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## MARKETING | RESEARCH ARTICLE

# Luxury values as drivers for affective commitment: The case of luxury car tribes

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**Abstract:** Brand communities have been regarded as avenues where the relationship between consumers and a brand can flourish. The main aim of this research was to investigate if luxury values, that is, the individual, social and functional values and beliefs influence the affective commitment in the luxury car context. This study explores the effect of luxury values on luxury car affective commitment mediated by brand tribalism and brand reputation. The proposed model was tested through a survey on car brand communities (BMW, Mercedes and Audi). Findings reveal that brand tribalism is more important than brand reputation when developing brand relationship. Functional values are more effective to create brand reputation than to improve brand tribalism. Social values influence more on brand tribalism than on brand reputation. Individual values exercise a significant effect on brand tribalism.

**Subjects:** Economics; Finance; Business & Industry; Marketing; Relationship Marketing; Social Sciences

**Keywords:** luxury values; brand tribalism; brand reputation; affective commitment; luxury car brands

### 1. Introduction

During the last 20 years, the research stream on consumer–brand relationships has been attracting interest for researchers and brand managers (Loureiro, 2012, 2015) and gained increasing



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Sandra Maria Correia Loureiro (PhD) is a professor at University Institute of Lisbon (ISCTE-IUL) and a researcher in the UNIDE and SOCIUS research center. She has participated in several research projects funded by the EU and FCT (Foundation for Science and Technology). She also won the Best Paper Premier Award 2012 of the Global Marketing Conference (comprises EMAC, ANZMAC, KSMS and Japan association of marketing). Recently, she won the Highly Commended paper award at 7th EuroMed conference.

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### PUBLIC INTEREST STATEMENT

Luxury cars tend to create aspiration to consumers. They dream about it. In postmodern area, tribes spread in both online and offline environment. The owners of luxury cars enjoy sharing comments about their car with their peers. But how do luxury values affect affective commitment towards such cars? This article presents a study analyzing how social, individual and functional luxury values influence differently brand reputation and brand tribalism. The article also stresses the importance of brand tribalism to create and maintain long-term relationships. Data were gathered from eight brand communities of BMW, Mercedes and Audi.

importance. The central goal is to understand the consumers' motivation towards the brands and the increasing role brands play in the consumers' lifestyle. According to Wood (2000), this implies brand management to be strategic and holistic, as this is conducive to longevity, that is, the marketing mix should operate in a way that supports the brand identity. Therefore, to do so in an effective and appropriate way, brand management has to understand the consumer, attract her/him, trigger the development, maintenance and continuous enhancement of brand relationships and, importantly, demonstrate credibility to be competitive in a turbulent market.

Our understanding of how consumers are connecting and relating with their preferred brand helps to create favourable experiences and leads to long-term relationships. Indeed, relationship marketing is the field of knowledge where the process of creating and maintaining the relationship between consumers and brands and the mechanism behind the multi-relationships in brand communities is studied (Muniz & O'Guinn, 2001; Semenik, Allen, & O'Guinn, 2012; Veloutsou & Moutinho, 2009).

However, a gap was found in the literature, regarding the influence of luxury values on affective commitment. Solomon, Bamossy, Askegaard, and Hogg (2006, p. 113) highlight that "a value can be defined as a belief about some desirable end-state that transcends specific situations and guides selection of behaviour". Consumers who believe that luxury materials accrue power, position, status, prestige, unique characteristics and relationships with other consumers will have a positive attitude towards acquiring luxury brands (Rucker, Galinsky, & Dubois, 2011; Zarantonello & Schmitt, 2010), such as cars. Actually, a luxury car may reflect the consumers' lifestyle, passion in life and visibility among other elements in the community. Belief about a luxury brand may enhance the reputation of the brand, the consistency of its values and trustworthiness. In the end, the process of identification with a brand and the reputation of the same will influence the affective commitment to the brand.

