

Simionescu Mihaela,
*PhD, Senior Researcher at the Institute of Economic Forecasting,
Romanian Academy (Bucharest, Romania);*
Strielkowski Wadim,
*PhD, Research Associate of Cambridge Judge Business School,
University of Cambridge (Cambridge, United Kingdom)*

BRAND LOYALTY AND FASHION MARKETING: A CASE STUDY OF ROMANIAN YOUTH

Our paper tackles a novel issue of brand loyalty within the realm of fashion marketing. Fashion marketing represent a very creative, innovative and rapidly growing field with the earnings ranging in billions of dollars each year. We analyze the patterns and the choice of brands using the empirical analysis of the attitude and loyalty to a brand of a group of young Romanians aged between 18-30 years. Our sample includes 200 people who took part in the consumer survey. Our results show that the main determinants of selecting certain brands are reason and value as well as the social status. It appears that education has a negative outcome on brand loyalty and the higher personal income increases the probability of going for the brand.

Keywords: brand loyalty, consumer preferences, fashion marketing, principal component analysis, consumer survey.

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Introduction. Consumption behaviour and the consumers' choices and preferences for particular brands are influenced by a plethora of various factors and indications including consumers' demographics, their culture, political factors, consumers' faith, social factors as well as environment [1]. Customer loyalty to brands represents one of the key assets of any enterprise and it is very important in keeping and enlarging the customers' base. Brands constitute a key element in creating the enterprise name and position on the market, as well as a reference point for its clients [2].

The significance of customer loyalty becomes even more important for the growth and survival of any enterprise in the situation when the relevant market becomes saturated and no new customers are in sight [3]. Another factor that helps the companies to retain their customers might be through a considerable segmentation of the market where none of the main players possesses more than 16% of market share.

Analysis of recent research and publications. Many factors play role in influencing consumption behaviour including consumers' demographics, their culture, political factors, consumers' faith, social factors as well as environment [1] For example, Dick and Basu [4] described customer loyalty as "a relationship between relative attitude and repeat patronage". Salegna and Fazel [5] defined brand loyalty as "commitment, behavioural intent and behaviour to repurchase a particular brand".

Consumer behavior and consumer loyalty is subjected to several theoretical approaches [6-9]. For instance, Solgaard and Hansen [10] came up with the model of consumer choice based on consumer perceived utility (i.e. the consumer's perception of what she or he gives and receives). The receiving part can be described by store's service output [11]. The giving part is represented by the cost of purchased goods and services which can be expressed in terms of time and money spent in the process of shopping [12]. It can be shown that the rational behavior (i.e. when one assumes all consumers to be rational economic agents) makes consumers to shop in the stores with greatest output for the money spent [13].

Furthermore, Gounaris and Stathakopoulos [14] argued that brand loyalty has been viewed from three dimensions; a behavioural dimension demonstrated by repeated purchases, an attitudinal dimension manifested by preference, commitment or intention to purchase and a reasoned action dimension affected by social influences that can be derived from many factors such cultural, religious or political factors.

Another pattern in the marketing literature is referring to the consumer shop choice and consumer loyalty as not only immediate cost-benefit analysis, but as the long-term concept of customer-based brand equity leading to customer loyalty.

It becomes apparent that successful branding can transform into the emotional commitment, shopping loyalty, and even person-to-person promotion of the brand to others over time. All of the above is true for all kinds of brands but our purpose here is to concentrate on fashion marketing and fashion brands, in particular eliciting preferences for these brands and determining the drivers of the consumers' consumption and choices.

The diversity of findings from the existing economic literature indicates the heterogeneity marking this cohort. There are few age structures based on social and ethnic diversity, buying behaviour or employment [15]. Most papers regarding fashion clothing cover either the entire cohort [16] or specific segments regarding students or tax-payers [17-21]. These studies focused on purchasing motivation, information sources, willingness-to-pay, willingness-to-accept, or eliciting consumer preferences.

The main objective of paper is to investigate the consumer preferences and choices for the popular fashion brands using a sample of young people aged between 18 and 30 years. Moreover, we want to understand the main motivations and determinants of consumer loyalty and brand loyalty. We employ empirical analysis and statistical models and tools to achieve these goals.

