

## RELATIONSHIP BETWEEN BRAND EXPERIENCE AND BRAND LOYALTY

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### ABSTRACT

*The study examines the connection between brand experience and loyalty also addresses literatures gap by a better understanding of brand experience, brand and consumer loyalty by focus on the branded clothing sector in Pakistan. This research is about helping marketers and practitioners to develop policies of building and enhancing consumer loyalty through different aspects of brand experience.*

**Keywords:** Brand Experience, Consumer Loyalty, Branded Clothing, Pakistan

## INTRODUCTION

Since there are several producers who are competing for the same customers' attraction When a market reaches maturity, the competition raises like what happened for Pakistans' clothing sector. Many recent strong brands are producing similar quality clothing and meeting the similar needs. The traditional media is no longer enough for marketing purpose. Nowadays, Customers pay less attention to the traditional media channels like TV and radio as there are various available marketing communication and channels. Therefore, brands have to come up with new and creative strategies to entertain customers and involve new marketing trends. Recently, companies around the globe are facing difficulties in establishing long lasting competitive advantage which is vital to their continuance. Conventional marketers focus on consumer rationality and its importance on attributes contained in the brands, the experiential marketers focus on the experience created by the brands (Brakus *et al.*, 2009). The consumers' brand experience starts before the consumption, moves on purchase then to the consumption stage and is then retained as an unforgettable event and it is obvious that consumers' brand experience are holistic (Tynan *et al.*, 2009). A thriving brand is not only created but also shaped by consumer experience through the values set in the brand features (Meyer and Schwagnar, 2007). Therefore, each experience acts as an important component in establishing brand differentiation and increasing consumers' preferences (Zarantonello *et al.*, 2010). In last two decades many brands emerged and this has piqued the interest of both business and academic areas. It is clear that products' branding is no longer limited to one specific class of the society but can be encountered in almost every aspect of life. In recent years, Pakistan has become an emerging country with some significant improvement in the branded market sector.

Consolidated findings of several academics and practitioners reveal that there are five steps for setting experiential marketing strategy of branded goods. First, the current brand experience have to be evaluated. Second, brand position needs to be defined. Next, brand experience has to be designed. Then, internal and external communications of the brands have to be designed and at last, it has to be insured that the implemented strategy was able to meet the objectives (Smith, 2003).

Some studies say that consumer loyalty and satisfaction are long term strategies but at the same time, there are studies which show that consumer satisfaction does not matter in achieving higher level of consumer loyalty (Meyer and Schwager, 2007). Now both marketers and academicians believe that consumer satisfaction is not enough anymore and brand experience and brand personality are required factors. (Maeder *et al.*, 2000; Kim *et al.*, 2001). However, there has been no definite consensus on what aspect should brand experience constitute and therefore, it needs more academic research. More so, in Pakistan, the brand experience needs attention and by reviewing the existing literature and focusing specifically on the branded clothing sector of Pakistan, the current study explores the aspects of brand experience.

The aim of this research is to identify the aspects of branded clothing brand experience and how brand loyalty is built through brand experience in Pakistan. Brand experience has piqued the worldwide interest of academic researcher whereby several studies taking place to explore different aspects of brand experience. As the standard of life has increased in the cosmopolitan cities of Pakistan, so has the niche for many clothing brands. Moreover, the branded clothing sector has dramatically grown and modernized the industry and economy along with the neighboring countries in the area. Pakistan is also recognized as a popular market for textile.

### ***Literature Review***

Arghavan and Zaichkowsky (2000) stated that brands are not just able to gratify the consumers with their functional usage but their psychological usage also plays a role and is probably more prominent than the former. It could be said that branded goods are of high quality, have better and unique attributes which could be psychological in nature and provided added value to consumers in form of self-esteem and self-awareness.

