one percent of all American small businesses fail within their first 5 years (Small Business Administration Office of Advocacy, 2013). The specific problem to be addressed in this proposed study is small businesses lack entrepreneurial knowledge of best marketing practices (McCartan-Quinn & Carson, 2003; Cressy, 2006; Walsh & Lipinski, 2009) of the dynamic interplay of consumer personality and brand personality to fuel improved small business survival via improved consumer brand loyalty. Apparent within the problem is the necessity for small businesses to strategically manage the personology of their consumers for optimum marketing success. McGahan (2007) indicated, “The challenge is to identify some new category of problem, activity, or situation and then to show how the new categorization enables different approaches that ultimately lead to better performance” (p. 749). The preliminary research from the 1950s indicated studies of consumer behavior were linked to concepts of personality and differential psychology (Kassarjian, 1971). In 1971, the field was abandoned primarily on account of Kassarjian’s position “that the state of research as equivocal, in that personality explains no more than 10% of the variance in actual buyer behavior” (Bosnjak, 2007 p. 587). It was not until 1997 that the topic was revitalized by a group of researchers who questioned the “psychometric properties of the instruments used” (Bosnjak, 2007 p. 587). Since 1997, there have been a series of articles written on the topic of impact of consumer personality and brand personality on brand loyalty; many of these articles address the concepts, the problems of the original study, or the application of the concepts to big box corporations. The problem statement identifies small business as a new category enabling a new or different approach.

INTRODUCTION

Competition for market share is fierce within a constantly transforming marketing environment (Morrish, 2011). The Information Age, technology, and the Internet have permanently altered consumer behavior (Terblanche, 2006). The belief that if a business is built consumers will purchase is a mindset of the past. Consumers can now research, customize, personalize, and purchase nearly everything online from their home computer, laptop, or mobile device (Meyer, 2007). Businesses must be proactive and clever to target and attract the consumer to their products or services. A carefully planned marketing strategy is the key to successful targeting (Walsh & Lipinski, 2009). Many small businesses are financially unable to fund dedicated in-house marketing departments or outside consulting firms to research, design, and plan long-term consistent targeted marketing campaigns (Walsh & Lipinski, 2009). Often small business owners rely solely on their intuition, independence, location, or luck to survive (Alstete, 2008).
There are 22.8 million small businesses in the United States that are responsible for the majority of the nation’s workforce and over half of the gross national product (U.S. Census Bureau, 2010). Small businesses play an important role in the economic wellbeing of the nation (Walsh & Lipinski, 2009). The purpose of this study is to purport that targeting of customers using a consumer personality model will fuel small business survival via improved consumer brand loyalty.

BACKGROUND OF PAPER

Dramatic changes in the marketing macroenvironment pose threats to small business survival. The macroenvironment is defined as those societal forces that directly affect the microenvironment shaping opportunities and posing threats (Kotler, 2003; Voiculet, Belu, Parpandel, & Rizea, 2010). Similar macro-factors influence the consumer as a microcosm within the small business macroenvironment (Clark, 2010). The consumer is the foundation of any business; without the consumer, business ceases to exist (Yee & Hooi, 2011). The act of monitoring the forces that move consumer behavior is of vital importance to the entrepreneur.

Small businesses must focus on customer care to survive (Eriksson & Omrani, 2010). Operating hand in hand with customer care is market orientation, without which an entrepreneur cannot make accurate predictions about consumer buying behavior or attract the consumers to the products or services (Martin, Martin, & Minnillo, 2009). Sørensen (2005) identified market orientation as a strategic orientation of a business within its market that is positioned to improve the performance differentials and customer service responsiveness of the firm. Strong market orientation directly correlates with strong consumer brand awareness (Noble, Sinha, & Kumar, 2002). Brand awareness is an intangible corporate asset of the perceived value that the consumer holds regarding the product or service offering (Calderon, Cervera, & Molla, 1997). The ability of a small business to focus on customer care and market orientation will ultimately increase the odds of business survival and improve performance and consumer brand awareness.

When both brand awareness and market orientation are strong, brand preference increases, yielding improved financial performance (Noble, Sinha, & Kumar, 2002). Brand preference is achieved when the customer is able to identify the differences among competitive brands and chooses one brand over the other (Chu & Liao, 2007). After the consumer has used the product or service and it has become a part of the intricacies of the consumer’s life, the consumer exhibits brand loyalty (Lichtlé & Plichon, 2008). When brand loyalty is achieved the consumer is faithful to the product and in time will repurchase.

