

Brand Experience and Brand Loyalty among University Students in Kashmir- A Study Based On Select E-Commerce Brands

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ABSTRACT

The research in brand experience has been of special interest to both marketers and academicians in the recent years. Businesses often explore new ways to create and retain loyal customers. Creating brand loyalty through engaging and memorable customer experiences has been studied in the past. However, there has been limited number of studies between these two domains in the e-commerce brands. This study will explore the influence of brand experience on brand loyalty, i.e., attitudinal loyalty and behavioural loyalty of select e-commerce brands. The study is conducted in the Kashmir region of J&K State. Thus, this study is unique as it has included both the perspectives of brand loyalty. This study will provide useful insights to marketers of e-commerce brands to improve the overall brand experience in order to improve customer loyalty. This study will also try to contribute the already existing literature of brand experience in a different sector.

Key Words: Brand, Brand Experience, Brand Loyalty, E-Commerce, Online Shopping.

I. INTRODUCTION

Brands have emerged as the one of the strongest and valued entity for any firm operating in a contemporary business environment. Companies often pay vigorous attention towards their brands through constant nurturing and investment. Brand value is what defines the worth of firms rather their physical assets and infrastructure. The core strength of a business is judged by the power of a brand in the market place. The creation and development of a brand becomes imperative in the existing marketplace because of the returns generated by it for a business. This is because the brands can substantially simplify consumer buying process, guarantee quality, reduce consumer risk, satisfy consumer wants and more importantly, offer protection against competition. Businesses in the face of competition and evolving marketing environment are increasingly strategising their operations to protect and strengthen their brands. Customer loyalty is one such domain which is witnessing vigorous attention and activity by firms. Brand loyalty increases business sales [1], leads to positive word of mouth and offers protection against competitive strategies and operations [2]. It normally takes less efforts and expenses for firms to retain loyal customers in comparison to creating new ones. This is what demands attention to brand loyalty by both offline and online brands.

E-commerce has taken the business world by storm, whether it is the exponential growth rate in terms of trade and consumers or the increasing number of products and services traded worldwide. The online shopping business has not only excelled in the developed world but it is rapidly expanding in the developing countries. In some developing countries such as India and China, volume of e-commerce business has even surpassed to that of in the developed countries. Various leading e-commerce brands such as Amazon or Alibaba have rapidly expanded into international arena and reaped billions of dollars in businesses worldwide. The increasing prospects in this sector have pushed many traditional businesses to transact over the internet that were earlier reluctant to go online. This has led to hundreds of choices for consumers who want to shop online for a particular product or service. In such a competitive business environment, it becomes more important for businesses to look beyond traditional marketing practices to enhance brand loyalty. In response, the online brands also increasingly looking for innovative ways to offer memorable experiences and services to their customers in order to sustain and enhance brand loyalty. Brand experience is one such area where online companies are focussing their attention in order to increase brand loyalty. This research is an attempt to examine the influence of brand experience on brand loyalty in E-commerce.

II. THEORETICAL FRAMEWORK

Brand experience has been defined differently by various authors and there is no common definition in the literature [3]. But, it plays an important role in consumer-brand relationship. Brand loyalty is one outcome of such a relationship

which has been in focus for marketers. The studies that examined relationship between customer experiences and customer loyalty have focussed on the behavioural loyalty. Thus, it becomes vital to study influence of brand experience on both attitudinal and behavioural loyalty.

2.1 Brand Experience

Brand experience has received a lot of attention over the past few years in both academic and marketing literature. It was first conceptualised by Holbrook and others [4], but the current definition by Brakus [5] is more commonly used. Brand experience is defined as feelings, sensations, behavioural responses and cognitions which are evoked or stimulated by brand-related stimuli as a component of brand's identity and design, environment, communications and communications [5]. Thus, brand experiences are subjective and can evoke both behavioural and internal responses from consumers [6]. Brand experiences are created when customers use the brand, indulge in conversation with other consumers about the brand; seek brand related information, through brand promotions, and brand related events, and others [7]. However, customer experiences which occur through consumption process would possibly last longer and are stronger [8]. Brand marketers must aim to create a bond with consumers by producing integrated brand experiences [9; 10]. Brand experience over a period of time can develop an internal bond between consumers and brands. Brand experience doesn't only occur during brand consumption but also during direct/ indirect brand interaction. According to Schmitt [10] experience is composed of sense, feel, think, act and relate dimensions. Whereas Brakus [5] has conceptualised brand experience consisting of four dimensions (affective. Sensory, intellectual and behavioural).

