

WEB APPENDIX 1.

The Link between Loyalty and Identity Theories

Loyalty usually develops over time and is often based on interactions between a consumer and a brand. These interactions encourage the development of meaning and reflection on the brand's functions and generate strong connections between the consumer and the brand (Thomson, MacInnis, and Park 2005). Consumers can have favorable attitudes toward any number of brands, but these brands may be trivial or inconsequential to their lives. The brands consumers choose to be loyal to, however, are few in number and are generally regarded as more meaningful, signifying, and substantial (Richins 1994). Such brands are accompanied by a rich set of schemas and associations that link the brand to the person's self and identity (Thomson, MacInnis, and Park 2005). Favorable attitudes alone do not necessarily connect the brand with the consumer's self-concept or identity. As such, consumer behavior studies based on social identity theory often choose loyalty over attitude measures as dependent variables (see Bhattacharya and Sen 2003; Homburg, Wieseke, and Hoyer 2009; Lam et al. 2010).

Loyalty is an important manifestation of a person's commitment to an identity (Stryker and Serpe 1982), not only for social identity but for other types of identities as well. Identity theorists have tried to explain how and when identities become activated in a situation using the concept of commitment to an identity (Stryker and Serpe 1982), which can lead to the likelihood that an identity will be activated across situations. Following Stets and Burke's (2000) suggestion, we not only examine the activation of identity across heterogeneous product stimuli but also assess consumers' commitment to the identity by examining their loyalty to foreign versus domestic brands. An identity self-verification process may lie behind the development of long-lasting relationships and loyalty (Burke and Stets 1999). According to the self-verification view, assumed identities automatically prompt

people to verify them. A central premise of identity theory is that people maintain relationships with entities that help them self-verify an adopted identity. People tend to selectively interact with entities that corroborate their identities and avoid those that do not wield fitting identity cues (by buying or using specific brands or by adopting new behaviors) as a way to self-verify their identities (Burke and Stets 1999). A person's perception of an entity as matching his or her identity standards (i.e., the meanings or symbols sought; Freese and Burke 1994) offers positive reinforcement to linger on such interactions. Positive reinforcement and repeated self-verification of identity from his or her interactions with a brand (and the identity cues it possesses) lead to the development of trust and loyalty (Burke and Stets 1999). Given that three of the five theories compared herein are identity theories, the use of loyalty as a complementary evaluation criterion is pertinent. The adoption of all three identities by a single individual is possible according to identity theory (Stets and Burke 2014). Multiple identities within the self are organized in a salience hierarchy. The more salient the identity in the hierarchy, the more likely it is to be activated across a greater variety of situations and, thus, to influence behavior (Stets and Burke 2014). Salience is a function of the commitment to the identity. In this context, the greater the strength of a person's ties to brands compatible with identity, the stronger is the commitment to that identity. Loyalty to identity-compatible brands is the litmus test to determine an identity's salience and its position in the salience hierarchy. Given the variability in the relationship between identity constructs and attitudes toward brands evidenced in many empirical studies, the use of loyalty may provide more consistent effects and help establish an identity's salience. In addition, brands to which a consumer is loyal tend to be richer in associations and meaning and involve more reflection on their function and role in that person's life. As such, loyalty is a suitable complementary outcome variable to the more situationally and context-dependent attitudes for the assessment of all five theories.

References for Web Appendix 1.

- Bhattacharya, Chitrabhan B., and Sankar Sen (2003), "Consumer-Company Identification: A Framework for Understanding Consumers' Relationships with Companies," *Journal of Marketing*, 67 (2), 76-88.
- Burke, Peter J., and Jan E. Stets (1999), "Trust and Commitment through Self-Verification," *Social Psychology Quarterly*, 347-366.
- Freese, Lee, and Peter J. Burke (1994), "Persons, Identities, and Social Interaction," *Advances in Group Processes*, 11, 1-24.
- Homburg, Christian, Jan Wieseke, and Wayne D. Hoyer (2009), "Social Identity and the Service-Profit Chain," *Journal of Marketing*, 73 (2), 38-54
- Lam, Son K., Michael Ahearne, Ye Hu, and Niels Schillewaert (2010), "Resistance to Brand Switching when a Radically New Brand is Introduced: A Social Identity Theory Perspective," *Journal of Marketing*, 74 (6), 128-146.
- Richins, Marsha L. (1994), "Special Possessions and the Expression of Material Values," *Journal of Consumer Research*, 21, 522-533.
- Stets, Jan E. and Peter J. Burke (2014), "The Development of Identity Theory," in *Advances in Group Processes*, Vol. 31, Shane R. Thye and Edward J. Lawler, eds. Bingley: Emerald Group Publishing Limited, 57-97.
- Stets, Jan E., and Peter J. Burke (2000), "Identity Theory and Social Identity Theory," *Social Psychology Quarterly*, 63 (3), 224-37.
- Stryker, Sheldon, and Richard T. Serpe (1982), "Commitment, Identity Salience, and Role Behavior: Theory and Research Example," in *Personality, Roles, and Social Behavior*, William Ickes and Eric S. Knowles, eds. New York: Springer, 199-218.

