

The Role of Brand Experience in Building Brand Loyalty

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ABSTRACT

Brand Experience, a new paradigm in marketing, is gaining popularity amongst researchers and marketing practitioners. The concept of 'Experience' has been talked about a lot in marketing literature in recent times. Studies suggest that it is no longer about consumers buying just products or services: the experience around what it is being sold is also critical. Brand Experience may result in the consumer getting associated with products or services emotionally and these emotions in the memory of the consumer trigger the behaviour towards the product or service.

The growing importance of brand experience and lack of enough research conducted in the Indian context stimulated the current study. The four dimensions of brand experience used for the purpose of the study are sensory, affective, intellectual and behavioural. These dimensions, in this study, have been investigated in the context of the Indian brand Patanjali.

A total of 173 respondents participated in the study. Factor analysis and regression analysis was conducted on all linkages of the proposed model. The study established a positive relationship between brand experience and brand loyalty and also brand satisfaction. The study also concluded that the Intellectual dimension of brand experience impacts brand loyalty and satisfaction for the specific case of brand Patanjali.

The current study contributes to academic research and also has significant implications for marketing and branding professionals in the Indian context. Major significance is the realisation that better customer engagement with the brand can be obtained by building positive, unique and favourable experiences for them. Marketers need to delve into the ideology of creating appropriate strategies to augment target segments' brand experience, which, in turn, results in positive marketing outcomes such as customer satisfaction and brand loyalty.

Keywords: Brand Experience, Brand Satisfaction, Customer Satisfaction, Brand Loyalty, Patanjali

INTRODUCTION

In recent times, brand experience has attracted a lot of attention in marketing practice. Marketing practitioners and academicians have come to realize that understanding the nuances of how consumers experience brands is critical for developing successful marketing strategies for goods and services. Research has suggested that consumers are not only seeking functional benefits from goods and services but also emotional factors and experiences. Brand can be experienced in many ways and it evokes feelings, thoughts or behaviours. There is also a realization among marketing practitioners and academicians that brands, which provide a greater experience to customers, thrive at the marketplace. With the growing importance of brand experience and lack of studies in this context in India, this paper explores the various dimensions of brand experience and its effect on other brand variables. Understanding the nuances of brand experience can help the managers to fine-tune their marketing strategies and compete effectively in the market. This research paper attempts to provide an understanding of brand experience and tests a theoretical framework in the Indian context to provide meaningful insights to marketing practitioners.

The research was initiated with thoroughly reviewing the existing literature on brand experience, brand satisfaction, and brand loyalty. After a thorough literature review, a conceptual model and hypothesis were developed. Data was collected using well-established construct developed by researchers. The data was analysed, and the conclusion has been presented with managerial implications

REVIEW OF LITERATURE

The understanding of consumption was extended from a need point of view to an experience point of view was offered by Holbrook and Hirschman for the very first time (1982). Consumers are interested in the pleasure and enjoyment gained on consuming a product and this led them both to emphasize more on hedonic consumption. The real essence of brand experience deals with actual sensation, cognition and behavioral response of customers on the consumption of products (Aaker, 1997). The entire concept of 'experience economy' was explained and put into the picture by Pine and Gilmore (1998).

Brand experience is conceptualized as sensations, feelings, cognitions, and behavioral responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications, and environments. (Brakus et al, 2009).

Schmitt (1999) proposed five experience in his study: feel, sense, think, act and relate. Bapat and Thanigan (2016) have drawn analogy of the five-experience model by Schmitt (1999) with panchvishays described in the Indian religious literature such as Bhagavad Gita. Dube and LeBel (2003) covered four pleasure dimensions with reference to experiences: intellectual, emotional, social and physical pleasures.

The occurrence or realisation of an experience is on account of the search a consumer does for a particular product. Even buying a product and receiving its service contributes to brand experience for a customer. Choosing one product from a list of available options based on the assessment done by consumer (by considering factors like affordability, value proposition, etc.) lead to the realisation of product experience for a customer. While direct experience is gained by physical contact, advertisements and word-of-mouth help customers get some great indirect experience. Talking about service experience, the physical environment of the place at which the service is provided is very important and critical, apart from the service provider, practices and various policies that are involved. Consumption experience bridges the gap between the emotions of the customer and the value provided by the product/service. It is very likely for consumers to directly or indirectly express their preference for certain values through consumption (repeatedly).

