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VFMAA

Global Branding

Critical Explorations

Global Branding

Breakthroughs in Research and Practice



Volume 1

IGI Global

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Preface

Modern business is no longer confined to a limited locale surrounding a company but is now available to consumers as far as owners and managers are willing to reach. The advent of the internet, social media marketing, and contemporary branding practices allow small, medium, and large-size enterprises to build and reach new regions, demographics, and potential customers. Although the field of modern marketing is expanding, it is not merely enough to create a social media page; rather, it is imperative to create a lasting presence and a global brand that becomes identifiable and easily recognizable.

Global branding is the idea of creating an image and brand that is synonymous with specific traits, such as reliable or family-friendly, leading to increased loyalty, return consumers, and profits. Under this concept, marketing firms look to market a product under the same name internationally using a uniform, coordinated strategy for their good to be the same image whether it is being seen in the United States or Japan.

Though the concept of global branding can be alluring to firms as it can provide them benefits such as the cost effectiveness of utilizing one campaign and creating a common identifier, global branding may not be the best option for every product, service, or company. Issues facing brands and marketing firms, including effectiveness as a successful strategy in one country may not be as profitable in another and image differentiation in different countries, can often outweigh the benefits of a global branding campaign. When deciding whether this is the move for a company, it is imperative for advertising and marketing teams to look at all angles before moving forward with a global branding campaign.

For a company to effectively brand their product on a global level, they must keep the branding strategy consistent, uphold the company's promises while delivering the quality customers expect, and build a positive image while creating reliable relationships. In creating a global brand, a company is to create a positive, reliable image across the world that customers can connect to specific traits such as quality products or luxury image.

The everchanging landscape surrounding the diverse applications of different scientific areas can make it very challenging to stay on the forefront of innovative research trends. That is why IGI Global is pleased to offer this two-volume comprehensive reference that will empower marketers, business professionals, students, researchers, practitioners, and academicians with a stronger understanding of global branding.

This compilation is designed to act as a single reference source on conceptual, methodological, and technical aspects, and will provide insight into emerging topics including but not limited to brand equity, endorsements, consumer perception, customer loyalty, brand recognition, and brand promotion. The chapters within this publication are sure to provide readers the tools necessary for further research and discovery in their respective industries and/or fields.

Preface

Global Branding: Breakthroughs in Research and Practice is organized into seven sections that provide comprehensive coverage of important topics. The sections are:

1. Brand Equity;
2. Brand Loyalty;
3. Brand Management and Customer Engagement;
4. Brand Preference and Buying Behavior;
5. Brand Trust and Reputation Management;
6. Emotional Brand Attachment and Brand Personality; and
7. Social Media and Online Brand Communities.

The following paragraphs provide a summary of what to expect from this invaluable reference source:

Section 1, “Brand Equity,” opens this extensive reference source by highlighting the latest trends in customer loyalty and social media impact on brand. In the first chapter in the section, “Defining the Concept of Brand Equity With Radical Transparency,” Prof. Elena Veselinova and Prof. Marija Gogova Samonikov from Goce Delčev University of Štip, Macedonia analyze how the transformational forces: the tangible worth of intangible assets, the war for top-grade talent, the impressive power of inspired employees, the transparent supply chains, the global impact of NGOs, and the informed global consumer reshape the business landscape. Within the second chapter, “Increasing the Brand Equity of Private Label Brands,” Prof. Tamer A. Awad and Prof. Sahar Mohsen from German University in Cairo, Egypt investigate the different factors affecting the brand equity of private label brands and perceived value in the Egyptian market through surveying hundreds of shoppers across Egyptian commercial districts. Within the next chapter, “Multi-Sensory Fashion Retail Experiences: The Impact of Sound, Smell, Sight, and Touch on Consumer-Based Brand Equity,” the authors, Prof. Bethan Alexander from the London College of Fashion, UK and Prof. Karinna Nobbs from the British School of Fashion, UK, examine how fashion retailers can reinforce their brand through integrating multi-sensory experiences within the physical store, specifically sound, smell, sight, touch, and taste, and analyze if sensory retailing really can have a direct influence on consumer perceptions of a fashion retailer and consequently on the strength of its brand. In a noteworthy chapter, “The Impact of Integrated Marketing Communications on Hotel Brand Equity: Does National Culture Matter?” Prof. Maja Šerić and Prof. Alejandro Mollá-Descals examine the impact of integrated marketing communications (IMC) on the hotel brand equity dimensions (i.e., brand image, perceived quality, and brand loyalty). Moreover, it estimates the moderating effect of national culture on the relationships examined. Within the final chapter of this section, “Evaluation of Celebrity Endorsements on Consumer Perception and Brand Equity in Indian Market,” the authors, Prof. Ankita Sen Negi from AdFactors PR, India and Payel Das from St. Joseph’s Degree and PG College, India, look at the relationship between building brand equity and the celebrity endorsers.

Section 2, “Brand Loyalty,” includes chapters on emerging innovations for creating loyalty and returning consumers. The first chapter in the section, “E-Satisfaction and E-Loyalty: Two Main Consequences of Online Buying Attributes,” by Profs. Gyaneshwar Singh Kushwaha and Mukesh Kaushal from Maulana Azad National Institute of Technology, Bhopal, India examines the effect of the most important factors of online shopping such as brand, price, and service quality on consumer’s e-satisfaction and e-loyalty comparatively. In the following chapter, “Relationship Marketing as a Mediating Role Between Brand Image and Customer Loyalty in B2B Markets: Evidence From a Manufacturing Company,” the author,

Prof. Eman Mohamed Abd-El-Salam from the Arab Academy for Science and Technology and Maritime Transport, College of Management and Technology, Alexandria, Egypt, examines how brand image, value equity (conceptualized as relationship value), relationship equity (conceptualized as relationship quality), and customer loyalty play a vital role in the Egyptian business-to-business market. It was tested empirically with agricultural business customers of a chemical manufacturer with respect to their main supplier. Within a concluding chapter, “Apps in Hospitality and Tourism: Conceptualization of Branded Apps in Building Traveler Satisfaction and Loyalty,” Prof. Sajad Rezaei from Taylor’s University, Malaysia and Prof. Milad Kalantari Shahijan from Universiti Teknologi, Malaysia focus on the impact of app implementation in the hospitality and tourism sector and conceptually propose how branded apps could yield tourist satisfaction and loyalty. In the final chapter of the section, “Determinants of Attitudinal Loyalty in Retail Banking: Evidence From Nigeria,” the author, Prof. Ernest Emeka Izogo from Ebonyi State University, Abakliki, Nigeria & The University of Hull Business School, Kingston upon Hull, UK, investigates the effects of customer orientation, information sharing, and brand credibility on attitudinal loyalty; examines the mediating effect of brand credibility on the relationships between customer orientation, information sharing, and attitudinal loyalty; and examines the moderating effect of satisfaction on the relationships between customer orientation, information sharing, and attitudinal loyalty.

Section 3, “Brand Management and Customer Engagement,” presents coverage on novel strategies to promote customer interaction and customer retention. The first chapter in the section, “Consumer Relationships With Brands,” by Prof. Rajagopal and Prof. Raquel Castaño from EGADE Business School, Tecnologico de Monterrey, Mexico, addresses how marketing strategies can enhance brand relationships by understanding how brands can connect to consumers. In the second chapter of this section, “How to Drive Brand Communication in Virtual Settings: An Analytical Approach Based on Digital Data (Consumer Brand Alignment and Social Engagement),” the authors, Prof. Silvia Ranfagni and Prof. Monica Faraoni from the University of Florence, Italy, propose an analytical approach that explores brands in virtual environments by creating indicators of consumer brand alignment and comparing them with measurements of social engagement. In the third chapter of the section, “Managing Integrated Brand Communication Strategies in the Online Era: New Marketing Frontiers for Luxury Goods,” the authors, Prof. Fabrizio Mosca and Prof. Cecilia Casalegno from the University of Turin, Italy, examine communicative coherence and the ability of companies to decline providing such consistency across all those channels at their disposal to reach their intended audience, considering that, for luxury goods above all, the selling point has always been the first way to communicate the brand’s identity and its real essence. Within the following chapter, “Choice of National Brand vs. Private Label ‘Me-Too’ New Products in a Multicultural Context: Understanding Consumer Innovativeness,” the authors, Prof. Mónica Gómez-Suárez from the Universidad Autónoma de Madrid, Spain and Prof. Carmen Abril from the Universidad Complutense de Madrid, Spain, explore the effects of consumer innovativeness and risk aversion on this choice in five European countries and the United States. In the fifth chapter of the section, “Brand Positioning Practices in Services Sector: A Study of Banking Brands,” the author, Prof. Nazia Sultana from Osmania University, India, examines and compares the brand positioning practices in services sector with reference to banks. Within the following chapter, “Brand Experiences, Retail Scenarios, and Brand Images in the Fashion Industry,” the authors, Prof. Manuela Valta from University of Udine, Italy and Donata Vianelli from the University of Trieste, Italy, review the main issues related to brand management and customer experience management in a co-creation perspective. In another chapter, “Importance and Role of Retail Brands in a Non-Food Market: A Case Study of DIY Retailing

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in Spain,” the authors, Prof. Gonzalo Moreno Warleta from Saint Louis University – Madrid, Spain and Prof. Mónica Díaz-Bustamante Ventisca and Prof. María Puelles Gallo from the Universidad Complutense de Madrid, Spain, work to prove the existence of a statistic correlation between consumers’ loyal attitudes and behaviors towards “private labels” and their loyalty towards the store brand name that sponsors these brands. In one of the closing chapters, “Managing Brand Portfolio in a Crisis: The Case of a Pharmaceutical Company in Egypt,” the authors, Prof. Rafic Nadi and Prof. Ahmed Tolba from the American University in Cairo, Egypt, examine the managing a brand portfolio during a crisis by looking at a challenge that one of the leading pharmaceutical companies in Egypt is facing. In the final chapter, “An Empirical Study to Find the Road-Map for Understanding Online Buying Practices of Indian Youths,” the authors, Prof. Subhajt Bhattachary from Xavier Institute of Social Service, India and Prof. Vijeta Anand from Jharkhand Rai University, India, identify the connections between online retail brand association and studding the process to construct brand association with the effects of the different influencers pertaining to online buying.

Section 4, “Brand Preference and Buying Behavior,” explores the consumers’ attachment to specific brands and their activities associated with their purchases. In the first chapter in the section, “Consumer Acculturation and Implications for Brand Preferences,” the author, Prof. Rohini Vijaygopal from The Open University, UK, investigates whether established theories of acculturation are applicable to British Indians and what impact acculturation has on their consumer behavior. In the following chapter, “Sales Promotional Strategies and Buying Behavior in an Emerging Market at the Post Recession Period,” the authors, Prof. Süphan Nasır from Istanbul University, Turkey and Prof. Esra Bal from Işık University, Turkey, investigate the influence of sales promotional tools on consumer buying behavior in an emerging market in the post-recession period. Within the final chapter of this section, “Factors Influencing the Buying Behavior of Female Consumers with Reference to Top Three Brands of Make-Up Cosmetics in Pune City,” Prof. Mukta Srivastava from Allana Institute of Management Sciences, India addresses issues such as factors influencing cosmetics buying behavior of female consumers, the relationship between demographical factors and other influencing factors, and female consumers’ purchase decision-making processes.

Section 5, “Brand Trust and Reputation Management,” discusses coverage and research perspectives on creating reliable brand recognition and trustworthy value. The first chapter in the section, “Differences and Similarities: Brand Trust Offline and Online,” by Prof. Gordon Bowen from Regent’s University London, UK and Prof. Richard Bowen from Facebook, Inc., UK, explores social media usage to create brand connectedness and positive responses. Within another chapter, “Brand Trust Determinants and Customer Switching Resistance: The Case of Mobile Phone Companies in Egypt,” Prof. Ali Ahmed Abdelkader Kafrelsheikh University, Egypt and Prof. Hossam Al- Din Fathy Mohamed from International Academy of Engineering and Media Sciences, Egypt aim to determine and analyze the determinants of brand trust and its relationship with customer switching resistance. In the following chapter, “Antecedents and Consequences of E-News Brand Trust: An Empirical Study of E-News Brand in Indonesia,” authors, Prof. Elia Ardyan from STIE Surakarta, Indonesia and Prof. Vincent Didiek Wiet Aryanto from Universitas Dian Nuswantoro, Indonesia, determine the effect of the antecedents of e-news brand trust and want to determine the consequences of e-news brand trust. In one of the final chapters of this section, “The Importance of Electronics News Brand Trust: The Case of Online Newspapers in Indonesia,” the authors, Prof. Elia Ardyan from STIE Surakarta, Indonesia and Prof. Vincent Didiek Wiet Aryanto from Universitas Dian Nuswantoro, Indonesia, test the importance of trust to increase the loyalty of e-news

brand readers in Indonesia and to test its antecedents. Within another chapter, “Reputation Management: Creating Identity and Building Corporate Image,” the author, Prof. Aslihan Mihrimah Unutur from Istanbul Commerce University, Turkey, provides insight into how reputation can be managed through brand management, corporate communication practices, and new media strategies. Within the final chapter of this section, “Branding, Bonding, and a Brand’s Reputation: The Pottermore Case,” the authors, Prof. Hazal Baran and Prof. Tuğçe Öztel from Istanbul Commerce University, Turkey, examine punk marketing, reputation management, and brand loyalty through the demonstration of a case study analyzing the website for Harry Potter fans: Pottermore.

Section 6, “Emotional Brand Attachment and Brand Personality,” explores the emotional response consumers attach to specific brands and the creation of these responses by them. In the first chapter in the section, “Building Emotional Brand Personalities: Anthropomorphized Brands,” the authors, Prof. Esra Güven from Celal Bayar University, Turkey and Prof. Volkan Yakin from Abant İzzet Baysal University, Turkey, make a comprehensive explanation regarding the brand personality with benefits, brand personality models, and anthropomorphism, and explain the relationship between anthropomorphic brands and marketing communication through specific examples. Within another significant chapter, “Multisensory Brand Experiences and Brand Love: Myth or Reality?” the author, Prof. Clarinda Rodrigues from Linnaeus University, Sweden, examines the most important research in the field of sensory marketing, brand equity, and brand love that has been published over the past 30 years. Within another chapter, “Brand Revitalization: Reconnecting Emotionally,” the author, Prof. Sabeeha Fatma from Amity University, India, explores the meaning of brand revitalization, its causes, and its symptoms. It also examines the various ways in which a dying brand may be given a new lease on life and the role of emotional connection of the customers with a brand. In the following chapter, “Understanding Doppelgänger Brand Image: The Darker Side to Emotional Branding,” the author, Prof. Sakhhi Chhabra from the Management Development Institute, India, examines the concept of doppelgänger brand image and shows the paradoxical side of emotional branding. In a concluding chapter, “Consumer-Brand Relations: An Investigation Into the Concept of Brand Hate,” the authors, Prof. Ruchi Garg from BML Munjal University, India; Prof. Ritu Chikkara from BML Munjal University, India; Prof. Himanshu Suman from Hero Motocorp, India; Prof. Shashan Pande from Axis Bank, India; Prof. Rahul Sharan from Hero Motocorp, India; and Prof. Tapan Kumar Panda from Jindal Global Business School, India, discuss how the protean character of consumer brand relations (CBRs) in a negative way has not been explored by prior conceptualizations in consumer research. In the following chapter, “Fans and Brands: Delineating Between Fandoms, Brand Communities, and Brand Publics,” Prof. Breanna M. Todd and Prof. Catherine A. Armstrong Soule from Western Washington University, USA delineate fandom from the similar fan-brand communities of brand communities and brand publics. The final chapter of this section, “‘Thy Kingdom Come, Thy Will Be Done’: Attaining Divine Transcendence Through Brand Fandom, Evidence From India,” by Prof. Abhigyan Sarkar from Institute of Management Technology Ghaziabad, India and Prof. Juhi Gahlot Sarkar from IBS Hyderabad, India, discusses the indispensable roles of consumers’ close social relationships with their brands representing a knit brand fandom of like-minded consumers who share common consumption values and attain transcendence through branded consumption.

Section 7, “Social Media and Online Brand Communities,” explores the expanding use of social media in building online brand recognition and organic social media sharing practices. In the first chapter of this section, “Social Media and Online Brand Communities,” the authors, Prof. Madina Ansarin and Prof. Wilson Ozuem from the University of Gloucester, UK, examine whether increased exposure through

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social media influences brand image in technologically-infused marketing environments by drawing on various literature and specific examples. Within the next chapter, “Social Media Brand Communities and Brand Loyalty: An Integrated AHP Approach,” the authors, Prof. Kishalay Adhikari and Prof. Rajeev Kumar Panda from the National Institute of Technology, Rourkela, India, exhibit the contributory role of social media brand communities (SMBC) towards brand loyalty. In another noteworthy chapter, “Social Media Effects in Virtual Brand Communities: The Case of Facebook and Twitter,” the authors, Prof. Eric W. K. See-To from the Department of Industrial and Systems Engineering, Hong Kong Polytechnic University, Hung Hom, Hong Kong; Prof. Pablo Alejandro Del Rio from The Business School, University of Newcastle-upon-Tyne, Newcastle-upon-Tyne, UK; and Prof. Kevin K. W. Ho from the School of Business and Public Administration, University of Guam, Mangilao, Guam, present a new framework integrating the advantages of two well-known approaches, the technology acceptance model (TAM) and theory of planned behavior (TPB), to understand the intention to participate in social networking sites. The following chapter, “The Role of Online Social Interaction in the Recommendation of a Brand Community,” the authors, Prof. Cleopatra Veloutsou from the University of Glasgow, UK; Prof. Laurence Dessart from the University of Glasgow, UK; and Prof. Georgia Maria Arvaniti from the Athens Institute for Education and Research, Greece, focus on the growing role of consumer-brand communities in the online context and in particular brand communities in online strategy games. Within the next chapter, “Social Media Mining for Assessing Brand Popularity,” the authors, Prof. Eman S. Al-Sheikh and Prof. Mozaherul Hoque Abul Hasanat from Al Imam Mohammad Ibn Saud Islamic University, Riyadh, Saudi Arabia, propose a novel hybrid approach of classification and lexicon-based methods to assess brand popularity based on the sentiments expressed in social media posts. In another noteworthy chapter, “Creating Cultural Analogues in Virtual Communities Through Branding,” the author, Prof. Robert Pennington from Fo Guang University, Taiwan, examines the evolution of brands and virtual communities and projects that evolution into future trends. In the following chapter, “Social Identity Matters: Social Media and Brand Perceptions in the Fashion Apparel and Accessories Industries,” Prof. Guida Helal from the American University of Beirut, Lebanon and Prof. Wilzon Ozuem from the University of Gloucester, UK focus on theoretical implications and managerial implications of brand perceptions in the fashion apparel and accessories industries. In a significant chapter of this section, “The Impact of EWOM Referral, Celebrity Endorsement, and Information Quality on Purchase Decision: A Case of Instagram,” the authors, Prof. Randy Danniswara, Prof. Puspa Sandhyaduhita, and Prof. Qorib Munajat from the University of Indonesia, Indonesia, explore factors that have impact on purchase decision on a social commerce. Within the next chapter, “Children Using Social Media to Connect With Others and With Consumer Brands,” the authors, Prof. Katharine Jones and Prof. Mark S. Glynn from AUT University, New Zealand, examine children’s use of social media to connect with each other and to form relationships with brands such as celebrity or person brands. Within a concluding chapter, “Building the Force: Enacting Fan Brand Community Through the Star Wars BB-8 Droid Builders Club,” the authors, Prof. William F. Humphrey from Florida International University, USA; Prof. Debra A. Laverie from Texas Tech University, USA; and Prof. Alison B. Shields, Ithaca College, USA, examine the Star Wars fan community that creates screen-accurate BB-8 replicas and applies the BB-8 builder community to an established framework for brand community. Within the final chapter of this section, “Country Brand Management: Assessing the Role of Social Media in Creating the Image of Marca España (Spain Brand),” Prof. Neus Soler-Labajos and Prof. Ana Isabel Jiménez-Zarco from

Open University of Catalonia, Spain analyze how the Spanish Government has used social media to create and consolidate the Spain Brand image with the aim to establish an image of Spain as an economic and political power among the first countries in the world.

Although the primary organization of the contents in this work is based on its seven sections, offering a progression of coverage of the important concepts, methodologies, technologies, applications, social issues, and emerging trends, the reader can also identify specific contents by utilizing the extensive indexing system listed at the end.

Section 1

Brand Equity

Chapter 1

Defining the Concept of Brand Equity With Radical Transparency

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ABSTRACT

Every company must seek the formula that works best for its particular culture and industry. There is no one right way to transform a conventional company into a value driven company. But all the authentically responsible companies subscribe to a set of principles about: the mission, vision, transparency, working, responsibility, openness, authenticity and innovation – all this put in an agenda for value driven companies which are prepared for the challenges we all face. This chapter analyses how the transformational forces: the tangible worth of intangible assets, the war for top-grade talent, the impressive power of inspired employees, the transparent supply chains, the global impact of NGOs, the informed global consumer reshape the business landscape. The insurgent companies that seize on these drives will create real value and increase their long-term profitability. The concept of radical transparency in business gives the companies the opportunity to win the battle for success differently from the competitors, which would ensure the company's sustainable growth and profitability, arousing from the well-shaped relationships with the stakeholders who provide value for the company. The company's brand would be a synonym for those connections.

INTRODUCTION

The tangible worth of intangible assets, the war for top-grade talent, the impressive power of inspired employees, the transparent supply chains, the global impact of NGOs, the informed global consumer – all these transformational forces reshape the business landscape. The insurgent companies that seize on these drives will create real value and increase their long term profitability.

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The concept of radical transparency lays in the basics of a vision of a better business, one that operates in greater harmony with its environment and offers a more exciting and meaningful place to work. The vision blends principles and practices—like understanding the challenges that come with creating a sense of purpose and what it takes to integrate that mission into an enterprise’s day-to-day work. The key is to keep building capability along dimensions, increasing genuine commitment and the skills to deliver on that commitment.

A small number of corporations are starting to internalize the truly strategic implications of the changes that are looming, but even these few leading enterprises are far from truly integrating an expansive business mission into their daily operations. The following two things can shift this state of affairs: a different vision of the future that is more inspiring than the actual status quo, and a new consensus on what it will take to move toward it.

Every company must seek the formula that works best for its particular culture and industry. There is no one right way to transform a conventional company into a value driven company. But all the authentically responsible companies subscribe to a set of principles about: the mission, vision, transparency, working, responsibility, openness, authenticity and innovation – all this put in an agenda for value driven companies which are prepared for the challenges we all face. Responsible companies believe that what they stand for – their purpose and values are far more important than the products they make or services they sell. For them, advocacy is a synonymous with strategy – the industry needs a reform and they aim to fix it. When companies stand for something big, something that truly matters to people, they sharply differentiate themselves from their competitors.

In the future, companies will fight a battle for brand dominance. Investors will recognize the brand as the most important asset of companies. This is a critical concept. This is a vision of how to develop, manage, strengthen and define the business. It will be more important to own markets than to own resources. And the only way to own the market is to have a dominant brand. The concept of radical transparency in business gives the companies the opportunity to win the battle for success differently from the competitors, which would ensure the company’s sustainable growth and profitability, arising from the well-shaped relationships with the stakeholders who provide value for the company. The company’s brand would be a synonym for those connections.