Basic materials. The aim of was to provide an empirical analysis of the attitude and loyalty to a brand of a group of young Romanians aged between 18-30 years. Our sample included 200 people of these ages that were the object of a questionnaire survey organized in 2016 in a private university in Bucharest among its students. A principal analysis was conducted to identify some patterns in their choices for brands.

The principal components method replaces the initial variables x^1, x^2, \dots, x^p (p – number of initial variables), that are correlated, with the new characteristics (called principal components) and denoted as, c^1, c^2, \dots which represent linear combinations of the initial variables with the following properties:

- the principal components suppose maximal variance;
- the principal components are not inter-correlated;

The principal components are correlated with the initial variables, in order to keep as much information as possible.

Empirical model. In order to achieve our objectives, we run several statistical models based on the principal components analysis. Table 1 that follows shows the results of the principal analysis pattern in the choices for selected brands.

Table 1 – Brands from the same product category bought in the last year (own results)

Communalities		
	Initial	Extraction
Bought from online stores	1,000	,553
Frequency of buying clothes	1,000	,670
Money spent on clothes each year	1,000	,587
The clothes seen before to relatives/friends	1,000	,546
In-store product comparisons	1,000	,586
Desire of a new item	1,000	,591
Seasonal wardrobe renewal	1,000	,531
Matching with another item	1,000	,613
Manufacturing (cutting, printing, labeling, etc.)	1,000	,619
Salary	1,000	,630
Gender	1,000	,457
Level of education	1,000	,720
Extraction Method: Principal Component Analysis		

Розділ 1 Маркетинг інновацій

We are interested to have communalities that are close to 1. This indicates that the model explains most of the variation of the initial characteristics. In our case, the empirical model explain better the variation in: manufacturing, salary, matching with another product.

Table 2 – Results of the principal analysis patterns: choices for brands (own results)

Component	Total Variance Explained					
	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of variance	Cumulative, %	Total	% of variance	Cumulative, %
1	1,945	16,206	16,206	1,945	16,206	16,206
2	1,663	13,855	30,061	1,663	13,855	30,061
3	1,258	10,480	40,541	1,258	10,480	40,541
4	1,222	10,180	50,722	1,222	10,180	50,722
5	1,017	8,478	59,200	1,017	8,478	59,200
6	,888	7,397	66,597			
7	,857	7,142	73,739			
8	,760	6,332	80,071			
9	,719	5,989	86,061			
10	,589	4,906	90,967			
11	,587	4,891	95,857			
12	,497	4,143	100,000			

Extraction Method: Principal Component Analysis

There are 5 principal components that explain the attitude regarding a brand, in general. The results are reported in Table 3 that follows.

Table 3 – Results of the principal analysis patterns: choices for brands (own results)

	Component matrix ^a				
	Component				
	1	2	3	4	5
Bought from Online stores	-,332	,286	-,161	-,575	,068
Frequency of buying clothes	,407	,301	-,494	-,388	-,139
Money spent on clothes each year	-,468	,248	,386	,370	,144
The clothes seen before to relatives/friends	-,397	-,024	-,440	,422	,131
In-store product comparisons	,183	-,343	,520	-,398	-,086
Desire of a new item	,527	,234	-,143	,281	,398
Seasonal wardrobe renewal	,537	-,244	-,156	,284	-,279
Matching with another item	,460	,049	,424	-,103	,456
Manufacturing (cutting, printing, labeling etc)	,521	,164	,238	,302	-,416
Salary	-,090	,749	,224	,048	,091
Gender	-,434	-,422	,148	,056	-,256
Level of education	,114	-,655	-,147	-,016	,506

Extraction Method: Principal Component Analysis
a. 5 components extracted

Looking at the results reported in Tables 2 and 3, one can see that there are 4 principal components that explain the frequency a person buys clothes of the same brand of the last 10 purchases in Romania:

- reason and value (PC1- principal component 1) which is a linear combination of the following

variables: seasonal wardrobe renewal, and manufacturing (this is the most important principal component which explains 16.206% of the persons' loyalty for a brand): $PC1=0.537 \times \text{seasonal wardrobe renewal} + 0.521 \times \text{manufacturing}$;