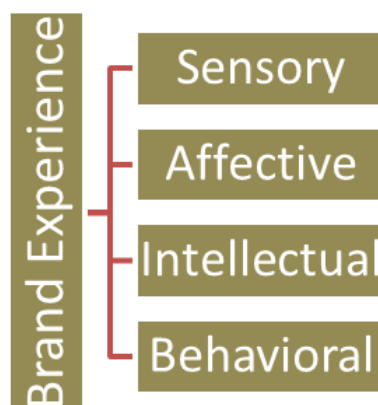
Past studies confirm the relationship between brand experience and brand loyalty (Brakus et. al, 2009; Iglesias et al. 2011; Nysveen and Pedersen, 2014). Brand experience influences brand credibility more than brand attitude and customer-based brand equity (Shamim and Muhammad, 2013). Researchers also found that both brand image and brand awareness is impacted by brand experience. Bapat and Thanigan (2016) revealed that the emotional and cognitive dimensions of brand experience affect brand evaluation, further it was found that the brand evaluation influence brand loyalty in the case of Amul.

To sum up, experiences created by brands have an important place in both marketing theory and practice and its study has promising insights for marketers.

RESEARCH METHODOLOGY**Research Model****Brand Experience**

Brakus et al. (2009) has described brand experience as "subjective, internal (sensations, feelings, and cognitions) and behavioral responses induced through brand related stimuli which is share of a brand's design and identity, packaging, communication and the environments".

Marketing researchers suggested that the sensory dimensions of brand experience include making strong, visual impression on the consumer; the affective dimensions of brand experience typically induce feelings and sentiments; the intellectual dimensions of brand experience are related to the potential of brand to make the customer think; and the behavioral dimensions of brand experience involves bodily experiences, lifestyle also the interaction with the brands



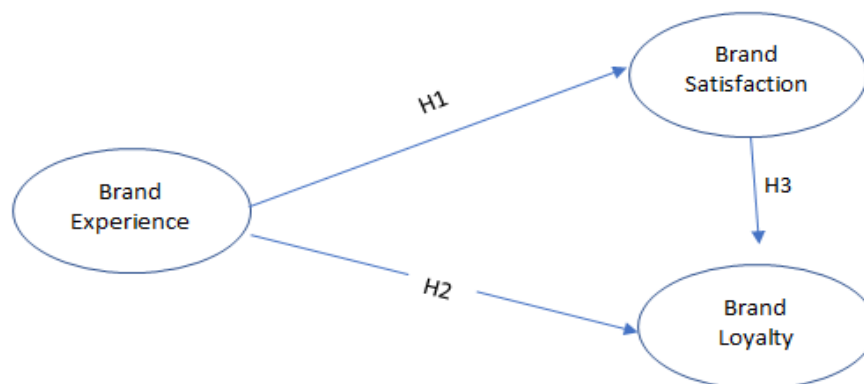
BRAND SATISFACTION

Brand satisfaction is defined as the overall consumer's evaluation grounded on the buyer's experience and the purchase of goods and services (Grisaffe and Nguyen, 2011). Furthermore, marketing experts advised that the past consumer experiences lead to a strong brand satisfaction (Jones & Suh, 2000; Pappu and Quester, 2006). Researchers suggested that brand satisfaction is a result of direct consumption experience, created when the gap between the perception of the product in the minds of consumers and the actual performance perceived after consumption takes place (Nam, Ekinici, and Whyatt, 2011).

Brand Loyalty

Brand loyalty plays an important role in brand equity process which creates marketing advantages such as lowering marketing cost, increasing new customer base and greater trade leverage (Aakar, 1991). Y. Liu (2007) suggested that the brand loyalty in turn leads to repeated purchase of the product or service by the consumer and expresses a positive attitude to the same brand in a long-lasting manner in the future.

Proposed Research Model:



Hypothesis Formulation

The focus of this study was to test the following formulated hypothesis:

H1	Brand Experience affects Brand Satisfaction positively.
H2	Brand Experience affects Brand Loyalty positively.
H3	Brand Satisfaction affects Brand Loyalty positively.

Sources of data

The primary data collected and used for this research was quantitative in nature. Based on the theoretical construct used, a quantitative questionnaire was designed to conduct survey and get responses. A total of 180 questionnaires were distributed to randomly selected people in Mumbai and a total of 173 usable responses were received.