The present study proposes a model tested in the automotive sector, in particular, the car brands' communities: BMW, Audi and Mercedes (choosing only the more upscale car models) being the representatives of luxury segments according to European Commission (1999). A luxury car has a unique style, high quality and somehow gives pleasure to its owner, which is affordable only for the high-income group.

In this vein, the key objective of this paper was to explore the effect of luxury values on affective commitment, mediated by brand tribalism and brand reputation. Therefore, a model is tested using survey data from 201 responses by participants from car brand communities. The remainder of this paper is structured as follows. The next section provides a conceptualization of luxury values, luxury car brands and brand community. Thereafter, the background and hypotheses to be tested are presented. Moreover, the method is described and in the last two sections the major findings, conclusions and implications are presented.

## 2. Theoretical background and hypotheses' development

### 2.1. Consumer luxury values

In consumer marketing, brands often provide the primary points of differentiation between competitive offerings, and as such they can be critical to the success of organizations. These differentiating factors can effectively be the ones associated with luxury (Romaniuk, Sharp, & Ehrenberg, 2007). Thus, in order to achieve an understanding of the nature and drivers of consumer luxury values, a definition of luxury brands must underpin the research. However, as luxury is a subjective and multidimensional construct, defining luxury brands is not an easy task and must follow an integrative approach (Wiedmann, Hennigs, & Siebels, 2009).

Luxury brands are usually linked with brands of limited supply (exclusive distribution), high price, excellent quality, aesthetic beauty, rarity and exclusivity, as well as strong emotional and symbolic associations (Choo, Moon, Kim, & Yoon, 2012; Megehee & Spake, 2012). Chevalier and Massalovo

(2008) allude to a luxury brand as “one that is selective and exclusive, and which has an additional creative and emotional value for the consumer” (p. VIII). Therefore, luxury brands are related to objects of desire and provide extra pleasure enabling the satisfaction of both psychological, social and functional needs and values of their owners (Roper, Caruana, Medway, & Murphy, 2013; Vigneron & Johnson, 1999). Consequently, the strategic mission of luxury brands is built on the premise that they represent enough value to both the individual and significant others that exceed the high product price.

The customer value of a luxury brand has been conceptualized by previous studies (e.g. Choo et al., 2012; Christodoulides, Michaelidou, & Li, 2009; Kaufmann, Vrontis, & Manakova, 2012; Smith & Colgate, 2007; Tynan, Mckechnie, & Chhuon, 2009; Vigneron & Johnson, 1999; Wiedmann et al., 2009). The question of what effectively adds luxury value in the consumer’s perception was defined based on a hierarchical and multidimensional model that accommodates financial, functional, individual and social aspects (Wiedmann et al., 2009). The financial dimension of luxury value encompasses both monetary elements such as price and the trade-offs consumers sacrificed to benefit from the brand. As in the present study, only consumers pertaining to the high-income group that joined brand communities were targeted, the financial dimension was not considered. The functional dimension of luxury value refers to the core product benefits and utilities given by the brand to the consumer. Thus, it includes usability, uniqueness, quality, reliability and durability values. The individual dimension addresses personal factors towards luxury consumption such as hedonism, materialism and self-identity. The social dimension focuses on the perceived utility consumers obtain owning brands acknowledged within their social groups such as conspicuousness and prestige.

## **2.2. Luxury car brands**

An appropriate definition of luxury cars is needed for this study. It is important that the characteristics of luxury cars should fit the luxury values and the consumer perceptions. A luxury car brand provides desirable characteristics beyond strict functional “bare necessities”. A luxury car distinguishes by style, high quality, performance, as well as strong emotional and symbolic associations congregated to give comfort, reliability, pleasure and social status to the owner. Luxury cars are unique and distinctive within the market in terms of brand, price, and amount of extra accessories, engineering requirements, performance, technology and available options. Dubois and Patemault (1995) and Phau and Prendergast (2000) describe that luxury brands maintain their prestige by sustaining high levels of awareness and tightly controlled diffusion to enhance exclusivity and create differentiation.

