

Research on Consumer Brand Loyalty from a Happiness Economics Perspective: A Review

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Abstract. This paper aims to explore the formation mechanisms of consumer brand loyalty from the perspective of happiness economics through a systematic literature review, integrating theoretical resources from multiple disciplines, including philosophy, literature, psychology, and economics. The core research objective is to deconstruct the complex theoretical linkages between brand image, customer satisfaction, subjective well-being (SWB), and brand loyalty, and to elucidate their underlying pathways. This review reveals that: Traditional brand loyalty models overly rely on customer satisfaction as a core driving variable, resulting in limited explanatory power. Although satisfaction is an important antecedent of behavioral loyalty, empirical evidence suggests that it is not a sufficient condition for affective loyalty. The perspective of happiness economics reframes our understanding of loyalty: brand trustworthiness builds satisfaction, cumulative positive consumption experiences catalyze the rise of happiness, and sustained happiness ultimately solidifies into deep affective commitment and behavioral stickiness. Subjective happiness has become a critical psychological mediator connecting objective brand performance and long-term customer retention. Even in the presence of more price-advantaged alternatives, the inherent happiness generated by a brand's unique emotional value can significantly increase consumers' price tolerance and switching barriers. This review not only systematically outlines the interdisciplinary theoretical underpinnings of happiness economics in empowering brand loyalty but also provides guidance for future academic research by marketing practitioners to design solutions that enhance consumer well-being.

Keywords: Consumer brand loyalty, happiness economics, subjective well-being, customer satisfaction

1. Introduction

The relationship between happiness and consumer brand loyalty is bidirectional, and this interactive and mutually influential relationship has become an important topic of multidisciplinary research. Philosophy, literature, psychology, and economics explain this complex relationship from different perspectives. Aristotle distinguished two core concepts of happiness at the philosophical level: hedonic and eudaimonic [1]. The former emphasizes happiness from pleasure and positive emotional experiences, while the latter focuses on the deep satisfaction gained from pursuing a sense of meaning and realizing personal potential. Hermann Hesse, the 1946 Nobel Prize winner in

Literature, proposed from a literary perspective: "Happiness is a how, not a what; a talent, not an object." This statement conceptualizes happiness as a dynamic capability, rather than a static, fixed commodity. Martin Seligman, a leading figure in modern positive psychology, further proposed that, compared to fleeting pleasure, an individual's deep engagement in an activity and their sense of meaning in life have a more decisive influence on the formation of lasting happiness [2,3]. In the field of economics, behavioral economists such as Richard Thaler have introduced core concepts such as "mental accounting" to empirically reveal how emotional factors and subjective value assessments systematically influence consumers' decision-making processes and behavioral choices [4,5]. Based on these interdisciplinary theoretical studies, marketing research has gradually incorporated the study of happiness economics into the theoretical framework of brand loyalty [6, 7]. From a traditional perspective, brand loyalty is primarily defined as a function of customer satisfaction and switching costs. However, empirical research shows that high satisfaction does not always translate into positive behavioral loyalty, and some satisfied customers do not significantly increase their purchase frequency or brand interaction intensity [8,9]. This phenomenon highlights the limitations of traditional models and suggests the existence of other key driving mechanisms. Happiness economics offers a powerful complementary analytical framework: by deeply examining factors such as emotional well-being, identity construction, and value alignment derived from consumer-brand interactions, it can more comprehensively explain how to build and maintain deep, sustainable brand loyalty. The following chapters of this article will systematically explore this comprehensive perspective, first defining core concepts, then reviewing relevant theoretical models, and finally discussing its implications for management practice.