RESEARCH DESIGN AND DATA GATHERING

Data gathering for the research was done using the traditional method of surveying..

The development of the constructs for the questionnaire were adopted from previous studies. The 12 measures of “Brand experience”, 5 measures of “Brand satisfaction”, and 5 measures of “Brand loyalty” were adapted from Brakus et al. (2009), Iglesias (2011), Bapat and Thanigan (2016) and Chaudhuri and Holbrook (2001) respectively. Therefore, it is advised that the scale is appropriate for the current study. To test the hypothesis, the current research deployed Statistical package for Social Sciences (SPSS Statistics 23) software and Microsoft Excel (2013).

The survey consisted of 21 questions in all- 3 of which collected information about the respondents (age, marital status and occupation). The remaining 18 questions were to measure the views of the respondents on the brand experience of Patanjali, the degree of their satisfaction on having used Patanjali in the past and their loyalty to the brand. The survey included statements on which the respondents had to answer about their agreeability on the same. Items were measured using the 7-point Likert scale where 1 was for Strongly Disagree and 7 was for Strongly Agree.

DATA INTERPRETATION AND ANALYSIS

Here, ‘item’ refers to the question being analysed.

The data collected from the survey was analysed using tools of SPSS. The entire data set was first put to the reliability test based on the scales to check for question-wise reliability as well as overall reliability. The consistency of the scales was checked and tested using the Cronbach-alpha test.

At first, descriptive statistic is run on all questions of the survey with all responses to identify outliers or high leverage points, if any. All entries of the data set, if they have a mean around a similar value, are to be used for analyses.

The only independent variable Brand Experience was studied based on four dimensions- sensory, affective, behavioural and intellectual. The data was analysed using PCA in which they were reduced to a single component and then the item with the highest contribution to the component, i.e., one with the maximum factor loading in the row is selected for the OLS regression later. Brand experience dimensions are assessed using the rotated component matrix and the KMO and Bartlett’s test is used for measuring the sample adequacy. Brand experience and brand personality have various dimensions and so they are reduced to a single factor (the question which contributes the most affects the model the most).

The reduced item as per factor analysis for each of the variables is then used for regression. OLS regression analysis has been used to fit a model between each pair. Model fit is tested using the R squared value of the model and the significance is tested on seeing the p-value of the ANOVA table. Hypotheses testing is basically done using OLS regression which should have done using SEM or Structural Equation Modelling but that requires a sample size of more than 500. In lieu of this limitation of a small sample size, we resorted to regression analysis.

Factor Analyses

The data that was collected was analysed for n=173 respondents. All the respondents were given an option to choose from a 7-point Likert scale in which 1 denoted ‘Strongly Disagree’ and 7 denoted ‘Strongly Agree’. There was no option such as ‘I don’t know’ that was given. Point 4 was for a neutral response. There were no missing values in the data which is clearly visible from the descriptive statistics table of SPSS.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Sensory1	173	1	7	3.71	1.539
Sensory2	173	1	7	3.55	1.605
Affective1	173	1	7	3.64	1.788
Behavioral1	173	1	7	2.89	1.760
Intellectual3	173	1	7	2.70	1.664
Intellectual1	173	1	7	2.97	1.806
Behavioral2	173	1	7	2.95	1.663
Sensory3	173	1	7	4.82	1.814
Affective3	173	1	7	3.89	1.835
Affective2	173	1	7	5.07	1.910
Behavioral3	173	1	7	4.13	1.638
Intellectual2	173	1	7	4.49	1.916
Loyalty1	173	1	7	2.61	1.790
Loyalty3	173	1	7	4.46	2.067
Loyalty2	173	1	7	5.09	1.869
Satisfaction1	173	1	7	3.46	1.737
Satisfaction2	173	1	7	3.65	1.928
Satisfaction3	173	1	7	3.40	1.898
Valid N (listwise)	173				

Figure-1: Descriptive Statistics

The reliability check was done on all questions for the brand experience scale or items using the Cronbach Alpha test. The test value came out to be 0.758 and it indicated high reliability of the Brand Experience questionnaire.