Ultimately, brand loyalty is the goal of every company, large or small. Brand loyalty is about the business knowing the consumer intimately enough to appeal to the consumers’ innermost needs and desires (Duffy, 2005). One way the needs and desires of an individual are defined is by the personality of the consumer. According to Odekerken-Schröder, De Wulf, and Schumacherc, (2003), the consumer’s proneness to engage in a stable purchasing relationship (brand loyalty) may be considered a personality trait. Businesses must strive to uncover and trigger this personality trait in order to control repurchasing behavior.
One personality disposition that engages in a steady buying connection, discussed by Odekerken-Schröder, De Wulf, and Schumacher, (2003) is connected to the dydalic process of trust (Righetti & Finkenauer, 2011). Doney and Cannon (1997) defined trust as the emotive state of the consumer that is based on the reliability, credibility, and ability of the exchange partner to produce expected results. The key factor to successful relationship based marketing is founded in trust and commitment of the exchange partners (Harwood & Garry, 2006). Trust develops as a result of interpretation of exchange partners motives (Doney & Cannon, 1997). As trust develops, brand loyalty grows.

Brand loyalty is generally defined as an internal catharsis that occurs when the consumer has used the product or service and it has becomes tangled in the complexity of the consumer’s life (Lichtlé & Plichon, 2008). If small businesses could acquire the knowledge surrounding consumer personality as it relates to their individual brand, entrepreneurs could improve their market orientation, thereby increasing brand preference and brand loyalty (Adjei & Clark, 2009).

Despite the economic importance of small businesses there is very little research on how to develop and train entrepreneurs for business survival (Smart & Conant, 2011). The vast majority of small businesses are skilled craftsmen, professionals, and small shopkeepers with less than 100 employees (Hurst & Pugsley, 2011). These firms are small and stay small. Many fail. Of the available studies knowledge of and acclimation toward marketing and market orientation are identified as key contributors to small business success (Jones & Rowley, 2011; Smart & Conant, 2011; Miles & Arnold, 1991; and Morris & Paul, 1987). The following literature review will review consumer personality and small business and entrepreneurial marketing.

CONSUMER PERSONALITY

Marketing has been the tool utilized by businesses to communicate with the market in an attempt to meet consumer wants and needs (Shaw, 2011). From the late 1800s into the 1950s consumption was the paramount concept. The focus and the primary function of marketing research were to record facts and focus on theory development (Jones, 2010).

Marketing research in the 1950s focused on studies of consumer behavior linked to concepts of personality and differential psychology (Kassarjian, 1971). In 1971, the study of consumer personality was abandoned primarily on account of Harold Kassarjian's position that “the state of research was equivocal, in that personality explains no more than 10% of the variance in actual buyer behavior” (Bosnjak, 2007 p. 587). It was not until 1997 that the topic was revitalized by a group of researchers who questioned the psychometric properties of the instruments utilized to measure personality (Bosnjak, 2007). Since 1997, there has been a series of articles written on the topics of consumer personality, and brand loyalty. Many of these articles address the concepts and problems of the original study or the application of the concepts to big box corporations. This paper identifies small business as a new category enabling a novel approach.

Marketing is contextual within history as a business discipline and practice. Sheth (2011) indicated that there is an interplay between the market environment, customers, and competition.
As with any one of these changes, the marketing environment changes. Sheth and Kellstadt (2002) pointed to the energy crisis of the 1970s as a catalyst for marketing change. The energy crisis created a domino effect yielding high inflation, high unemployment, a sluggish market, increased raw materials costs, and global competition across industries. A marketing shift surfaced in the 1980s with the rise of a new marketing model based upon customer relationships. Primary changes where seen in the industrial sector as transference from transactional marketing (based on microeconomics or classical decision theory) to interactional marketing (based upon motivation or information processing). Classical marketing research sought to understand the market situation; researchers were consumed with situational influences, motivational aspects, and market forces (Levy, 2005). Information technology became a driving tool within interactional marketing models, along with conscious selection and targeting. Customer relationship management and relationship marketing emerged.

The intensity of contemporary research seeks to explore the richness of the consumer situations. Contemporary researchers seek to unravel communication influencers and behavioral antagonists that catalyze consumer behavior (Levy, 2005). Contemporary marketing, sometimes referred to as relationship marketing, includes an emphasis on customer retention, managed relationships, and networking built on trust and partnering through the value chain (Coviello, Brodie, Danaher, & Johnston, 2002). Doney and Cannon (1997) defined trust as the emotive state of the consumer that is based on the reliability, credibility, and ability of the exchange partner to produce expected results. Trust develops as a result of interpretation of exchange partners motives. As trust develops, brand loyalty grows.