### ***Brand Experience***

Customer involvement is the concept of interaction between the seller and the customers whereas customer intimacy is the strength of relationship between the seller and the customer (Atwal and Williams, 2009). The concept of four experiential marketing zone are: entertainment, educational, escapist and aesthetic (Atwal and Williams, 2009). Product experience can occur directly or indirectly. Direct experience would be where customers are actually utilizing the products and indirect experience could be through advertising, consumer referrals and any other such means (Brakus *et al.*, 2009). Consumer perceptions are formed first hand through advertising even before they try the product. According to Hoch (2002), stronger experience could be formed through personal experience as the customers tend to believe their own experience more reliable and authentic than an advertisement or any other marketing source. Hoch (2002) further supported that the experience which tend to stay with customers for longer time are engaged customer's intuitiveness. According to Hogan *et al.* (2005), marketing for branded goods and creating brand experience depends on some basic steps which includes: identifying the customer segment and choosing the most profitable segment for brand experience, then customer touchpoints need to be developed as it is a tool for interaction with



customers not only during the purchase phase but pre and post purchase phases (Davis, 2005), various touchpoints should be developed for different requirements after studying the consumer behavior, and at last; the strategy needs to be implemented and monitored for further improvements. With the surge of internet and regular raise in the number of users, online marketing can now also be used to create branding experience where the new technological developments can be incorporated to further enhance and strengthen the marketing strategies. Another important and prevalent experiential marketing strategy is the establishment of the flagship store.

### ***Brand Personality***

One of the most important elements of brand experience is brand personality. Brands can have their own personalities which means applying human characteristics and traits, something like humanizing the brand (Plummer, 2000). It helps to shape customer's impression, awareness and consciousness about the brand and affects their purchase behavior. Brand personality is a reflection of customer's impression, awareness and consciousness and is so important for the overall positioning of the brand and in the communication strategies as well. The brand personality traits come from multiple sources like product categories, product attributes, brand name, symbol, price, the consumer profile and people (eg. endorsers) and this is what is transferred into customer perception (Plummer, 2000). The five basic brand personality traits are sincerity, excitement, competence, sophistication and ruggedness. This brand personality scale (BPS) is Aakers' work (1997) which gives the measure of personality traits possessed by brands.

### ***Brand Trust***

The confidence in something or someone is called trust. Therefore, brand trust would mean that customers would have a positive outcome toward a brand when they have confidence on it (Delgado-Ballester and Munuera-Alema'n, 2005). According to Delgado *et al.* (2003), there are two scopes of brand trust. The first is reliability, a technical scope based on competence which measures the brand's capability and readiness to keep promises to satisfy customers' needs. The second scope is intentions which consists of the good intentions brands keep for customer welfare and resolve unexpected problems if they ever arise. Brand trust is built by the past experience with the brand (Delgado-Ballester and Munuera-Alema'n, 2005). Weinberg (2001) stated that brand experience matter more than the product experience. Therefore, brand experience will have a long lasting impact and will stay in a consumer's memory, having a deeper meaning, and contributing to brand trust. The way brand experience is encompassed by consumers and how a brand experience creates a stronger relationship leads to an impact on brand trust. Yoon (2002) also supports the fact that past experience can either increase or decrease the level of trust on brands. Positive brand experience contributes to an increase in intention of purchase and has a positive influence on charged prices (Ha and Perks, 2005).

### ***Satisfaction***

Satisfaction can be reached when the customer is content with the purchased product or the received service. In other words, Satisfaction is a feeling of pleasure or disappointment. It is a customer's perception of the products' performance or service in comparison with expectation (Schiffman & Kanuk, 2004). Johnson (2001) declared that the customer satisfaction can be measured through two ways. Customer satisfaction can either be evaluated by the feelings, attitudes and beliefs towards products, services or past experience with the brand.



### Loyalty

Building and maintaining relationships with customers is of great value to the brands because it results in brand loyalty of customers (Heffernan *et al.*, 2008). Loyalty programs do not just help to create a competitive advantage but also bring in a bundle of benefits for the brand. The benefits include lesser cost of marketing: advertising and promotions, help to retain existing customers and attract new ones, top of the mind recall, fewer comparisons with competitive brands, customers become less sensitive to the price among many other benefits (Gounaris and Stathakopoulos, 2004). Loyalty also increases the repurchase behavior of customers (Thiele and Mackay, 2001).