In this vein, three brands (BMW, Audi and Mercedes-Benz) are chosen to be considered in this study due to the fact that they are the most representative to the E (executive cars), F (luxury cars) and S (sport coupés) car segments according to European Commission (1999). The boundaries between segments are blurred by factors other than the size or length of cars such as price, image and the amount of extra accessories.

## **2.3. Brand community**

Brand communities have become an increasingly important phenomenon in contemporary marketing (e.g. McAlexander, Schouten, & Koenig, 2002; Muniz & O’Guinn, 2001; Semenik et al., 2012) and are embedded into the context of marketing relationships. They were clearly stimulated by the emergence of Web 2.0 that provided an innovative technological toolset for the coalescence of communities around brands (Cova & White, 2010).

Consumers with similar norms, values and habits tend to congregate in groups called communities of consumption. Muniz and O’Guinn (2001, p. 412) defined brand community as “a specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand”. Stressing the relational aspect even more, Bagozzi and Dholakia (2006, p. 45) hold that a brand community “is a friendship group of consumers with a shared enthusiasm for the brand and a well-developed social identity, whose members engage jointly in group actions to

accomplish collective goals and/or to express mutual sentiments and commitments". Consumers can achieve social satisfaction when they create and maintain relationships and the brand takes advantage from their loyalty, advocacy and recommendations to other consumers (e.g. Algesheimer, Dholakia, & Herrmann, 2005; Fournier, 1998; Stokburger-Sauer, 2010). In addition, brand communities can help in strengthening consumer-brand relationships (Muniz & O'Guinn, 2001).

Muniz and O'Guinn (2001) have proposed three main characteristics of brand communities: (i) consciousness of kind, (ii) sharing rituals and (iii) sense of moral responsibility with consciousness of kind meaning "the intrinsic connection that members feel towards one another, and the collective sense of difference from others not in the community"; the presence of shared rituals and traditions "perpetuate the community's shared history, culture, and consciousness" and a sense of moral responsibility means "a felt of sense of duty or obligation to the community as a whole, and to its individual members" (Muniz & O'Guinn, 2001, p. 413).

The car brand communities employed in the current study are online brand communities that get together in person from time to time, and the degree of affiliation with the community was decided on the extent to which respondents identified with community features (Hewer & Brownlie, 2007). Some people associate themselves with a particular car model in order to be able to join the community, although, they do not necessarily have to own the car, just need to identify with a specific car model. According to Zhou, Zhang, Su, and Zhou (2012) to have consumers committed to a brand inside the brand community, the consumer identification with the brand and the cultivation of the emotions or attachment inside the community are important.