ADOPTING THE IDEA OF RADICAL TRANSPARENCY IN BUSINESS

History has shown that the world has faced many challenges in many different ways. The economy has put a lot of people out of work in different part of the world in different time interval. But the difficulties people suffered are always the same. The extraction and usage of resources has led and, yet, leads to growing climate crisis and changes with catastrophic possibilities, and the costs for the current lifestyle that the future generations will bear are incredibly huge. As dramatic as the past has been, it only announces the economic, social, political and environmental turbulence yet to come. According to the World Wildlife Fund, if China alone were to reach the rate of U.S. consumption, in terms of natural resources extracted and ecosystems impacted, we would need the equivalent of two Earths. The consequences of such excess and the resultant degradation disproportionately increase the unequal distribution of wealth worldwide. Today, on the one side, half of world’s wealth is in the hands of 1% of the population (*The Guardian*, 2017, January 16) and on the other, approximately one billion people do not have reliable access to clean drinking water. Clearly, the world is still away from reducing the enormous economic,

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social and environmental imbalances. And yet, after the entire recent crisis, the everyday business discussions are about how to get the economy back to 'normal' as it was. Although growing numbers of leaders in all sectors are starting to sense the depth and breadth of the challenges that lie ahead, we still assume a return to business-as-usual, albeit with some necessary adjustments.

All of this leaves us profoundly ambivalent about the future. On the one hand, we long for real change. Few among us want to live in a way that generates enormous amounts of waste and pollutants, depletes precious resources more rapidly than nature can replenish them and destroys ecosystems. On the other hand, we fear that a future fundamentally different from the past is not truly possible. Consequently, we have little collective will to follow a better path. Insofar as the business is one sector that must help and take a lead in building a better future, the burgeoning corporate social responsibility movement gives us a reason to hope. But it, too, has been mired in this same ambivalence. Many executives now concede that companies that focus narrowly on their own business and ignore all larger social and environmental impacts invite activists' ire and put their profits at risk. Consequently, more and more multinational corporations are turning out glossy CSR reports and are creating senior staff positions dedicated to corporate responsibility. Then again, most people doubt that the present CSR programs are the grand success story of businesses transformation. Despite these efforts, for the most part, we still make and use the wrong products, powered by the wrong energy, driven by the wrong business models.

A small number of corporations are starting to internalize the truly strategic implications of the changes that are looming, but even these few leading enterprises are far from truly integrating an expansive business mission into their daily operations. The following two things can shift this state of affairs: a different vision of the future that is more inspiring than the actual status quo, and a new consensus on what it will take to move toward it.

The need to fundamentally shift from 'profit-driven' to 'value-driven' businesses was mentioned by the management guru, Peter Drucker, who believes that 'every social and global issue is a business opportunity just waiting for the right kind of inventive entrepreneurship, the right kind of investment, the right kind of collective action,' (Drucker, 2001, p.42). Today, this visionary statement is more than accurate and steadily enters the mainstream business thinking. Two critical actions serve as an evidence of the above claim, coming from the foremost champions of conventional capitalism: Bill Gates, the cofounder of Microsoft, and Lee Scott, the ex-CEO of Wal-Mart. In 2008, the former CEO made special commitments to reduce the company's energy use and to improve working conditions in the whole supply chain. At the same time, at the World Economic Forum in Davos, Switzerland, Bill Gates stated: 'more people can make a profit, or gain recognition, doing work that eases the world's inequities.' (Gates, WEF, 2008, Switzerland). These actions simply underline the economic and social pressures and opportunities that force the companies to reconfigure their business models into new which include a better business purpose. Furthermore, in 2007 McKinsey, the global consultancy, published a report which contained a result from a survey that more than 90% of the interviewed CEO are trying more to build strategies which include an environmental and social component than they did five years ago (McKinsey, 2007). In 2005, *The Economist*, stated in an article: 'corporate responsibility and radical transparency are booming and only few big companies can afford to ignore it' (*The Economist*, 2005, January 20). Later, the statement will alter to 'corporate responsibility and radical transparency are part of everyday activities of companies and no one can afford to ignore it'. Even *Forbes Magazine*, the so-called 'capitalist tool', asked: 'Do corporations exist solely to maximize their profit? We do not think so.' (*Forbes Magazine*, 2016, May 9).

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There are several reasons why radical transparency and corporate responsibility are gaining such importance:

- With history full of crisis and turnovers, the companies must work harder to protect their brand and brand equity;
- The global brands which compete to win markets all over the world are expected to perform better and better and this includes taking into account the welfare of all relevant stakeholders;
- The customers, thanks to the advanced technology, are more informed and powerful than ever before. They have the power to scrutinize the companies' activities and 'to punish' them when see signs of misbehavior;
- The employees today expect from companies to set purposes greater than the goal for profit and exactly the value driven companies are those which attract the best talents;
- The nongovernmental organizations (NGOs) are growing exponentially and are relentlessly pushing companies to contribute to society;
- The stakeholders are pressuring the shareholders and institutional investors to adopt strong principles of governance and responsible investment strategies.

These arguments have turned into key drivers that make responsible and transparent corporate behavior to be an imperative. They are not only persistent; they are predominant and will endure for decades. The next generation of leaders and entrepreneurs will light the match and play the role of accelerants. They need to remake the business practices and construct sustainable business models that will stop the current consumption of what our children's children should inherit. These pioneers need to prepare to meet the global threats and opportunities in order to stay competitive, to undertake activities that will protect the company's most valuable asset – the brand equity, which represents around 75% of the total value of the average business in U.S. In a world where more than 50% of the consumers (Transparency International's Corruption Perceptions, 2009) believe that the business sector is dishonest, the only true asset to stand up in the fight against the odds is the brand equity.

The new transparent way of doing business will be a powerful magnet for great talents. Just as the Google cofounder Larry Page has proclaimed 'Talented people are attracted to Google because we empower them to change the world.' (*Time*, 2013, May 1). When traditional business models are used, most employees have no bigger ambition than hitting the numbers, which is not such a stimulant for the great minded. Regardless of the industry, the company's desire to create something that matters to the world is a powerful lure for smart people who thrive to 'crack the code' of the problems that bother the world. The companies that are organized around an inspirational mission not only attract the best human capital, they yield the best results, because they summon their employees to extraordinary contributions and inspire them to use all of their imagination and inventiveness to work each day. Just as Howard Schultz opined: 'Ultimately, Starbucks cannot flourish and win customers' hearts without the passionate devotion of our employees.' (Schultz, 1999, p.25) A true conformation that supports this claim is the fact that in the period between 1997 and 2007, the companies which were listed as the 'best place to work' achieved more than twice of the annual return of the S&P 500 Index.

Transparent managers will earn a 'license to manage' from relevant, critical external stakeholders. This does not mean that the business would meet or exceed a set of necessary legal and regulatory requirements. It involves the need to transform the entire company into a value seeker with actions that produce benefit for the society as a whole. Maybe a little late, but still, Wal-Mart understood this request

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and struggled to win community approval for the location of the new stores. Google, also, got it – the giant is investing hundreds of millions of dollars in developing renewable energy technologies. It is more than clear - the customers reward the companies that contribute to the society.

The businesses which embrace the concept of radical transparency recreate the relationships with their suppliers. When the activists around the world stood up against the persistent health, safety and child-labor violations in the overseas factories of some of the U.S. most famous apparel brands, the targeted companies reacted as expected – they complied a ‘procedure list’ for their suppliers and regularly sent representatives to check how much they respect the rules. This was a step forward to accepting corporate responsibility. Gap Inc. acted even more transparently. The company proudly announced that it had terminated the contracts with 136 factories that failed to meet the company’s standards. However, recently, the company admitted that the internal monitoring cannot solve the supply chain problems and gain the public’s trust. So, in 2006, Gap surprised the business world by publishing on its website the list of all the contract factories which were part of the supply chain of the company. Even more, Gap and Nike started to collaborate with the union and NGO representatives in order to become a more sustainable and desirable place to work. These two companies understood that when contract factories invest in people and threat their workers well they tend to improve efficiency and product quality, which grows their business and, at the end, improves their customers’ (in this case Gap and Nike) business results.

As the example above, the companies that accept the idea of radical transparency in every activity do not fear to cooperate with one of the today’s most powerful ‘regulatory’ force – the NGO. NGOs have grown to become big as the eight largest economy in the world, numbering in millions and with annual operating budgets of more than \$1 trillion. They grow with accelerated proliferation and spread their influence everywhere in the world. Recently, Wal-Mart viewed the NGO sector with outright hostility. But painfully learned that it cannot hide from them. When the retailing giant finally conceded that it needed a sustainable strategy it turned towards the previous critics. The former CEO, Lee Scott, acknowledged that NGOs were an essential stakeholder which urges the company to innovate and contribute to the society. Once outsiders who challenged the system, now the NGOs act increasingly as insiders – an important part of the system they are trying to change. They stimulate the companies’ transformation into conscientious businesses which helps them to be better equipped to successfully deal with the robust new conscience of the marketplace.

A new kind of responsible and transparent managers is evolving. They have the desire for a new, responsible era in the business. The number of individuals who demand change by rewarding the companies that meld economic growth with social justice is growing every day. The customers, also, have grater expectations. They, particularly the younger generations, are moving toward a different way of judging the business. ‘They celebrate companies and brands that share their value, rather than have the most muscle’ (Thorson&Duffy, 2012, p.16). It may be difficult for the bigger and older brands to emulate this new generation, but can and must if they want to succeed in the selling to today’s informed and empowered consumers.

The tangible worth of intangible assets, the war for top-grade talent, the impressive power of inspired employees, the transparent supply chains, the global impact of NGOs, the informed global consumer – all these transformational forces reshape the business landscape. The insurgent companies that seize on these drives will create real value and increase their long term profitability.

The concept of radical transparency lays in the basics of a vision of a better business, one that operates in greater harmony with its environment and offers a more exciting and meaningful place to work. The vision blends principles and practices—like understanding the challenges that come with creating

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a sense of purpose and what it takes to integrate that mission into an enterprise's day-to-day work. The key is to keep building capability along dimensions, increasing genuine commitment and the skills to deliver on that commitment. For example, Triodos Bank N.V. was the bank which increased its income for 25% and its loan portfolio for the same margin during the Great Recession in 2009 while the biggest players on Wall Street almost brought down the global economy. The bank is based in Netherlands, with network offices throughout Western Europe and a working capital of € 3.7 billion. This bank succeeded to achieve those excellent results due their policy to finance only sustainable businesses and projects, which include more than 9.000 economically, socially and environmentally beneficial initiatives only in 2008. Despite the company's history and background, if the project does not positively contribute to the society or the environment, the company does not fulfill the conditions to obtain a loan from Triodos. The idea of supporting truly responsible and transparent businesses presents the bank as one of the pioneers in driving the economy to a regular sustainable direction. And what must be emphasized, the profit always grew even if it is not the primary goal of the bank. Triodos has never recorded a quarterly loss in the three decades since its founding. Certainly, the bank tends to maximize the shareholders returns, but with a different kind of a business model which puts sustainability on the first place (Hollender&Breen, 2010).

Putting values before profit is a basis which does not fit into the conventional business models. To many managers, the idea of radical transparency is an upside-down way of building strategy and a direct threat for sales and revenues. But, the emerging examples, such as the Dutch bank, give the skeptics a relevant reason to start believing that building the business on the principles of economic and social equilibrium can lead to stable long term profitability. The constantly positive performance of Triodos bank is a prominent piece of evidence that corporate responsibility and radical transparency are entering the business world slowly but surely. This is going to be a change that is as revolutionary as it is evolutionary. The obvious signs for these changes are the increased number of value-driven companies and the new generation of value-driven leaders who leave the thesis that 'the only business of business is business.' The implementation of radical transparency practices in business will determine how companies organize, strategize and compete. It will reconfigure the sources of competitive advantage and growth.

The idea of transparency in every action is an idea that most businesses embrace in principle but find terrifying in practice—for good reason. A company that reveals its demerits as well as its merits opens itself up to a never-ending and invariably humbling journey of examining facts, listening to others' views, reflecting, and learning. Those companies that do it well build a culture that embraces high levels of self-criticism and a willingness to challenge management's most cherished beliefs including its privilege to make decisions behind closed doors. Such a culture inevitably extends to all members of the organization and beyond, including those who are neither employees nor experts in the business.

A company that benefits society as well as shareholders require leaders who never stop reflecting on who they are and who they want to be; who can blend their own personal vision with those who see the world differently; who tell the truth about obstacles and recognize their own personal responsibility in creating them; and who know there are no final answers or formulas. Building a responsible company takes, literally, forever.

The concept of radical transparency can be a powerful tool to transform ordinary businesses into more responsible, conscious and profitable entities. Radical transparency is required for a business to succeed in today's environment of stakeholders' scrutiny. Information technologies let everyone to see everything anyone does. Even though, at first sight, it might look like that sharing information for all the company's activities puts the company to open critics, but at the end, the company would have more friends than prosecutors. The radical transparency practices create long-lasting partnerships with all

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relevant stakeholders and in this way it becomes the first step towards overcoming the weaknesses and threats and securing the strengths and opportunities of the company, which, ultimately, leads to achieving a sustainable competitive advantage and long-term profitability.

The forms of radical transparency are various and spring from each activity the company performs. For example, a business can willingly disclose all of its product ingredients, or it may disclose all the sources and operations in the supply chain. The knowledge of the product / service creates loyal customers. Knowing that a company is willing to share detailed information allows the customer to trust the company. A trustworthy management team will personally communicate the message with both, employees and customers, regardless of the content of the message, whether it is about the successes or failures of the company. If there is trust in the brand, then there is loyalty. And where is loyalty there are sustainable revenues and long term profitability. Nurturing a positive relationship with customers is good for the company's profitability and it creates a unique connection that can be the basis for a competitive advantage that competitors could not overcome. Or even more, if one company can do it, then others will try to, at least, copy it, which would create a chain reaction of companies engaging in similar business practices. Ultimately, this will utter the competitive conditions to an upper scale and provide several benefits for the entire community. Transparent companies may voluntarily provide the public with sustainability reports, including all aspects of corporate responsibility towards the: customers, employees, investors, suppliers, competitors, public groups and the society as a whole.

Radical transparency should start internally, with the attempts of the company to share information with its employees, not just with their customers or other external stakeholders. This relationship directly affects the company culture and the values it creates. The company would benefit from creating a culture of trust, loyalty and commitment in the workplace. It is important for each employee to be informed, thus, empowered, thus motivated and satisfied. This kind of employee would be the most effective and efficient input in process of generating value for the company. Even more, he/she would be the most trusted mouthpiece the company could have. At the end, fostering the sense of doing good work would result in doing great work.

It is more that obvious that the social pressure has a big impact on the way the business is conducted. Many previously successful brands are now in danger of becoming tainted in our minds as customers are demanding but failing to get information about what is in the products they are using and how their purchases are impacting the world. Today customers seek value and engage with companies, expecting to be informed of both the pros and cons of the business. The social media can be a useful marketing tool but they should be used for much more than promotion. They could be a powerful tool in disclosing relevant information for the customers on time, so the radical transparency will minimize the risk from misunderstandings due to uninformed customers, which may lead to losing the trust and loyalty to the brand and spoil the hardly gained brand equity.

The traditional forms of transparency are always necessary. Company's transparency via social media is important but so is the ability for customers to easily reach for any information at the other end of a product inquiry. It is more than important to make it easy and pleasant for the customer to contact an individual in the company, as well as, allowing all individuals (employees at the first place) to tell and discuss scores and results about the company. This will help the company build a corporate culture of appreciation and esteem and everyone would feel proud to share how much they respect their customers and, at the end, how much the customers respect the company. Customers should have the opportunity to get information about their purchase and this information must be clear, believable and easy to un-

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derstand. The more customers try to get the answers, the less credibility and trust the business will have. All other efforts invested in the brand equity maintenance will be fruitless.

No matter what form of transparency a company takes, it is always a wise decision to be open about what goes on behind the scenes. The radical transparency concept is more than using the proper resources and reducing the usage of the limited, informing the customers over the product details, building sustainable relations with suppliers, donating to charities, supporting health programs or solving selected society problems. It's about reconfiguring companies from inside: innovating new ways of working, instilling a new logic of competing, identifying new possibilities for leading and redefining the vision and mission of the business. The radical transparency should become part of the realms of strategy, leadership and management. This concept would change the industry structure and alter the competitive conditions to a new level of priorities. But to fully understand and feel the benefits of the idea of driving brand equity and sustainable profitability with radical transparency practices it is mandatory to turn theory into practice and build entities that receive revenues by contributing to the greater good. In order to transfer the primary goal of profitability to a goal of generating value for all stakeholders, companies ought to change - change their priorities, the way they organize, the way they operate, how they compete, and the way they interact with the world. Some companies would take the pioneers role and would be the first to light the torch for this concept and others will follow because they want to or because they have to. The reason will be the huge number of informed consumers, values-driven employees, conscious investors and intelligent competitors. The time has come to turn exceptions into a trend.

Even the skeptics now admit, as positive examples emerge, that sustainable companies often enjoy a distinct competitive advantage over their profit-fixated competitors and continue to deliver outsized financial results. Here is some evidence. Between 1995 and 2007, socially responsible investments assets increased by 324%, sharply outpacing growth in the broader world of investments, which increased by less than 260% over the same period. Cheryl Smith, the chair of the Social Investment Forum Board, declared: 'social investing is thriving as never before' (Social Investment Forum [SIF], (2010). Even during the Great Recession, the investments in socially responsible funds grew 'at higher rates than ever' to an estimated \$ 2.7 trillion(Social Investment Forum [SIF], 2016).Clorox, which built its brand on chemical bleach, bought natural-based Burt's Bees for \$ 950 million, a multiple of more than five times of the company's sales in 2007. Within two years, Burt's grew into a heavyweight, ranking among the top U.S. 'green brands' in 2009. Then, there is the renewable energy industry. Revenue growth in biofuels, wind power and solar photovoltaic expanded by 50% in 2008, even though tightening credit began to squeeze markets. The future for renewable looks even brighter. The research company Clean Edge estimated that the three benchmark technologies will leap from \$ 115 billion in 2008 to \$ 325 billion within a decade. Companies that compete outside of this industry are also moving in the same direction. A survey by the consulting group A.T. Kearney found that companies committed to corporate sustainability and radical transparency practices achieved above average performance in the financial markets during the tough recession in 2008, which can be translated as an average of \$ 50 million in incremental market value per company. In the retail industry, a Boston Consulting Group survey which included 9000 consumers in developed countries came with a result that more shoppers 'systematically' purchased green products in 2008, when the global economy was plummeting, then in 2007.' And finally, even the 'wolves of Wall Street' sometimes take the sustainability and transparency seriously. In 2008, Goldman Sachs created a task force with many of the world's largest financial houses to help the industry put social, ethical and environmental issues at the heart of the investment analysis. Goldman analysts concluded that such a perspective leads to a 'good overall proxy for the management of companies relative to their competitors',

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which directly signalizes their chances of long term success. This eye-opening finding motivated the companies, especially in the period after the recession. The companies that were leaders in leveraging corporate governance, social and environmental considerations for sustainable competitive advantage outperformed global stock funds by 25%.

When they realized that corporate responsibility and radical transparency can help them build and sustain a unique competitive advantage and flourish their brands, companies lined up to proclaim their values and visions by presenting positive messages to their web sites, annual reports and advertising. For example, more than 52.000 company web sites highlight that corporations are beginning to account for their social and environmental impacts in addition to their traditional focus on profitability. Representatives from more than 4.700 companies in 130 countries have signed the UN Global Compact, committing to follow its 10 principles concerning human rights, labor, and the environment and anti-corruption efforts. A growing number of CEOs from the biggest companies in the world take part at corporate responsibility and radical transparency conferences to pronounce their passion for improving the labor standards worldwide, to expound their company's new commitment creating value without waste etc. It is more than clear – many executives now see corporate responsibility and radical transparency as a source of sustainable competitive advantage, or, at a minimum, as an inescapable priority. This is why it can be expected that a fairly large number of companies will master the corporate responsibility and radical transparency practices. The future belongs to these revolutionary companies that not only bring out the best in employees and other relevant stakeholders, but also build their market share by committing to a boarder vision for the business.

Every company must seek the formula that works best for its particular culture and industry. There is no one right way to transform a conventional company into a value driven company. But all the authentically responsible companies subscribe to a set of principles about: the mission, vision, transparency, working, responsibility, openness, authenticity and innovation – all this put in an agenda for value driven companies which are prepared for the challenges we all face. Responsible companies believe that what they stand for – their purpose and values are far more important than the products they make or services they sell. For them, advocacy is a synonymous with strategy – the industry needs a reform and they aim to fix it. When companies stand for something big, something that truly matters to people, they sharply differentiate themselves from their competitors.

Truly responsible and transparent companies are not littered whether the eyes of the consumers or NGOs are on the company and follow each move. On the contrary, they invite them to do so. The transparent company preempts the critics and takes the first step towards collaboratively fixing the problems. It is ready to publicly share the impacts it makes on the society and environment. Just as the Danish pharmaceutical Novo Nordisk, the world's largest producer of insulin, revealed its forays into such controversial topics as animal testing, stem-cell research and gene technology. However, in the long run, more eyes do not literally mean more advocates - it means fewer difficulties and less problems.

The time has come to change the old business models which were based on hierarchy: the management team delivered the strategy and the employees executed it. Today, transparent companies work as a community. Talented people, motivated by the company's sense of purpose, provide the power for generating breakthrough ideas and spread them around the world. When the employees are let to set their own strategic direction they act less like employees and more like entrepreneurs. When organizing the company as a community it catalyzes people's capacity to create and share. The companies that implement the radical transparency concept believe in the premise that 'two heads are always smarter than one'. So, the more heads get into the game, the better the chance they would make a real difference

in the market and in the world. For example, IBM is full of ‘Mensa members’ but it does not rely solely on them. It listens to the customers’ voice and other outside stakeholders. Today, to interact is more than important, yet, only few companies dare to put customers at the very heart of their innovation process. But when they do so, they leverage people’s power by giving up the full control.

Promoting responsibility through advertising and marketing campaigns is not enough. When a company is declared as sustainable, responsible and transparent it includes these attributes in every activity it performs. For example, in the lobby of its London headquarters, the British retailer Marks&Spencer uses a giant electronic ticker to broadcast its performance against 100 social and responsible initiatives. The message is clear: M&S is genuinely committed to ‘doing good’ and considers itself accountable for the results. A truly responsible and transparent company aligns its words with its actions.

To truly incorporate the responsibility and transparency concept into everything it does, the company should construct a collective view of what it should be. This requires the development of a high degree of clarity about what matter the most to the company and then to acquire the necessary knowledge for the important strategic decisions. The company must stimulate a sharper awareness to the way it works and what it seeks to accomplish. All this should start with asking the right questions, because the questions we ask shape the answer we get. For example, if we ask, ‘What can we do to increase the market share?’ we will get a very different answer from the answer to the question ‘What can we do to build a more sustainable economy?’ Questions like the last should motivate the companies to explore how they can best respond to the enormous challenges and the boundless opportunities that wait around the world.