– social status (PC2) which is a linear combination of two variables: wage and highest graduated education level. This principal component explains 13.855% of the loyalty: $PC2=0.749 \times \text{wage} - 0.655 \times \text{education}$. Young people with higher salary can afford to be more loyal to a brand, while higher the education is, lower is the loyalty to brand;

– the third principal component (PC3)- source of information which explains 10.48% of the fidelity to buy clothes of the same brand in the last year is represented by in-store product comparisons that had a positive impact: $PC3= 0.52 \times \text{in-store product comparisons}$. Because of the low outcome, the young people tend to compare the traditional stores with different products;

– moreover, it appears that the availability of the Internet (PC4) explains 10.18% of the loyalty for a brand in the last year, but it has a negative impact: $PC4= -0.575 \times \text{on-line stores}$. Table 4 that follows depicts the analysis of frequency of the repetitive buying of clothes of the same brand.

Table 4 – Frequency of buying clothes of the same brand (own results)

Communalities		
	Initial	Extraction
Manufacturing (cuting, printing, labeling etc)	1,000	,761
Stores with several brands	1,000	,803
Stores with only one brand	1,000	,711
Stores with clothes below a certain price level	1,000	,559
Leisure	1,000	,420
Brand reputation	1,000	,726
Fabric	1,000	,750
Scholarship	1,000	,683
Extraction Method: Principal Component Analysis		

Table 5 – Total variance, buying clothes of the same brand (own results)

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of variance	Cumulative, %	Total	% of variance	Cumulative, %
1	1,687	21,082	21,082	1,687	21,082	21,082
2	1,401	17,512	38,594	1,401	17,512	38,594
3	1,286	16,077	54,671	1,286	16,077	54,671
4	1,039	12,993	67,663	1,039	12,993	67,663
5	,871	10,885	78,548			
6	,776	9,701	88,249			
7	,532	6,652	94,901			
8	,408	5,099	100,000			
Extraction Method: Principal Component Analysis						

The principal component analysis was applied to select some factors that might affect the loyalty to a certain brand (Table 6).

One has to note that in Table 6 we only selected the principal components for which eigenvalues are greater than 1. Our results show that there are 4 principal components that explain how often a person buys clothes of the same brand in Romania.

Table 6 – Component matrix, buying clothes of the same brand (own results)

Component matrix ^a				
	Component			
	1	2	3	4
Manufacturing (cuting, printing, labeling etc)	,833	,180	,073	-,173
Stores with several brands	-,167	,690	,051	-,545
Stores with only one brand	,465	-,644	-,205	-,195
Stores with clothes below a certain price level	-,224	-,230	,663	,128
Leisure	,255	,575	-,103	,121
Brand reputation	,308	,154	-,579	,521
Fabric	,723	-,021	,458	-,135
Scholarship	,133	,266	,491	,594
Extraction Method: Principal Component Analysis				
a. 4 components extracted				

The results can be explained in the following way:

- provider and value (PC5) which is a linear combination of the following variables: manufacturing and fabric (this is the most important principal component which explains 21,082% of the persons' intention to buy clothes of the same brand): $PC5=0,833 \times \text{manufacturing} + 0,723 \times \text{fabric}$;
- the most important factor for this principal component is the manufacturing (this factor has the highest coefficient, namely 0,833);
- shop and fun (PC6) which is a linear combination of 3 variables: stores with one brand, stores with several brands and leisure. This principal component explains 17,512% of the intention to buy clothes of the same brand: $PC6=0,690 \times \text{stores with several brands} - 0,644 \times \text{stores with one brand} + 0,575 \times \text{leisure}$;
- the stores with only one brand had a negative and strong influence on intention. Young people prefer going to shops with several brands rather than choosing a more specific shop with only one brand;
- store and brand reputation (PC7) which is a linear combination of 2 variables: stores with items below a certain price level and brand reputation. This principal component explains 16,077% of the intention to buy clothes of the same brand: $PC6=0,6963 \times \text{stores with items below a certain price level} - 0,579 \times \text{brand reputation}$;
- these people prefer stores with items below a certain price level but the brand reputation is not taken into consideration in selecting a certain brand;
- scholarship (PC8) explains 12,993% of intention to buy clothes of a certain brand. Young people who have a scholarship can afford to buy more clothes of a certain brand.

