



# The Influencing Factors and Strategy Analysis of the Formation and Consolidation of Consumer Brand Loyalty

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**Abstract.** Customer brand loyalty has long been the focus of attention of enterprises when studying consumer behavior because it determines whether enterprises can have customers for a long time and obtain profits from them. In today's digital age, the factors that influence brand loyalty are more diverse, and in addition to the well-known factors of the past, different industries have their special concerns. Past research still has gaps in understanding how these factors interact across different consumer groups and market conditions. Through qualitative analysis, this paper attempts to further find the factors that affect user loyalty. The research finds that consumers' brand identification, emotional connection, and perceived value are related, and there is a certain logical connection between them. Then, the case analysis of Apple and IKEA gives some strategies to build and consolidate brand loyalty in line with the current development trends, such as using social media to increase the frequency of contact with customers and provide personalized services.

**Keywords:** Influencing Factors and Strategy, Consumer Brand Loyalty, Case Analysis.

## 1 Introduction

In today's highly competitive market environment with rapidly changing consumer preferences, the concept of brand loyalty has become a key determinant of competitive advantage. This phenomenon, in which consumers show consistent preferences and repeat purchase behaviors for specific brands, goes beyond mere transactional interactions. It embodies the deep-rooted emotional connection and trust between consumers and brands, making it a key element of a company's strategy as it strives to secure a lasting competitive advantage. The essence of brand loyalty can not only cultivate a stable customer base but also encourage customers to become brand advocates and take the initiative to promote the brand, thus greatly reducing the cost of acquiring new customers. Therefore, an in-depth study of the factors that influence the formation and consolidation of consumer brand loyalty, as well as a strategic analysis aimed at enhancing this key business asset, is essential.

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User brand loyalty reflects consumers' identification and satisfaction with the brand, which directly affects the company's market share and revenue growth. However, with the evolution of the market environment and the transformation of consumer behavior, the dynamics of brand loyalty have also changed, bringing new challenges to brand management. Under the trend of the digital age, the factors affecting user loyalty show more diversified characteristics, in addition to some well-known factors, different industries have their special concerns. This undoubtedly adds to the difficulty of the study. While previous research has pointed to various factors that influence brand loyalty, such as product quality, brand image, customer satisfaction, and word of mouth, there are still significant gaps in understanding how these factors interact across different consumer groups and market conditions. In addition, there is an urgent need to explore how these elements can be managed strategically to optimize brand loyalty.

Brand image plays a crucial role in brand research and practice. Over the past few decades, numerous studies have explored whether there is a positive correlation between brand image and consumers. To cultivate consumers' loyalty to the brand, it is not enough to establish attachment relationship only, but also to establish consumers' trust in the brand [1]. Trust is the first condition for cooperation. When one party has confidence in the reliability of the partner, trust leads to a higher level of loyalty [2]. Brand loyalty is not only directly or indirectly affected by factors such as perceived quality and user satisfaction. Instead, it is more directly influenced by how much consumers trust the brand [1].

Also, interactivity is important. Consumers contribute to a brand's social media presence by interacting and sharing ideas with other like-minded consumers and discussing the pros and cons of various products and services [3]. Constantly updating the latest brand materials on social media can have a positive impact by creating a sense of freshness and fashion to touch the subconscious of consumers, thereby increasing brand loyalty [4].

This paper aims to explore the formation mechanism of consumer brand loyalty by qualitative analysis. It aims to study the impact of various factors on brand loyalty and assess the effectiveness of different strategic applications, revealing the internal logic and path that influence the formation and strengthening of consumer brand loyalty through case studies and data analysis.

The objectives of this study are as follows: 1) Analyze the influencing factors of user loyalty. 2) Explore how these companies build and strengthen user loyalty with case studies. 3) Explore strategies that can increase user loyalty.