2.2 Brand Loyalty

Brand loyalty is the most important component of brand equity [11]. Brand loyalty provides brand with a value as it keeps a number of buyers attached to that brand [11]. Loyal set of customers not only make repeated purchases in comparison to non-loyal ones but makes them less likely to buy from competition on the basis of price [12]. Brand loyalty can be defined as favourable attitude or response towards a particular brand which leads to consistent brand purchases over a period of time. Brand loyalty has been studied from two perspectives, i.e. behavioural and attitudinal approach. Schoell and Guiltinan [13] have defined brand loyalty as an extent to which a buying entity such as household concentrates its purchases over a period of time of a brand in a product category. Behavioural approach defines brand loyalty as consistent purchase of a brand over a period of time. It takes into account proportion or sequences of purchases over time. But behavioural loyalty may not reflect commitment and such repeat purchases can simply due to inertia. Second approach is based on attitude which defines loyalty as "the tendency to be loyal to a focal brand as demonstrated by the intention to buy it as a primary choice" [14]. The second approach to loyalty is a cognitive approach which is of the opinion that behaviour cannot solely define brand loyalty.

III. PROPOSED MODEL AND HYPOTHESES

This paper has examined both aspects of loyalty (attitudinal and behavioural) as a consequence of brand experience. The conceptual model studies the relationship between brand experience and brand loyalty of select e-commerce brands in Kashmir region.

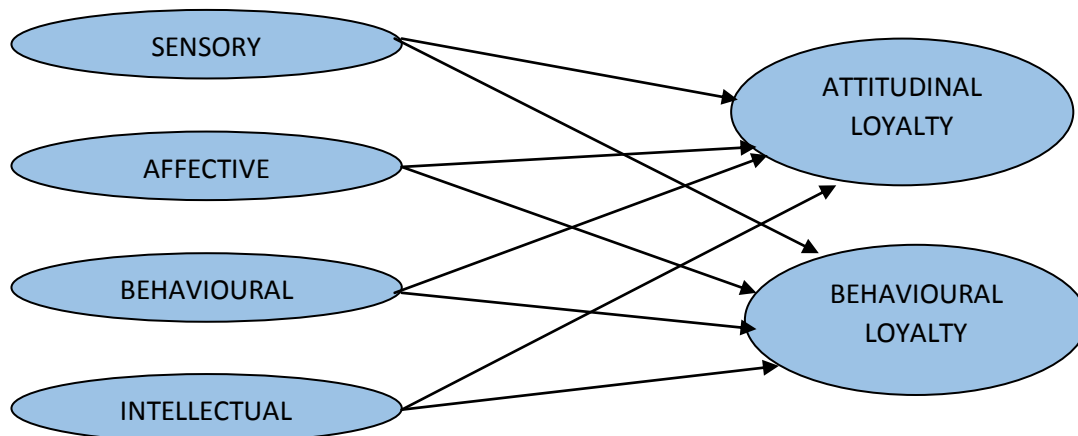


Figure 1: Proposed Model

Brand loyalty according to Zarantenello and Schmitt [8] is influenced by brand experience. Moreover, brand experience can positively affect consumer satisfaction and brand loyalty, as well as brand trust [15; 16]. Brand experiences can encourage and lead to brand loyalty through creation of emotional links through consistent and engaging environment [17]. Studies conducted by Nysveen and Pedersen [18] also postulated that loyalty is one of the consequences of brand experience.

Hence, one the findings above following hypothesis can be formulated:

Hypothesis 1 (H1): Brand experience has a significantly positive effect on attitudinal brand loyalty.

Hypothesis 2 (H2): Brand experience has a significantly positive effect on behavioural brand loyalty.

IV. RESEARCH METHODOLOGY

A questionnaire was prepared from validated scales used in some of the earlier studies. The questionnaire included brand experience, and brand loyalty (both attitudinal loyalty and behavioural loyalty), and information related to demographics. Table 1 shows the information related to measurement scale including their sources. The items of the scale were measured using 5-point Likert scale. Demographic section collected information about sex, age and education.

4.1 Pretesting

The measurement scale was first given to three marketing experts [19] for checking the face validity of the adopted questionnaire. A pilot test with a sample size of 120 using convenience sampling was conducted to measure the reliability of questionnaire. The reliability of constructs was measured by Cronbach's alpha, wherein all the values had a loading above 0.70 which is above the accepted values [20].