Since the 1970s, the discipline of consumer behavior marketing has evolved into a significant body of knowledge. Marketing has moved through a continuum of changes throughout this journey. The traditional marketing mix, which focused primarily on transactional marketing and the four P’s, has moved dramatically to a relational focus in what is now considered contemporary marketing (Coviello, Brodie, Danaher, & Johnston, 2002). Contemporary marketing is complex, involving consumer centricity and a societal blended focus on people, planet, and profit.

Contemporary marketing requires that businesses continually adapt to environmental influencers; the most significant of these influencers are the actors or interest groups (owners, managers, and consumers) (Voiculet, Belu, Parpandel, & Rizea, 2010). The influencers are significant because the market is saturated with relationships, networks, and information exchange. Firms must identify the wants and needs of the actors in order to develop greater specialization and differentiation to insure profitability (Walsch & Lipinski, 2009). Moreover, firms must break through the barrage of marketing transmissions that consumers are subjected to daily with compelling communication to induce desire.

In order to meet consumer wants and demands, businesses must either create or discover the target market’s need or yearning. Large corporations have a structured hierarchy, strategic positioning, and the financial ability to stimulate consumer craving, which is the earmark of successful marketing campaigns (Walsch & Lipinski, 2009). Small enterprises must recognize or uncover their target audiences’ wants and needs. The small business is uniquely qualified for
this task as it is embedded within the community and generally working and socializing with their consumer. However, the small enterprise suffers from shortages in skilled labor, functional expertise, financial positioning, and tend to focus on sales rather than market, which ultimately results in unplanned and haphazard market ramifications (Moyes, Whittam, & Ferri, 2012).

The link between personality and relationship development may seem self-evident. Personality communicates the essence of each human’s being and provides the route to intimate individual relationships and the key to relationship satisfaction (White, Hendrick & Hendrick, 2004). Albert, Merunka, and Valette-Florence (2012) determined that strong relationships bind consumers to the brand of their choice.

The consumer-brand personality link seems even more significant for a small business as these firms tend to rely upon a highly involved entrepreneur. The small business owner’s personal involvement molds the company in the entrepreneur’s character. The business decisions are shaped by the entrepreneur’s personality (Walsch & Lipinski, 2009). The primary purpose of the entrepreneur and his/her business is customer centric shaped by the personality of both the consumer and entrepreneur (Morish, Miles, & Deacon, 2010). The personality of the entrepreneur is woven into the personality of the firm and is fueled by the external environmental factors of consumer personality in order to drive business growth.

Identification of the value and interconnection of consumer personality and brand loyalty along with the impact that this connection has on marketing for small business must be systematically explored. Aaker, Fournier and Brasel (2004) determined that relationships are influenced by the personalities of the members of the relationship; the consumer and the brand. Although consumer personality and brand personality have been discussed no study has addressed the two theories in relation to small business survival. Moskowitz and Gofman (2010) illustrated the value of scientifically understanding consumer behavior as a means of insuring business growth, and ultimately survival. When the entrepreneur can systematically identify the underpinnings of the consumer’s predisposition to purchase then optimization of consumer targeting occurs.

Advertising media have evolved over the last several decades. They have expanded and segmented. Hall (2002) identified the link between emotional attitude, perception, experience, memory, advertising, and brand selection. The speed of the Internet and digital communication has propelled advertising communications into real time with personally targeted messages. The messages sent and consumer responses can occur within milliseconds of one another transforming advertising into a more conversational experience, for both the business and the consumer, as opposed to the delay that was inherent in legacy advertising. Advertising and marketing are more predictive when consumer experience is at the heart of the process.

Rese (2006) pointed to the importance of business partnerships or marketing focused upon a relationship with the consumer. Musalem and Joshi (2009) advised businesses to work aggressively to attract customers that display behavior that responds to their acquisitions and retention efforts. Rauyruen, Miller, and Groth (2009) proposed a correlation between habitual buying, trust, and perceived service quality. Businesses need to act with this correlation in mind. Sheth and Parvatiyar (1995) suggested that relationship marketing opens a line of
communication between the consumer and supplier. The network developed creates value. Rese (2006) indicated that not all suppliers are suited for this type of marketing model. However, those that are suited stand to gain value and competitive advantage.