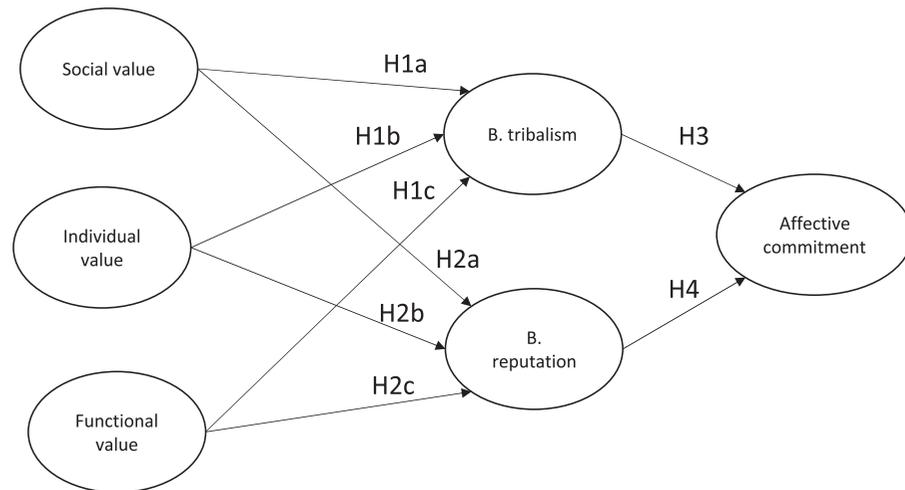
#### **2.4. Brand tribalism**

Brand tribalism is a relatively new concept, introduced by Cova and Cova (2002) that identifies a community of self-selected individuals formed on the basis of an emotional attachment to a product or a brand. Brand tribalism is derived from the concept of brand community. Brand tribalism may be defined as a community or subculture of consumers formed through an emotional bond to a product or brand (Jurisic & Azevedo, 2011). Yet, brand tribalism, however, does not mean that a consumer needs to accept a formal membership of the group (Taute & Sierra, 2014). Actually, postmodern tribes (1) do not dominate consumers' lives, (2) are playful rather than devoted, (3) are ephemeral and (4) are entrepreneurial (Goulding, Shankar, & Canniford, 2013). However, it is expected that exist "the common bond that tribe members share, the *social structure* or tribe members' perceived sense of hierarchical relationships, a *sense of community* reflecting tribe members' capacity to coexist in harmony, and *defense of the tribe* or tribal members' emotionally charged" (Badrinarayanan, Sierra, & Taute, 2014, p. 854) in opposition to competing tribes or brands. According to Ruane and Wallace (2015), there is evidence that consumers may be more loyal to the tribe they belong to than the brand it represents and online tribes and communities show such claims (Sierra, Badrinarayanan, & Taute, 2016).

Veloutsou (2007) stresses that a tribal brand relationship has two dimensions: two-way communication and emotional exchange. Later, Veloutsou and Moutinho (2009) developed a construct aggregating aspects of the consumers' lifestyle, passion of life, social visibility, collective memory of the brand and acceptance of certain reference groups, which they called "brand tribalism". Furthermore, they found that brand tribalism is an important predictor of the strength of brand relationships. In more detail, brand tribalism comprises five dimensions: fit lifestyle (the brand reflect the way consumer perceive his/her life); passion in life (the brand makes a contribution in life); reference group (achieve a sense of belonging by buying the same brand as friends buy); social visibility (people feel good about the brand and the brand is visible); and collective memory (collective memory among friends/community members to buy cars from the same brand).

Brand tribalism and communities around a brand allow customers to share experiences and influence other group members (Swaminathan, Page, & Gürhan-Canli, 2007), revising the power of word-of-mouth communications (Pawle & Cooper, 2006). Consequently, we postulate that when consumers

Figure 1. Proposed model.



of luxury brands identified themselves with the brands, feel pleasure acquiring and using the products, believe that the brand gives them prestige and perceive the usability and the uniqueness of such products (luxury values), then the same consumers will be more engaged in participating in communities of self-selected members emotionally attached to a brand (tribes). Thus, the following hypothesis is proposed (see Figure 1):

**H1:** Luxury values, social (H1a), individual (H1b) and functional (H1c) ones, influence the brand tribalism.

### 2.5. Brand reputation

Both, academics and practitioners alike consider that brands with good reputation are those of whom consumers believe that the brand's claims and signals are accomplished. So, reputable brands are more able to attract customers or, at least, retain customers (e.g. Herbig & Milewicz, 1993; Loureiro & Kastenholz, 2011).

According to Adams (2016), consumer willingness to buy or recommend a product is driven mainly by their perceptions of the company and brand reputation and not by their perceptions of the products. Reputation plays a role as signal of the brand or the company's key characteristics and as a source of competitive advantage (Hur, Kim, & Woo, 2014; Melo & Garrido-Morgado, 2012). However, the development of brand reputation implies more than merely meeting consumer expectations or keeping consumers satisfied. Rather, reputation is connected to long-lasting favourable relationships with stakeholders, particularly with consumers, and refers to how various audiences evaluate the brand (Herbig & Milewicz, 1993).