## **2 Influencing Factors**

### **2.1 Brand Identification**

Brand identification refers to the degree to which consumers can recognize and remember a brand, including visual elements such as brand name, logo, color, and non-visual factors such as service quality and product features associated with the brand. In 1992, Kapfeler emphasized the core and strategy of brand identity. For the compo-

sition of brand identity, Kapfeler believes that brand identification is a structured whole, including six components: physique, personality, culture, relationship, image, and internal image. Among them, physique, relationship, and image belong to the social characteristics, representing the brand's external characteristics; Personality, culture, and inner image are the unique qualities of the brand and represent the internalized characteristics of the brand. Only by synthesizing the performance of various dimensions can consumers form a comprehensive and accurate cognition of a brand. Therefore, the core of the brand identity model is the comprehensive performance of various elements in the hexagonal prism [5].

A strong brand identity provides the cognitive foundation for building user loyalty. When consumers can easily identify and remember a brand, they are more likely to consider that brand in their purchasing decisions, increasing the chances of repeat purchases. The product has enough highlights to stand out among many similar brands, and it is also an important step to build user loyalty. Uniqueness helps consumers easily identify a brand during the selection process while conveying the brand's unique value proposition. This differentiation strategy helps build a loyal customer base. Addicted to this exclusive glamour, they not only repeat purchases, but may also become brand advocates. Brand identification can help consumers express their identity and values. When consumers believe a brand represents the lifestyle or philosophy they want, they are more likely to remain loyal to that brand. This sense of social identity strengthens the relationship between consumers and brands.

## **2.2 Emotional Connection**

Brand identity creates an emotional connection. Brands can establish an emotional connection with consumers through a consistent visual image and brand messaging. This emotional connection is a key factor in user loyalty, as consumers tend to remain loyal to brands that resonate with them emotionally. In today's highly competitive market environment, the competition between brands is no longer just about product features or price competition, but more toward establishing a deep emotional connection with consumers. Emotional connection has become a powerful bond between brands and consumers, which can greatly enhance user loyalty and make competitive advantages naturally become lasting.

The specific path followed by the emotional communication model is as follows: the brand first finds the appropriate and specific emotional positioning and creates a clear and easily recognized emotional logo; Designing information content that supports product performance or fully demonstrates brand values. Uses various social media as a tool to deliver emotional information and put it in the hands of users; Users have emotional reactions to the brand, and then produce the decision mechanism of whether to buy or not; Under ideal conditions (all influencing factors will have a positive impact), users can establish a certain emotional resonance with the brand; Users share personal experience and other information with people around or associated with them; Finally, users may feedback their personal opinions and suggestions to the brand owner to form the brand meaning [6].

Emotional connection refers to the emotional dependence and identification of consumers on the brand, which goes beyond the actual function and value of the product and touches the inner world of consumers. It stems from the personal experiences of consumers, the values the brand conveys, and the resonance of the brand story. The information such as brand concept and product image transmitted by a brand activates the function of its image to help consumers express themselves, so it can drive consumers to share brand-related information on the network platform to achieve the purpose of shaping and demonstrating their self-image[7]. When consumers establish an emotional connection with a brand, they choose the brand not only because they need a certain product or service, but also because they emotionally identify with and rely on the brand, which forms the basis of user loyalty. The deepening of this connection depends on the brand's ability to consistently and consistently deliver a message that aligns with consumers' values and emotional needs. The authors note that when consumers psychologically establish a strong emotional connection with a brand, this connection translates into brand loyalty, and consumers will choose to stick with their favorite brand even in the face of the temptation of competing brands.

### **2.3 Price Sensitivity and Perceived Value**

At the theoretical level, the impact of price sensitivity and perceived value on user loyalty is rooted in the basic principles of consumer behavior and psychological theories. From the perspective of decision theory, the purchasing decision of consumers is a complex psychological process, which includes both the sensitive evaluation of price and the subjective perception of the value of products or services. In simple terms, this process is influenced by the theory of cognitive dissonance, in which consumers seek consistency between their purchasing behavior and their intrinsic beliefs.