Overall, it appears that in the sample of the young people from Romania who were all students of a private university, some patherns regarding the reasons for a brand and the frequency of buying things of the same brand could be identified. It appears that the main reason for chosing a brand is related to seasonal wardrobe renewal and manufacturing. The high frequency of buying products of the same brand could be explained by manufacturing.

Conclusion and directions for further research. Our results demonstrate how brand loyalty and the willingness to pay for the loved brands might help the companies to tie up and to retain its customers.

The outcomes of the principal component analysis in the empirical part of the paper show that the reasons for the loyalty to a certain brad are related to seasonal wardrobe renewal and manufacturing. The wage has a positive impact on a decision to be loyal to a certain brand. Contrary to our expectations, people with higher education are more interested in diversity than to follow a certain brand. The source of information regarding brands is reflected by the comparisons of traditional stores.

The availability of Internet did not act like a factor that promoted the favoured specific brand. Moreover, the frequency of buying products of the same brand can be explained by several factors: the selection of shops with several brands and those with prices below a certain level, as well as the existence of a scholarship. Typically, the profile of young consumers who often buys clothes of the same brand reflects a young person who visits shops selling clothes from multiple brands or with lower expected prices and who, in most cases, has a scholarship. Manufacturing and fabric tend to be the most important factor that influences the frequency of buying clothes of the same brand.

Our results might be of help for major fashion brands and the new fashion start-ups that are starting to build their marketing strategy on the competitive markets.

As for the directions for further research, it seems that a more segmented analysis embracing the youth from several Central and Eastern European countries, or comparing the samples of respondents from the "new" and "old" EU countries might be very helpful in learning how different nations perceive brand loyalty and how they react to the marketing strategies that are targeted at promoting the brands.

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Розділ 1 Маркетинг інновацій

М. Сіміонеску, PhD, ст. науковий співробітник Інституту економічного прогнозування, Румунська академія (м. Бухарест, Румунія);

В. Стрілковські, PhD, науковий співробітник Кембриджської бізнес-школи, Кембриджський Університет (м. Кембридж, Великобританія)

Лояльність до бренда та маркетинг моди: дослідження на прикладі молоді Румунії

Стаття стосується дослідження лояльності до бренда у сфері маркетингу моди. Маркетинг моди сьогодні є інноваційною та швидко зростаючою сферою з прибутками у кілька мільярдів доларів щороку. Автори аналізують особливості вибору брендів, використовуючи емпіричний аналіз щодо відношення та лояльності до них з боку групи молоді Румунії у віці 18-30 років. Вибірка включала 200 чоловік, які взяли участь в опитуванні. Результати дослідження показали, що основними факторами, що визначають вибір певного бренда є додаткова інформація про бренд, його цінність та соціальний статус людини. Виявилось, що освіта негативно впливає на лояльність до бренда, а вищі доходи особи підвищують імовірність того, що людина придбає брендований товар.

Ключові слова: лояльність до бренда, споживчі переваги, маркетинг моди, аналіз основних компонент, опитування споживачів.

М. Сіміонеску, PhD, ст. научный сотрудник Института экономического прогнозирования, Румунская академия (г. Бухарест, Румунія);

В. Стрілковски, PhD, научный сотрудник Кембриджской бизнес-школы, Кембриджский Университет (г. Кембридж, Великобритания)

Лояльність к бренду и маркетинг моды: исследование на примере молодежи Румынии

Статья касается исследования лояльности к бренду в сфере маркетинга моды. Маркетинг моды сегодня является инновационной и быстро растущей сферой с прибылью в несколько миллиардов долларов каждый год. Авторы анализируют особенности выбора брендов, используя эмпирический анализ касаясь отношения и лояльности к ним со стороны группы молодежи из Румынии возрастом 18-30 лет. Выборка включала 200 человек, которые приняли участие в опросе. Результаты исследования показали, что основными факторами, которые определяют выбор бренда, являются дополнительная информация о нем, его ценность и социальный статус человека. Оказалось, что образование негативно влияет на формирование лояльности к бренду, а более высокие доходы человека повышают вероятность того, что потребитель купит брендированный товар.

Ключевые слова: лояльность к бренду, потребительские предпочтения, маркетинг моды, анализ основных компонентов, опрос потребителей.

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