ANALYZING THE BRAND EQUITY ASSETS WITH RADICAL TRANSPARENCY

In the future, companies will fight a battle for brand dominance. Investors will recognize the brand as the most important asset of companies. This is a critical concept. This is a vision of how to develop, manage, strengthen and defend the business. It will be more important to own markets than to own resources. And the only way to own the market is to have a dominant brand. The concept of radical transparency in business gives the companies the opportunity to win the battle for success differently from the competitors, which would ensure the company with sustainable growth and profitability, arising from the well-shaped relationships with the stakeholders who provide value for the company. The company’s brand would be a synonym for those connections.

There are several factors that contribute to the increased interest in brand equity and generally in branding. First, the companies are willing to pay more for their brand development because the development of new, alternative (competing) brands is almost impossible or too expensive. Second, companies are feeling significant pressure from the continued emphasis on price reduction by exaggerated promotions or desperate attempts to reduce costs, ultimately resulting in disruption in the industry structure and turning all products / services into consumer goods for daily needs. This is why it takes more resources to be used in activities related to branding, in order to develop significant points of differentiation. The need to develop a sustainable competitive advantage based on non-price competition is already recognized. The problem is that the efforts dedicated to building and managing the brand equity, opposed to price promotions, have little tangible impact on sales in the short term. Third, managers are captured by the need to fully exploit the resources in order to maximize business performance. Despite all efforts, all this looks quite fragmented. Some employees are responsible for one thing, another for other, managers are ‘stuck’ in their functions, investors in financial results and it looks like no one can see the wood from

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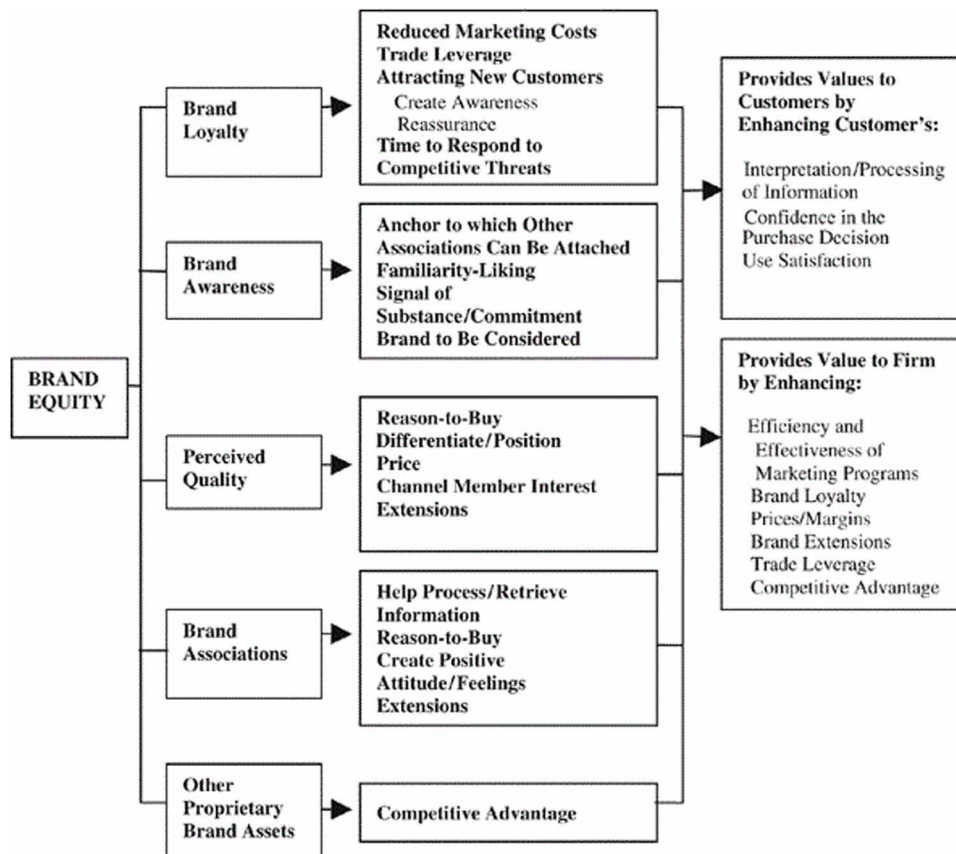
the trees. The idea of applying radical transparency to reinforce the brand equity is a way of uniting all activities in and around the company.

The brand equity is a set of assets and liabilities associated with the brand, its name and symbol that contribute to the value of a product / service of a company and its customers (Keller, 2007). For an asset or liability to be part of the base of the brand equity, it must be associated with the name or symbol of the brand. If the name or symbol of the brand is changed, some or even all assets and liabilities may be affected or lost and eventually transferred to a new name or symbol. The assets and liabilities on which the brand equity is based vary from context to context. However, generally, they can be grouped into the following five categories (Aaker, 1991):

- Brand loyalty.
- Brand awareness.
- Perceived quality.
- Brand associations.
- Other proprietary assets - patents, trademarks, distribution channels, etc.

The five categories of resources are the basis of the brand equity. The brand equity requires permanent investment and disappears over time if not properly maintained, Figure 1.

Figure 1. The brand equity model



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- **Brand Loyalty:** For any business, it is relatively more expensive to get new customers and cheaper to retain the existing, especially if the existing customers are satisfied with and even love the brand. In fact, in many markets customers have certain inertia, even if there are low switching costs and low customer commitment to existing brands. Thus, the installed base of customers is an investment from the past. Furthermore, at least some of the existing customers provide brand exposure and brand confirmation for the potential customers. Customer loyalty reduces the vulnerability to competitors' actions. Competitors may be discouraged from spending additional resources to attract satisfied customers. Also, higher loyalty means higher trade leverage because the consumers expect that the product / service will always be available (Aaker, 1991). The usage of radical transparency practices in the process of building and strengthening the brand loyalty as one of the key assets of brand equity will increase the customers switching costs and retention ratio; easily attract new customers; lower the company's marketing costs and provide the company with additional time to react to competitors moves. Ultimately, these advantages would secure the customers trust in the brand, i.e. the company and the last is a direct driver of stable revenues and sustainable long term profitability.
- **Brand Awareness:** People often buy a familiar brand because they feel comfortable and secure. In addition to this claim goes the assumption that the brand, which is known, is reliable and offers reasonable quality. So, the recognizable brand will always be preferred over the unknown. The awareness as a factor is particularly significant in the sense that the brand must first enter the consideration zone (to be taken into account) – it should be one of the brands that are assessed. Providing the customers (and other relevant stakeholders) with detailed information for what happens 'behind the scene' is the first step in the path towards transforming the company into a 'brand company' that would radiate openness and security. These attributes can be the basis for additional differentiation of the company which would support the sustainable competitive advantage at the long run.
- **Perceived Quality:** In order to connect the brand with the perception of quality in general, the company should necessarily provide information, knowledge and understanding of the detailed specifications for each relevant stakeholder. The perception of quality gets different forms in different industries. The perceived quality means one thing for Hewlett Packard or IBM and another for Procter&Gamble or Henkel. However, it will always be a measurable, significant feature of the brand and the more customers are informed over the brands features, the higher the perceived quality would be. The perceived quality directly affects the purchase decision and the brand loyalty, especially when the customer is not able or motivated to do a detailed analysis of the brand. But, if all the necessary information for the brand is available to her/him, then the thought of having the opportunity to be well informed strongly influences the strengthening of perceived quality and brand equity as a whole. The high perceived quality allows premium price, which in turn creates a larger margin that can be reinvested in the brand equity. Furthermore, the perceived quality may be the basis for brand expansion, but, once again, the likelihood of its success would be greater while using the radical transparency practices.
- **Brand Associations:** The potentiate brand value is often based on a specific set of associations connected to the brand. An association as 'a great birthday party' can create a positive attitude or feeling towards the brand McDonalds. An association for 'the context of use', as the link between aspirin and prevention of heart attack can be a reason for buying the product / service and affect the purchase decision. So, the company ought to demonstrate readiness to be here for the custom-

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ers for every additional explanation they need. The lifestyle of customers or a personal association can change the experience of the product/service usage. For example, associations related to driving a BMW car generates an experience of driving a 'different' car. This is directly connected with the information the company provides for its customers and other relevant stakeholders. Companies' transparency can influence the creation of such unique association that it could never be copied from any other competitor. This is a direct driver of brand equity and long lasting competitive advantage. The strong association can also be the basis for brand expansion. If the brand is well positioned in relation to a key attribute of the product/service (for example, technological superiority) which is very familiar to the customers, the competitors can hardly attack the brands position. If they attempt a frontal assault, claiming superiority in this dimension, they will have a problem with credibility. For example, it is difficult for any department store to gain credibility for the statement that it is stronger than Nordstrom in additional services. Competitors are forced to find another, perhaps inferior basis for competition. Thus, associations can be a barrier for competitors particularly when radical transparency practices are used to communicate with the customers.

- **Other Proprietary Assets:** This category includes other proprietary brand assets such as patents, trademarks and relationships in distribution channels. The resources of the company are the most valuable when they limit or prevent competitive erosion of the customer base and their loyalty. These assets take several forms. A trademark can protect the brand equity from competitors who want to confuse customers by using a similar name, symbol or package. The patent, if sufficiently strong and relevant to customer's choice can prevent direct competition. The distribution channels can be controlled by the brand, because of the historical performance of the brand. The usage of radical transparency practices while managing the other proprietary assets will secure each category of the brand equity, the connections among them and the brand equity as a whole.

The concept of creating brand equity through radical transparency, in parallel creates value for the company and for the customers.

- **Providing Value for Customers:** The brand equity assets, basically, add or subtract value for customers. They may assist in processing, interpreting and storing large amounts of information about products / services and brands. They also affect the level of confidence when making the purchase decision (thanks to past experience or knowledge of the brand and its characteristics). This is the reason why radical transparency can strengthen the brand equity base. Potentially, the fact that perceived quality and brand associations can enhance customer satisfaction through the experience of use is equally important. When the customer knows that the product is from 3M, it can affect the experience of its usage: the user may feel safer and satisfying.
- **Providing Value to the Company:** The other role of the brand equity, when managed with radical transparency, is its potential to provide added value for the company by generating marginal cash flows in several ways:
 - First, it can reinforce programs for attracting new and retaining old customers. For example, the launch of a new flavor or a new use of a product will be more effective if the consumer is not skeptical about the quality of the product or service.
 - Second, the other categories of brand equity reinforce the loyalty to the brand. The perceived quality and associations can support the reasons for purchase decision and can affect

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the level of satisfaction. Even if the brand is not the market leader, when perceived quality and unique associations are formed with the usage of radical transparency, they certainly reduce the consumers' motives to try products / services from other competing brands. The increased loyalty to the brand is particularly important for 'buying time' for an answer when competitors have innovation and product improvement. It can be freely noted that the brand loyalty, as one of the brand equity assets, affects and is being affected by the brand equity at the same time. The potential impact of the other assets of brand equity on loyalty, when managed transparently, is so important that this intercourse is explicitly listed as one of the ways in which the brand equity provides value for the company. Furthermore, there are similar relationships between the other dimensions of brand equity. For example, the perceived quality can be affected by the awareness, associations and/or loyalty. Only one transparent activity from the company (sometimes just one statement) could change the links and interrelations among the brand equity assets. Therefore, under certain conditions, it is important to treat the brand equity dimensions not only as inputs, but also as outputs of the process of building and managing the brand equity.

- Third, the usage of radical transparency for driving brand equity enables realization of higher margins through premium prices and reduced frequency of price promotions. In many situations the brand equity assets, when properly combined, stimulate a premium price policy. On the contrary, a brand with dysfunctional or incomplete brand equity will have to invest more in promotional activities, just to maintain its position.
- Fourth, the transparently managed brand equity can provide a platform for growth through brand extensions. For example, Unilever expands its brand to several products claiming openness and sustainability, creating successful business areas in which it would be much more expensive to get into without such a move.
- Fifth, the brand equity provides leverage in the distribution channel. As consumers, retailers also feel more confident in trading with proven brand that has already achieved recognition and positive associations. The transparent brand has an advantage in winning the shelves and can easily cooperate in the implementation of the business plan.
- Finally, the achievement of a unique combination of the brand equity assets with radical transparency provides a sustainable competitive advantage for the company which can be a serious barrier for competitors. Only one association, for example, Ariel – the family washing powder for 'heavy impurities', can set a condition for success in a given market segment. It may be difficult for another brand to compete with Ariel in the mentioned segment. The strong position of well perceived quality is a competitive advantage that is not easy to 'shoot down' – it is really difficult to convince customers that another brand has achieved superior quality. Achieving parity in brand awareness is extremely expensive for a brand with a lack of awareness.

CONCLUSION

The tangible worth of intangible assets, the war for top-grade talent, the impressive power of inspired employees, the transparent supply chains, the global impact of NGOs, the informed global consumer –

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all these transformational forces reshape the business landscape. The insurgent companies that seize on these drives will create real value and increase their long term profitability.

The concept of radical transparency lays in the basics of a vision of a better business, one that operates in greater harmony with its environment and offers a more exciting and meaningful place to work. The vision blends principles and practices—like understanding the challenges that come with creating a sense of purpose and what it takes to integrate that mission into an enterprise’s day-to-day work. The key is to keep building capability along dimensions, increasing genuine commitment and the skills to deliver on that commitment.

Every company must seek the formula that works best for its particular culture and industry. There is no one right way to transform a conventional company into a value driven company. But all the authentically responsible companies subscribe to a set of principles about: the mission, vision, transparency, working, responsibility, openness, authenticity and innovation – all this put in an agenda for value driven companies which are prepared for the challenges we all face. Responsible companies believe that what they stand for – their purpose and values are far more important than the products they make or services they sell. For them, advocacy is a synonymous with strategy – the industry needs a reform and they aim to fix it. When companies stand for something big, something that truly matters to people, they sharply differentiate themselves from their competitors.

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A company that benefits society as well as shareholders require leaders who neverstop reflecting on who they are and who they want to be; who can blend their own personal vision with those who see the world differently; who tell the truth about obstacles and recognize their own personal responsibility in

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creating them; and who know there are no final answers or formulas. Building a responsible company takes, literally, forever.

In the future, companies will fight a battle for brand dominance. Investors will recognize the brand as the most important asset of companies. This is a critical concept. This is a vision of how to develop, manage, strengthen and defend the business. It will be more important to own markets than to own resources. And the only way to own the market is to have a dominant brand. The concept of radical transparency in business gives the companies the opportunity to win the battle for success differently from the competitors, which would ensure the company with sustainable growth and profitability, arising from the well-shaped relationships with the stakeholders who provide value for the company. The company's brand would be a synonym for those connections.

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Chapter 2

Increasing the Brand Equity of Private Label Brands

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ABSTRACT

This paper was developed to investigate the different factors affecting the Brand Equity of Private Label Brands and Perceived Value in the Egyptian market. 578 random shoppers in 26 branches all over Egypt completed questionnaire about their perception of different factors affecting Brand Equity. Brand Associations, Perceived Value and Brand Loyalty are considered the most important factors that affect the Brand Equity of Private Label Brands; However, Perceived Quality, Brand Image and Brand Awareness are considered to be the least effective factors. Demographics were found to be insignificant. Marketers should focus on the top three effective factors, which are Brand Associations, Perceived Value and Brand Loyalty in order to increase the Brand Equity of the Private Label Brands. The results will offer direction to marketers and decision makers, especially that Private Label Brands are increasing dramatically.

INTRODUCTION

Nowadays, brands have become an essential asset for the firms, which are considered as the main reason behind the creation of stakeholder value. According to Farquhar (1989), brands were defined as a name, symbol, design or mark that enhances the value of a product beyond its actual purpose. The benefit of a brand is building trust, loyalty, perceived quality and brand awareness (Chen & Tseng, 2010).

Brand equity is considered as one of the key strategic assets that improve the company's performance in the long run (Sriram, Balachander & Kalwani, 2007). Therefore, it is important to focus on brand equity in order to create a strong long-term brand management and study the effective factors that influence it (Parsa, Eidelou, Abdolahi, Maleki & Mehrabi, 2013). Besides, it helps companies gain a competitive rank and achieve a suitable place in the mind of the consumers, which will urge consumers to be loyal, and help firms to create a sustainable profit (Aaker, 1991; Tong & Hawley, 2009).

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Increasing the Brand Equity of Private Label Brands

According to Aaker (1991), brand equity is significantly important to make points of differentiation that lead to competitive advantages based on non-price competition. (Yoo, Donthu & Lee, 2000). The sub-components of brand equity studied in this research were extracted from the literatures.

The last two decades have witnessed store brand penetration in supermarkets; therefore, it was very important to study consumer attitude towards purchase of store brands. Hasnas and Wey (2015) defined Private label products (also called store brands) as "...they encompass all merchandise sold under a retailer's brand..." It was also defined as "Brands owned, controlled, and sold exclusively by a retailer" (Ramakrishnan & Ravindran, 2012; Beneke & Carter, 2014). The importance of a store brand lies in the impact it makes on a store that helps it to compete against other competitive stores. Store brands can be used to attract customers to make marketing profits (Chen, Hess, Wilcox & Zhang, 1999; Bonfrer & Chintagunta, 2003).

Over the last few years, the growth of private label brands has been investigated and was proved to be increasing dramatically (Cuneo, Milberg, Benavente & Palacios-Fenech, 2014; Koschate-Fischer, Cramer & Hoyer, 2014). The reason behind the increased number of private label brands is the increased number of large corporate supermarket chains, which expanded their private label brand business compared to the national brand business. Besides, the two important characteristics of these brands which are the low price and the high quality (Kumaravel & Kandasamy, 2012; Ramakrishnan & Ravindran, 2012; Hasnas & Wey, 2015).

In answering the call of the study conducted by AC Nielsen on shopper trends 2014 in the Egyptian market. This study discovered that shoppers were found to seek private label brands mainly for their low value and affordable prices. However; retailers, which perceived as having the lowest prices have the least successful private label brands. This study proved that there is more than one factor that affects consumer behavior towards private label brands other than the price.

Based on the above-mentioned facts, the research will tackle the different factors affecting the brand equity of the private label brands in the Egyptian market.

Brands

Brands are defined as "a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors" (Aribarg, Arora, Henderson & Kim, 2014).

Researchers have explained Brands as unique names that belong to products of which consumers are highly aware of and have the willingness to pay higher prices to obtain them. Brands have many functions as they offer customers simplified choices and reduced risks. Besides, they create trust and provide certain quality level, and furthermore, provide companies with high market shares, successful expansion into new categories, competitive cost structures and high profitability" (Acker & Jacobson, 2003; Keller & Lehmann, 2006; Romero & Yague, 2015).

History of Brands

The concept of sign as a trademark goes back to more than 400 years ago. The word brand is derived from a word in the German language. Mishra and Datta (2011) stated that "After walking to the indus-

trialization of large countries of the world, for exporting its products to other countries, they need to carve their economic logo on their products. In this way brand word became a holder of trademark”. (Parsa et al., 2013).

Importance of Branding

Due to the expansion of new markets and the immense development that occurred in the technological field as well as the great expansion in the standardization of products, there was a growing need for introducing branding. The importance of the brand lies in providing the appropriate market position for the product to be distinguished among other available brands. This positively increases the uniqueness of identifying a product and affects the buyer’s behavior. For instance, a strong and famous brand helps in creating a significant image in the minds of the consumers since most of the people choose the brand not the product itself. Hence, building a strong brand can create an entry barrier for other competitors (Parsa et al., 2013).

Types of Brands

There are three types of Brands, National or Manufactures Brand, Private Label Brands and Generic Brands (Manikandan, 2012).

- **National or Manufactures Brand:** A brand that is marketed throughout a national market; it is unlike regional and local brands as it is usually advertised and owned by a manufacturer (Manikandan, 2012).
- **Private Label Brand:** The American Marketing Association defines private label brand in two distinct ways: First, as “a brand that is owned by the product’s reseller rather than by its manufacturer. In rare instances, the reseller may be the manufacturer as well”; Second, as “a brand name or label name attached to or used in the marketing of a product other than the product by manufacturers, usually by a retailer” (Manikandan, 2012).
- **Generic Brand:** Defined as “...a product identifying the title for products which have no individual brand...” (Manikandan, 2012).

Private Label Brands

Store brands are the most successful brands in the world. They are also known as private label, own label or retail brands (Abdullah, Ismail, Abdul Rahman, Suhaimin, Safie, Tajuddin, Amina, Mat, Derani, Samsudin, Zain & Nair, 2012; Bhatt & Bhatt, 2014). They were defined as “Brands owned, controlled, and sold exclusively by a retailer” (Ramakrishnan & Ravindran, 2012; Beneke & Carter, 2014). They are generally considered as commodities owned, private-labeled and founded by companies where their essential economic duty is distribution, as well as manufacturing (Abdullah et al., 2012; Kremer & Viot, 2012). According to Amrouche and Zaccour (2007), the key difference between private label brands and manufacture brands is that private label brands are brands created and sold only by the retailers, however; the manufacture brands are products that is created and sold by the manufacture (Park, Park & Dubinsky, 2011).

Importance of Private Label Brands

Lies on its impact on a store that helps it to compete against other competitive stores. According to Hoch and Banerjee (1993), this impact lies in pushing customer loyalty not only for the brands but also for the retailers (Ramakrishnan & Ravindran, 2012; Beneke & Carter, 2014). Store brands are used to attract customers to retailers and thus make marketing profits (Chen, Hess, Wilcox & Zhang, 1999; Bonfrer & Chintagunta, 2003). Besides, they act as a strategic tool used by retailers to generate greater market power in a category vis-à-vis its channel partners (Chintagunta, Bonfrer & Song, 2002; Bonfrer & Chintagunta, 2003).

Brand Equity

It is defined as “a set of assets (and liabilities) linked to a brand’s name and symbol that add to (or subtract from) the value provided by a product or service to a firm and/or that firm’s customers” (Aaker, 1991; Tong & Hawley, 2009; Fatema, Azad & Masum, 2013). Brand equity is considered as an essential source of competitive advantage for many organizations especially the brands that have high value. These kinds of brands are known as the most powerful assets in the organization as they provide the organization with high brand loyalty and strong brand associations with customers (Ghazizadeh, Besheli & Talebi, 2010)

Importance of Brand Equity

Firstly, it helps organization evaluate their brand in order to estimate its value for financial purposes or business arrangements (e.g. Merger, acquisitions). Secondly, it enables organizations to improve their marketing outcomes by understanding consumer’s perception about the brand and promoting the appropriate brand strategies (Dollatabady & Askarzadeh, 2011). Brand equity creates value not only for the consumers but also for firms (Pappu, Quester & Cooksey, 2005; Chen & Green, 2012). Strong brands can increase customer’s trust and enable them to better evaluate other intangible aspects. Keller (1993) explains that if consumers have a favorable brand in their mind when making a purchase decision, the consumer based brand equity plays an important role at the same time. As an advantage to the company, the importance of brand equity lies in the fact that it increases cash flow to the business (Simon & Sullivan, 1993; Yoo et al., 2000).

Factors that Affect Brand Equity

Many classifications and suggestions have been provided for the factors that affect Brand Equity. According to the different models suggested by different researchers and derived from the literatures, there are six different factors, namely: brand awareness, brand image, perceived quality, brand association, brand loyalty and perceived value (Aaker, 1991; Konecnik & Gartner, 2007; Kumaravel & Kandasamy, 2012).