First of all, price sensitivity reflects the sensitivity of consumers to price changes, which is largely the result of the combination of factors such as consumers' personal economic conditions, consumption psychology and purchase motivation. From a psychological point of view, consumers with high price sensitivity may be more inclined to use limited resources to achieve maximum value, and this psychological state prompts them to pay more attention to price information when making purchase decisions. However, this does not mean that low prices always lead to high user loyalty. According to the principles of behavioral economics, when consumers' purchase decisions are influenced by factors other than price - such as brand image, product quality, service experience, etc. - their price sensitivity may be correspondingly reduced. Therefore, the relationship between price sensitivity and user loyalty is not linear, but is influenced by a variety of factors.

Secondly, perceived value is the value perception formed by consumers based on their subjective evaluation of the product or service. It is the result of consumers comparing their expected utility of the product or service with the price paid. This comparison process is heavily influenced by the theory of mental accounts. More specifically, consumers weigh all the attributes of a product against its price to form a perception of its overall value. When the perceived value is higher than or equal to the

price it pays, consumers will feel satisfied and even pleasantly surprised, thus enhancing their loyalty to the brand. On the contrary, it leads to a decline in loyalty. Perceived value actually affects user loyalty through the internal evaluation mechanism of consumers. Therefore, by understanding customers' perceived value of products, marketing can develop reasonable pricing strategies to ensure that the price matches the value and improve the attractiveness of purchase [8].

### **3 Case Study**

#### **3.1 Apple Inc**

Apple has built a strong brand identity through its unique brand image, innovative product design, and user-friendly operating system. Apple's signature logo, simple product line, and consistent user experience form a distinct brand image in the minds of consumers, making Apple products easily recognizable even among many technology products. More importantly, they not only sell products but also provide a lifestyle symbol through their products. Apple's advertising and marketing strategies often emphasize how products can fit into and improve users' lives, inspire creativity and productivity, and thus create deep emotional connections in users' minds. In addition, Apple's product launches, the Apple Store retail experience, and the emphasis on user privacy have deepened users' emotional dependence and loyalty to the brand. The success of these actions for the brand can be intuitively seen in sales: according to the latest report of market research agency Canalys, the global smartphone shipments in 2023 narrowed to 4% compared with 2022. Despite being challenged in its core market, Apple took the top spot for the year for the first time with a 20% market share and 229.1 million units shipped [9].

Although Apple's products are usually priced higher, its strong brand identity and emotional connection with users make its consumers less price-sensitive. High pricing brings objective benefits to the enterprise: In the first fiscal quarter of 2024 (fourth quarter of 2023), Apple achieved revenue of \$119.6 billion, an increase of 2%. Net profit was \$33.916 billion, up 13% from \$29.998 billion in the same period last year [9]. Apple improves the perceived value of consumers through continuous technological innovation and high-quality product experience, making consumers think that high prices are reasonable, thus overcoming the price sensitivity problem to a certain extent. Apple's loyal user base is willing to pay a premium for advanced technology, premium design, and brand value, which reflects Apple's success in reducing price sensitivity by increasing perceived value.

#### **3.2 IKEA**

IKEA has built a strong brand identity through its unique store layout, the concept of self-assembled furniture, and its ongoing sustainability efforts. Its brand image is closely associated with products that combine affordability, functionality, and design, making IKEA a cost-effective and unique shopping experience for consumers.

IKEA's store design allows customers to gain inspiration and ideas while visiting the store, while the self-assembly nature of its products allows consumers to invest labor and time in the assembly process, thereby emotionally connecting with the products they buy. In addition, IKEA's concept of home and brand commitment to providing sustainable living solutions further deepen consumers' emotional identification with the brand.