Anana and Nique (2010) studied the influence of brand positioning. Brand positioning is an extremely powerful marketing tool in that it empowers “entities because they blend functional, performance-based values with emotional values” (Anana & Nique, 2010, p. 7). The more finely a business tunes its targeting the more predictable the results.

Saren (2007) indicated that individuals are no longer what they eat, but rather what they buy. Saren (2007, p. 7) argued that “the body“by its very make up is a consumptive machine. It visually, physically, and emotionally consumes. Consumers make choices base upon personal identity and experience. Koller and Salzberger (2009) provided insight into the consumer buying process indicating that businesses should pay particular attention to consumers as individuals. Saren (2007) unpacked said consumer identity as is tied to consumption. Goukens, Dewitte, and Warlon (2009) pointed out that self-awareness leads to self-empowerment as individuals work toward behavior improvement. Self-aware consumers are more particular about their buying choices (Goukens, et. al., 2009). Saren (2007) supported consumer consumption as integral to self-identity, defined by taste and distinction. The theory of consumer freedom correlates with the definition of intrinsic being, defined as human personality (Kassarjian, 1971).

Kukar-Kinney and Close (2009) suggested, instead, that consumer cognitive and behavioral attributes are key drivers in buying behavior. To understand buying behavior it is important to understand non-buying behavior or buying inhibitors. Social influences, lack of availability, price, financial status of buyer, time pressure, and modern technology concerns are all buying inhibitors. Each of these inhibitors are further influenced or controlled by the individual’s personality traits.

Lau and Phau (2010) claimed, “Empirical evidence has demonstrated that the inherently unique biological and psychological make-up of each gender is the underlying factor that drives the differentiation between how men and women process information” (p. 356). Consumers are inclined to choose products that are congruent to their personality and self-image. Advertising impacted women in that they are more self-congruent and can create a brand personality/consumer personality fit evaluation more effectively than men. Findings are consistent with previous studies of Meyers-Levy and Stenmthal (1991) and Meyers-Levy and Meheswaran (1991).

SMALL BUSINESS AND ENTREPRENEURIAL MARKETING

Small business and entrepreneurial marketing (EM) has been identified as simple, informal, and haphazard in approach. Most generally marketing efforts are responsive to competitive pressure or reactive to fear of loss or seasonal opportunity (Jones & Rowley, 2011). Communication pathways for EM take the form of social media, microblogging, personal and organizational networking, local legacy media, and word-of-mouth (Harris & Rae, 2009; Miller & Besser, 2010; and Jones & Rowley, 2011).
IMPLICATIONS FOR SMALL BUSINESS

When marketing and market orientation are absent, small business performance decreases and the risk of business failure increases. Compound this deficiency with consumer cautiousness and declined spending; businesses become trapped in a deadly whirlpool (Rich 2010). A wealth of evidence exists pointing to this as a true problem within in EM. Planet (2010) suggested that business owners are aware that success in any economy, good or bad, directly connected to their ability to touch their customers at a personal level. The problem is that small business decision makers do not know the “how” to connect effectively.

Human beings connect based on personality traits that complement one another. Friends like the same things, laugh at the same jokes and enjoy the same activities (Karbo, 2006). Friendships develop on a personal level because of personality similarities that the individuals involved possess. Utilizing consumer personality small business entrepreneurs can target their consumer with more accuracy and achieve brand loyalty more expeditiously. Entrepreneurs have close relationship with their consumers yielding greater trust and thereby a greater propensity to succeed utilizing consumer personality model. Smaller localized customer base yields a shorter more direct line of communication.

CONCLUSION

Entrepreneurial knowledge of consumer personality and its impact on brand loyalty is of value to small businesses. Entrepreneurial knowledge of consumer personality will change how consumers are targeted (Meyer, 2007), improving the overall success of the small business marketing plan by establishing the relationship between what consumers purchase and why (Alhabeeb, 2003). Applied research exploring consumer personality, brand personality, and brand loyalty in a small business environment could potentially provide an avenue to small business theory that will provide a greater chance of business survival (Boughton, 1983).
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ABOUT THE AUTHORS

Annette Wolf obtained her MBA from the University of Phoenix. Currently she is working on her PhD at Capella University. As an entrepreneur she has developed, grown, and consulted multiple small businesses. She is a marketing consultant for hibu, llc, a multinational directory and digital services company, in this role she works closely with small and midsized enterprises in traditional and web-based media to establish credibility, enhance reputation, and position them as experts to promote consumer’s brand loyalty with the goal of selling more products and services.

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