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.758	.795	18

Figure-2: Reliability Test for Brand experience scale

The KMO and Bartlett's test value came out to be 0.891 indicating high adequacy of the sample being used to test the hypotheses associated with the research.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.891
Bartlett's Test of Sphericity	Approx. Chi-Square	495.786
	df	66
	Sig.	.000

Figure-3: Checking adequacy of sample

Rotated Component Matrix^a

	Component			
	1	2	3	4
Sensory1	.773	.099	-.314	.233
Sensory2	.819	.147	-.184	.259
Sensory3	-.257	-.040	.826	-.021
Behavioral1	.785	.312	-.092	.053
Behavioral2	.843	.131	-.049	.093
Behavioral3	-.026	-.354	.695	-.070
Affective1	.586	.045	-.333	.547
Affective2	.163	.234	.015	.882
Affective3	-.206	-.569	.352	-.374
Intellectual1	.723	.500	-.084	.114
Intellectual2	.556	.637	-.024	-.034
Intellectual3	-.181	-.764	.250	-.248

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 11 iterations.

Figure-4: PCA for Brand Experience

Initially, an exploratory factor analysis was performed on the 12 questions spread across the four dimensions of Brand Experience. Principal Component Extraction Method was used. For even more precision in the exploratory analysis, we used the varimax rotation method. The rotated component matrix split the Brand Experience items in four distinct components based on the Eigen-Value test (should be greater than 1) and the component-wise items observed were as follows:

- **Component 1:** Sensory1, Sensory2, Behavioral1, Behavioral2, Affective1, Intellectual1, Intellectual2
- **Component 2:** Intellectual2
- **Component 3:** Sensory3, Behavioral3, Affective3, Intellectual3
- **Component 4:** Affective2

Based on this observations, no two dimensions of Brand Experience could be clubbed because all three components have at least one factor of all four dimensions (except Component 2 which just had Intellectual2 and Component 4 just had Affective2). All dimensions had split results into multiple factors and so no cumulation could be done.

The next step was to group the various dimensions of Brand Experience into their own separate factors and so dimension-wise factor analysis was done to find the predominant factor of each of the dimensions. When the dimensions were grouped, four scenarios occurred and in each of the scenarios, one-factor solution was obtained (Appendix 1, Figures 1.1-1.4).

Hypotheses Testing

The exhaustive factor analysis was followed by a series of regression analyses to determine the validity of the framed hypotheses for this research.

For **testing H1**, the four dominant factors of brand experience, namely Sensory1, Affective1, Behavioral1 and Intellectual3 were used as independent variables and Satisfaction3 was used as the dependent variable. Data analysis confirmed the hypothesis of a statistically significant model with the p-value less than 0.05 and the adjust R² value was found out to be R² = 0.814 (Appendix 1, Figure 4). All predictors of this model do not have a p-value of p<0.05. An important observation here is that the p-values for Behavioral1 was greater

than 0.05 and this concluded that the correlation between the behavioural dimension of brand experience and brand satisfaction could not be verified. Hypothesis H1 is validated, for sure but for Patanjali, sensory, intellectual and affective dimensions of brand experience contribute to brand satisfaction in the minds of the consumers. Also, this conclusion was supported by the B (Beta) coefficient value. $B = 0.387$ (Appendix 1, Figure 5) for Sensory1 and $B = 0.383$ signified that these both contribute the most in predicting Brand Satisfaction for Patanjali.

Hypothesis H2 was to test the effect of Brand Experience on Brand Loyalty in this Patanjali scenario. The adjusted R^2 value came out to be 0.797 which is indicative of a good model fit. The p-values obtained as a result of OLS regression show that the intellectual dimension of Brand Experience is the most responsible item for a positive relationship between Brand Experience and Brand Loyalty. This argument is further supported by the B-coefficient of Intellectual3 as it is the highest among all. (Appendix 1, Figure 7)

The third **Hypothesis H3** was to understand the relationship between Brand Satisfaction and Brand Loyalty (Brand Loyalty being the dependent variable). As it can be seen from the R^2 value and the OLS regression statistics, the model is fit, and strong effect of Brand Satisfaction on Loyalty has been established (Appendix 1, Figures 8 & 9). Item Satisfaction2 is contributes the most to the prediction of Brand Loyalty value on the Likert scale.