Brand Awareness

This is defined as “The ability of a buyer to recognize or recall that a brand is a member of a certain product category” (Aaker, 1991; Chen & Tseng, 2010). It refers to the strength of the presence of a brand in the consumer’s mind. Hence, it is considered an important component of brand equity (Aaker, 1991;

Keller, 1993; Dollatabady & Askarzadeh, 2011). Aker (1991) described six different levels of brand awareness, which are: Identification of, Note, the best name of, the brand, the Knowledge brand and the brand believed. According to Keller (1993), being familiar with a brand can play an important role in forming the consumer's buying decisions (Keller, 1993; Parsa et al., 2013). The reason brand awareness is considered essential for customer to reach a buying decision lies in either relying on what they have heard of the brand or by choosing a brand they already know: which means buying only the familiar or well reputed brands (Keller, 1993; Kumaravel & Kandasamy: 2012). Based on the above mentioned, the relationship between brand awareness and brand equity is hypothesized as follows:

H1: There is a positive relationship between Brand Awareness and Brand Equity.

Brand Image

Image is defined as “a picture perceived about an object's character and individuality”. This picture is an impression made by one's senses perceived through personal experience realized through symbols or associations in one's mind, which may not be an actual reflection of reality. The reason that the image of a particular object affects one's reaction or one's decision-making process is due to its impact on one's attitude regarding that object (Lindquist, 1974; Gray, 1986; Park et al., 2011). Brand image is also defined as “A set of brand associations that are anything linked in the memory to a brand, usually in some meaningful way” (Aaker, 1991; Chen & Tseng, 2010). Besides Loken and John (1993) defined it as “a network of information in consumer memory about a brand and its associations, which can include functional features, self-expressive benefits, visual symbols, and logos” (Aribarg et al., 2014). A brand image is a consumer's perception about the brand that is recalled by the brand's flash back in the memory of the consumer.

The customer forms a mind picture that is a collection of perceptions and combination of all features; physical, signs, products, advertisements, messages and formal and informal announcements. Research has shown that positive brand image increases customer satisfaction and loyalty and facilitates the process of decision making in the consumer's mind. Hence, it is considered as one of the component affecting brand equity. (Parsa et al., 2013). Accordingly, the second hypothesis deduced is as follows:

H2: There is a positive relationship between Brand Image and Brand Equity.

Perceived Quality

This is defined as “the consumer's judgment about a products overall excellence or superiority” (Villarejo-Ramos & Sanchez-Franco, 2005; Chen & Tseng, 2010). The perception of the product quality depends on two important factors: past experiences from the actual use and well-known individuals' feedback such as, celebrities or third-party organization endorsement of the products (Aaker, 1991; Jung & Sung, 2008). Aker (1991) stated five important factors that are included in perceived quality: reason to buy the brand, differentiation/position detection, payment of price, distribution channels that attract interest from higher perceived product quality and Brand Development (Aker, 1991; Parsa et al., 2013). Perceived quality has been generally acknowledged as an effective factor influencing consumer behavior. The consumer's point of view about the product quality and its effect regards its expected performance shapes the assessment scale of the brand quality perceived by customers (Villarejo-Ramos & Sanchez- Franco

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2005; Chen & Tseng, 2010). Hence, perceived quality is considered as one of the component affecting brand equity. Based on the above-mentioned definitions and relationships between quality and brand equity, the hypothesis derived is as follows:

H3: There is a positive relationship between Perceived Quality and Brand Equity.

Brand Associations

This is defined as “anything that is related to the preference to a brand” (Aaker, 1991; Keller, 1993). It was also defined as “anything linked in memory to a brand”. It reflects the characteristics of the product and is considered a key element in the formation of brand equity. It plays a great role in different markets as it helps differentiating products based on various aspects including symbolic meanings that are associated with the specific attributes of the brand (Aaker, 1991; Atilgan, Aksoy & Akinic, 2005). Besides, it helps in constructing brand image (Kumuravel & Kandasamy, 2012). Brand Associations is considered a complicated variable; it involves multiple ideas, episodes, instances, and facts that help in establishing a solid network of brand knowledge (Alba & Hutchinson 1987; Aaker 1991; Yoo et al., 2000). Aaker (1991) added that brand associations could provide value to the consumer by providing a reason for consumers to buy the brand and by creating positive attitudes and feelings among consumers (Dollatabady & Askarzadeh, 2011). According to Fatema et al., (2013), brand image and brand associations are two different factors. Brand image defined as the perception about the brand reflected by brand associations held in the memory of consumer. However, brand association defined as the informational nodes that contain the meaning of the brand for consumers. According to private label brands, Brand image reflects the image of the brand itself, however brand associations reflect the image of the manufacture of these brands, which is the retailer, or in other words reflects the image of the store manufacturing private label brands. Therefore, store image should be illustrated. Store image can be defined as “the general image that consumers have developed over time about a store” (Doyle & Fenwick, 1974; Jain & Etgar, 1976). To illustrate, it is “...the way in which the store is perceived by shoppers...” (Doyle & Fenwick, 1974; Jain & Etgar, 1976; Pan & Zinkhan, 2006; Park et al., 2011). It includes features such as the physical location of the store and the level of store services together with quality of products; accordingly, a positive store image can positively affect customer satisfaction and can positively increase word of mouth among consumers. (Parsa et al., 2013). Empirical research has found out that store image is positively associated with the consumer perceptions of retailer’s private label products (Collins-Dodd & Lindley, 2003; Semejin, Van Riel & Ambrosini, 2004; Vahie & Paswan, 2006). According to the previously mentioned, the following is hypothesized:

H4: There is a positive relationship between Brand Associations and Brand Equity.

Brand Loyalty

Loyalty is defined as “the attachment that a customer has to a brand” (Aaker, 1991; Chen & Tseng, 2010). It was also defined as an attitude that customers show towards brands, activity, services, product categories or stores that may sometimes lead to a connection to a brand (Uncles, Dowling & Hammond, 2003). Nowadays, markets are becoming more volatile and competitive, and so many organizations have realized the importance of retaining existing customers. Some of these organizations have created a variety

of activities to construct a long-term relationship that would keep their customers loyal. Similarly, most retailers are keen on enhancing store brands due to the high ability it displays in retaining loyal customers, besides augmenting a retailer's image and strengthening its relationship with consumers (Aaker, 1991; Chen & Tseng, 2010; Pepe, Abratt & Dion, 2011). According to Oliver (1997), allegiance or loyalty to a product is a commitment to repurchase or reuse a specific product or services in the future regularly and spontaneously. It was also described as the recurring buying behavior for either the product itself or any other products at a specific store (Abdullah et al., 2012). According to Kambiz and Leila (2012), one of the main components of brand equity is brand loyalty, which derives the consumers to have a consistent attitude towards a certain brand over other competitors (Fatema et al., 2013).

Thus, the following hypothesis is formulated:

H5: There is a positive relationship between Brand Loyalty and Brand Equity.

Perceived Value

Value is defined as “the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given” (Zeithaml, 1988; Sanchez-Fernandez & Iniesta-Bonillo, 2007) while, price is the amount of money that is paid for buying goods or services. In a wider view, price is regarded as a degree of benefit that consumers give in return for using the product or service. Hence, it is considered as one of the factors affecting brand equity. Generally, consumers often judge quality of a product based on the price of a similar product. According to Palumbo and Herbig (2000), a perfect store brand should be distinctive and identifiable by customers emphasizing significant attributes such as quantity and value of the product. Since today's market has a variety of store brands that respond to customer's different choices; therefore, retailers should be more creative and innovative in promoting their store brands so as to grab the attention of customers and differentiate their product from that of their competitors (Abdullah et al., 2012). Price and perceived quality are related to each other. Generally, consumers buy private label brand because of their relatively low prices in comparison with other brands such as national brand. Zeithaml (1988) confirmed that a positive consumer's perception of a store brand is very important to make them attached to that specific brand. Dick, Jain and Richardson (1997) stated that private label brands offer lower prices due to the lower manufacturing cost; less costly packaging and relatively lower overhead cost. According to Dunne and Narasimhan (1999), store brands are improving their quality to cope with the competence of other manufacturers in order to provide a brand with high quality but with a slightly lower price to attract more customers. Retailers claim that store brand has an equal quality such as that of national brand but at a lower price (Abdullah et al., 2012). Based on the previously mentioned review, the hypothesis derived is as follows:

H6: There is a positive relationship between Perceived Value and Brand Equity.

Demographics

Demographics are used to identify the study of quantifiable subsets within a given population, which characterize the population at a specific point in time. These demographics are added by the researcher based on the literatures and the adapted questionnaires, the selected demographics are gender, age, marital status, educational level and total household income (Ashokkumar & Gopal, 2009; Kara, Rajos-

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Mendez, Kucukemiroglu & Harcar, 2009; Kumaravel & Kandasamy, 2012). The demographic variables are tested to show whether it has an effect on Brand Equity of Private Label Brands or not. Hence, the following is hypothesized:

H7: Customers' different Demographics have different perceptions of the various factors affecting Brand Equity of Private Label Brands.

Conceptual Framework

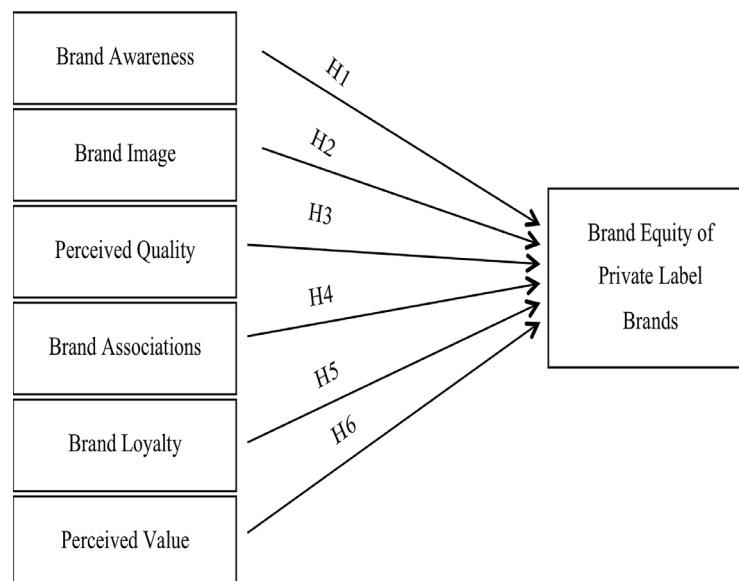
Based on the research models namely "Aaker Model of Brand Equity (1991), Konecnik and Gartner Model (2007) and Kumaravel and Kandasamy's Research Model (2012)", the authors suggested the model illustrated in Figure 1, which shows the different factors affecting the brand equity of private label brands.

Methodology

Research Type and Design

A quantitative research approach was used to quantify the data collected from the selected sample; as well as the collection and analysis of numerical data and the application of statistical analysis. The design of this research is in a conclusive planned and structured form that aims at testing specific relationships between factors that are proved through the literature to have an effect on the Brand Equity of Private Label brands.

Figure 1. Different factors affecting the brand equity of private label brands



Instruments

These were adapted from extended literatures and prior researches. Minor modifications were made to the survey to fit the context of the study. The survey instrument was piloted with 30 respondents with reliability of more than 0.7 attained on different constructs. The survey consists of fifty questions including the independent and dependent variables adapted from different researchers investigating the same topic namely Yoo et al. (2000), Ashokkumar and Gopal (2009), Kara et al. (2009), Chen and Tseng (2010), Chen and Green (2012), and Kumaravel and Kandasamy (2012). These different constructs are illustrated in detail in Table 1.

Sampling

The convenience sampling technique was employed in this research. Respondents were selected from consumers purchasing inside retailers. The sample consists of 599 random shoppers in 26 branches all over Egypt, 21 questionnaires were excluded due to incomplete responses.

Data Collection

After collecting data from the respondents, they were analyzed using several statistical techniques; using the SPSS “Statistical Package for Social Sciences” software program version 16. Analyses used are Sample Characteristics, Reliability, Factor Analysis, Multicollinearity test, Regression, ANOVA and T-Test Analyses.

Table 1. Questions including the independent and dependent variables adapted from different researchers investigating the same topic

Variables	Statement	Reference
Brand Awareness	6 questions	Kara et al., (2009); Kumaravel and Kandasamy (2012)
Brand Image	6 questions	Kumaravel and Kandasamy (2012)
Perceived Quality	6 questions	Ashokkumar and Gopal (2009); Kumaravel and Kandasamy (2012);
Brand Associations	9 questions	Yoo, et al., (2000); Kara et al., (2009); Kumaravel and Kandasamy (2012)
Brand Loyalty	6 questions	Ashokkumar and Gopal (2009); Kumaravel and Kandasamy (2012)
Perceived Value	7 questions	Ashokkumar and Gopal (2009); Kara et al., (2009); One question added by the researcher.
Brand Equity	5 questions	Chen and Tseng (2010)
Demographics	5 questions	Ashokkumar and Gopal (2009); Kara et al., (2009).

The Sample Characteristics

The sample consisted of 599 respondents were 305 respondents were males and 258 respondents were females. The sample age groups consisted of 101 respondents were 24 or less, 165 respondents were from 25-29, 121 respondents from 30-34, 119 respondents from 35-39, 37 respondents from 40-44, 6 respondents from 45-49, 10 respondents from 50-54, 8 respondents from 55-59, 3 respondents from 60-64 and only 1 respondent is from 65 or older age group. The respondents marital status consisted of 198 were single, 319 were married, 30 were divorced and 22 were widowed. The respondents Education level consisted of 26 were high school students, 100 were Diploma holders, 385 were Bachelor degree holders, 37 were Post Graduate students and 12 were PhD holders. The total household income of the respondents consisted of 395 were less than L.E. 5000 per month, 97 were from L.E. 5001 to 9999, 26 were from L.E. 10000 to 14999, 6 were from L.E. 15000 to 19000 and 7 respondent's income were above 2000 per month. These demographics are presented in Table 2.

Reliability Analysis

According to Churchill (1979) and Nunnally (1978), all the Variables are considered Reliable as Churchill (1979) suggests a cut-of level of 0.60, however, Nunnally (1978) has advocated alphas ranging above 0.70 as sufficiently reliable. This is shown in Table 3.

Factor Analysis

The KMO (Kaiser-Meyer-Olkin) measure of sampling adequacy is .913, and Bartlett's test of Sphericity is 9.401, Significant at 0.000 level. Kaiser (1974) characteristics measures above .80 as meritorious. This is shown in Table 4.

Analysis and Results

Different Analyses are used to investigate the different factors that affect the brand equity of the private label brands and the hypothesized relationship between the independent variables (Brand Awareness, Brand Image, Perceived Quality, Brand loyalty, Brand Associations and Perceived Value) and the dependent variable (Brand Equity).

A series of suitable statistical techniques were used through the SPSS software program version 16 for testing the relationships of the study; such as Multicollinearity test, Regression, ANOVA and T-Test Analyses.

Multicollinearity Test

Menard (1995) suggests that a Tolerance value less than 0.1 always certainly indicates a serious collinearity problem and Myers (1990) suggests that VIF value greater than 10 is a cause for concern. Results show that all Tolerance values are greater than 0.1 and all VIF values are less than 10, which indicated that there is no Multicollinearity. These results are shown in Table 5.

Table 2. Sample characteristics

Variable	Sub-Variable	Frequency	Percentage
Gender	Male	305	54.2%
	Female	258	45.8%
Age Group	24 or less	101	17.7%
	25-29	165	28.9%
	30-34	121	21.2%
	35-39	119	20.8%
	40-44	37	6.5%
	45-49	6	1.1%
	50-54	10	1.8%
	55-59	8	1.4%
	60-64	3	0.5%
	65 or older	1	0.2%
Marital Status	Single	198	34.8%
	Married	319	56.1%
	Divorced	30	5.3%
	Widowed	22	3.9%
Educational Level	High School	26	4.6%
	Diploma	100	17.9%
	Bachelor Degree	385	68.8%
	Post Graduate Studies	37	6.6%
	PHD Degree	12	2.1%
Household Income	Less than L.E. 5000	395	74.4%
	L.E. 5000 – L.E. 9,999	97	18.3%
	L.E. 10,000- L.E. 14,999	26	4.9%
	L.E. 15,000- L.E. 19,999	6	1.1%
	L.E. 20,000 or more	7	1.3%

Table 3. Reliability analysis

Variable	Cronbach's Alpha	No of Items
Brand Awareness	0.841	6
Brand Image	0.797	6
Perceived Quality	0.770	6
Brand Associations	0.861	9
Brand Loyalty	0.685	6
Perceived Value	0.642	7

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Table 4. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.915
Bartlett's Test of Sphericity	Approx. Chi-Square	9.401E3
	Df	990
	Sig.	.000

Regression Analysis

Multiple Linear Regression has been employed to test the relationship between the independent variables and the dependent variable.

The relationship between Brand Awareness and Brand Equity is 4.1%, which means that 4.1% of the variation brand equity, was explained by the brand awareness. However, P value was equal to 0.0000, which means that this relationship was significant. Based on the above mentioned, *H1* "There is a positive relationship between Brand Awareness and Brand Equity" was supported.

The relationship between Brand Image and Brand Equity is 9.4%, which means that 9.4% of the variation brand equity, was explained by the brand image. However, P value was equal to 0.0000, which means that this relationship was significant. Based on the above mentioned, *H2* "There is a positive relationship between Brand Image and Brand Equity" was supported.

The relationship between Perceived Quality and Brand Equity is 9.8%, which means that 9.8% of the variation brand equity, was explained by the perceived quality. However, P value was equal to 0.0000, which means that this relationship was significant. Based on the above mentioned, *H3* "There is a positive relationship between Brand Awareness and Perceived Quality" was supported.

The relationship between Brand Associations and Brand Equity is 34%, which means that 34% of the variation brand equity, was explained by the brand associations. However, P value was equal to 0.0000, which means that this relationship was significant. Based on the above mentioned, *H4* "There is a positive relationship between Brand Associations and Brand Equity" was supported.

The relationship between Brand Loyalty and Brand Equity is 30.2%, which means that 30.2% of the variation brand equity, was explained by the brand loyalty. However, P value was equal to 0.0000, which means that this relationship was significant. Based on the above mentioned, *H5* "There is a positive relationship between Brand loyalty and Brand Equity" was supported.

Table 5. Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Brand Awareness Averages	.495	2.020
	Brand Image Averages	.421	2.373
	Perceived Quality Averages	.516	1.937
	Brand Associations Averages	.472	2.120
	Brand Loyalty Averages	.523	1.911
	Perceived Value Averages	.519	1.925

a. Dependent Variable: Brand Equity Averages

The relationship between Perceived Value and Brand Equity is 31.1%, which means that 31.1% of the variation brand equity, was explained by the perceived value. However, P value was equal to 0.0000, which means that this relationship was significant. Based on the above mentioned, *H6* “*There is a positive relationship between perceived value and Brand Equity*” was supported.

All the above results are shown in the Table 6.

ANOVA and T-Test Analyses

ANOVA measures whether the Brand Equity is affected by the Age group, Marital Status, Educational Level and Total household income variables. Similarly, T-Test measures whether Brand Equity is affected by gender. According to Table 7, it was found that the relationship is insignificant; which means that the Brand equity is not affected by the different demographics of the consumers.

Conceptual Framework Model

Based on the above analyses and results, H1, H2, H3, H4, H5 and H6 which argue that there is a positive relationship between all the independent variables and the dependent variable, were supported. Hence, the suggested conceptual framework model was supported as well. This model Figure 2 shows the different factors affecting the Brand Equity of Private Label Brands.

Table 6. Results

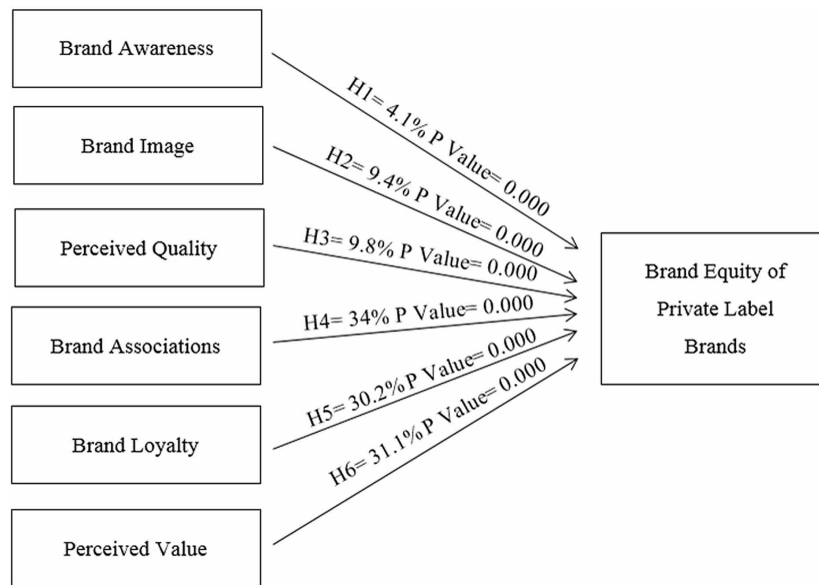
Hypotheses	R2 Square	Significance
H1“There is a positive relationship between Brand Awareness and Brand Equity” was supported.	0.41	0.000 ^a
H2“There is a positive relationship between Brand Image and Brand Equity” was supported.	0.94	0.000 ^a
H3“There is a positive relationship between Perceived Quality and Brand Equity” was supported.	0.98	0.000 ^a
H4“There is a positive relationship between Brand Association and Brand Equity” was supported.	0.340	0.000 ^a
H5”There is a positive relationship between Brand Loyalty and Brand Equity” was supported.	0.302	0.000 ^a
H6”There is a positive relationship between Perceived Value and Brand Equity” was supported	0.311	0.000 ^a

Table 7. Significance

Demographics	Significance
Gender	0.450
Age Groups	0.704
Marital Status	0.469
Educational Level	0.775
Total household Income	0.497

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Figure 2. Different factors affecting the Brand Equity of Private Label Brands



CONCLUSION

Based on the above mentioned, this section discusses the findings of the empirical research undertaken in light of the literature. Results of Regression Analysis showed that the Hypotheses H1, H2, H3, H4, H5 and H6 were supported. However, the Results of ANOVA showed that H7 was rejected.