To match the high-cost performance in product positioning, IKEA chooses to control costs through mass production and an efficient logistics system, so that its products can be provided to consumers at a lower price, which caters to price-sensitive consumers to a certain extent. At the same time, the beautiful lines, and simple and elegant design attract consumers attracted at first glance, and the exquisite workmanship improves the perceived value of consumers. Even price-sensitive consumers are willing to choose IKEA because they believe its products offer value beyond their price. This precise balance of price and value enables IKEA to attract and retain a large and loyal customer base. For example, IKEA's mug is the best-selling cup in the world, with media reporting that 250 million of the products are sold every year, and an average of 500 hands take it home every minute. Able to sell so well, in addition to its high appearance level, stable usability, and low price is its perennial master of the global mug market. After all, the price of only 2.9 euros before and 4.9 euros after the price increase can allow anyone to buy this cup without the burden and experience the exquisite life that they yearn for [10].

### **3.3 Inspiration in the Cases**

Looking at the steps that successful brands have taken to build and strengthen customer loyalty, we can summarize some patterns: In terms of brand identity and emotional connection, although the products and services sold are different, the basic logic of most enterprises is similar, but the specific actions are related to the industry environment. Therefore, in the value perception process, different products and services have different audience acceptance, which affects the decision of pricing strategy.

## **4 Strategy**

### **4.1 In-depth Use and Interaction of Social Media**

In the era of such a developed Internet, people are increasingly inseparable from social media in their daily lives and entertainment. Brand marketing activities based on traditional media can no longer meet the increasing material and spiritual needs of consumers, which means that the carrier of brand content marketing has expanded from traditional media to social media so that brands can have direct and personalized interaction with consumers. Brands can directly interact with consumers through social media platforms such as Facebook, Instagram, Weibo, etc., and publish brand stories and product information to arouse consumers' interest and participation. Through instant interactive responses, the connection with consumers is established,

and the closeness and trust of the brand are enhanced. By hosting brand events and participating in important industry or community events, brands can build a stronger connection with consumers. Brand events can include product launches, celebrations, charity activities, etc., to increase visibility and appeal to consumers [11]. At the same time, social media can also serve as an important feedback channel, and enterprises can timely adjust strategies and improve the quality of products and services by monitoring user feedback on social media.

## 4.2 Personalized Marketing

To stand out from the crowd, especially in highly competitive industries, it's important to find a unique selling point. In the process of personalized brand building, the use of "customer-oriented" management means of emotional marketing can greatly enhance the brand value, strengthen the humanistic connection between consumers and brands, highlight the brand personality characteristics, and ultimately achieve the brand marketing purpose while improving customer satisfaction [12]. To achieve successful personalization, companies need to first identify their brand positioning and build a clear user portrait. Later, it can combine the characteristics of a wide range of audiences such as humanity and history as a selling point, to obtain the sense of value and cultural belonging of most consumers in the market.

## 5 Conclusion

In addition to the theoretical contribution, this study has practical significance. Through careful investigation of the factors that cultivate loyalty and strategic insights that enhance loyalty, it is not difficult to find that the underlying logic of building and consolidating user loyalty is to create brand recognition in consumers' minds by providing products and services with great brand characteristics and advantages and create emotional connection by maintaining this sense of identity for a long time. At the same time, it tries to change the price sensitivity of consumers based on the market to help profit. This study contributes to a deeper understanding and practical application of brand loyalty strategies and provides feasible, science-based strategic recommendations for brand managers to cultivate and strengthen consumers' brand loyalty more effectively. By identifying and optimizing the key factors that influence brand loyalty, enterprises can accurately formulate brand management strategies. This strategy not only enables companies to maintain a competitive position in a brutal market environment but also paves the way for sustainable development. It should be noted that the market competition in the digital environment is more intense, and consumers are more rational and picky. Brands need to win the recognition and loyalty of consumers by constantly innovating and providing excellent products or services. In addition, consumers in the digital era pay more attention to personalized and customized experiences, and brands need to adapt to personalized changes in consumer needs and provide personalized brand interaction and customized products or services.

In short, understanding and increasing consumer brand loyalty becomes a cornerstone for businesses to thrive in today's complex marketplace. In the future, similar research is worth carrying out in a deeper direction.

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