H1	Brand Experience affects Brand Satisfaction positively.	Accepted; Sensory dimension contributes the most
H2	Brand Experience affects Brand Loyalty positively.	Accepted; Intellectual dimension contributes the most
H3	Brand Satisfaction affects Brand Loyalty positively.	Accepted

FINDINGS AND CONCLUSION

The current study on the brand Patanjali suggests that there is a strong linkage between brand experience and brand loyalty. Also, brand satisfaction positively affects brand loyalty for Patanjali brand. Furthermore, based on the data analyses conducted, the sensory and intellectual dimensions of brand experience significantly impact brand loyalty while brand satisfaction is strongly influenced by the intellectual experiences in the specific case of Patanjali. The above findings conform to the findings of Brakus et. al. (2009) that a strong brand experience leads to a loyal consumer base towards the brand.

The current study contributes to academic research by validating the relationship between brand experience, brand satisfaction and brand loyalty in the specific case of Patanjali brand and the perception of Patanjali as an Intellectual brand in the minds of the customers is confirmed as the intellectual dimensions contributes the most in factor analyses as well as OLS regression.

The study also has implications for marketing and branding professionals. In today's fiercely competitive market, the key task is to differentiate, and brand experience can work as a powerful tool to create differentiation. Notably, Patanjali creates an intellectual attachment and also appeals to the senses of its customers, leading to strong satisfaction towards the brand.

It is reasonable to argue that Patanjali advertising campaigns, quality and consumption experience of Patanjali and accompanied shopping experience at Patanjali stores creates the brand experience for the customer. It is also important therefore for companies of consumer products to understand the various dimensions of brand experiences and focus on strategies which can create memorable experiences.

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APPENDIX

Factor Analyses

One-factor solutions for each Brand Experience dimension

Component Matrix^a

	Component
	1
Sensory1	.902
Sensory2	.881
Sensory3	-.588

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

Figure 1.1

Component Matrix^a

	Component
	1
Affective1	.806
Affective2	-.749
Affective3	.787

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

Figure 1.2

Component Matrix^a

	Component
	1
Behavioral1	.855
Behavioral2	.814
Behavioral3	.557

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

Figure 1.3

Component Matrix^a

	Component
	1
Intellectual1	.804
Intellectual2	-.815
Intellectual3	.848

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

Figure 1.4

One-factor solution for Brand Satisfaction

Component Matrix^a

	Component
	1
Satisfaction1	-.746
Satisfaction2	.890
Satisfaction3	.860

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

Figure-5

One-factor solution for Brand Loyalty

Component Matrix^a

	Component
	1
Loyalty1	-.862
Loyalty2	.890
Loyalty3	.367

Extraction Method: Principal Component Analysis.
a. 1 components extracted.

Figure-6

Hypotheses Testing: OLS Regression

H1: Brand Experience affects Brand Satisfaction positively

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.644 ^a	.814	.800	1.345

a. Predictors: (Constant), Intellectual3, Affective1, Sensory1, Behavioral1

Figure-7

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.669	.288		2.326	.021
	Sensory1	.387	.085	.343	4.573	.008
	Affective1	.152	.071	.156	2.146	.003
	Behavioral1	.051	.078	.052	.657	.512
	Intellectual3	.383	.090	.232	2.701	.000

a. Dependent Variable: Satisfaction1

Figure-8

H2: Brand Experience affects Brand Loyalty positively

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.643 ^a	.797	.777	1.695

a. Predictors: (Constant), Behavioral1, Affective1, Sensory1, Intellectual3

Figure-9

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.888	.362		19.005	.000
	Sensory1	.147	.107	-.121	-1.379	.170
	Affective1	.011	.089	-.010	-.123	.902
	Intellectual3	.229	.113	-.204	-2.027	.014
	Behavioral1	.204	.098	-.192	-2.078	.009

a. Dependent Variable: Loyalty2

Figure-10

H3: Brand Satisfaction affects Brand Loyalty positively

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.839 ^a	.793	.779	1.694

a. Predictors: (Constant), Satisfaction3, Satisfaction1, Satisfaction2

Figure-11

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.366	.538		9.980	.000
	Satisfaction1	-.304	.087	-.282	-3.508	.001
	Satisfaction2	.230	.098	.238	2.358	.020
	Satisfaction3	-.018	.095	-.019	-.194	.847

a. Dependent Variable: Loyalty2

Figure-12