

Influence of Brand Experience on Creating Brand Love Loyalty and Brand Equity



ISBN: 978-1-943295-14-2

Pranay Verma
Anita Goyal
IIM Lucknow
(efpm02014@iiml.ac.in)
(anita.g@iiml.ac.in)

Customers love luxurious brands because they offer a complete experience. The affective stimuli like experience and love have observed effects on decision making. Loyalty as the consequence of brand experience is well documented. The primary objective of this study is to investigate the relationships between brand experience, brand love and brand loyalty for luxury bag consumers. An important implication of this study is that investments in brand experience will influence brand loyalty and overall brand equity. Such investments shall be favorable in building brand love. A positive brand experience shall lead to an intense brand love.

Keywords: Brand Experience; Brand Love; Brand Loyalty; Brand Equity

1. Introduction

Due to its widespread awareness, craze for luxurious bags and its accessories are on the antecedence. Customers love luxurious brands because they offer a complete experience (Iglesias, Markovic & Rialp 2018). Apart from loving fellow human beings, people also love brands due to their experiences with them. The affective stimuli like experience and love have observed effects on decision making (Wen, Hu & Kim 2018). Loyalty as the consequence of brand experience is well documented (Mathew & Thomas 2018). But investigating the clubbed effect of love and experience is in its infancy. The primary objective of this study is to investigate the relationships between brand experience, brand love and brand loyalty for luxury bag consumers.

Brand Love

The degree of passionate emotional attachment that a person has for a particular trade name is brand love (Carrol & Ahuvia, 2006). Customers are concerned with what the brand can do for them, not what they could do for the brand (Batra, Ahuvia, & Bagozzi, 2012). Brand love is based on the triangular theory of love developed by Robert Sternberg (1986). In the context of interpersonal relationships, the three components of love, according to the triangular theory, are an intimacy component, a passion component, and a decision/commitment component. The amount of love one experiences depends on the absolute strength of these three components, and the type of love one experiences depends on their strengths relative to each other.

Brand Experience

Ha and Perks (2005) define brand experience as a consumer's positive navigations (ie using web-based communities and participating in events) and perceptions (ie the attractiveness of cookies, variety and uniqueness of visual displays and value for money) with a specific brand. It does not presume a motivational or evaluative stage (Das, Agarwal, Malhotra, & Varshneya, 2018) but subjective behavioral response (Brakus, Schmitt, & Zarantonello, 2009). Brand experience is based on Dewey's (1925) theory. It explains how experience and expressiveness relate to symbols, and extends this pursuit to brands and branding. The sensory and affective aspects of a brand makes a customer gyrate towards the brand (Schmitt, 2013).

Brand Equity

Brand equity is a dynamic and sequential process consisting of three blocks: Brand building, brand understanding, and brand relationships (Chatzipanagiotou, Veloutsou, & Christodoulides, 2016).

2. Research Methodology

The respondents were selected by snowballing sampling who were luxury bag users. Structural Equation Modeling (SEM) was applied to analyze data collected from 520 respondents with 49.3 % were high frequency users. A two stage analysis was conducted to analyze the data. In the first stage, confirmatory factor analysis checked for reliability and validity of the constructs of the measurement model. Composite reliability of all constructs were higher than 0.8, within the acceptable limits (Nunnally 1978). Each construct's average variance extracted exceeded 0.6 and was discriminately valid as the square root of the average variance extracted was higher than the inter construct correlations (Hair et al. 2009).

It was followed by analyzing the structural model which achieved a confirmatory fit of 0.953 and a root mean square error of 0.049, making it fit (Hu & Bentler 1999). It also gauged the strength of the hypothesized relationships. Eight of the ten hypotheses were proven at 5% level of significance, which is also supported by other published studies (Bairrada, Coelho & Coelho 2018; Shamim & Butt 2013).

Model Fit Summary**CMIN**

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	60	506.658	193	.000	2.625
Saturated model	253	.000	0		
Independence model	22	6955.211	231	.000	30.109

RMR, GFI**Baseline Comparisons**

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.927	.913	.954	.944	.953
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.835	.775	.797
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.056	.050	.062	.049
Independence model	.237	.232	.242	.000

Hypothesis Summary

				Estimate	C.R.	P
H1	BL	<---	BX	1.188	10.953	***
H2	Ly	<---	BL	.578	3.526	***
H3	Ly	<---	BX	.595	2.496	.013
H4	OBE	<---	Ly	.350	3.543	***
H5	OBE	<---	BL	.330	2.110	.035
H6	OBE	<---	BX	.329	1.360	.174
H7	PI	<---	OBE	.452	7.605	***
H8	PI	<---	Ly	.253	3.204	.001
H9	PI	<---	BL	.282	2.377	.017
H10	PI	<---	BX	-.159	-.843	.399

Eight of the ten hypotheses have been proven. Brand experience does not influence purchase intention but via overall brand equity. This was confirmed in another study on mobile handsets (Shamim & Butt, 2013). Neither experience influences brand equity. Both love and experience influence loyalty which in turn influences equity. An integrative perspective of brand experience is portrayed, specifying it as an antecedent of brand loyalty.