Thomson, Matthew, Deborah J. MacInnis, and C. Whan Park (2005), "The Ties That Bind: Measuring the Strength of Consumers' Emotional Attachments to Brands," *Journal of Consumer Psychology*, 15 (1), 77-91.

WEB APPENDIX 2

Rater procedure used for the product classification.

We used the following rating procedure. We asked 26 raters (consumers) to rate each product on multi-item measures adopted from Voss, Spangenberg, and Grohmann (2003) for the utilitarian/hedonic dimensions and to assess the extent to which the products were consumed/used for the utilitarian/hedonic benefits they offer on a seven-point scale (1 = “to an extremely small extent,” and 7 = “an extremely large extent”). We selected five items for the utilitarian dimension (effectiveness, usefulness, necessity, function, and practicality) and four items for the hedonic dimension (fun, excitement, thrill, and delight). With the same seven-point scale, the 26 raters assessed the conspicuousness of the product on five items (“use of the product” ... “is noticeable by others/affects impressions of others/be seen using it/is used in the presence of others/gets the attention of others”) adapted from Marcoux, Filiatrault, and Cheron (1997).

To assess rating validity, we employed the one-factor principal axis factor analysis (Uebersax 2015) to examine the correlation of each rater with the common factor. We removed five raters with low factor loadings (below .5), because according to Uebersax (2015) they have low validity. Cronbach alphas ranged from .671 (fashion clothes) to .821 (snacks) for the utilitarian dimension, from .716 (cars) to .922 (furniture) for the hedonic dimension, and from .704 (refrigerator) to .857 (sport shoes) for the conspicuous dimension. We employed interrater reliability using a one-way random, absolute agreement, average-measures intraclass correlation (McGraw and Wong 1996; Uebersax 2015) to assess the degree to which raters provided consistent ratings for each rating item across the 12 products. The one-way model served as a random sample of raters to assess a set of products on given dimensions. The resulting intraclass correlation coefficients were above .9 (.980 for the utilitarian dimension, .969 for the hedonic dimension, and .977 for the conspicuousness

dimension. We calculated the average scores for the three product dimensions and used them for the classification in Table 1. Following Voss, Spangenberg, and Grohmann (2003), we used the scale midpoint (4) to classify product into the categories depicted in Table 1. We classified toothpaste, refrigerator, furniture, and watches as utilitarian products because the average scores in the utilitarian dimension were high (6.304, 6.228, 5.502, and 4.687, respectively), while their average scores in the hedonic dimension were low, below 4 (i.e., 1.773, 3.297, 2.309, and 3.726, respectively). Of the four products, only watch had a high average score in conspicuousness (5.381); the conspicuousness scores of the other three utilitarian products were low (1.738, 2.222, and 2.892, respectively), and thus we classified them as private products. We classified television set, snacks, fashion clothes, and vacation hotels as hedonic products because they have high values on the hedonic dimension (5.178, 4.273, 5.309, and 4.476, respectively) and low values on the utilitarian one (3.105, 3.942, 2.452, and 3.609, respectively). The conspicuous dimension average scores for fashion clothes and vacation hotels were high (6.071 and 4.452), so we classified them as conspicuous products; conversely, the conspicuous dimension values were low for television set and snacks (3.285 and 2.785, respectively), so we classified them as private products. Skin care, cars, mobile phones, and sport shoes had high average values on both the hedonic (4.107, 5.595, 5.869, and 4.678, respectively) and utilitarian (5.381, 5.833, 5.981, and 4.821, respectively) dimensions, so we classified them as hybrid products. Cars, mobile phones, and sport shoes had high average scores in conspicuousness (6.119, 5.678, and 5.345, respectively), so we subclassified them as conspicuous consumption products. Finally, the conspicuousness score for skin care products was low (3.000), so we classified them as a private product.

References for Web Appendix 2.

Marcoux, Jean-Sebastien, Pierre Filiatrault, and Emmanuel Cheron (1997), "The Attitudes Underlying Preferences of Young Urban Educated Polish Consumers Towards Products Made in Western Countries," *Journal of International Consumer Marketing*, 9 (4), 5-29.

McGraw, Kenneth O., and Seok P. Wong (1996), "Forming Inferences about Some Intra-class Correlation Coefficients," *Psychological Methods*, 1 (1), 30-46

Uebersax, J. S. (2015), "Agreement on Interval-Level Ratings," [available online at <http://www.john-uebersax.com/stat/cont.htm>]

Voss, Kevin E., Eric R. Spangenberg, and Bianca Grohmann (2003), "Measuring the Hedonic and Utilitarian Dimensions of Consumer Attitude," *Journal of Marketing Research*, 40 (3), 310-320.