Discussion

Based on the previously analyses, all hypotheses were accepted. There is a weak relationship between Brand Awareness and Brand Equity as R square accounted for 4.1%. These results are consistent with Atilgan et al., (2005), Jung and Sung (2008), Tong and Howley (2009), Chen and Tseng (2010), Dollatabady and Askarzadeh (2011), Chen and Green (2012), Kumaravel and Kandasamy (2012) and Parsa, et al., (2013). There is a weak relationship between Brand Image and Brand Equity as R square accounted for 9.4%. These results are consistent with Yoo et al., (2000), Chen and Tseng (2010), Abdullah et al., (2012), Kumaravel and Kandasamy (2012), Ramakrishnan and Ravindran (2012) and Parsa et al., (2013). There is a weak relationship between Brand Equity and Perceived Quality as R square accounted for 9.8%. These results were consistent with Yoo et al., (2000), Acker and Jacobson (2003), Atilgan et al., (2005), Jung and Sung (2008), Tong and Howley (2009), Chen and Tseng (2010), Dollatabady and Askarzadeh (2011), Abdullah et al., (2012), Chen and Green (2012), Kremer and Viot (2012), Kumaravel and Kandasamy (2012), Manikandan (2012), Ramakrishnan and Ravindran (2012) and Parsa et al. (2013). There is a moderate relationship between Brand Equity and Brand Associations as R square accounted for 34%. These results were consistent with and Atilgan et al. (2005), Jung and Sung (2008), Tong and Howley (2009), Dollatabady and Askarzadeh (2011), Kumaravel and Kandasamy (2012) and Parsa et al., (2013). There is a moderate relationship between Brand Equity and Brand Loyalty as R square ac-

counted for 30.2. These results were consistent with Yoo et al., (2000), Atilgan et al., (2005), Jung and Sung (2008), Tong and Howley (2009), Chen and Tseng (2010), Dollatabady and Askarzadeh (2011), Abdulllah et al., (2012), Chen and Green (2012), Kremer and Viot (2012), Kumaravel and Kandasamy (2012), Manikandan (2012) and Parsa et al., (2013). There is a moderate relationship between Brand Equity and Perceived Value as R square accounted for 31.1%. These results were consistent with Acker and Jacobson (2003), Sanchez-Fernandez and Iniesta-Bonillo (2007), Abdulllah et al., (2012), Kremer and Viot (2012), Manikandan (2012), Ramakrishnan and Ravindran (2012), and Parsa et al., (2013). Finally, ANOVA showed that H7 is rejected. This is due to the insignificance of the relationship between the Demographics of respondents and their different perceptions of Brand Equity.

Implications for Academics

The Researcher tested two additional factors, which were based on the literatures. These factors are Brand Associations and Perceived Value. Brand Associations reflects the characteristics of the products and is considered as a key element in the formation of brand equity. Considering Private Label Brands, Brand Associations should be referring to the characteristics of the producers of these brands, which are the supermarket or the hypermarkets (Alba & Hutchinson, 1987; Aaker, 1991; Yoo et al., 2000).

Value is defined as “the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given” (Zeithaml, 1988; Sanchez-Fernandez & Iniesta-Bonillo, 2007). Price is the amount of money that will be paid for buying goods or services. In a wider view, price is regarded as a degree of benefit that consumers give in return for using the product or service. Generally, consumers often judge quality of a product on price of a similar product. Strong brands build high quality perception in consumer’s mind and vice versa. In other words, consumers use price as a vital indicator to judge quality of products; brands with high prices are regarded as the brands with higher qualities.

Both Variables show a strong significant relationship as they are considered the most important two factors affecting the Brand Equity of Private Label Brands.

Implications for Business

Based on the above-mentioned results, managers who target to increase the Brand Equity of Private Label Brands should concentrate on the six factors affecting it.

The most important factor is “Brand Associations” - Brand Associations in this research refers to the consumer’s perception about the retailer selling the Private Label Brands. In order to improve the Brand Associations, managers should create very unique brand image by enhancing retailers image, compared with the competing supermarkets, offering very good facilities and having more store locations than its competing ones.

The second major determinant is “Perceived Value” - Perceived Value in this research not only refers to the price of the products, but also to how consumers perceive the price compared to the quality they get and the sales promotion offered considering these types of brands. In order to increase the Perceived Value, managers should not only rely on the quality they produce, but also on the price they are offering; by enhancing the quality offered and increasing price promotions. Besides, they should provide flyers inside the supermarket, increase the variety of brands, provide assistance inside and outside the supermarket and also provide information through customer service.

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The least among the top three factors is “Brand Loyalty” - Brand Loyalty refers not only to the loyalty to the Brand, but also to the retail producer as well. In order to increase the brand loyalty, managers should enhance the customer experience inside the store by being keen on having a lot of varieties, offering the same quality for each customer, providing assistance for customers, increasing promotions, organizing marketing campaigns and offering lower price yet with very good quality. By applying these enhancement methods, the customers will be urged to get attached to the retailer and respectively get attached to its Private Label Brands as long as they meet their requirements.

The fourth factor affecting Brand Equity of Private Label Brands is “Perceived Quality” - Although quality is considered as an important factor; however; the quality of Private Label Brands is expected to be given among different Private Label Brand procedures. Hence, it was ranked fourth among the other variables.

The fifth factor affecting Brand Equity of Private Label Brands is “Brand Image” - the image of the brand is considered as an important factor; however; it is not regarded as one when considering Private Label Brands. The characteristics of Private Label Brands are easy for consumers to recognize; such as symbol and logo. Private Label Brands belongs to the retailer, which is the only producer for them. Therefore; what is really important in this case is the image of the retail itself which is the Brand Associations, and this proves why Brand Associations is considered the most important factor affecting Private Label Brands as explained above; while Brand Image is ranked the fifth among the other variables.

The sixth and last factor affecting Brand Equity of Private Label Brands is “Brand Awareness” - Although Brand Awareness is considered as one of the main factors affecting Brand Equity; however; it is not an important factor when considering Private Label Brands. Private Label Brands do not need awareness because they are already known to belong to the retail itself. Hence, Brand Awareness was ranked the least factor among the six factors affecting the Brand Equity of Private Label Brands.

Limitations

Although it provides theoretical and substantive explanations, this research has several limitations. First, the limited availability of academic researches and research papers on Private label brands due to its being a new marketing construct in the Egyptian Market. Second, conducting this research in the Egyptian market was really difficult because consumers were not able to mention the true intentions behind purchasing private label brands.

Future Research and Recommendations

Future studies should examine more marketing actions to enhance the explanatory power of the brand equity phenomenon. The researchers need to consider the model between the group of brand experiencers and the group of non-experiencers and the model among groups of different brand loyalty levels distinguished by the behavioral pattern of repurchase records. The results of this study encourage several other avenues for future research activity; store brands have become a global phenomenon. That is why, it is recommended to replicate this study in both domestic and international domain. This will help examining relationships between consumers’ perceptions and purchase behaviors in markets in which store brands have greater market shares.

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Chapter 3

Multi-Sensory Fashion Retail Experiences: The Impact of Sound, Smell, Sight and Touch on Consumer Based Brand Equity

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ABSTRACT

In an increasingly competitive and digitally driven fashion market, retailers have to find innovative ways to gain consumers' attention and amplify their brand (Brakus et al, 2011; Barclay & Odgen-Barnes, 2011). This paper examines how fashion retailers can reinforce their brand through integrating multi-sensory experiences within the physical store, specifically sound, smell, sight, touch and taste and analyses if sensory retailing really can have a direct influence on consumer perceptions of a fashion retailer and consequently on the strength of its brand.

INTRODUCTION

In an increasingly competitive and digitally driven fashion market, retailers have to find innovative ways to gain consumers' attention and amplify their brand (Brakus et al, 2011; Barclay & Odgen-Barnes, 2011). This paper examines how fashion retailers can reinforce their brand through integrating multi-sensory experiences within the physical store, specifically sound, smell, sight, touch and taste and analyses if sensory retailing really can have a direct influence on consumer perceptions of a fashion retailer and consequently on the strength of its brand.

It draws on the theories of experiential and sensory branding and consumer-based brand equity to infer that multi-sensory branding become an essential element for fashion retailers to operate successfully in the current business environment. The field of sensory marketing according to Krishna (2010)

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and Hultén (2011) is still considered to be in infancy, yet pioneering studies recognise the importance of the human senses on how customers perceive and experience a brand (Krishna, 2010; Hultén, 2011; Peck & Childers, 2008). Moreover, academic exploration of the concept within fashion specifically is scarce and what does exist, fails to investigate what impact the senses can have when used collectively and strategically across different market levels and different geographies (Parsons, 2011). For example, Parsons (2011) in his study of New Zealand fashion retailers found that interactions between sensory stimuli have a significant effect on the fashion shopper's affect for a store and that fashion retailers are less differentiated in their use of sensory stimuli than they could be. A more recent study by Ballantine, Parsons and Comeskey (2015, p.504), makes explicit the need to examine the sensory experience holistically, stating,

When a customer enters a store they do not experience the music in isolation; they do not smell the scent without seeing the colours as well; they do not walk on the floor-covering without feeling the ambient temperature. The typical customer experiences degrees of stimuli as an on-going, integrated experience.

Similarly, focusing on the sensory retail environment of small fashion boutiques, Wade Clark et al's (2012) research showed that not only tangible cues affect a shopper's experience but also store traits like smell and lighting. Both highlight the benefit arising from assuming an integrated approach to sensory servicescapes for fashion retailers. The imperative nature of scrutinizing the opportunities and impact of the senses for fashion retailers has thus never been stronger (Lindstrom, 2005a; Hultén, 2011; Bronner, 2009). The aim of this study is to not only further reinforce this integrated approach to the senses postulated in these scant studies, but to assess the collective impact of them on the strength of the retail brand across fashion market levels, value, mid and luxury, and across destination fashion cities, notably London and New York.

In the past, priority was given to visual communication elements in order to influence consumers' psychological perceptions and associations (Kotler, 1973). However, traditional retail branding activities are not enough to operate successfully in the current market (Elliott & Percy, 2007; Lindstrom, 2005a). Retailers have to build relationships with consumers and differentiate from competitors by creating unique brand perceptions (Aaker, 1997; Kapferer, 2004; Schmitt & Simpson, 1997). They have to create brand experiences in order to build emotional bonds with consumers. (Gobé, 2001; Aaker, 1991; Smilansky, 2009). For many consumers, fashion brands are more than 'just' brands; they have an emotional and symbolic meaning and are a way for them to articulate their own individualism (Kapferer, 2004; Holbrook & Hirshmann, 1982; Travis, 2000).

Thus, with the growth of omnichannel retailing, the role of the physical store must be rethought as an opportunity to look beyond purely the visual expression, which is arguably replicable digitally, and engage holistically with all of the senses to facilitate distinction and differentiation (Lindstrom, 2005a; Travis, 2000). By addressing all the human senses, sensory branding can help to create stronger visibility and recognition within contemporary retail spaces (Gobé, 2001; Lindstrom, 2005a; Hultén, 2011). Sensory branding is one way to achieve and communicate the 'feel of a brand' and help distinguish from competitors and other commerce channels by generating immersive, emotional relationships with consumers (Travis, 2000; Gobé, 2001; Lindstrom, 2005a, Hultén, 2011; Krishna, 2010).

For the last decade, the five human senses have received increased attention from both academics (Holbrook & Hirschmann, 1982; Schmitt, 1999; Hultén et al, 2009; Krishna, 2010) and practitioners (Gobe, 2001; Lindstrom, 2005, 2008). Research has highlighted that sensory cues of sight, sound,

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smell, taste and touch can all positively affect consumer preferences, memories and choices (Krishna, 2010) and play an important role in creating emotional connections and experiences between brands and customers (Schmitt, 2003; Krishna, 2010, Hultén, 2011). With previous studies predominantly focusing on individual senses (Kotler, 1973; Donovan & Rossiter, 1982; Milliman, 1982; Morin et al, 2007; Yalch & Spangenberg, 2000), the importance of understanding the interaction between multiple senses is required (Elder et al, 2010; Eriksson, 2011; Parsons, 2011; Ballantine et al, 2015) and significantly, their holistic impact on the strength of the retail brand, which this study attempts to address, focusing on the fashion field.

THE LITERATURE

Our sense of sound, sight, smell, and touch have a powerful effect on us, and psychological research is just beginning to explain some of the physical, cognitive, social and emotional effects. Sensory stimuli can influence environments, improve the shopper experience and change the nature of behaviour in ways beyond our consciousness. (Soars, 2009 p. 286)

Sensory Branding Context

The effects of retail atmospherics and the servicescape environment on consumer purchase decision-making has long been recognised in academic literature (Kotler, 1973; Donovan & Rossiter, 1982; Milliman, 1982; Bitner, 1992). Pioneering research on retail atmospherics shows the strong correlation between an effective store environment and customer dwell time, propensity to spend, actual spend levels and patronage (Kotler, 1973; Soars, 2009; Wade-Clarke et al, 2012; Hirschmann and Holbrook, 1982; Parsons, 2011). Yet as Parsons (2011) highlights, the issue with these studies is a tendency to, “treat the stimuli as isolated events directed solely at behaviour when the store environment provides a holistic cognitive experience” (p. 429).

More recent scholars postulate that engaging one or more of the senses within a store environment has a greater synergistic affect than the singular on consumer buying behaviour and brand perception (Krishna, 2010; Kim et al, 2009). Whilst Krishna defines it as, “marketing that engages the consumers’ senses and affects their behaviour” (2010, p.2) and Hultén et al (2009, p.13) states that, “...sensory marketing can increase the quality of customer treatment, which can lead to stronger brand recognition and brand image in the long term”, current branding and marketing literature offer no clear and accepted definition of sensorial strategies.

It is inferred that a sensory approach helps a brand build an emotional relationship with its customers as senses evoke sensations, memories, associations and images in customers’ minds (Aaker, 1997; Travis, 2000; Lindstrom, 2005). It provides a way to distinguish a brand from its competitors in a highly competitive market (Pine & Gilmore, 1999; Lindstrom, 2005; Gobé, 2001). Pedroni (2013) suggests that physical stores are no longer perceived as points of sale but as points of experience, where consumers are immersed within a brands’ universe. As digital commerce increases, retailers have to invest more in the physical store experience to elevate consumer engagement on a cognitive, emotional, social and sensory level (Gentile et al, 2007; Spena et al, 2011; Verhoef et al, 2009). Within fashion retail, brands such as Abercrombie and Fitch, Topshop, Nike and Selfridges offer sensorial experiences, from a signature scent, signature music, manicure bar, beauty salon, interactive touch technology to in-store cafes. Such

innovations of utilising the space to create more of a dynamic, immersive environment have demonstrated to be uplifting, fun and entertaining (Wilson, 2005; Wade Clarke et al, 2012).

Fashion retailers can no longer convince consumers by communicating functional and symbolic benefits of fashion products alone (Gobé, 2001). They must focus on presenting the brand behind the product in order to catch consumers' attention. Everything in the experience economy is "customer-centric, customer driven, customer focused" (Pine & Gilmore, 1999, p.9) and consumers nowadays want to be part of a brand (Gobé, 2001; Lindstrom, 2010). Hence brands need to add value in order to offer unique characteristics and brand perceptions to emotionally engage customers (Aaker, 1991; Kapferer, 2008; Elliot & Percy, 2007).

Several researches prove that combining two or even more senses has an even bigger impact on consumers' brand perception, memory and buying behaviour (Lindstrom, 2005; Krishna, 2010; Hultén, 2011). Sensory branding provides a distinctive and unique experience that enhances the customer's emotions and engages them in a personal way. This new way of communicating adds value to a brand (Pine & Gilmore, 1999). According to Hultén (2011) the sensory branding model, "offers a firm the opportunity to differentiate and express a brand through sensorial strategies, based on cognitive, emotional or value-based elements in relation to the human mind and senses". It has the potential to form a very effectual form of engagement between the brand that successfully touches various senses and consumers (Lindstrom, 2005a; Travis, 2000).

Empirical findings from Alexander and Heyd (2014) and Alexander and Feindt's (2015) exploratory studies of the impact of sound and smell respectively within fashion retail environments revealed that well implemented sensory branding has positive effects on consumer based brand equity. It is therefore interesting to extend this research to explore the effect of a multi-sensory strategy on the same. First a review of critical literature on each of the senses is discussed, followed by a summary of multi-sensorial strategies and the impact on brand strength discourse from which a proposed conceptual framework ensues.

Sight Sense

The power of selling through sight alone has been fundamental to retailing throughout the ages. (Barclay & Ogden-Barnes, 2011)

As stated, academic research on the human senses has shown that different sensory impressions impact on consumer perceptions of brands (Krishna, 2010; Hultén et al, 2011). Most of these studies emphasise that senses are linked to memories, emotions and feelings and establish strong physical and psychological interactions with brands (Hultén et al, 2011). Research on the sense of sight indicates a high correlation between for example, the design quality of visual stimuli and firm performance (Hertenstein & Platt, 2001; Wallace, 2001). Lindstrom (2005) refers to sight as our most seductive sense. Moreover, Valberg (2005) and Schiffman (2001) argue that sight is not only the most important of the senses, as it enables us to understand the environment around us, but also the most dominant. Colour, design, lighting, logo, packaging, product design and websites are other visual stimuli that enable differentiation, enhance loyalty, prevent clutter, defer competition and positively impact mood state (Hultén et al., 2009; Kotler, 1973; Healy et al, 2007; Soars, 2009). For example, Soars (2009) highlights that varying the colour and light levels in a store, positively influences dwell time. In addition, within the fiercely competitive fashion mid market, the frequency of product to market that influences store sight, feeds fashion consumer's desire for novelty (Wade Clarke, 2012)

Sound Sense

Music has long been recognised as a powerful communicative force that affects attitude, mood, emotions and behavior. (The Journal of the American Medical Association, cited by Soar, 2009 p. 293)

Sound, as the first sense developed by a human being inside the womb is considered to be one of the fundamental senses (Nölke, 2009). From a physiological perspective, Treasure (2007) and Jackson (2003) argue that human hearing is, by far, more sensitive than sight in many ways, vital for communication as the only sense that alerts us to danger. Sound and music is psychologically communicated through feelings; thus is a direct way to arouse human emotions (Rösing, Oerter & Bruhn, 2002; Bruhn, 1982). By pointing out the emotional qualities of products and subsequently of brands, sound can contribute to an enhanced brand perception among target consumers (Jackson, 2003; Lindstrom, 2005a; Gobé, 2001). A clearly defined 'Soundscape' offers the opportunity to bring the emotional benefits of brands to life and facilitate the activation of the brand promise (Jackson, 2003; Bronner, 2009; Lindstrom, 2005a; Vaccaro et al., 2009). Research on the sound sense has shown that music exerts a positive impact on store atmosphere and buyer behaviour by creating associations and evoking memories (Morrison, 2002; Hulten et al, 2011). Research specifically on the use of music in fashion retail found that the role of music was an aesthetic means through which consumer agency is articulated, changed and sustained (De Nora & Belcher, 2005, cited in Ward Clarke et al, 2012). Moreover, they found that music had a more seductive impact on younger fashion browsers than older shoppers. Soars (2009), states that music can help reduce uncertainty, effect product choice and influence shopper disposition. According to Hultén et al (2009) different kinds of sound expressions – jingles, voices, music, sound branding, signature sound – can facilitate a sound experience and hence help achieve differentiation.

Smell Sense

Of all the five senses; smell is the closest linked to emotions because the brain's olfactory system detects odours, fast-tracks signals to the limbic system and links emotions with memories (Soars, 2009 p. 294)

Some researchers argue that Scent is the most powerful of the senses as it evokes consumers' emotions, memories and associations more quickly and effectively than any of the other senses (Schmitt et al, 1997; Krishna, 2010; Gobé, 2001). As one cannot turn off the scent sense, any kind of ambient scent has psychological and physiological effects on consumers' wellbeing and satisfaction levels (Lindstrom, 2005; Krishna, 2010). Some studies have shown that ambient scents have positive effects on both store and product evaluations (Spangenberg et al., 1996) and that pleasant scents can enhance customer shopping behaviour and increase spending inside the store (Spangenberg et al, 1996; Morrin & Chebat, 2005; Parsons, 2009). Soar's (2009) study cites empirical findings that sales of womenswear doubled when feminine scents were used in-store. Both Parsons (2009) and Soar's (2009) research highlight that ambient scent, as opposed to product imbued scent, maybe of greater interest to retailers as it has the potential to affect consumers' perception of the entire servicescape (Wade Clarke, 2012). Therefore, a scent that catches a brand's identity and translates it into a brand image, can help a brand to positively influence its positioning and provides an opportunity to enhance consumer brand perception (Gobé, 2001; Lindstrom, 2010).

Touch Sense

In fashion... so much decision-making is tactile... shoppers are trying to picture through touch, the weight of cloth and how it would feel to wear, so touch fuels emotions for rational decision-making. (Soars, 2009 p. 294)

Similarly to sound, touch is considered to be one of the first of the human senses to be developed and the most sensitive of our bodily organs as we come into contact and interact with the world around us through it (Field, 2001). According to Underhill (2009, p. 168) we are living in a “tactile deprived” society, where shopping gives us an opportunity to “experience the material world first hand”. Various researchers have identified the correlation between the motivation to touch and positive affective response that has on consumer’s attitudes towards a product or brand (Peck & Wiggins, 2006; Hultén et al, 2011) on impulse purchasing (Peck & Childers, 2006) and on ownership anticipation (Peck & Shu, 2009). Soars’ (2009) study highlights both the benefits and irritations that can arise from touch in-store. On the one hand, the ability of touching cloth to transcend consumers to “the movies in their head”, picturing themselves wearing what they are touching in-store, yet on the other hand, the need for retailers to reduce irritation caused through “butt brushing” other consumers from behind through a focus on social navigation (Wade Clarke, 2012). According to Hultén et al (2011) material, surface, temperature, weight, form and steadiness can all contribute positively to the tactile experience of the brand and differentiate it from competitors, thus enhancing loyalty. This applies beyond the traditional product touch approach to digitally empowered touch sensors like interactive touch screens.

Taste Sense

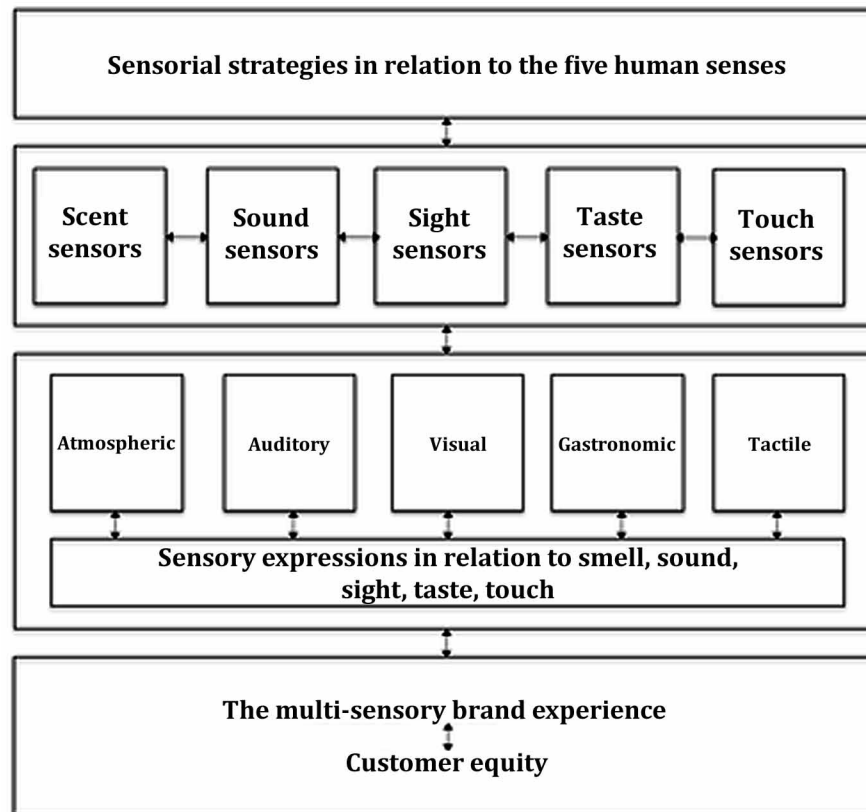
The sense of taste is the most distinct emotional sense and often interacts with other senses. (Hultén, et al, 2011 pp.259)

Taste tends to be the sense that is ignored in academic studies (Soar, 2009; Hultén, 2011). According to Hultén et al (2011, p.44) the “sense of taste is considered one of the most distinctly emotional, due to its capacity to facilitate social exchanges among people, its connections to other senses and high degree of interaction between firms and customers on a personal level”. Research shows that a taste experience, for example, traditional sampling - ‘try before you buy’ or more recent taste expressions of in-store cafes, bars, restaurants persuades customers to stay longer in a store, which in turn leads to higher consumption (Klosse et al., 2004; Barclay & Ogden Barnes, 2011; Wu, 2010). Firms can apply tastes to flavour a brand and give it new hedonic dimensions expressed by multiple sense expressions (Hultén et al., 2009).