Reputation is one of the main associations with perceived quality of the products carrying the brand name. Consumers expect consistency in the perceived quality of the products over time (Milewicz & Herbig, 1994). Individual's trust on brands that they perceive as credible and which have a sustainable image in their minds (Veloutsou & Moutinho, 2009). Thus, reputation should be managed throughout the lifetime of a brand and cannot be changed in the short run. de Chernatony (1999) and Kapferer (2008) point to the importance of the congruence between brand identity and the core value in order to create brand reputation (considering long-term reputation and sustainable image). Thereby, the way consumers (i) perceive the utility that individuals acquire from car products that are recognized within their own social group, (ii) are personally oriented towards luxury consumption and (iii) are aware of the core product benefits and basic utilities (Hennigs et al., 2012), should influence the perception about the reputation of a luxury brand. Based on the above discussions, a further hypothesis is proposed (see Figure 1):

**H2:** Luxury values, social (H1a), individual (H1b) and functional (H1c) ones, influence brand reputation.

### **2.6. Affective commitment**

Developing and nurturing customer–brand relationships has become a central issue in both, marketing research and practice (Aaker, Fournier, & Brasel, 2004) due to its strong influence on customer retention and profitability. Consumers develop relationships with brands based on their perceptions, experiences and behaviours. In this context, relationship marketing is a long-term process based on the concepts of connection and interaction between the active consumers and the brand. Hereby, a brand can be treated as an active contributing partner in a dyadic relationship that exists between the person and the brand (Aaker & Fournier, 1995). This view is supported by Schultz and Schultz (2004) sustaining that brand relationships could be viewed as a type of financial, physical or emotional bond that brings the brands and the customer together. Accordingly, the emotional exchange is recognized as an important measure of the strength of customers' attachment to a brand (Aaker et al., 2004).

Veloutsou and Moutinho (2009) regard emotional exchange as a dimension of the brand relationship concept and analyse the influence of brand tribes and reputation on brand relationships. The product perceptions and its overall reputation could influence the consumer relationship quality (Stuart-Menteth, Wilson, & Baker, 2006). Furthermore, the role of luxury brands as relationship builders is now acknowledged (Cailleux, Mignot, & Kapferer, 2009) and the more positive the luxury car brand reputation the stronger the relationship with the brand, particularly the affective commitment, that is, the intention to desire to continue the relationship with the brand.

Consumer–brand relationships may be the result of imagination or actual participation in brand communities (Fournier, 1998). In-group relationships, the way members interact and communicate (Yang & Allenby, 2003), the passion for a brand and the collective memory will enhance the affective commitment towards a brand. Based on the reviewed research, the following hypotheses are proposed (see Figure 1):

**H3:** Brand tribalism has a positive impact on affective commitment.

**H4:** Brand reputation has a positive impact on affective commitment.

### **3. Method**

In order to test the hypotheses, a questionnaire was created including the items of the constructs elicited by the literature review and a section for socio-demographic variables. The questionnaire was first written in English and then translated into Portuguese. Back translation was then used to ensure that the questionnaire communicated similar information to all respondents (Sekaran, 1983).

Then the questionnaire (before launched) was pilot tested with the help of 10 individuals as managers and members of the car brand communities to ensure that the questions were well understood by the respondents and that there were no problems with the wording or measurement scales. Only a few adjustments were made. The members of the communities were invited to participate in an online survey.

The car brands considered in this study are BMW, Audi and Mercedes-Benz. The criteria for choosing such brands refer to the fact that the three brands are the most representative to the E, F and S car segments (luxury car segments) according to European Commission (1999) and according to ACAP (2015) are the most representative in Portugal, when consider the segments E, F and S. Several (12 online communities) brand communities of those brands were contacted in order to conduct an interview to explain the main purpose of the study and ask for permission to develop the study and collect data. Despite all the effort put into explaining the intention of the study, four did not want to participate. Eight online communities of the three brands (BMW, Audi and Mercedes-Benz) with

members from several countries, mainly from Portugal and United Kingdom (UK), accepted to participate in the study. People from UK always enjoy cars and certain car brands. In Portugal, we may see strong influence from UK due to the presence of English families mainly in Douro region (Port wine). The Portuguese contact with those families brings other traditions and tastes in addition to Port wine, such as some team sports or the interest for cars. The leaders of such communities allow the publication of the online survey. We do not offer any type of gift to entice study participation. The meetings with the leader of each community were the mechanism to motivate members' participation. The leaders were enrolled in the process. These members do not wish to be identified.