2. Conceptual foundations

2.1. Defining consumer happiness

Consumer happiness is a multidimensional construct whose connotation can be interpreted from the perspectives of philosophy, psychology, and economics. At the philosophical level, Aristotle's classic theory distinguishes two core happiness paradigms: Hedonic happiness focuses on immediate affective experiences, that is, the pursuit of pleasure and the avoidance of pain, such as the positive emotions caused by consuming specific products or services; while Eudaimonic well-being emphasizes the individual's pursuit of meaning and purpose in life, which is reflected in the realization of self-potential and the achievement of a life of virtue [1]. In the field of positive psychology, Seligman proposed that the core elements of the PERMA model provide an important framework for understanding consumer happiness [2]. He explained the three key dimensions that constitute happiness: pleasure (positive sensory and emotional experience), engagement (deep immersion in activities and experiencing a state of flow), and meaning (meaning stemming from belonging to and serving something beyond the self) [2, 3]. Seligman advocated that a "flourishing life" should integrate these three dimensions [2, 3]. Empirical research further proves that compared with short-term pleasure, engagement and meaning dimensions can usually lead to a more profound and enduring well-being [2, 10]. This insight has important implications for marketing practice: brands that not only provide sensory pleasure, but also help consumers perceive a sense of purpose in life by building brand communities or promoting shared values are often more effective in improving consumer happiness. From an economic perspective, consumer happiness is often operationalized as subjective well-being (SWB) [11,12]. SWB is a comprehensive indicator that covers an individual's cognitive evaluation of their global life satisfaction and the balance between positive and negative affective states [11,12]. Welfare economics often uses SWB data obtained

from large-scale surveys as a proxy for traditional utility or welfare for quantitative analysis [13,14]. However, it must be emphasized that SWB evaluation is highly subjective and its formation is significantly modulated by factors such as individual aspiration levels, social comparison processes, and cultural context [15]. In the context of consumption, the sources of consumer happiness are dual in nature: it can derive from immediate, hedonic rewards, such as a delightful advertisement; it can also be rooted in deeper, value-driven connections, such as the satisfaction and self-congruity that comes from purchasing and consuming products that align with personal ethics or sustainable development.

In summary, consumer happiness is a complex concept, encompassing both the direct affective enjoyment of consumption and the broader perception of "the good life" achieved through consumption behavior. This perception is essentially dynamically constructed through consumers' ongoing interactions with brands and products.

2.2. Understanding brand loyalty

The Classical Definition of Brand Loyalty In consumer behavior and marketing research, brand loyalty is widely regarded as a core construct. Its most classic definition was proposed by Oliver in 1999 [16]: Brand loyalty refers to "a deeply held commitment by consumers to continue to repurchase or patronize their preferred brand or service in the future." This commitment can effectively inhibit consumers' switching behavior in the presence of situational influences and competitive marketing efforts [16]. According to this definition, loyal consumers not only show a persistent preference for a specific brand, but also effectively resist the temptations from competing alternatives. Oliver's framework has important theoretical contributions. It clearly distinguishes the dual dimensionality of loyalty and emphasizes that true loyalty goes beyond mere behavioral repetition and is essentially driven by an intrinsic and enduring psychological commitment [16]. The model specifically deconstructs brand loyalty into two interrelated but conceptually independent dimensions: (1) Behavioral Loyalty It refers to the observable pattern of repeat purchase behavior exhibited by consumers for a specific brand. This dimension is usually measured through a series of quantitative metrics, including purchase frequency, share-of-wallet allocation of consumers in the category, and duration of brand usage. (2) Attitudinal Loyalty It reflects the consumer's internal psychological disposition towards the brand, manifested in positive affective attachment, preference, and sense of commitment [17].

3. Reconceptualizing brand loyalty through the lens of happiness economics

Emotional loyalty is defined as a specific affective-cognitive state. By providing consistent satisfaction, building reliable trust, or reinforcing consumer identity, brands actively contribute to consumers' happiness, thereby inspiring and maintaining long-term commitment. This happiness-based loyalty model transcends traditional loyalty-driven mechanisms based on switching costs or habit.

In summary, from the perspective of happiness economics, brand loyalty is reinterpreted as a multidimensional, dynamic construct. It encompasses both observable repeated patronage (the behavioral dimension) and deeply rooted positive attitudes (the attitudinal dimension), encompassing trust, affective liking, and even higher-order brand love. This integrative perspective lays a solid theoretical foundation for constructing a theoretical model in subsequent chapters, systematically explaining how these positive attitudes form a complex interplay with consumer happiness.

3.1. Key theoretical models and antecedents: an integrated framework through the lens of happiness economics

3.1.1. Limitations of traditional models and the happiness economics paradigm

Traditional brand loyalty models typically start with customer satisfaction, emphasizing that satisfied customers have a higher propensity to repurchase. However, research in happiness economics reveals that satisfaction is only a necessary but insufficient condition in the loyalty-driving mechanism [8]. Authentic brand loyalty is more deeply rooted in consumers' emotional well-being and overall subjective well-being [8]. Based on this, an integrated theoretical framework was proposed, which connects brand image, customer satisfaction, consumer happiness and brand loyalty into a causal pathway.