4.2 Sample and data collection

The questionnaire was distributed using stratified sampling to university students in the Kashmir region. The questionnaire was distributed in four universities of the Kashmir region in the State of J&K. In order to determine the appropriate sample size, the item respondent ratio of 1:10 was used [21]. A total of 250 questionnaires were distributed out of which only 230 could be used which was more than sufficient for the study. The respondents were also reminded to fill in the questionnaire keeping in mind their favourite E-commerce brand.

V. DATA ANALYSIS

5.1 Respondent's Profile

Out of the total 230, males were 137 in number (59.5%) and 93 were females (40.5%). 77% of the respondents were pursuing their post graduation courses and 23% were pursuing M Phil/ PhD degrees.

VI. MEASUREMENT MODEL AND CONFIRMATORY FACTOR ANALYSIS

In order to substantiate the unidimensionality of each construct present in the measurement scale used, confirmatory factor analysis (CFA) was employed. CFA also confirms the measurement model's validity. There are total 6 constructs with 20 items used in the model. All the items showed a factor loading in the range of 0.74 to 0.97. All factor loadings are significant at $p < .001$, and their t-values were ranging from 6.65 to 35.2. Further information is provided in Table 1.

The fit indices revealed by the AMOS showed measurement model fit in the acceptable range (Chi-square = 1621.264; Degrees of freedom = 155; Probability level = .000) GFI = 0.901; RMSEA = .061, CFI = .912, AGFI = 0.80; IFI = .918, TLI = .907

Table 1: CFA Results

Construct	Items	Standardized Loadings	Critical Ratio	P-value
Intellectual	I engage in a lot of thinking when I encounter my "favourite e-commerce brand".	0.77	a-	
	My "favourite e-commerce brand" does not make me think.	0.88	9.790	***
	My "favourite e-commerce brand" stimulates my curiosity and problem solving.	0.74	7.873	***
Behavioural	I engage in physical actions and behaviours when I use services of my "favourite e-commerce brand".	0.92	a-	
	My "favourite e-commerce brand" results in bodily experiences.	0.96	29.223	***
	My "favourite e-commerce brand" is not action oriented.	0.82	18.625	***
Sensory	My "favourite e-commerce brand" makes a strong impression on my visual and other senses.	0.82	a-	
	I find my "favourite e-commerce brand" interesting in a sensory way	0.85	3.383	***
	My "favourite e-commerce brand" does not appeal to my senses.	0.92	4.632	***
Attitudinal Loyalty (Chiou & Droge, 2006)	If I had to shop online again, I would choose "favourite e-commerce brand".	0.86	a-	
	I try to shop from my "favourite e-commerce brand" because it is the best choice for me.	0.82	21.252	***
	I consider myself to be a loyal patron of "favourite e-commerce brand".	0.85	17.354	***

Behavioural Loyalty (Kuenzel & Halliday, 2008)	I would recommend my "favourite e-commerce brand" to friends and relatives.	0.97	a-	
	I intend to keep buying products from my "favourite e-commerce brand".	0.91	35.200	***
	If I need to buy products online, my "favourite e-commerce brand" would be my preferred choice.	0.94	17.63	***
	I will speak positively about my "favourite e-commerce brand".	0.79	18.552	***
	I intend to encourage other people to buy products from my "favourite e-commerce brand".	0.93	31.837	***
Affective	My "favourite e-commerce brand" induces feelings and sentiments.	0.79	a-	
	I do not have strong emotions for my "favourite e-commerce brand".	0.76	6.658	***
	My "favourite e-commerce brand" is an emotional brand.	0.86	7.533	***

*** denote significance level is < 0.05

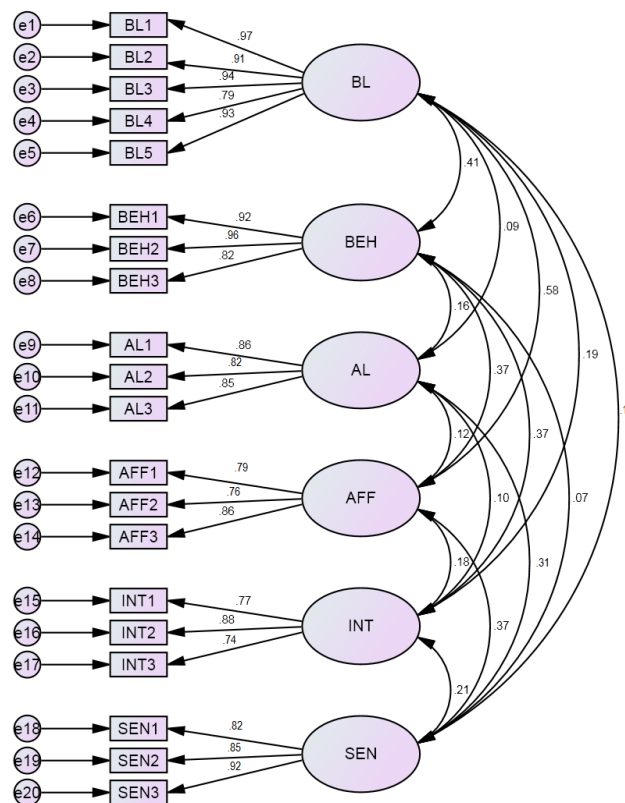


Figure 2: Measurement Model.