The Retail Brand as Sensory Experience

Hultén (2011) and Krishna (2010) infer that a multi-sensory brand-experience takes place when more than one of the five senses contributes to the perception of sensory experiences. Hultén’s proposed SM-Model (2011) offers a firm the opportunity to differentiate and express a brand as image through sensorial strategies, including sensors, sensations, and sensory expressions, based on cognitive, emotional, or value-based elements in relation to the human mind and senses, as demonstrated in Figure 1.

Figure 1. SM (Sensory marketing) Model Hultén (2011)



This model is therefore enshrined in the proposed conceptual framework arising from this study, as shown in Figure 2.

Consumer Based Brand Equity

The notion of added value that a brand name gives to a product is at the heart of what is referred to as Brand Equity (Farquhar, 1989; Keller, 1993). Customer-based Brand Equity links the ‘psychological goodwill’ of consumers, their favourable attitude and their attachment or loyalty to a brand (Keller, 2008; Aaker, 1991). The operationalisation of Customer-based Brand Equity involves two dimensions: on the one hand consumer perceptions that account for awareness, brand associations and perceived quality, and on the other consumer behaviour such as preference and loyalty (Cobb-Walgren, Ruble & Donthu, 1995; Myers, 2003). Aaker (1991) incorporates both dimensions by grouping Brand Equity into four key categories: brand awareness, brand associations, perceived quality, and brand loyalty. Over time, this associative network retrieved from memory can influence preference decisions (East, Wright & Vanhuele, 2008; Chandon, 2004; Keller, 1993). As evidenced, many scholars (Lindstrom, 2005a; Hultén et al 2011; Krishna, 2010) assert that Sensory Branding can contribute to higher Customer-based Brand Equity. This is because it can generate customer loyalty by creating strong emotional relations with consumers, leading to higher perceived brand quality.

Multi-Sensorial Strategies and the Impact on Brand Strength

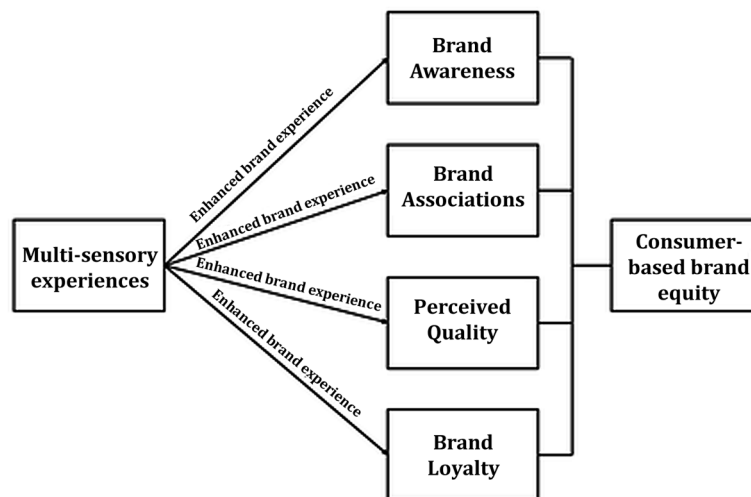
Literature suggests that utilising the senses arouses emotions and enhances consumer brand experience by creating emotional bonds between customers and brands (Hesse, 2003; Gobé, 2001; Hultén et al, 2011; Krishna, 2010; Soar, 2009). Moreover, these enhanced brand experiences might have a positive impact on the strength of a brand (Lindstrom, 2005a; Jackson, 2003; Simmons, 2003; Hultén, 2009; 2011), which is conceptualised in the proposed theoretical framework, shown in Figure 2. This model will be used to inform this empirical study to explore if and how multi-sensory experiences positively impacts consumer based brand equity within fashion retailing.

Methodology

Through an exploratory approach, this study aims to develop a clear understanding of the application of multi-sensory retailing in the fashion field and examine the key influence of these sensory stimuli on consumer perceptions of a fashion retailer and consequently on the strength of its brand. According to Maxwell & Loomis (2003) qualitative research includes the study of natural real life settings, a focus on participants' meanings and context, providing insights gained through a process of analysis and data integration, utilizing words, images and observation. This is consistent with an interpretivist approach, which enables researchers to be more engaged with the world in which they live (Bryman & Bell, 2007).

The research is based on an examination of secondary and primary data, the latter collected via observations of fashion stores and experiential consumer interviews. Bias was limited through multiple visits and the inclusion of pre and post interviews also aimed to minimize participant error and maximize recall and awareness of below the level of consciousness sensory evaluations. Direct observation, drawing on the ethnographic technique of how things work in situ (Watson, 2011) provided opportunities of studying the complex, interactive and personal nature of the shopping experience inside the store (Tashakkori &

Figure 2. Research theoretical framework: Multi-sensory experiences and brand equity
Source: Authors own



Multi-Sensory Fashion Retail Experiences

Teddle, 2003; Carson & Hine, 2007). An ethnographic approach focuses on the context to the research and has been shown to be suitable to studying retail phenomenon (Healy et al, 2007; Bryman & Bell, 2007). Applied to this study, it provided the opportunity to visit retail locations to understand how fashion retailers, across multiple market levels were utilising sensory stimuli, which sensory stimuli were being used and its holistic impact. A summary of the observed elements is illustrated in Table 1.

In order to address the research objectives within the proposed conceptual framework (as shown in Figure 2), specifically, to explore if and how multi-sensory experiences positively impacts consumer based brand equity within fashion retailing, this study comprised three separate stages. The first stage involved an extensive review of the literature to explore theories and practices of multi-sensory experiences for diverse types of fashion retailers, from mainstream to luxury. This aided the identification of the usage, opportunities and suggested impact of sensory experiences. Second, based on the examples arising from trade literature, ethnographic research was conducted in selected retail stores, in 2 major fashion cities, London and New York, representing mass, mid and premium market levels. The locations and retailers were purposively selected for their destinations and positioning with high densities of flagship stores. 2 retailers were selected from each market level, within each city, as evidenced in Table 2.

Each store was visited by at least two researchers and their field notes cross-referenced to ensure objectivity and accuracy in the observations. During this direct observation, the role of the researcher is as complete observer, being unobtrusive, observing and listening, but not participating or interacting with subjects (Baker, 2006).

Table 1. Direct observational elements

Aspect	Description
Pre mood state	Mood state prior to entering the store
Systematic exploration of each sense sensors: sight / sound / smell / touch / taste	What sight / sound / smell / touch / taste elements does the retailer use
Systematic exploration of each sense sensations: Sight / sound / smell / touch / taste	What emotional response is elicited from sight / sound / smell / touch / taste sensors
Systematic exploration of each sense expressions: sight / sound / smell / touch / taste	What are the sight / sound / smell / touch / taste experience triggers that leave a lasting impression
Multi-sensory experience	Overall impression of multi-sensory store experience
Post mood state	What mood are you in on exiting store

Based on Hulten (2011)

Table 2. Direct observation retailer sample

Market Level	London Flagships	New York Flagships
Mass	H&M flagship	Forever 21
	New Look flagship	H&M
Mid	Topshop	Urban Outfitters
	Jigsaw	J Crew
Luxury	Burberry	Dior
	Jimmy Choo	Ralph Lauren

The third stage enshrined participant observation within the adapted, ‘Shopping with Consumers’ technique (Silberer et al, 2009), conceived as consumer experiential interviews. The purpose of employing this method was to produce rich consumer insight resulting from the shopping experience in the physical environment. Hultén’s sensory SM model (2011) and Aaker (1991) and Keller’s (2008) Consumer Based Brand Equity dimensions were deconstructed and embedded within the research design, as depicted in Table 3.

Silberer et al (2009) suggest that in order to achieve such valuable information, techniques that only collect information from a static viewpoint are not sufficient.

For this reason, the experiential interviews encompassed both interviews to recollect in-store multi-sensory experiences, opinions and potential impact of collective senses on a retailer’s brand strength, and observation to record in-store sensory behaviour. The research instrument consisted of three main steps, as outlined in Table 4.

The consumer sample consisted of 12 respondents, with a total of 24 store visits, 12 from London and 12 from New York. Consumers were selected based on convenience sampling (Bryman & Bell, 2007). Only those familiar (i.e. visited at least every 3 months) with the stores were asked to participate.

The consumer interviews were audio- recorded for transcriptions and then analysed along exploratory subject tables, based on the themes and subjects presented previously. These categories were summarised and key quotes added, established by the pattern of the transcripts in order to gain interpretive understanding (Jankowicz, 2004; Bryman & Bell, 2007).

Table 3. Consumer experiential interviews variables

Stage 1	Pre-interview	Demographic information
		Fashion buyer behaviour e.g. how often do you purchase clothes, from where and & mood state
		Retailer familiarity and sensory recall e.g. how often do you visit the retailer, when you last visited the store what aspects of retail environment impressed you most.
		Mood state before entering store
Stage 2	Participant observation	Shopping path & approach
		Sight/sound/smell/touch/taste sensors descriptives, preferences,
		Overall multi-sensory experience received, associations & strength
		Post mood state
Stage 3	Post interview	Experiential retailing e.g. what kind of experience did you receive in the retail store, first impressions
		Sensory retailer e.g. what senses do you associate with the retailer, why? Does the retailer communicate a strong or weak multi-sensory image, why? Have you experienced the retailer in a sensory way outside of physical store? etc.
		Sight / sound / smell / taste / touch sensors critique e.g. what visual elements were strong / weak in the retail store? Which visual elements were most memorable, why? How did the visual store environment make you feel? Does the visual identity match the brand identity, why?
		Multi-sensory experience e.g. how would you rate the overall sensory experience received, how important are multi-sensory experiences within the store to you? does the multi-sensory experience impact your choice to shop in a store, how could the retailer improve its multi-sensory experience etc.
		CBBE variables explored i.e. brand awareness, perceived quality, brand loyalty, brand associations e.g. which fashion retailer provides excellent in-store experience, who comes to mind? I have purchased many times from this retailer, describe the retailer in 3 words

Based on Hultén (2011), Aaker (1991) and Keller (2008)

Table 4. Consumer experiential interviews

#	Step	Description
1	Pre-interview	Explain project scope Obtain demographic characteristics Outline retailers selected Capture participants mood, shopping plans, intentions
2	Participant observation	Researcher follows participants & records movements, approach activities, prompts for sensory expressions
3	Post interview	Collect in-depth information on participants opinions and views in relation to shopping experience & multi-sensory variables

Source: Author's own based on Silberer et al. (2009)

Findings and Discussion

First the non-participant observation will be outlined, followed by the accompanied shopping visits. Each research phase is discussed in relation to the reflection on the individual senses and then the overall sensory experience.

Non-Participant Observation

The mood of the observers in the first phase was noted and the majority of participants were positive and happy, whilst a couple mentioned they were tired before the store visit. In terms of the *sight sense* lighting, logos and digital screens were the most mentioned forms, with very few mentioning window displays. In the mass market stores the observers described being 'overwhelmed' and 'distracted' by the visual cues. Examples of this included 'too much product' 'too many people' and 'music which was too loud'. Whilst in the luxury stores the observers felt more relaxed and calm, a quarter of participants mentioned that the technology and screens made the store feel unique and more stimulating. This can be clearly associated with the work of Pine and Gilmore (1999) and Spena et al. (2011) who highlight the need for engagement through experience.

In terms of *auditory cues* the mass retailers played loud pop music, which split the opinion of the observers. In the luxury stores the music was played at a lower level and was described as 'discreet' and 'soft' and 'calming'. In mid-market stores the music was described as 'upbeat' and useful for creating a good energy. Secondary noise from people, hangers and building works was mentioned as being annoying and distracting from observers. These initial findings appear at odds with De Nora & Belcher (2005, cited in Wade Clark, 2012) who suggested music has a seductive impact on younger fashion browsers, as there was little evidence of that shown. A clearly defined Soundscape was not apparent from any retailer, which suggests opportunities for fashion brand adoption and further research, supporting Bronner (2009) and Jackson (2003).

Only the luxury stores used the *smell sense*, with observers noticing fresh flowers and perfume, the effect of this was very positive emotionally with some of them recognising the perfume as the signature scent of the brand and stating that they stayed longer in the store as a result, supporting Spangenberg et al's (1996) research. In the mass market stores the main aroma was secondary and not positive of other people, meaning that it was customer's personal odour and hygiene which was noticed and commented

on. Furthermore, the observers noted a ‘synthetic’ smell, which had a negative perceptual effect on the products in these stores, making them appear even cheaper. Interestingly no usage of ambient smell was detected across any of the retailers, which presents an opportunity for fashion retailers, as suggested by (Parsons, 2009) and Soars (2009).

In terms of *touch*, in the mass stores the observers referred to the fixtures and the use of wood and glass, in the mid and luxury stores they noted seating areas like sofas and the attraction to touch the material of the products. At the luxury level the observers stated that they had a ‘heighted perception’ of the brand and felt more ‘at home’ and attracted to the brand after touching the products and the seating elements. This aligns to the work of Soars (2009) and Hultén (2011) who highlighted the benefits arising from touch. Interestingly, technology was not highlighted by any of the observers as a touch sensor in any of the stores.

Only a third of the stores used a *taste sensor*, this was generally in the form of an in store café or refreshments. In the Topshop flagship, one observer noted the café made her stay in the store longer in order to break up the visit as the store is so large. This is consistent with the literature by Wilson (2005) and Wade Clarke et al (2012). Moreover, these findings support the notion of Soars (2009) and Hultén (2011) in that taste tended to be a sense ignored by the majority of fashion retailers across market levels.

Generally the *multi-sensory experience* in the mass stores was negative and a lack of effort by the retailers was evident. In the mid and luxury stores the experience was significantly positive and all the observers noted that the store enhanced their mood and words like ‘unique’, ‘special’, ‘comfortable’ and ‘homely’ were noted. In the mass market stores the observers felt more negative after the store visit and therefore could be described as having a negative experience as words like ‘tired’, ‘overwhelmed’, ‘annoyed’ and ‘frustrated’ were reported.

Participant Observation

The characteristics of the 12 participants were similar in that their average age was 24, and 95% were female and 5% male. In terms of clothes purchases, over half bought clothes on a monthly basis, a third on a bi-monthly basis and only two stated that they bought fashion weekly. The majority bought mostly from mid-market high street brands with Zara, ASOS, Top Shop and And Other Stories being the most mentioned. A minority bought predominately luxury. With respect to how they shopped, almost all the participants were omnichannel with only two people stating they solely purchase in physical stores. Just under a quarter said they regularly shopped on mobile and the same number stated that webrooming (ROPO - Research Online Purchase Offline) was evident in their buying habits. For the sample the most important factor when buying fashion was 1st Price, 2nd and 3rd jointly was Quality and Style/Fashion, 4th was fit and joint last was fabric and customer service. When asked about store environment and specifically sensory environment three quarters of the sample stated it was important to them, whilst the other quarter said it was very important. Many mentioned that they have ‘higher expectations for luxury stores due to the increased price’.

When asked about sensory environment expectations about the fashion stores, half of the sample said they needed it to be clean and tidy, just under half said they wanted good customer service, mentioning ‘well educated staff’. Around a quarter said they expected a relaxation space like a sofa, the same amount said they expected added value services like a personal stylist or a café. Only two participants

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said they expected some aspect of technology in-store. Generally, the sentiment was that they had lower expectations for mass and mid stores and high expectations for luxury stores. When asked if they noticed sensory elements of a fashion store and which were most prominent, the majority said yes with sight and sound being the most mentioned. This is in agreement with literature from Lindstrom (2005) and Valberg (2005). The remaining participants said they didn't notice these elements, as they are 'mostly subconscious cues'. In terms of familiarity with the brands they visited, all of them were aware of them and the general trend with the sample as mentioned earlier was that most of them shopped with mass and mid-market retailers and fewer with the luxury ones. Mostly the sample were in a positive mood before the store visit mentioning the words 'excitement', 'happiness' and 'relaxed' and only a few stating they were more negative citing 'tiredness'.

Sight

Across all the market positions the sight elements had the most notes and comments from the sample, this was to be expected as it is the most noticeable sense (Wallace 2001; Lindstrom 2005). In the mass market stores, navigation and signage were described as important as the sample reported they were frustrated if it was 'too busy' or if they couldn't see directions to the right section. Not much attention was paid to external window displays but many commented positively on the interior displays mentioning the 'styling of the mannequins' specifically. No comments on store design other than to describe them as 'mainstream' and 'not special'. Many complained about the lighting and said it was too strong and made the clothes not look good. Generally the sample had very little interaction with sales people, which again is expected in fashion stores of this market position. In the post interviews the sight element most commended by the sample was the mannequins, which were described as 'well dressed' and 'well done'.

In the mid market, the fun and lifestyle design personality of the stores was noted, the sample described the store design across all four stores as strong and the architecture was commended specifically for J Crew and Urban Outfitters. Logos and signage were also praised as being positive sensory sight elements due to their colour and design. The styling of the products and the mannequins was noted being 'on brand' and participants liked the 'curation of space' and the use of 'interesting' or different fixtures was mentioned by most of the sample. In the post-interviews the lighting and the art installations were the most remembered sight feature. This is also recognised in the work of Soars (2009).

In the luxury stores, almost all participants looked at the window display first but with mixed impressions, with half of the sample noting that they were 'boring'. The sight aspects of the store they liked were the use of space and bespoke fixtures. On a negative aspect many noted mixed experience with the staff, with one half stating they were friendly and the other half complaining of the opposite, that they were not friendly. In the post interviews each of the brands main sight aspect were quite different, the technology and large screens were remembered from Dior and Burberry, and for Ralph Lauren it was the overall atmosphere of 'homeliness' of the store design.

Sound

In mass market retailers the sound was reported as being quite negative, the sample stated the music was 'too loud' and that secondary noise of people 'other shoppers' and staff announcements was 'distracting'. Most described the music as being on brand for that type of store but almost all said that it lacked a specific music personality. One participant said the fast paced speed of the music in Forever 21 made

them feel rushed to 'shop, pay and go'. In the mid-market stores the participants were much more positive, stating that they liked the music played, that it was played at the 'correct volume' and the selection was on brand. This notion is supported in the work of Ward Clarke et al (2012).

There was mixed views in relation to the mid market stores having a specific music personality. Generally most stated that J Crew, Urban Outfitters, TopShop and Jigsaw didn't have one but they added that was ok and qualified it by saying that 'the music should just be in the background in order to relax shoppers'. Another added that the music was 'good enough, but when leaving the store I will probably forget it as you can hear this in every retailer'.

In the luxury stores all of the sample liked that the volume of the music was low and gentle and they noted that this relaxed them and encouraged them to 'shop around the store slowly'. This is in agreement with Soars (2009) who recognises that music can positively influence the behaviour in-store. There was mixed opinion regarding secondary noise in the store, some participants noted that staff were loud talking to each other and one commended Ralph Lauren for the 'lowered voices' of the staff as they said this was 'calming and respectful'. The entire sample said that the music played in each of the stores was congruent to the brand identity, this is a good example of activating the brand promise, which is found in the work of Bronner (2009) and Vaccaro et al. (2009).

Smell

Despite the recognition in the literature by Spangenberg et al. (1996), Soars (2009) and Gobe (2001) that smell can be one of the most powerful senses overall it was not utilised by the fashion retailers. In the mass stores there was no specific smell sensors reported, one participant said that there was a strong smell of plastic in H&M and that made him have a negative perception of the products and that they were 'cheap'. Generally, these stores were described as having a neutral primary smell; some participants noted negative personal smells from other customers, particularly in the menswear sections. When asked what kind of scent the brand identity communicates there were no clear trends and the answers included 'flowers', 'perfume', 'air' and 'summer.'

In the mid-market stores no signature scent was reported but as most of these brands have beauty and home products these stores had a more pleasant and positive smell experience mentioned. This supports the research by Spangenberg et al. (1996). In J Crew the participants noted a difference in scent between the women and men's floors, which they said was positive. This is an interesting area for future research to consider the gender preferences of olfactory stimulation and would further the work of Soars (2009) who also noted gender related implications of scent marketing. When asked about what scent the brand should be, 'sweet' and 'outdoor' fragrances were suggested.

In the luxury stores all of the sample reported that scent was evident in the form of perfume and candles and also the scent of wood was noted in Dior, generally these scents were described positively. However one participant stated the smell was too strong and that they could 'taste the perfume'. Ralph Lauren was commended for its gentle aroma which changed depending on the floor and product category/gender of clothing offered. In the post interviews, all of the sample stated that the luxury stores have a positive scent identity due to most of them being associated with perfume. The smell of leather was also reported in Burberry. All of the participants suggested a sweet floral smell as one which would match each of the brand identities, interesting that this is a clear trend. The sample who visited Burberry thought the scent did not match up with the brand because they expected a smell which reflected the heritage and history of the brand.

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Taste

As stated earlier by Hultén et al. (2011) taste is one of the most underused senses and this was evident also in this study. In the mass market stores there were no taste senses reported to be stimulated, when asked about the associations of taste for each brand the sample all mentioned types of juice or fruit. In the mid-market stores the participants mentioned the in store cafes as positive gastronomic sensations using the words like ‘mouthwatering’ and ‘appealing’ and ‘yummy’. Generally, the sample stated that having a café is a ‘great idea’ and a ‘great resting place when tired’. In the luxury stores most of the sample did not experience any taste elements, a quarter of the sample reported that the smell was overpowering in the luxury stores and that they could ‘taste’ flowers and perfume in their mouth. Generally, they said that the luxury stores lacked a taste personality and the types of taste associated with the brands visited were sweet like ‘lemonade’, ‘cocktail’ and ‘wine’. One participant stated they were disappointed not to be offered a glass of champagne.

Touch

In the mass market stores fixtures and products were the main type of items which were touched. Half of the participants had a negative perception of this sense in the stores complaining that the fabric of many of the products was cheap. One participant stated that she felt the products to ‘try and understand if they are well made’. This correlation is also demonstrated in the work of Peck and Wiggins (2006) and Peck and Shu (2009). It was noted by most of the sample that beauty products encouraged consumers to touch them. There was no tactile technology interaction in this level of stores. When asked what type of touch they associated with this store they all mentioned negative connotations of ‘cheap’, ‘fake’, ‘plastic’ and ‘hardness’.