3.2. Core theoretical model: the brand image-satisfaction-happiness-loyalty pathway

3.2.1. The foundational role of brand image

Brand image refers to consumers' overall cognitive representation and affective associations with a particular brand. A strong brand image can stimulate positive affective responses and even induce higher-level emotions such as pride. Empirical research shows that, especially in the fashion industry, a positive brand image can significantly enhance consumers' happiness experience and thus positively influence the formation of loyalty [6]. Bettingen and Luedicke further deconstructed the hierarchical structure of the connection between brands and consumers [11]: Brand Clues Level: focuses on the sensory attributes of the brand, including its perceptible details such as vision, hearing, smell, touch and taste; Brand Systems Level: involves the social meaning and cultural identity carried by the brand. When a brand effectively strengthens the consumer's self-image or promotes their integration into a specific community (such as the Harley-Davidson Owners Club), it can significantly enhance the consumer's sense of happiness; Brand System Level: focuses on the role of the brand at the macro-societal level, examining how it shapes social norms and social identities. In cultural contexts such as ethical consumption or supporting local economy, brand choices that align with values can generate moral satisfaction, thereby enhancing happiness and strengthening loyalty commitments [18].

The mediating role of customer satisfaction Consumer satisfaction stems from consumers' perceptual evaluation of the positive difference between product/service performance and expectations.

Although satisfaction is an important antecedent of behavioral loyalty, it does not necessarily lead to profound emotional attachment. From the perspective of happiness economics, satisfaction is a facilitative condition for the formation of happiness, but happiness represents a more complex and deeper affective state, which can explain why different consumers show significantly different loyalty strengths at the same level of satisfaction. Geng and Li (2018) deepened their understanding, pointing out that emotion mainly affects loyalty through two core mediating variables: brand trust and brand affect. Positive product emotional experiences (such as the pleasure caused by product reliability) help build trust, and continued dependability consolidates this trust relationship. Conversely, negative experiences may erode trust, although attribution bias sometimes causes consumers to blame problems on specific features rather than the overall brand. Importantly, the impact of emotion on loyalty is mainly indirect, through shaping trust and affective liking. This

finding is consistent with Chaudhuri & Holbrook's (2001) classic conclusion that brand trust and emotion jointly drive loyalty.

The Pivotal Mediating Role of Consumer Happiness Happiness constitutes the core psychological mechanism connecting brand image, satisfaction and ultimately loyalty.

Trustworthy brands create satisfaction, and accumulated satisfaction experiences become an important source of happiness. Research shows that positive emotional states such as joy and pride have a more significant impact on loyalty than purely cognitive satisfaction. Brands that can create positive emotional experiences through superior quality or identity value are more likely to establish durable emotional bonds with consumers. This emotional bond is a direct driver of high levels of loyalty. Empirical work by Gutiérrez-Rodríguez et al. (2020) confirms that incorporating happiness into loyalty models significantly enhances the model's explanatory power, effectively explaining the heterogeneity of loyalty responses under similar satisfaction levels.

A simple model can be shown in the following flowchart:

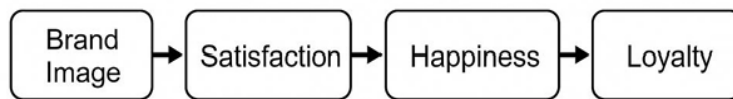


Figure 1. A conceptual pathway from brand image to loyalty via satisfaction and happiness

The core logic of this model can be expressed as follows: Trustworthy brands foster satisfaction, which in turn leads to happiness. Over time, repeated positive affective experiences gradually solidify into a stable loyalty tendency. Even when faced with competitors with greater price advantages, consumers may maintain loyalty based on the unique emotional value provided by the brand [8]. Research consistently shows that emotions such as joy and pride are more effective in increasing loyalty levels than simple satisfaction.

It is worth noting that there is a reciprocal reinforcement relationship between loyalty and happiness, forming a positive feedback loop. In summary, consumer happiness is the key psychological bridge connecting brand performance and enduring loyalty [8]. Brands that are committed to enriching consumers' lives are more capable of building deeper and more resilient customer relationships.