### Pakistan's textile sector

When one thinks of Pakistan's exports, textile would probably be on top of the list. Pakistan is the fourth largest cotton producing country of the world and eighth largest textile exporter in Asia. Since textile is the largest manufacturing sector, it also plays an important role in the employment of the population. However, in the last years the industry has faced many challenges. The sector faces problems of lack of research and development (R&D) facilities or institutions amongst many others. (Shah *et al.*, 2012). Despite all the obstacles, Pakistan's market is one with strong love for clothes. The clothing sector has tough competition where every company is seeking to increase its market contribution and profits. The reason is perhaps the trended branded clothing which has brought a change in people's demand for clothing. The past decade has experienced some major changes in the consumer buying behavior according to the clothes purchase with new designers or fashion houses emerging, more editions of prints (especially in lawn) coming every season, more designer outlet or branded outlets not just in the major cities of Pakistan but in small cities as well. Culture changing, lifestyle and preferences had important influences in the change of buying behavior among the consumers. Females are the main market when it comes to cloth purchasing and it is clear that over a period their purchase has amplified. (Khalid, 2011). The clothing sector itself is considered as 'female friendly' and women are the main target market (Bushman, 2007).

The review of relevant literature has led to the design of the conceptual model which depicts the elements as consequences of brand experience of branded clothing, brand trust, brand personality, consumer satisfaction and brand loyalty. Conceptual framework and identification of research hypotheses is presented below.

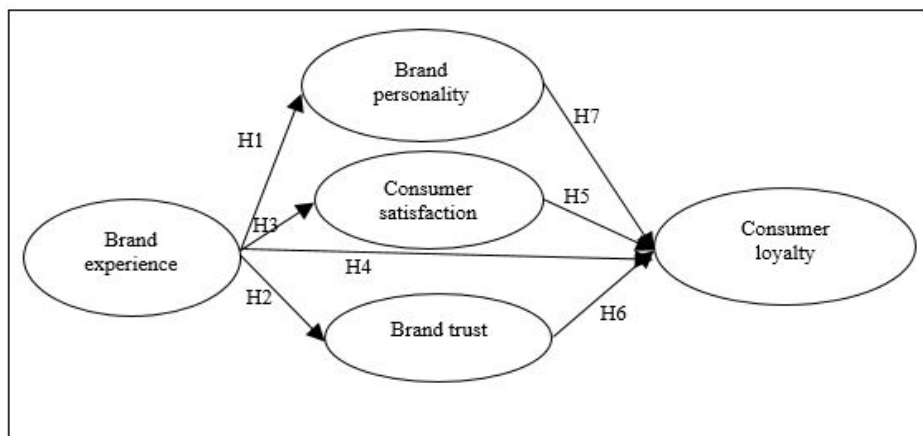


Figure 1: Conceptual Framework of Brand Experience of Branded Clothing

The branded clothing brand experience is an important way to set a framework of expectations. Brand experience is initiated through the brand or company interaction of customer with. Brand experience is initiated through internal brand related stimuli and results in further consequences. The aim of the study is to investigate whether branded clothing brand experience has an impact on consumer loyalty directly or indirectly by introducing variables of brand personality, brand trust and consumer satisfaction.

## METHODOLOGY

The design of the research is a plan which explains what kind of data is collected, its method of collection, population and sampling strategy (Easterby-Smith *et al.*, 2008). The current study is investigating the relationship among independent and dependent variables such as branded clothing, brand experience, brand trust, brand personality, consumer satisfaction and brand loyalty. The literature was initially reviewed to identify the gap in the research and to realize the perspective of the main research problem. Though, it was discovered that the brand experience has a direct impact on consumer loyalty and an indirect impact through other constructs such as brand personality, brand trust and consumer satisfaction (Brakus *et al.*, 2009).

In this research, the design that would be employed would be the hypotheses based deductive approach. For the hypotheses based deductive approach, literature is first reviewed after which a conceptual framework is developed, then hypotheses are formed and then finally critical deductions are prepared according to the findings (Sekaran, 2006). In the conceptual framework designed for this study, there are several constructs which are used to realize brand experience and its consequences.