In the mid-market stores the sample touched fixtures and products but also commented positively on the materials used in the store design of the walls and floors: ‘I like the feeling of the cement floor...the feeling is very natural and raw and has special aesthetics’. In most of these stores there was some aspect of technology which included photobooths, ipads and touch screens, half of the participants interacted with them and commented positively, ‘the photobooth links to my instagram and is quite funny’. This supports the work of Hultén et al. (2011) and Spenga et al (2012) in relation to the tactile engagement potential of technology.

The sample noticed the screens in Burberry and Dior but they all commented that they were not interactive and didn’t encourage physical engagement, ‘they make me want to stand but not really touch’. This could be an interesting area of future research. The touch of the products in mid-market stores was described more positively than in the mass stores, with the sample using the words ‘soft’, ‘silky’, ‘smooth’ with one commenting, ‘I have the expectation that the products will be of good quality’. All of the participants stated that the tactility of the mid-level stores matched the brand identity and they all associated each store at this level with ‘softness’.

There were no clear associations with each of the luxury brands in terms of touch. In the luxury stores there were mixed feelings about the temperature, indicating this perception of sense is very personal and subjective. One participant mentioned specifically that the use of space in Burberry is too much ‘like an exhibition space...and makes me not welcome to touch anything’. In the post interview, participants recalled that they touched mostly accessories and leather products and also the seating areas.

Overall Sensory Experience and Impact on CBBE

The overall sensory experience was lower in the mass stores (average score of 5), higher in the mid-market stores (average score of 7) and then a slight increase in the luxury stores (average score of 7.5). The participants noted that the enhanced visual merchandising (sight) elements, music (sound) and in store café (taste) were what enhanced the sensory experience in the mid-market stores. At the top end, the 'use of the space' and the co-ordination of sensory elements was mentioned by the sample as the most positive sensory elements.

In terms of which senses were most stimulated across the stores, it was sight first, sound second, and touch third at the mass and mid-level and smell was included fourthly at the luxury level. This is consistent with the work of Hultén (2001) and Krishna (2010) in that the higher the number of senses stimulated, the better the perception of the brand is (if the stimulation is positive). When asked if the multi-sensory image was strong or weak for each retailer, again at the lower level the sample were negative stating the mass market stores were average or weak. Whilst at the mid and luxury level almost all the participants described the brands as having a strong multi-sensory image. One participant qualified this statement when talking about Ralph Lauren saying 'it is very strong because it entices each and every sense without you even noticing it'.

With respect to the sensory impact on the Consumer-based brand equity elements of awareness, association, quality and loyalty, each are discussed in turn. There was a high *awareness* and familiarity with all of the sample and the retailers visited. At the mass and mid-market the participants had also visited the brand's websites and at the luxury level they had seen their advertisements. The brand *associations* at the lower level were consistent with all of the participants describing the brands as 'young' and 'trendy', although on the negative side, they were also described as 'cheap'. At the mid-level again the most mentioned brand associations were 'young' and 'trendy' and generally all the words were positive. At the top level all the associations were different, it is suggested that is because each luxury brand has a unique personality, but again generally they were positive and included words like 'traditional', 'heritage', 'classic' and 'elegant'.

At the lower level there was mixed feelings by the sample in relation to *quality* of products and customer service. However, they did comment overall that there was good value offered as there is not a high expectation in these areas in mass market fashion stores. In the mid-level, all of the sample thought positively about the product quality, but there were negative feelings towards the sales assistants whose unfriendly behaviour in three out the four stores negatively affected the participant's experience and perception of the brand quality. In the luxury level the overall quality perception was high in terms of both product and staff. An interesting result was observed with the perception of *loyalty*, at the lower level, all of the sample stated they regularly shop there and would continue to do so despite the negative sensory experience they reported. In the mid-level generally they said they would continue to be loyal and at the top level they said they would be unlikely to shop there again even though they had a more positive sensory experience. This disparity of conventional wisdom necessitates that further study is required.

The findings reinforce the issue raised by Ballantine et al (2015) Parsons (2011), Wade Clark et al (2012) and Elder et al (2010) concerning the lack of sensory integration. Whilst the sight and sound senses were dominant across all the retail sample, touch, smell and taste were variable in usage, consumer perception towards the sensory cues was mixed and a clear lack of sensory cohesion is evidenced. It is inferred that integration is a prerequisite step to facilitating distinction and differentiation (Travis, 2000;

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Lindstrom, 2003) and in turn brand strength. This lack of sensory integration thus made the exploration of impact on consumer brand equity more challenging to assess and demands further research to fully verify this notion.

CONCLUSION AND IMPLICATIONS

Due to the competitive nature of the highly saturated fashion market and the growth of multichannel, brands are increasingly looking for new ways to engage with their consumers through the physical store. This ambitious research aimed to make a contribution to the sensory branding literature, by delivering an applied understanding of multi-sensory retail approaches within the fashion sector. Previous studies (Alexander & Heyd, 2014; Alexander & Feindt, 2015) suggest that multi-sensory branding possesses significant opportunities for fashion retailers to engage with consumers in order to enhance their experience. This study furthered that discussion by linking sensory experience to Consumer-based brand equity, however, it is recognised that in doing so it raises many questions that further research needs to address. For example, the acute differences within a market level and not just across levels; the differences by gender; the differences by geographies; the sensory integration prerequisite, conducive through a case study approach. The results did highlight and support that when the power of the senses are implemented appropriately, multi-sensory retailing can contribute to enhancing brand experiences and building emotional relationships between retailer and consumers (Hesse, 2003; Gobé, 2001; Hultén et al, 2011; Krishna, 2010; Soar, 2009). A multi-sensory approach can be adopted within a fashion brands' retail stores in order to augment its brand identity and enhance its market positioning as it offers opportunities to convey the 'feeling of their brand'. In particular, this study noted that the sense of smell and taste particularly and touch to a lesser extent, were underutilised by fashion retailers at the mass end of the market. This supports earlier research by Soars (2009) and Hultén (2011). Furthermore, the findings revealed significant variance in how retailers are using the senses and this reinforces the opportunities of a strategic approach, which when applied, can result in a more positive brand image and increased brand strength.

The results supported the notion that multi-sensory branding is highly conducive to communicating brand messages, as in the majority of situations the participants agreed that each of the sensory stimulators were congruent with the brand identity. The conceptual model suggested that well implemented sensory experiences have positive effects on the brand equity of a fashion retailer. There was mixed evidence of this in the results of the study due to the participants having a negative experience at the low level and this not impacting brand equity and a positive experience at the high level and this not increasing their brand equity perceptions. This proposition did however fit in the mid-market.

In summary, the results of this study help to provide a useful overview for retailers to improve or implement sensory branding approaches that will help strengthen brand positioning in a crowded market.

LIMITATIONS AND FUTURE RESEARCH

The field of sensory retailing is still considered to be in infancy (Hultén, 2011; Krishna, 2010), yet this study contributes to the growing body of literature in the importance of the human senses on how customers perceive and experience a brand (Krishna, 2010; Hultén, 2011; Peck & Childers, 2008). The

main limitation of this study is that the findings are only generalisable to the sample population which were small in number and non-diverse in terms of their demographics. Furthermore, it could be argued that the sample population are not the core target market for all the brands investigated, i.e. the luxury brands. Therefore, future research plans include the replication of the study with a larger sample (more stores and more targeted participants) also, as mentioned, an extension to include other geographical locations. The use of technology as a sensory stimulus is a topic which would be of interest to industry and academics alike. A quantitative phase to test the model statistically is a logical approach and will be undertaken to assess its suitability and transferability to further studies in the field. Additionally, gender differences and marketing positioning differences of sensory branding approaches within levels of the fashion market are further ways the literature could be contributed to.

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Chapter 4

The Impact of Integrated Marketing Communications on Hotel Brand Equity: Does National Culture Matter?

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ABSTRACT

The Integrated Marketing Communications (IMC) approach appeared as a response to the need for more sophisticated marketing communication discipline in a confusing tourism marketing environment. This chapter examines the impact of IMC on the hotel brand equity dimensions, i.e. brand image, perceived quality, and brand loyalty. Moreover, it estimates the moderating effect of national culture on the relationships examined. The study is approached from the customer perspective and uses survey methodology to assess guests' perception of IMC and brand equity in the hotel contexts. In particular, 335 hotel guests participated in the empirical investigation while staying in high-quality hotels in Rome, Italy. The findings reveal that IMC exerts a positive impact on hotel brand equity. Furthermore, the inter-relationship exists between the three dimensions of hotel brand equity. In general, national culture does not exert a significant impact within the posited model.

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INTRODUCTION

During the last decade the Integrated Marketing Communications (IMC) approach has received a great interest within the marketing and branding literature (Delgado-Ballester, Navarro, & Sicilia, 2012). The advocates of IMC believe that the concept is “*the major communications development of the last decade of the 20th century*” (Kitchen, Brignell, Li, & Jones, 2004a, p. 20), “*absolutely imperative for success*” (Shimp, 2003, p. 6) that “*evidently, is here to stay*” (Kitchen et al., 2004a, p. 19). Undoubtedly, the IMC acceptance is growing rapidly (Kitchen & Schultz, 2009) since both academics and researchers have recognized significant challenges in its future (Fitzpatrick, 2005) and competitive advantages it can provide.

However, further contributions are needed to consolidate this new approach (McGrath, 2005). The IMC literature suggested that future research should concentrate on business practice (Kitchen, Schultz, Kim, Han, & Li, 2004b), that is, in organizations themselves, rather than in the agencies which service their needs (e.g. Eagle, Kitchen, & Balmer, 2007). In particular, there is little empirical evidence on IMC in hotel companies (Šerić & Gil-Saura, 2011), where the need for integration has proven to be as necessary as in other industries (Hudson, 2008). In addition, it seems that consumers’ perceptions of marketing communications are often forgotten in IMC research (Gould, 2004), as a considerable amount of literature has centered on managers opinions regarding the IMC implementation, rather than on customer perception of integration (Šerić & Gil-Saura, 2012b). This is why we decide to examine IMC in the hotel context, while adopting a consumer-centric approach.

Moreover, academics and practitioners in the field of marketing and branding have supported the notion that IMC plays an important role in building and maintaining stakeholder relationships, and in leveraging these relationships to create customer-brand equity (Keller, 1993; Duncan & Moriarty, 1998; Duncan, 2002; Anantachart, 2004; Madhavaram, Badrinarayanan, & McDonald, 2005; Baidya & Maity, 2010; Delgado-Ballester et al., 2012; Šerić & Gil-Saura, 2012b). The most recent literature suggests that further research is necessary to show a greater alignment between the brand and IMC when generating customer loyalty (Kitchen & Schultz, 2009). Besides, there is a need to consider the impact of message consistency on brand equity creation in a specific context (Delgado-Ballester et al., 2012).

If we centre on the hotel environment, we observe that previous studies into marketing communication effects on brand equity have mainly focused on the impact of advertising (e.g. Israeli, Alder, Mehrez, & Sundali, 2000; Daun & Klinger, 2006). Although these contributions are important, we believe that considering communication effects only in terms of advertising is limited as it is usually not the only marketing communication tool which can create and manage brand equity, nor the most important one (Keller, 2009). Therefore, we believe that the holistic view of IMC should be taken when examining how marketing communications affect brand equity and its dimensions.

In addition, a great body of literature showed that differences between national cultures exist and that they have a considerable impact on customer behavior. However, a meticulous research on culture in the hotel context carried by Chen, Cheung, and Law (2012) reveals that there is hardly any empirical evidence on the culture issues in the marketing field in general and regarding the constructs studied in this chapter in particular.

Thereby, the purpose of this study is to fill the existing gap in the literature by assessing guests’ perceptions of IMC and brand equity and testing the impact of perceived IMC on the dimensions of customer-based brand equity that were found significant within the hotel context. In addition, it intends to examine the role of national culture on this impact, as well as the differences that might exist in guests’ evaluations according to their national culture.

BACKGROUND

Integrated Marketing Communications: Conceptualization and Basic Principles

IMC definition remains the main topic in the academic research (Kliatchko, 2009), due to the lack of general agreement on its conceptualization (Kitchen et al., 2004a; Holm, 2006; Kitchen & Schultz, 2009). After reviewing a great number of different IMC definitions proposed in the literature, we consider necessary to develop a new conceptualization that gathers key elements of previous proposals, providing thus a better understanding of the concept. As our proposal relies on seven basic principles of IMC that have been discussed by a number of authors, we will first list and briefly explain them below:

(1). IMC as a tactical and strategic process. Nowak and Phelps (1994) suggested that IMC can occur at both tactical (i.e. incorporating a variety of communication devices within a specific type of promotional tool such as advertising, according to the “one voice” principle) and strategic level (i.e. integrating an entire promotional campaign through the use of multiple promotional tools which focus on imparting a unified message). However, one of the major challenges of IMC is to move from tactics to strategy (Holm, 2006). Accordingly, Kliatchko (2008) suggested that “*IMC is an audience-driven business process of strategically managing stakeholders, content, channels, and results of brand communication programs*” (p. 140).

(2). Coordination and synergies of different communication tools and channels. Thorson and Moore (1996) defined IMC as “*the strategic coordination of multiple communication voices*”, aiming to optimize the impact of communication “*by coordinating such elements of the marketing mix as advertising, public relations, promotions, direct marketing, and package design*” (p. 1). Thereby, under the IMC process, the rigid traditional above- and below-the-line divide has switched into the ‘through-the-line’ approach (Hartley & Pickton, 1999; Schultz, 1999), where each communication tool is combined with others to maximize its strengths and minimize its weaknesses (Anantachart, 2004).

(3). Message clarity and consistency. IMC is considered as “*the concept under which a company carefully integrates and coordinates its many communications channels to deliver a clear, consistent, and compelling message about the organization and its products*” (Kotler & Armstrong, 1997, p. 450). As Delgado-Ballester et al. (2012) suggested, consistency among all communication messages refers to the existence of a common brand meaning shared by the customers (Keller, 1996) and is essential to gather the right brand-knowledge structure (Reid, Luxton, & Mavondo, 2005). In order to respond efficiently to market requirements and integrate its communications at the same time, a company must try to balance its many voices with the efforts to ensure clarity and consistency in its global expression (Christensen, Firat, & Torp, 2008). The ideal of consistency does not necessarily imply that all the messages have to be identical, but complementary and non-contradictory (Torp, 2009).

(4). Communication centred on advanced ICT and database management. Advanced ICT and the Internet have fundamentally changed the ways of interaction and communication (Keller, 2009) and enabled the integration of marketing communications through customer data management (Duncan, 2002; Kitchen et al., 2004a). New electronic medias such as the World Wide Web, e-mail, and interactive television altered the way in which advertisers view marketing communications (Peltier, Schibrowsky, & Schultz, 2003), especially as they affect IMC (Low, 2000). In particular, the unique ability of the advanced technology to provide two-way, customized, one-to-one, database-driven communication programs enabled firms to move towards the IMC paradigm (Kim, Han, & Schultz, 2004). Accordingly, Schultz (1999) stated that IMC “*appears to be the natural evolution of traditional mass-media*

advertising, which has been changed, adjusted, and redefined as a result of new technologies” (p. 337). In fact, IMC could not appear before because it was not achievable without new technologies (Duncan, 2002). Thus, owing to advanced technology solutions, IMC programs are able to capture precise data on customers. This means that database management is of crucial importance for the IMC approach, as it centers on a well-defined target (Kliatchko, 2005).

(5). **Customer-centric communication.** As suggested by Schultz (1993a), *“the IMC process starts with the customer or prospect and then works back to determine and define the forms and methods through which persuasive communications programs should be developed” (p. 17).* Therefore, IMC advocates for an “outside-in” approach, that is, first looking at the integration from the customer or prospect view, rather than a traditional inside-out perspective (Schultz, 1993b; Anantachart, 2004). In fact, the great change in the communication process refers to the fact that the consumers are currently taking control of it, as they decide whether and when to receive the message (Gurău, 2008; Kliatchko, 2008, 2009; Keller, 2009; Kitchen & Schultz, 2009). Likewise, they go through the integration process as they make sense of the messages they receive (Kliatchko, 2009). Moreover, instead of accepting the message that a communicator tries to “push” them, they rather “pull” the information according to their interests (Gurău, 2008; Kitchen & Schultz, 2009).

(6). **IMC as a component of the relationship approach.** The IMC process implies that marketing communications are not limited to the field of advertising, but transcend to the field of relationship marketing. Thereby, one of the objectives of IMC is to develop profitable relationships with the stakeholders and to improve consumer attitudes towards the brand (Duncan & Moriarty, 1998). Several authors argued that relationship marketing changed the conception of the role of marketing communications (e.g. Duncan & Moriarty, 1998; Eagle & Kitchen, 2000; Reid, 2005; Gurău, 2008). Accordingly, in 1994, Duncan defined IMC as *“the process of strategically controlling or influencing all messages and encouraging purposeful dialogue to create and nourish profitable relationships with customers and other stakeholders” (Duncan & Caywood, 1996, p. 18).*

(7). **IMC as a component of brand equity strategy.** The IMC supporters consider the concept as a revolution meant to enhance marketing efforts and create brand equity (McGrath, 2005). IMC therefore refers to the process of managing customer relationships which drive brand equity (Duncan, 2002). In particular, Mulder (2007) stated that IMC *“supports a targeted, integrated, consistent brand communication strategy for the purpose of building positive lifetime relationships through data-driven techniques, by customer-conscious employees ultimately giving an organisation a competitive advantage and brand equity” (p. 12).* As noted by Keller (1993), a commonly held conception in the marketing and branding literature is that customer-based brand equity creation requires consistent meaning of the brand upheld by the integration of marketing communications over time (Delgado-Ballester et al., 2012).

Thereby, after reviewing the basic principles of IMC, we provide the new definition of the concept: *“The Integrated Marketing Communication (IMC) is a tactical and strategic consumer-centric business process, boosted by advances in Information and Communication Technology (ICT) which, on the basis of information obtained from customers databases, delivers a clear and consistent message throughout the coordination and synergies of different communications tools and channels, in order to nourish long-lasting profitable relationships with customers and other stakeholders and create and maintain brand equity”.*

INTEGRATED MARKETING COMMUNICATIONS IN TOURISM AND HOSPITALITY

Tourism markets and the media have grown more fragmented in the last decade (Hudson, 2008). The consumers find themselves with incomplete media images in a confusing marketing environment, which is why tourism marketers must coordinate all communication messages and sources in order to deliver a consistent, unified message through their promotional activities.

However, researcher on IMC in the tourism and hospitality industry remains rather neglected. After reviewing 60 empirical studies on IMC published since 2000 until 213 we found only a few of them applied in the tourism sector in general, (e.g. Skinner, 2005; Elliott & Boshoff, 2008; Wang, Wu, & Yuan, 2009; Dinnie, Melewar, Seidenfuss, & Musa, 2010) and in the hospitality context in particular (e.g. Kulluvaara & Tornberg, 2003; Šerić & Gil-Saura, 2011, 2012a, 2012b).

Thus, Skinner (2005) examined promotion of Wales as a tourist destination, finding the nation's key stakeholders sent inconsistent messages through websites and key documents. In this sense, "one-voice" principle of IMC was not respected, as different images and weak messages were delivered to customers.

Elliott and Boshoff (2008) analyzed the impact of different business orientations on IMC in small tourism enterprises in South Africa. The results showed a positive impact of: (a) market orientation; (b) entrepreneurial orientation; and (c) pro-active competitor orientation on IMC implementation.

Moreover, Wang et al. (2009) examined the role of IMC on selection of a heritage destination in Taiwan. The authors identified three factors of IMC: (a) public relations; (b) advertisement; and (c) direct sale & promotion, and showed that the influence of each factor changed within different demographic groups.

In addition, Dinnie et al. (2010) studied the principle of coordination that characterizes the IMC approach in the key organizations engaged in nation branding activities (i.e. promotion organizations, investment agencies, national tourism organizations, and embassies). Seven key dimensions of inter-organizational coordination emerged from their findings (i.e. sector, organization domicile, mode, strategy, formulation, nature, frequency, and target audience).

On the other hand, the study of Kulluvaara and Tornberg (2003) analyzed IMC in the hotel context, but was limited to a case study of Icehotel (i.e. a hotel built of ice and snow and a Swedish tourist attraction) and a description of its successful implementation of IMC strategy.

However, the IMC research within the hospitality industry was initiated by Šerić and Gil-Saura (2011, 2012a, 2012b), in particular, in their investigation in high-quality hotels in Dalmatia, the largest region on the coast of Croatia. They first investigated the level of implementation of IMC and ICT from the managers' point of view. The findings demonstrated a high degree of IMC and ICT implementation in high-quality hotels in Dalmatia, the largest region on the coast of Croatia. However, surprisingly, the ICT application increased with the hotel category, whereas the IMC implementation decreased (Šerić & Gil-Saura, 2011). In addition, the authors compared managers' and guests' perceptions of IMC, finding small but significant differences between the two compared groups. They concluded that managers believed that the IMC implementation was greater than the hotel guests actually perceived it (Šerić & Gil-Saura, 2012a). Finally, they tested the relationships among ICT, IMC, and brand equity from the customer perspective (Šerić & Gil-Saura, 2012b). The findings revealed positive relationships between the studied variables. Still, the authors did not analyze the inter-relationship among brand equity dimensions. Moreover, no attempt was made to examine the moderating role of national culture on the IMC impact.

Customer-Based Brand Equity: Conceptualization and Evaluation

The literature has emphasized the importance of research of brand equity concept due to its strong association with marketing strategy and competitive advantage (Keller, 2003, 2009; Pappu, Quester, & Cooksey, 2005; Hsu T., Hung, & Tang, 2012). Keller (1993, 2003) and Aaker (1991, 1996) provided the main brand equity conceptualizations approaching the construct from the customer perspective. Thus, Keller (1993) defined brand equity as “*the differential effect of brand knowledge on consumer response to the marketing of the brand*” (p. 8). He suggested evaluating the concept through two dimensions of brand knowledge, i.e. brand awareness and brand image.

On the other hand, according to Aaker (1991), brand equity is “*a set of brand assets and liabilities linked to a brand, its name and symbol that adds to or subtracts from the value provided by a product or service to a firm and/or to that firm’s customers*” (p. 15). Aaker (1991, 1996) identified the following five brand equity components: (a) brand loyalty; (b) perceived quality; (c) brand associations (referred to as brand image in the hotel environment); (d) brand awareness; and (e) other proprietary brand assets (comprising patents, trademarks, and channel relationships). Yoo and Donthu (2001) suggested that the last dimension of this proposal is not relevant to consumer perception, due to the fact that customer-based brand equity represents the assessment of cognitive and behavioral brand equity through a consumer survey. Therefore, only brand loyalty, perceived quality, brand associations, and brand awareness should be considered as the components of customer-based brand equity.