We measured the constructs with multi-item scales. Luxury values are assessed using a scale presented by Wiedmann et al. (2009). Brand tribalism and brand reputation are measured based on Veloutsou and Moutinho's (2009) work and, finally, affective commitment is adapted from Johnson, Herrmann, and Huber (2006). All items were measured using a five-point Likert-type scale.

A total of 316 fully completed and usable questionnaires (after excluding those with missing values, inconsistent responses or extreme multivariate outliers) were collected. Of the overall participants from 8 car brand communities, 82.4% are male what represent the proportionality of the total members of the communities contacted. Almost 80% (79.2%) range from 31 to 50 years of age, however, this is acceptable due to the type of product in question. The number of participants using each of the three brands is divided almost evenly (BMW-37.4%, Mercedes-Benz-31.7% and Audi-30.9%).

#### 4. Results

The model proposed in the current study is complex and has formative constructs. In order to test the model, this study used the repeated indicators' method (Chin, Marcolin, & Newsted, 2003; Kleijnen, de Ruyter, & Wetzels, 2007), and the Partial Least Squares (PLS) approach is employed to estimate structural paths coefficients,  $R^2$ ,  $Q^2$  and Bootstrap techniques.

The PLS model was analysed and interpreted in two stages. First, the adequacy of the measurements is assessed by evaluating the reliability of the individual measures and the discriminant validity of the constructs (Hulland, 1999). Then, the structural model was appraised. Item reliability was established by examining the loading of the measures on their corresponding construct. All items with loadings have values above 0.707, which indicates that more than 50% of the variance in the observed variable is explained by the construct (Carmines & Zeller, 1979). Composite reliability was used to analyse the reliability of the constructs since it has been considered to be a more accurate measurement than Cronbach's alpha (Fornell & Larcker, 1981). Table 1 shows that all constructs are reliable since the composite reliability values exceeded the 0.7 threshold and even the strictest one of 0.8 (Nunnally, 1978).

At the second-order construct level, we have the parameter estimates of indicator weights, significance of weight and multicollinearity of indicators. Weight measures the contribution of each formative indicator to the variance of the latent variable (Roberts & Thatcher, 2009). A significance level of at least 0.05 suggests that an indicator is relevant to the construction of the formative index (functional value, individual value, brand tribalism and brand reputation), and, thus, demonstrates a sufficient level of validity. The recommended indicator weight is  $>0.2$  (Chin, 1998). Table 1 shows that not all indicators have a positive beta weight above 0.2. Therefore, for functional values, both uniqueness and usability are significant and meaningful path coefficients. For individual values only hedonic is significant and meaningful, because the contribution of self-identity and materialistic to form individual values are less relevant compared with hedonic. In the case of tribalism, the reference group and fit lifestyle are significant and meaningful.

The degree of multicollinearity among the formative indicators should be assessed by variance inflation factor (VIF) (Fornell & Bookstein, 1982). The VIF indicates how much an indicator's variance is explained by the other indicators of the same construct. The common acceptable threshold for VIF

is below 3.33 (Diamantopoulos & Siguaw, 2006). Table 1 shows VIF values are <3.33 and so the results did not seem to pose a multicollinearity problem.

The measures demonstrated convergent validity as the average variance of manifest variables extracted by constructs (AVE) is at least 0.5, indicating that more variance was explained than unexplained in the variables associated with a given construct. The criterion used to assess discriminant validity was proposed by Fornell and Larcker (1981), suggesting that the square root of AVE should be higher than the correlation between the two constructs in the model. This criterion is met.