The employed research method was mono-method study as the only quantitative research method for analysis and data collection. The data collection method is an online survey according to Grossnickle and Raskin (2001), this method is fast, versatile and also produces higher answer rates as the questionnaires can easily be filled by respondents at their convenience and respondents are not restricted geographically to one area.

All ethical problems were assessed before the data collection process. For checking the validity and reliability of the research instrument by checking the language, unclear questions, instructions or vague statements and items a pilot study was first conducted. The academia's specialist members in the scope of research also reviewed and completed the questionnaire and this confirmed the face validity of the questionnaire. Positivism and post-positivism are generally known as deductive methods or quantitative research methods (Creswell, 2009). The approach of positivism will be used for this current research as it supports the research objectives and nature of research problem. Hypothesis has been developed to support the conceptual framework and has been explored the variables relationship. The quantitative method for collecting the data was employed for several reasons. First, the study gauged and explored the relationship among the variables/constructs. Then it investigated the attitudes and beliefs which refer to its epistemological position. The autonomous and dependent variables were used to measure the behaviors, attitudes and perceptions about the branded clothing brand experience. According to Miller and Brewer (2003), for measuring perceptions, attitudes and behaviors in a questionnaire, a likert scale is a frequently used measurement. It is also widely used in survey researches like questionnaires as it provides a range of options to respondents which allows them





to express their answers more clearly and in a better way. Therefore, the present study employed the likert scale (5 point) as a measure. The credibility and certainty of data is determined through the above mentioned process which ensured reliability of the data. Generally, Cronbach alpha is used to measure the reliability of the used instrument. If the result of Cronbach coefficient alpha is 0.7 or above then it is deemed to be reliable (Hair *et al.*, 2006). The sample for the quantitative study was a sub-set of the population. The present study is based on non-probability sampling which is convenience sampling. The sample size chosen for the research, keeping the confidence of 95%, has minimum 384 questionnaires. The determination of sample size is done according to the Krejcie and Morgan (1970).

## DATA ANALYSIS

Descriptive statistics of the demographic measures included age bracket, gender, marital status, education, family income and current occupation. Mean and standard deviation were calculated to check central tendency and data dispersion. Other than that, skewness and kurtosis determined the normality of the data. Reliability tests were conducted to determine the credibility and reliability of the research instrument. Correlation was checked among the variables to determine the impact on the dependent variable. Linear regression and multiple regression were used to test the formulated hypothesis.

The participants of the research were consumers of branded clothing belonging to both genders. A number of cities were covered for the study with majority respondents belonging to Karachi followed by Lahore, two largest and densely populated cities of Pakistan. The questionnaire was online and 440 answers were received. After screening, 42 responses were eliminated due to incorrect filling of the questionnaire. 398 valid responses were received on which the data analysis and findings are based.

Table 1 the demographic profile of the respondents.

**Table 1: Demographic profile of respondents**

		Frequency	Percentage
Gender	Male	75	18.8
	Female	323	81.2
Age	Below 25 years old	268	67.3
	26-35 years old	107	26.9
	36-45 years old	16	4
	Above 45 years old	7	1.8
Marital Status	Single	299	75.1
	Married	97	24.4
	Other	2	0.5
Education	Below undergraduate	35	8.8
	Undergraduate	157	39.4
	Graduate	99	24.9
	Post-graduate	107	26.9
Current Occupation	Student	242	60.8
	Self-employed	37	9.3
	Employee	79	19.8
	Unemployed	40	10.1
Monthly Family Income	Below Rs. 100,000	147	36.9
	Rs. 100,001 - Rs. 200,000	126	31.7

	Rs. 200,001 - Rs. 300,000	52	13.1
	Above Rs. 300,000	73	18.3

The descriptive statistics of the research reveal that variables are normally distributed as a range for skewness and kurtosis are acceptable i.e.  $\pm 3$  (Hair *et al.*, 2006). The means and standard deviations of variables are shown in Table 2 along with skewness, kurtosis and reliability analysis.