3. Implications

Brand love may be considered as an important mediator for developing brand loyalty which in turn leads to the behavioral outcomes like purchase intention. An important implication of this study is that investments in brand experience will influence brand loyalty and overall brand equity. Such investments shall be favorable in building brand love. Companies aiming to achieve loyalty should adopt experiential marketing strategies via brand love as brand experience is the new marketing, when customers are more important than competitors. A positive brand experience shall lead to an intense brand

love. This can be facilitated by the luxury bag store employees if they believe and share the firm's values. Promotions during selective periods can enhance the customer's love as well. Experience can be doled by pampering, providing a superior service and letting them simply relax. Strong mnemonic experiences with a product/brand will also generate positive feelings. The study contributes to the brand extant literature by enriching it with appraisal theory of emotions (Smith & Ellsworth 1985; Lazarus 1991). This paper addresses the dearth of research exploring how brand experience and brand love for luxury bags influence their loyalty and brand equity. Snowballing sampling limits the generalization of this research, which can be improved by incorporating any probabilistic sampling approach. For future studies, moderation effect by gender should be examined. The non supported hypothesized relationships should be studied for mediation effects, if any.

4. Limitations

The research was carried out using luxury bags in India and respondents were selected from urban metropolitan cities in India after considering their familiarity, preference and access to the brand products. Given that we employed convenience sampling in one industry, i.e., luxury bags brand; future research should employ appropriate probability-based sampling methods studying different industries, product/service categories, and nationalities to test the generalizability of our findings. Further research may look at situational involvement and response involvement, which may also have a major influence on brand experience. Research on brand love can be expanded by clubbing it with romanticism and materialism.

5. References

1. Aaker, D. A. (1991). *Managing Brand Equity*. New York: Free Press.
2. Ahuvia, A., Batra, R., & Bagozzi, R. (2009). Love, desire and identity: a conditional integration theory of the love of things. In *The Handbook of Brand Relationships* (pp. 342-357). New York, NY: ME Sharpe.
3. Aro, K., Suomi, K., & Saraniemi, S. (2018). Antecedents and consequences of destination brand love - A case study from Finnish Lapland. *Tourism Management*, 67, 71-81.
4. Bairrada, C. M., Coelho, F., & Coelho, A. (2018). Antecedents and outcomes of brand love: utilitarian and symbolic brand qualities. *European Journal of Marketing*, 52 (3/4), 656-682.
5. Batra, R., Ahuvia, A. C., & Bagozzi, R. P. (2012). Brand love. *Journal of Marketing*, 76, 1-16.
6. Brakus, J. J., Schmitt, B. H., & Zarantonello, L. (2009). Brand experience: what is it? How is it measured? Does it affect loyalty. *Journal of Marketing*, 73, 52-68.
7. Carrol, B. A., & Ahuvia, A. C. (2006). Some antecedents and outcomes of brand love. *Marketing Letters*, 17 (2), 79-89.
8. Chatzipanagiotou, K., Veloutsou, C., & Christodoulides, G. (2016). Decoding the complexity of the consumer-based brand equity process. *Journal of Business Research*, 69, 5479-5486.
9. Cross, S. E., & Madson, L. (1997). Models of the self: Self-construals and gender. *Psychological Bulletin*, 122 (1), 5-37.
10. Das, G., Agarwal, J., Malhotra, N. K., & Varshneya, G. (2018). Does brand experience translate into brand commitment?: A mediated moderation model of brand passion and perceived brand ethicality. *Journal of Business Research*.
11. Davis, F. D. (1993). User acceptance of information technology: system characteristics, user perceptions and behavioral impacts. *International Journal of Man-Machine Studies*, 38 (3), 475-487.
12. Davis, F. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information. *MIS Quart*, 13 (3), 318-41.
13. Dewey, J. (1925). *Experience and nature*. New York: Dover.
14. Drennan, J., Bianchi, C., Cacho-Elizondo, S., Louriero, S., Guibert, N., & Proud, W. (2015). Examining the role of wine brand love on brand loyalty: A multi-country comparison. *International Journal of Hospitality Management*, 49, 47-55.
15. Evanschitzky, H., & Wunderlich, M. (2006). An examination of moderator effects in the four-stage loyalty model. *Journal of Service Research*, 8 (4), 330-345.
16. Fornell, C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of Marketing Research*, 18 (1), 39-50.
17. Ha, H.-Y., & Perks, H. (2005). Effects of consumer perceptions of brand experience on the web: Brand familiarity, satisfaction and brand trust. *Journal of Consumer Behaviour*, 4 (6), 438-452.
18. Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2009). *Multivariate Data Analysis* (7th ed.). Upper Saddle River, NJ: Prentice Hall.
19. Harman, H. H. (1967). *Modern Factor Analysis*. Chicago: University of Chicago.
20. Hayhoe, C. R., & Wilhelm, M. S. (1998). Modeling Perceived Economic Well-Being In A Family Setting: A gender perspective. *Financial Counseling and Planning*, 9 (1), 21-34.
21. Homburg, C., & Giering, A. (2001). Personal Characteristics as Moderators of the Relationship between Customer Satisfaction and Loyalty – An Empirical Analysis. *Psychology and Marketing*, 18 (1), 43-66.
22. Hu, L., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: conventional criteria versus new alternatives. *Structural Equation Modeling*, 6, 1-55.
23. Huang, C.-C. (2017). The impacts of brand experiences on brand loyalty: mediators of brand love and trust. *Management Decision*, 55 (5), 915-934.