6.1 Reliability and Validity

The values of average variance extracted (AVE) as shown in Table 2 are greater than threshold value of 0.50 [22] for the constructs in the model. Thus, it can be concluded on the basis of values, convergent validity of items in the measurement-scale is achieved [23]. Since, values of squared correlations between constructs are lower than that of AVE values for every construct; it establishes the discriminant validity for the model [23]. Reliability of the model was assessed using composite reliability which shows better reliability measures than Cronbach alpha. The six values for composite reliability (except for AFF and INT) were above the recommended levels of 0.70 [21]. The values for AFF and INT were 0.69 and 0.68 where are close to the acceptable level.

Table 2: Reliability and Validity

	CR	AVE	MSV	ASV	SEN	AFF	BEH	INT	BL	AL
SEN	0.77	0.74	0.04	0.03	0.86					
AFF	0.69	0.64	0.33	0.33	0.36	0.80				
BEH	0.82	0.81	0.16	0.07	0.07	0.36	0.90			
INT	0.68	0.63	0.13	0.06	0.21	0.17	0.36	0.82		

BL	0.89	0.88	0.33	0.04	0.16	0.57	0.41	0.19	0.94	
AL	0.74	0.71	0.02	0.11	0.02	0.12	0.16	0.10	0.09	0.86

Note: SEN= Sensory; AFF= Affective; BEH= Behavioral; INT= Intellectual; BL= Behavioural Loyalty; AL= Attitudinal Loyalty; CR=Composite Reliability; AVE= Average Variance Extracted; MSV= Maximum Shared Variance; ASV: Average Shared Variance

VII.STRUCTURAL MODEL AND HYPOTHESIS TESTS

This study used structural equation modelling for validating the proposed model. The model fit indices show the conceptual model fits the data adequately (CMIN/DF = 3.05, GFI = 0.897, AGFI = 0.78 CFI = 0.903 and RMSEA = 0.062). Table 3 shows the path coefficients and t values for the relationships in the model. The results show all the hypotheses are supported. Lastly, the composite reliability values were all greater than the recommended threshold of .7 [20], indicating that items for assessing each construct were highly reliable.

Table 3: Hypotheses Testing

Hypothesis	From	To	(β) value	T- Value	Results
H1	Sensory	Attitudinal Loyalty	0.25	1.32***	Supported
H2	Affective	Attitudinal Loyalty	0.24	1.21***	Supported
H3	Behavioral	Attitudinal Loyalty	0.24	1.98***	Supported
H4	Intellectual	Attitudinal Loyalty	0.11	.914***	Supported
H5	Sensory	Behavioral Loyalty	0.059	.383***	Supported
H6	Affective	Behavioral Loyalty	0.40	2.40***	Supported
H7	Behavioral	Behavioral Loyalty	0.58	5.54***	Supported
H8	Intellectual	Behavioral Loyalty	0.15	1.52***	Supported

CONCLUSION AND MANAGERIAL IMPLICATION

This paper has studied the relationship between brand experience and brand loyalty in e-commerce brands using the data collected in the Kashmir region of J&K State. The findings showed brand experience positively influences brand loyalty. All the four dimensions of brand experience (sensory, affective, behavioural and intellectual) showed considerable influence on both the dimensions of brand loyalty (attitudinal loyalty and behavioural loyalty). Regarding the practical implications of the study, e-commerce brands need to improve the experience for their customers in order to increase customer loyalty. The marketers must improve the online and offline experience of their customers in innovative ways. Favourable customer experiences can mean both behavioural and attitudinal loyalty for these e-commerce brands.

LIMITATION AND FUTURE RESEARCH

This study was conducted only in Kashmir region in the J&K State which fully doesn't represent the whole population of the State. The method of sampling used was convenience which results in some bias and as such the results cannot be generalised to the whole population.

The future studies can include additional cities, towns or some wider geographical area. The study has included only few e-commerce brands. With the increase in the number of e-commerce brands, the future studies can also include additional brands.

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