**Table 2: Descriptive statistics and reliability analysis**

Variables	No. of items	Reliability (Cronbach alpha)	Mean	Rank (by mean)	Std. Deviation	Skewness	Kurtosis
1. Brand Experience	9	0.916	3.4609	4	0.83878	-0.936	0.888
2. Brand Personality	24	0.94	3.7502	2	0.78105	-1.342	2.309
3. Brand Trust	7	0.938	3.682	3	0.86768	-1.099	1.409
4. Satisfaction	4	0.597	3.3291	5	0.65679	-0.67	2.365
5. Loyalty	3	0.907	3.9673	1	0.90636	-1.235	1.702

The table shows that overall highest average is found in loyalty whereas the lowest is satisfaction which shows this variable is least important for customers. The overall reliability of the model checks the inter item consistency of the model taking the five variables into account. The variables are: Brand Experience, Brand Personality, Brand Trust, Satisfaction and Loyalty. According to Hair *et al.* (2006), the Cronbach alpha should be above 0.7 as it presents the reliability of the questionnaire instrument. The overall Cronbach alpha is 0.894 which shows the questionnaire instrument is reliable; the items have more shared covariance and are measuring the same relationship.

It is important to know the relationship between the variables. In order to check the correlation Pearson model which has been used in the study (Hair *et al.*, 2006).

**Table 3: Correlations between variables**

Variable	Brand Experience	Brand Personality	Brand Trust	Satisfaction	Loyalty
1. Brand Experience	1				
2. Brand Personality	.611**	1			
3. Brand Trust	.626**	.753**	1		
4. Satisfaction	.487**	.599**	.556**	1	
5. Loyalty	.610**	.719**	.752**	.583**	1

Correlation is significant at the 0.01

The correlation analysis has shown the direction and intensity of relationship between dependent and independent variables. The nearer the value is to 1, the more strongly correlated is. It is obvious that Brand Experience has a significant and positive relationship with Loyalty which is 0.61. Therefore, both variables are 61% correlated with each other. Brand Experience and Brand Personality are 61.1% correlated. Brand Experience and Brand Trust are 62.6% correlated. Brand Experience and Satisfaction are 48.7% correlated with each other.

From the regression analysis, the following equation can be drawn.

$$\text{Loyalty} = 0.172 + 0.150(\text{Brand Experience}) + 0.285(\text{Brand Personality}) + 0.416(\text{Brand Trust}) + 0.202(\text{Satisfaction}) + \text{error}$$



The above equation can be interpreted that one percent increase in Brand Experience will increase Loyalty by 15 percent. The affect appears to be significant because the value of Sig. is below 0.05. Similarly, the study also indicates that one percent increase in Brand Personality will increase Loyalty by 28.5 percent. One percent increase in Brand Trust will increase Loyalty by 41.6 percent and one percent increase in Satisfaction will increase Loyalty by 20.2 percent.

## CONCLUSION

The study has proved the conceptual model provided in the study. The study has contributed knowledge and provided future researchers of this concept with increased knowledge of reference to academic concept which is relatively new especially in context of Pakistan. The issues of brand experience in branded clothing are brand personality, brand trust and consumer satisfaction according to the study. Moreover, brand experience of branded clothing has a direct positive relationship with consumer loyalty and an indirect relationship via brand personality, brand trust and consumer satisfaction. Consumers give greater importance on brand trust which leads to a stronger relationship with consumer loyalty.

The present research has investigated the brand experience aspects in branded clothing sector from the consumer's point of view. Similar study can be conducted to gauge the point of view of the marketers. More constructs like brand reputation, brand attachment, brand commitment, price perception and word of mouth can be added as dimensions to check the impact of brand experience on consumer loyalty. The conceptual framework used in the study can be applied to other sectors and countries. Marketers should consider the variables like brand experience, brand personality, brand trust and consumer satisfaction while building the consumer loyalty. The study would also help marketers and practitioners to develop policies to build and enhance consumer loyalty through brand experience and its dimensions. This study showed a comparatively weaker relationship between consumer satisfaction and consumer loyalty. Therefore, in accordance to that consumer satisfaction is not the most important factor in increasing consumer loyalty, other aspects need to be taken into account for increasing the consumer loyalty (Brakus *et al.*, 2009).

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