Regarding structural results (see Table 2), all path coefficients were found to be significant at the 0.001, 0.01 or 0.05 levels, except the causal order individual value -> b. reputation. Thereby, hypotheses H1, H3 and H4 are fully supported and H2 is partially supported by the sample. All values of Q<sup>2</sup> are positive, so the relations in the model have predictive relevance. The model also demonstrated

**Table 1. Measurement results**

Variables	Mean	Item loading Reflective measure)	AVE	Composite reliability	Cronbach alpha
Functional-uniqueness value	4.6	(0.844–0.899)	0.770	0.930	0.900
Functional-usability value	4.4	(0.938–0.958)	0.904	0.966	0.947
Individual-hedonic value	4.3	(0.809–0.928)	0.756	0.969	0.964
Individual-materialistic value	4.1	(0.862–0.886)	0.770	0.910	0.851
Individual-self-identity value	4.1	(0.927–0.929)	0.861	0.925	0.838
Social value	4.2	(0.884–0.970)	0.873	0.989	0.988
B. tribalism-lifestyle	4.7	0.744–0.883)	0.701	0.903	0.858
B. tribalism-passion	4.5	0.940–0.947)	0.891	0.942	0.877
B. tribalism-reference group	4.2	0.906–0.976)	0.903	0.974	0.964
B. tribalism-visibility	4.5	0.853–0.927)	0.798	0.922	0.973
B. tribalism-collective memory	4.4	0.952–0.954)	0.908	0.952	0.999
B. reputation-long term reputation	4.8	0.812–0.970)	0.699	0.874	0.785
B. reputation-sustainable image	4.7	0.919–0.923)	0.849	0.918	0.822
Affective commitment	4.6	0.853–0.883)	0.753	0.938	0.918
Second order formative construct	First-order constructs/dimensions		Weight	VIF	
Functional	Uniqueness value		0.613***	2.20	
	Usability value		0.508***	1.18	
Individual	Hedonic value		0.766***	2.52	
	Materialistic value		0.189**	1.78	
	Self-identity value		0.125*	1.88	
B. tribalism	Fit lifestyle		0.215**	1.27	
	Passion		0.143*	2.02	
	Reference group		0.332***	3.05	
	Social visibility		0.195**	1.62	
	Collective memory		0.145*	2.84	
B. reputation	Long term reputation		0.602***	1.65	
	Sustainable image		0.493***	1.71	

Notes: AVE: average variance extracted; VIF: variance inflation factor.

\* $p < 0.05$ .

\*\* $p < 0.01$ .

\*\*\* $p < 0.001$ .

**Table 2. Structural results of the proposed model**

Path	Standardized coefficient	Test results
Social value -> B. tribalism	0.586***	H1a supported
Individual value -> B. tribalism	0.188*	H1b supported
Functional value -> B. tribalism	0.217**	H1c supported
Social value -> B. reputation	0.444***	H2a supported
Individual value -> B. reputation	-0.015 ns	H2b not supported
Functional value -> B. reputation	0.435***	H2c supported
B. tribalism -> affective commitment	0.815***	H3 supported
B. reputation -> affective commitment	0.130*	H4 supported
$R^2$ B. tribalism = 0.940	$Q^2$ B. tribalism = 0.67	
$R^2$ B. reputation = 0.716	$Q^2$ B. reputation = 0.41	
$R^2$ affective commitment = 0.864	$Q^2$ affective commitment = 0.61	
GoF = 0.83		

Note: ns not significant.

\* $p < 0.05$ .

\*\* $p < 0.01$ .

\*\*\* $p < 0.001$ .

a good level of predictive power ( $R^2$ ) as the modelled constructs explained 86.4% of the variance in affective commitment, 71.6% in b. reputation and 94.0% in b. tribalism. In fact, the good value of GoF (0.83) and the good level of predictive power ( $R^2$ ) revealed a good overall fit of the structural model.