4. Multidimensional antecedents of consumer happiness

4.1. Utilitarian value

Core functional attributes of a product: price fairness, quality reliability, and service efficiency. Products with superior value for money generate basic satisfaction by effectively meeting functional needs. Brands that consistently deliver superior utilitarian value can reduce consumption friction and frustration and enhance satisfaction. However, utilitarian benefits are easily imitated by competitors. Therefore, when lacking emotional resonance or symbolic meaning, their contribution to long-term happiness diminishes marginally.

4.2. Emotional value

Emotion plays a central role in generating brand happiness. Research by Richard Thaler, the founder of behavioral economics, confirms that consumers highly value emotional fulfillment, and their decisions often deviate from pure economic rationality. For example, receiving a personalized

greeting in a cafe can increase the perceived value of the same product. Theories such as mental accounting, the endowment effect, and the peak-end rule reveal the key role of peak emotional moments in shaping lasting memories of happiness. Brands can strategically design pleasant and personalized key touchpoints to optimize emotional experiences.

4.3. Customer perceived value

It refers to the consumer's holistic trade-off judgment of the total benefits obtained and the total costs incurred.

While traditional economics equates value with utility, happiness economics emphasizes the centrality of perception: When consumers perceive fairness in transactions or experience consumer surplus, their happiness significantly increases. Brands that consistently exceed expectations through superior quality, reliable performance, or delightful surprises build brand goodwill. Conversely, if consumers perceive value deprivation or exploitation, their happiness suffers, even if the product objectively meets expectations.

4.3.1. Situational factors

The specific context in which consumption occurs significantly moderates the intensity of the happiness a product brings. For example, the utility and happiness of a bottle of cold drink after a long hike are much greater than in everyday situations. Although brands cannot fully control the context, they can design adaptively for high-frequency contexts.

4.3.2. Cultural influences

In collectivistic cultures (such as East Asia), happiness is often closely linked to family harmony and social integration. In such markets, brands that build warmth and community-oriented identities are more effective. Conversely, in status-oriented cultures, luxury brands may enhance happiness through status signaling.

4.3.3. Ethical and value congruence

Ethical and sustainable consumption can simultaneously enhance happiness and loyalty. Consumers who choose brands that align with their values (such as environmental protection or fairness) often feel good about their choices. This sense of doing the “right thing” produces a positive emotional response sometimes referred to as moral satisfaction.

5. Managerial implications and future research directions

This research topic is motivated in part by a profound recognition of the importance of consumer emotional experience in real-world business practices. To alleviate the pain point of brush cleaning for painters during their learning process, the authors invented a brush washer. This invention aims to significantly improve cleaning efficiency (completed within one minute), reducing the user's operational burden and potential frustration, thereby enhancing their enjoyment of the learning experience. However, during the prototyping and supply chain management phases, the authors encountered quality inconsistency in critical motor components and opportunistic price inflation from suppliers. These issues created a significant producer-negative experience for the authors, highlighting the critical importance of fairness, reliability, and positive affective experiences in

transactions for building mutual satisfaction and enduring relationships. This in turn inspired the authors to systematically explore how to foster consumer loyalty by enhancing end-user happiness. After completing preliminary interdisciplinary research, the authors discovered that happiness-enhancing marketing strategies go far beyond simply increasing consumer satisfaction. Situational contextual factors and cultural influences play a significant and complex moderating role in the ultimate formation of happiness.

Based on these theoretical insights, the authors developed strategies focused on enhancing happiness in subsequent marketing practices. For example, in collaborative promotion, the company abandoned traditional product function explanations and instead engaged in in-depth dialogue with target audiences (e.g., middle school students) to explore the stressors of China's exam-oriented education system and the utilitarian tendencies in art learning (e.g., learning to paint solely for exams). The goal was to position the brush washer as a tool that can alleviate context-specific stress and promote a purer artistic experience, embedding its functional value within broader socio-cultural realities. These practical experiences vividly mapped onto the core theoretical concepts explored in this research: affective engagement, moral satisfaction, and eudaimonic well-being. Throughout the product conception, development, and commercialization process, the authors empirically demonstrated how emotional connection, shared value perception, and purpose alignment work together to effectively foster enduring consumer commitment. These practical insights further reinforce the authors' commitment to using systematic academic approaches, integrating rigorous data analytics with profound behavioral insights, to deconstruct the driving mechanisms and reinforcement pathways of happiness on brand loyalty. Future research will delve deeper into the study of qualitative experiences and quantitative validation, aiming to develop a more universal and explanatory theoretical framework.

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