24. Iglesias, O., Markovic, S., & Rialp, J. (2018). How does sensory brand experience influence brand equity? Considering the roles of customer satisfaction, customer affective commitment, and employee empathy. *Journal of Business Research*.
25. Kline, R. B. (2005). *Principles and Practice of Structural Equation Modeling*. New York: Guilford Press.
26. Kudeshia, C., Sikdar, P., & Mittal, A. (2016). Spreading love through fan page liking: A perspective on small scale entrepreneurs. *Computers in Human Behavior*, 54, 257-270.
27. Lazarus, R. (1991). *Emotion and Adaptation*. New York: Oxford University Press.
28. Mathew, V., & Thomas, S. (2018). Direct and indirect effect of brand experience on true brand loyalty: role of involvement. *Asia Pacific Journal of Marketing and Logistics*, 30 (3), 725-748.
29. Mulaik, S. A., James, L. R., Van Alstine, J., Bennet, N., Lind, S., & Stilwell, C. D. (1989). Evaluation of Goodness-of-Fit Indices for Structural Equation Models. *Psychological Bulletin*, 105 (3), 430-445.
30. Nunnally, J. C. (1967). *Psychometric Theory*. New York: McGraw Hill.
31. Nunnally, J. (1978). *Psychometric Theory*. New York: McGraw-Hill.
32. Pierre, C., Morwitz, V. G., & Reinartz, W. J. (2005). Do intentions really predict behavior? Self-generated validity effects in survey research. *Journal of Marketing*, 69 (2), 1-14.
33. Preacher, K., & Hayes, A. (2008). Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models. *Behav. Research Methods*, 40 (3), 879-891.
34. Schmitt, B. (2013). The consumer psychology of customer–brand relationships: Extending the AA relationship model. *Journal of Consumer Psychology*, 23 (2), 249-252.
35. Shamim, A., & Butt, M. M. (2013). A critical model of brand experience consequences. *Asia Pacific Journal of Marketing and Logistics*, 25 (1), 102-117.
36. Smith, C. A., & Ellsworth, P. C. (1985). Patterns of cognitive appraisal in emotion. *Journal of Personality and Social Psychology*, 48 (4), 813-838.
37. Sternberg, R. J. (1986). A Triangular Theory of Love. *Psychological Review*, 93 (2), 119–135.
38. Venkatesh, V., & Davis, F. D. (1996). A model of the antecedents of perceived ease of use: Development and test. *Decision Sciences*, 27, 451-481.
39. Venkatesh, V., & Davis, F. D. (2000). A theoretical extension of the technology acceptance model: four longitudinal field studies”. *Management Science*, 46 (2), 186-204.
40. Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). User acceptance of information technology: towards a unified view. *MIS Quarterly Management Information System*, 27 (3), 425-478.
41. Wallace, E., Buil, I., & de Chernatony, L. (2014). Consumer engagement with self exposure brands: brand love and WOM outcomes. *Journal of Product and Brand Management*, 23 (1), 33-42.
42. Wang, M., & Stanley, J. (1970). Differential weighting: A review of methods and empirical studies. *Review of Educational Research*, 40, 663-705.
43. Wen, J., Hu, Y., & Kim, H. J. (2018). Impact of individual cultural values on hotel guests’ positive emotions and positive eWOM intention: Extending the cognitive appraisal framework. *International Journal of Contemporary Hospitality Management*, 30 (3), 1769-1787.
44. Yoo, B., & Donthu, N. (2001). Developing and validating multidimensional consumer-based brand equity scale. *Journal of Business Research*, 52, 1-14.
45. Yoo, B., & Donthu, N. (2001). Developing and validating multidimensional consumer-based brand equity scale. *Journal of Business Research*, 52, 1-14.