### 5. Conclusions and implications

The findings of the present study imply a number of theoretical and practical implications. This study attempts to explore the effect of luxury values on affective commitment, mediated by brand tribalism and brand reputation. The findings reveal that social values and functional values are important predictors of brand tribalism and brand reputation. However, functional values, usability and uniqueness of the luxury cars are more effective to create brand reputation than to enhance brand tribalism. Social values have more influence on brand tribalism than on brand reputation. Individual values have a significant effect on brand tribalism and this, in turn, has an important role on affective commitment. The three dimensions of individual values do not have the same strength. Hedonic values are the most impactful to build individual values. Moreover, consumers' personal orientation on luxury consumption which addresses personal matters, such as materialism, hedonistic and self-identity, seems not be a key factor to improve the reputation of a luxury brand.

In line with Cova and Cova (2002), the current study proved that values act as drivers to develop an affective commitment. The community around a car brand depends on the values of their members. Values act as beliefs and knowledge and influence the way people relate to each other (Choo et al., 2012; Hennigs et al., 2012). These assumptions are also shown in the current study, pointing out the influence of individual, social values and functional values on creating and promoting brand reputation and enhancing brand tribalism.

The current study allows us to understand that luxury values do not act as a whole in developing affective relationships between brands and consumers. In accordance with the Veloutsou and Moutinho' study (2009) for Coca-Cola and Pepsi brands (not luxury brands), in the luxury car community context, brand tribalism ( $\beta = 0.815, p < 0.001$ ) is more important than brand reputation in the formation of affective commitment. Previous research has already expressed the role of reputation as a sign for consumers and a source of competitive advantage (Hur et al., 2014; Melo & Garrido-Morgado, 2012). However, brand tribalism seems to play a more important role than reputation to

strengthen consumer–brand relationships and maintain long-term relationships. A brand that achieves such affective commitment with consumers, will have a partner on its side (for good and bad times), someone who advocates in favour of the brand and more easily forgets the mistakes. The emotional bonds (Jurisic & Azevedo, 2011; Taute & Sierra, 2014) and the capabilities to exchange information and communication (Veloutsou, 2007) are the levers for the success of a brand within the tribes.

The findings reveal that the reference group is the most important dimension in formation of brand tribalism, meaning the importance of friends and other members to achieve a sense of belonging having the same car brand. Fit with lifestyle follows the reference group highlighting the importance of how the identity of the car brand fits the way consumers live, that is, the brand identity should be related to the way consumers perceive life. Zhou et al. (2012) point to the attachment (love for a brand) as the main factor to generate brand relationships, whilst here the belonging to the group and the fit to the lifestyle reveal to be even more significant than the passion in order to develop affective commitment to a brand. Finally, in accordance with Roper et al. (2013), luxury brands should be thought of social concepts, underlining the importance of the group to continue to buy luxury cars.

The findings have some managerial implications. Managers should be aware that the core benefits and basic utilities of a luxury car (such as uniqueness and usability) and the perceived utility individuals acquire by having a prestigious car brand, which is recognized within their own social group(s), contribute to positively reinforce brand reputation and may significantly affect the evaluation and the propensity to purchase or consume luxury car brands. Social aspects of displaying status, success, distinction and the human desire to impress other people can positively contribute to the emotional life of the consumer, brand liking and to have a sense of belonging by buying and using the same car brand as community friends. A collective memory of consumers in a luxury car brand community can reflect reference group cohesion, improve consumers' lives and their sense of emotional authenticity, which, in turn, enhances the relationship consumer/consumer and brand/consumer.

## 6. Limitations and further research

Regarding limitations and future research avenues, some points should be attended. More data should be collected in other product categories of communities of luxury brands in order to generalize the scale to the luxury sector. A great proportion of the respondents are middle-age (31–50) male consumers, who might display different behaviour than older/younger or female consumers. Second, it will be important to analyse other luxury car brands and compare the findings.

Third, it would also be valuable to additionally explore the role of other factors as potential drivers to brand tribalism and brand relationships, as well as explore how consumers engaging in a brand community can influence the positive word-of-mouth and long-term relationship. Lastly, although the data were collected considering communities having mainly member from Portugal and United Kingdom, the geographic area was limited to Europe. Thereby, it would also be interesting to analyse the model in a cross-cultural perspective. For instance, the results may be different in brand communities with participants from Middle East or East of Asia.

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