From a consumer-based behavioral perspective, Yoo and Donthu (2001) defined brand equity as “*consumers’ different response between a focal brand and an unbranded product when both have the same level of marketing stimuli and product attributes*” (p. 1). On the basis of Aaker’s (1991, 1996) and Keller’s (1993) conceptualizations, the authors suggested a three-dimension brand equity model, comprising: (a) brand loyalty; (b) perceived quality; and (c) brand awareness/associations, combined into one dimension. In addition to these dimensions, Ha, Janda, and Muthaly (2010) considered satisfaction as another component of brand equity, showing its mediating role in the impact of perceived quality on brand equity. Moreover, Kim, Jin-Sun, and Kim (2008) employed the scale of Yoo and Donthu (2001) in their study on the impact of multidimensional customer-based brand equity on guests’ perceived value and revisit intention in American midscale hotels. However, the authors noted that the adopted scale should be refined and validated in future research, due to the general skepticism among academics on combining brand awareness and brand associations into one brand equity dimension. This might be the reason why brand awareness is ceasing to be considered as the antecedent of customer-based brand equity (Lee, Lee, & Wu, 2011). In this sense, Round and Roper (2012) argued whether brand awareness is generating value for a consumer, as it tends to centre on what a company is doing rather than what consumers are actually getting.

Hotel Brand Equity

Hotel brand equity represents “*the value that consumers and hotel property owners associate with a hotel brand, and the impact of these associations on their behavior and the subsequent financial performance of the brand*” (Bailey & Ball, 2006, p. 34).

In their proposal of a numerical brand equity index, Prasad and Dev (2000) suggested that brand equity in the hotel context is considered as “*the favorable or unfavorable attitudes and perceptions that*

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are formed and influence a customer to book at a hotel brand' (p. 24). In addition, Xu and Chan (2010) provided a conceptual framework for understanding hospitality brand equity, categorizing the concept into its attitudinal (i.e. brand knowledge - divided into brand awareness, brand associations, and quality of experience) and behavioral aspects (i.e. brand loyalty). According to this conceptualization, three brand knowledge dimensions are critical in determining brand equity and overall brand loyalty. However, it is questionable whether the brand associations and the quality of experience are indeed distinct and separable concepts, which is why further research is necessary to corroborate this proposal.

Regarding brand equity evaluation, on the basis of review of 30 empirical studies on brand equity within the tourism and hospitality context, we observe that the conceptualization provided by Aaker (1991, 1996) has been the most frequently applied (e.g. Kim, Kim, & An, 2003; Kim & Kim, 2004, 2005; Kim et al., 2008; Kayaman & Arasli, 2007; Lee & Kim, 2009; Nel, North, Mybur, & Hern, 2009; Hyun & Kim, 2011; Malik & Naeem, 2011). In addition, some authors employed different versions of this proposal. Thus, Cobb-Walgren, Ruble, and Donthu (1995) used only perceptual components (i.e. awareness, brand associations, and perceived quality) when examining the effect of brand equity on consumer preferences and purchase intentions among two set of brands; one from service category (i.e. hotels) and one from product category (i.e. household cleansers). Similarly, Hsu T. et al. (2012) excluded brand loyalty in their proposal of the service-based brand equity category in hospitality and centered only on brand awareness, brand associations, and perceived quality. They have justified this decision by the purpose of their study, which was creating service-based brand equity rather than examining consumer behavior. However, as Aaker (1991) suggested, the reason for including brand loyalty as a dimension of consumer-based brand equity comes from the relevance of customer satisfaction in brand development. If customers are not satisfied with a brand, they will not be loyal and will switch to another (Kim & Kim, 2005).

On the other hand, some authors incorporated other variables in Aaker's (1991, 1996) and Keller's (2003) brand equity framework. Thus, Denizci and Tasci (2010) proposed value as the fifth component of brand equity of a tourism product (i.e. hotel, restaurant, resort or destination). In addition, Hsu C., Oh, and Assaf (2012) considered management trust and brand reliability as two additional components of brand equity in the luxury hotel environment and relatively new concepts to the brand equity literature.

Furthermore, we observe that the role of awareness in brand equity creation in the hospitality context is rather questionable. In this sense, several studies revealed that it is not a significant dimension of hotel brand equity (e.g. Kim et al., 2003; Kim & Kim; 2004, 2005; Bailey & Ball, 2006; Kayaman & Arasli, 2007; So & King, 2010). In their study on meanings of hotel brand equity, Bailey and Ball (2006) suggested that this might be explained by the fact that there are many well-known hotel brands that are inconsistent in their offer, and therefore, suffer from poor perceptions of service quality among hotel guests. Thereby, a brand name only will not guarantee the success within the hospitality industry (Olsen, West, & Tse, 1998). When providing a measure of hotel brand equity from the customer perspective, So and King (2010) explained this by the fact that experience-based perceptions, rather than brand awareness, affect customer behavior. Therefore, in this chapter we consider brand equity as a construct composed of three dimensions, i.e.: a) brand image, defined as *"consumer perceptions of and preferences for a brand, as reflected by the various types of brand associations held in consumers' memory"* (Keller, 2009, p. 143); b) perceived quality, considered as *"the evaluation that a consumer makes about the excellence or superiority of a product"* (Zeithaml, 1988, p. 3); and c) brand loyalty, understood as *"the attachment that a customer has to a brand"* (Aaker, 1991, p. 39).

Integrated Marketing Communications and Customer-Based Brand Equity

From the literature review we can observe that scholars have paid hardly any attention to the role that IMC might play in the creation brand equity from the customer perspective (e.g. Delgado-Ballester et al., 2012; Šerić & Gil-Saura, 2012b).

Firstly, Delgado-Ballester et al. (2012) examined the impact of message consistency on brand knowledge, considered as an important antecedent of brand equity. They also analyzed the moderating role of brand familiarity on this influence. The findings showed that brand familiarity moderates the relationship between IMC and brand knowledge since, for familiar brands, moderately consistent messages improved their recall, enhanced their network of associations, and created more favorable responses and brand attitudes. For unfamiliar brands, the authors found no significant differences between high and moderate levels of consistency, except for brand recall, being higher in the case of highly consistent messages. However, due to the fact that this study used an experimental methodology, as the same authors reported, it was not able to truly capture other dynamic processes.

Secondly, Šerić and Gil-Saura (2012b) approached the relationship among IMC and brand equity dimensions in the hospitality context. Although the results suggested that IMC influences positively and significantly hotel brand equity and its dimensions, this impact might have been influenced by technology advancements, which were considered as an antecedent of IMC. In addition, the model was tested within a small sample size, which is why the authors suggested reconsidering the perception of IMC and its role in brand equity creation among a greater number of respondents, approaching, moreover, the countries with more developed hotel sectors.

Thereby, as suggested by Anantachart (2004), the integration of marketing communications can influence brand equity through the encouragement of positive evaluations and attitudes and the impact on a consumer's memory structure for a brand. A number of studies on hotel brand equity suggested that hospitality firms should consider brand image, perceived quality, and brand loyalty if they want to establish brand equity (e.g. Kim et al., 2003; Kim & Kim, 2005; Kayaman & Arasli, 2007). Therefore, we will discuss the relationships between IMC and these three dimensions.

The branding literature suggests that the integration of marketing communication programs can form consumer perceptions of the product or service and help to create different attributes of brand image (Keller, 1993, 2009; Anantachart, 2004). Marketing communications can influence and control the meanings linked with the brand, and create and reflect the brand image, thus influencing the way consumers perceive the product (Cobb-Walgren et al., 1995). Due to the fact that brand image is shaped in the consumers' memory through brand associations, the consumer links the brand to both favorable and unfavorable concepts (Keller, 2003). The strength of brand associations from communication effects will actually depend on the integration of brand identities (i.e. brand name, logo, and symbol) within the supporting marketing campaigns (Keller, 1993). Moreover, consistent message may create a stronger image suggestion in consumers' memory than a message that delivers conflicting or not highly consistent information (McGrath, 2005). Specifically, in their study on the role of image in the hotel industry, Kandampully and Suhartanto (2000, 2003) suggested that, together with other marketing variables, communication can directly affect the hotel's image. Thereby, we can conclude that customers will perceive a strong brand image when they perceive a consistent message through different communication tools (Keller, 2003; Madhavaram et al., 2005).

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In addition, Israeli et al. (2000) stated that repetition in marketing communications could be a signal of quality. In this sense, different studies carried out in hotel companies found that communication is an important indicator of perceived quality (e.g. Kim et al., 2003; Kim & Kim, 2005; Ladhari, 2012). However, these contributions were mainly focused on communication activities provided by hotel employees, rather than marketing communications perception.

Finally, according to Keller (2009), IMC can stimulate intense and active consumer-brand loyalty relationships by facilitating a strong connection between customers and the brand. Thereby, if customers are exposed to consistent brand messages, these messages can help maintain brand loyalty (McGrath, 2005). When focusing on this relationship in the hotel context, Imrie and Fyall (2000) suggested that hotel's promotional mix strategies can ensure customer retention and loyalty. Thereby, we conclude that, from an individual customer perspective, one of the most important goals of IMC is to effectively generate and maintain brand equity through encouragement and reinforcement of brand relationships with the customers and prospects (Anantachart, 2004).

National Culture in Hospitality

Culture is a social phenomenon of a multidimensional nature (Donthu & Yoo, 1998). Although the culture can be classified in different typologies, such as, national, industrial, occupational, corporate, and organizational (Pizam, 1993), there is a general agreement in the literature to consider national culture as a criteria of measurement in cross-cultural research, as it is a completely objective and easily observable variable. Furthermore, with regard to the cross-cultural research in Europe, there is a tendency to consider Europe as a whole quite homogeneous in cultural terms (e.g. Welzel, Inglehart, Klingemann, 2003).

Within the hotel industry, a number of studies considered national culture when comparing different social groups (e.g. Mattila, 1999, 2000; Tsaour, Lin, & Wu, 2005; Yuksel, Kilinc, & Yuksel, 2006; Ngai, Heung, Wong, & Chan, 2007; Fisher, McPhail, & Menghetti, 2010; Chathoth, Mak, Sim, Jauhari, & Manaktola, 2011; Hsu C. et al., 2012). In this sense, Chen et al. (2012), in their review paper on the development of research on culture in the hotel management field, found that research themes relating to national culture have received the most attention.

With respect to subject areas examined, Chen et al. (2012) found that some studies approached the marketing area (mainly from the cross-cultural perspective) and were centered on the following topics: a) client satisfaction (e.g. Manzur & Jogaratnam, 2006); b) service quality (e.g. Armstrong, Mok, Go, & Chan, 1997; Siguaw & Enz, 1999; Davidson, 2003); c) relationship marketing (e.g. Lockwood & Jones, 1989; Gilbert & Tsao, 2000; Jones & McCleary, 2007; Osman, Hemmington, & Bowie, 2009); d) pricing strategies (e.g. Choi & Mattila, 2006; Mattila & Choi, 2006; Beldona & Kwansa, 2008; Magnini, 2009); e) behavior (e.g. Mattila, 2000; Hsieh & Chang, 2005; Hsieh & Tsai, 2009); and f) international marketing (e.g. Penn & Mooney, 1986; Jones & McCleary, 2004).

From these findings we can conclude that there is hardly any empirical evidence on the constructs studied in this chapter within the research on national culture in the hotel context. While no studies approached IMC in this sense, only few considered some dimensions of brand equity, i.e. quality (e.g. Armstrong et al., 1997; Siguaw & Enz, 1999; Davidson, 2003), and loyalty (e.g. Osman et al., 2009). However, these constructs were mainly approached from the organizational culture perspective. In fact, only Armstrong et al. (1997) compared service quality among different national cultures.

EMPIRICAL RESEARCH IN HIGH-QUALITY HOTELS IN ITALY

Research Hypotheses

The objective of this chapter is to examine the impact of Integrated Marketing Communication (IMC) on brand equity dimensions and to empirically test these relationships within the hotel industry. In this section we will propose and justify research hypotheses, which will be tested on data gathered in empirical research conducted in Italian hotels.

A considerable amount of literature suggested that IMC can affect brand equity and that further empirical evidence is necessary to corroborate this impact (e.g. Anantachart, 2004; Madhavaram et al., 2005; Delgado-Ballester et al., 2012; Šerić & Gil-Saura, 2012b). Moreover, a number of studies found that three dimensions of brand equity are significant in the hotel context, i.e. brand image, perceived quality, and brand loyalty (e.g. Kim et al., 2003; Kim & Kim, 2005; Kayaman & Arasli, 2007). Therefore, we posit the following hypotheses:

H1: IMC perception among hotel guests positively and significantly impacts hotel brand image.

H2: IMC perception among hotel guests positively and significantly impacts hotel perceived quality.

H3: IMC perception among hotel guests positively and significantly impacts hotel brand loyalty.

In addition, the inter-relationship existing between the three brand equity components should not be overlooked. The hospitality marketing literature showed that perceived quality can influence brand image (e.g. Kandampully & Hu, 2007; Kayaman & Arasli, 2007; Malik & Naeem, 2011) and customer loyalty. The impact of perceived quality on customer loyalty is both direct (e.g. Kandampully & Hu, 2007; Kayaman & Arasli, 2007; Hyun & Kim, 2011; Malik & Naeem, 2011; Hsu, C. et al., 2012) and mediated by hotel image (e.g. Kandampully & Hu, 2007). In addition, numerous studies confirmed a positive influence of brand image on brand loyalty within the hospitality industry (e.g. Kandampully & Suhartanto, 2000, 2003; Kandampully & Hu, 2007; Hyun & Kim, 2011; Hsu, C. et al., 2012). On the basis of these considerations, we propose the following hypotheses:

H4: Hotel perceived quality positively and significantly impacts hotel brand image.

H5: Hotel perceived quality positively and significantly impacts hotel brand loyalty.

H6: Hotel brand image positively and significantly impacts hotel brand loyalty.

Finally, national culture is a frequently used criterion in the cross-cultural research within the hotel industry (Chen et al., 2012). In line with previous findings, we believe that national culture will exert a moderating effect on the above proposed relationships and will influence the guest evaluation of the studied variables. Accordingly, we propose the last two hypotheses:

H7: National culture exerts a statistically significant moderating effect on the causal relationships between the studied constructs.

The Impact of Integrated Marketing Communications on Hotel Brand Equity

H8: There are statistically significant differences in the guests' evaluation of the studied constructs, according to their national culture.

All the posited hypotheses are gathered in the causal research model, illustrated in Figure 1.

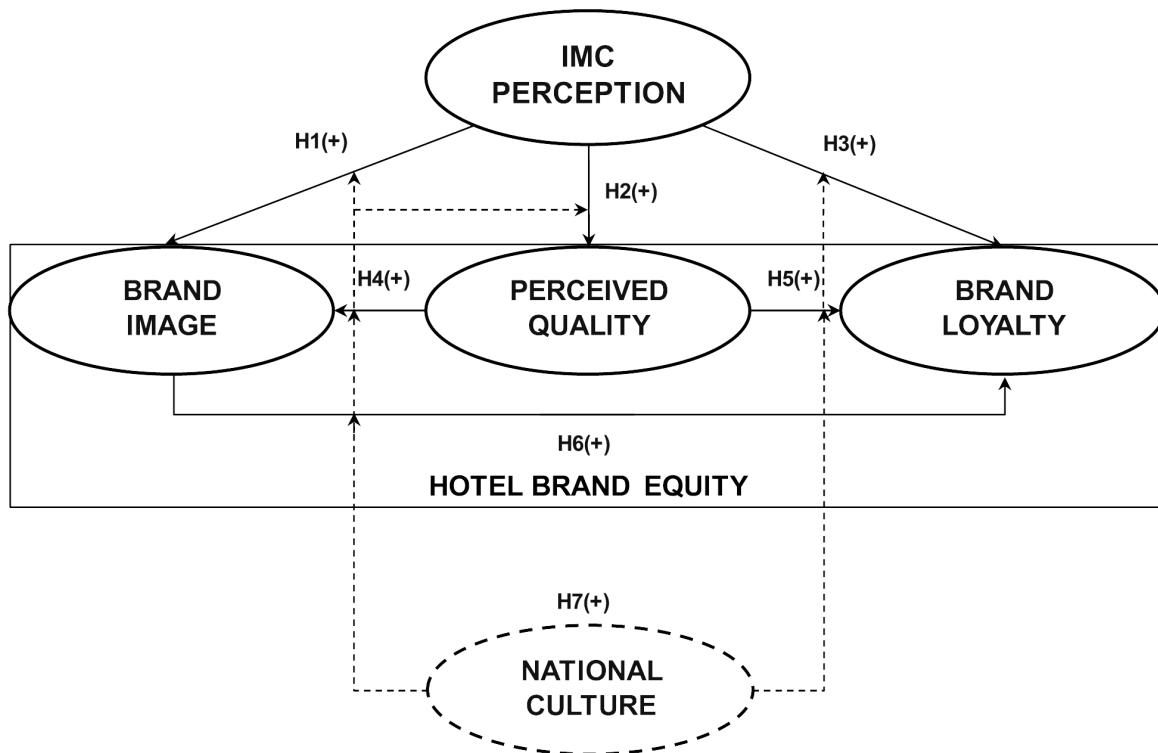
Research Methodology

Data Collection and Sample

The data were collected through a structured questionnaire, which consisted of closed questions measured by 5-point Likert type scales. The questionnaire was written in English, Italian, and Spanish by experts fluent in Italian and English and native in Spanish. Some adjustments were made to adapt each version of the questionnaire to the respective culture, preserving coherency throughout all three of them. It was mainly administered through personal interviews, while in several cases it was self-administered.

We conducted the empirical research in high-quality hotels located in Rome, Italy. After obtaining the permission from hotel managers to interview the guests, we carried out semi-structured interviews in hotel lobbies. We selected the respondents on the basis of their availability and willingness to participate

Figure 1. Casual research model.



Note: IMC = Integrated Marketing Communications
—— Direct relationship
----- Moderating effect

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in the research, approaching a total of 335 guests while staying in eight five- and 12 four-star hotels. As presented in Table 1, most of the respondents were Italians (32.8%), while foreign guests (67.2%) were mainly from United States (21.2%), Spain (6.9%), France (6.6%), Germany (5.7%), Norway (4.8), United Kingdom (4.2%), and so on.

Construct Measurement

To measure IMC perception, we adopted the first dimension of Lee and Park's (2007) scale, named "unified communications for consistent message and image". These authors proposed a scale that represents improvements over the previous IMC scales, as it was designed specifically for the development of IMC evaluation and not for another purpose, its procedures are more rigorous in methodology, and it is more comprehensive than other scales. In addition, the authors suggested testing this proposal in the European context. We decided to employ the first dimension of the scale as, according to our opinion, it can be easily evaluated by the customer. This is because it primarily focuses on influencing product's recognition, image, consumer's preferences, and attitudes. In fact, this dimension is considered to be a fundamental aspect of IMC and has been identified at the early beginning of its evolution (Lee & Park, 2007). Thereby, we measured the following five aspects of IMC: (a) consistency through communication tools and channels, (b) visual consistency of message, (c) linguistic consistency of message, (d) brand image consistency, and (e) long-term consistency.

Table 1. Respondents' national culture

National culture	Frequency (N=335)	%
Italian	110	32.8
United States	71	21.2
Spanish	23	6.9
French	22	6.6
German	19	5.7
Norway	16	4.8
British	14	4.2
Australia	11	3.3
Holland	10	3.0
Belgium	9	2.7
Brazil	6	1.8
Argentina	5	1.5
Canada	5	1.5
New Zealand	5	1.5
Hong Kong	3	0.9
India	2	0.6
Israel	2	0.6
Uruguay	2	0.6

The Impact of Integrated Marketing Communications on Hotel Brand Equity

On the other hand, the three dimensions of brand equity were measured using the scale of Kim et al. (2003) and Kim and Kim (2005). Seven items were retained to evaluate brand image, (i.e. being comfortable, high level of service, cleanliness, being luxury, suitable place for high-class, feeling special by visiting the hotel, differentiated image), seven to measure perceived quality (i.e. making customers feel special and valued, well-mannered staff, providing services at promised time, effective customer complaints handling, active communication with customers, knowledge and confidence of the staff, anticipated service for special customer needs), and four to assess brand loyalty (i.e. intention to return, satisfaction, intention to recommend, non-intention to change).

Data Analysis and Results

To confirm the validity of the proposed conceptual framework, a covariance structure analysis or the estimation of a structural equation model was carried out, following the two-step procedure recommended by Anderson and Gerbing (1988). In particular, we first performed a confirmatory factor analysis, followed by estimation of the structural, theoretical, or causal model that allowed obtaining information about the posited hypotheses.

As depicted in Table 2, the confirmatory factor analysis provided acceptable values for the reliability, measured through the composite reliability (CR) and the Cronbach's coefficient alpha for all the constructs. In particular, all the estimated indices were above the threshold of 0.6 for CR (Bagozzi & Yi, 1988) and 0.7 for Cronbach's alpha (Nunnally & Bernstein, 1994), which showed good internal consistency of scales. In addition, we obtained acceptable values for the extracted variances, being all the standardized factor loadings statistically significant for all the items. Moreover, as all AVE values were greater than 0.5, we concluded that more than 50% of variance of a construct was due to its indicators (Fornell & Larcker, 1981). All this allowed us to confirm the convergent validity of the model.

Additionally, in order to test the discriminant validity, we used Fornell and Larcker's (1981) criterion, since it is considered as the most stringent one (Farrell, 2010). This method requires a construct's extracted variance to be higher than the squared correlation of this construct with another construct. As shown in Table 3, all square roots of AVE were higher than the correlations between constructs. Therefore, the discriminant validity was also confirmed.

Once we verified the reliability and validity of the measurement scales, we estimated the structural equation model for the total sample. As presented in Table 4, we found support for the first six hypotheses. In particular, the results suggest that the guests' perception of IMC exerts a positive and significant impact on all brand equity dimensions. In addition, positive and significant relationships are found between the three brand equity dimensions, more specifically between: (a) perceived quality and brand image, (b) perceived quality and brand loyalty, and (c) brand image and brand loyalty. These results are consistent with previous literature reporting that IMC positively influences brand equity creation and that the inter-relationship exists between the brand equity components.

Finally, a multisample structural equation model was estimated in order to assess the moderating role of national construct on the relationships among the different constructs. To perform this analysis, EQS (version 6.1.) and SPSS (version 19) were used as statistical software. In order to estimate the moderating effect of national culture on the established relationships, we divided the sample in two subsamples, one composed of domestic Italian and another composed of foreign guests, obtaining thus two additional structural models. Although we had to deal with a small subsample of Italian travelers

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Table 2. Confirmatory factor analysis and descriptive statistics results

Construct	Item	St. Loading Factor (St. Error)	t	Cronbach's α	Composite Reliability	Average Variance Extracted	Total Sample		Italian Guests		Foreign Guests		U Test
							Mean	SD	Mean	SD	Mean	SD	Sig.
IMC	Communication tools and channels consistency	0.823	-	0.922	0.922	0.705	3.87	0.821	3.77	0.935	3.91	0.757	0.304
	Visual consistency	0.816	17.234				3.92	0.762	3.88	0.810	3.94	0.739	0.554
	Linguistic consistency	0.880	14.854				3.93	0.759	3.88	0.810	3.95	0.733	0.504
	Brand image consistency	0.874	16.730				3.94	0.758	3.91	0.852	3.95	0.709	0.867
	Long term consistency	0.802	15.566				3.88	0.750	3.76	0.908	3.93	0.688	0.228
Brand Image	Comfortable	0.766	-	0.934	0.937	0.682	3.99	0.973	3.85	1.082	4.06	0.909	0.154
	High level of service	0.853	19.870				3.66	1.992	3.60	1.294	3.69	1.141	0.701
	Cleanliness	0.713	14.075				4.05	0.997	3.93	1.186	4.11	0.887	0.481
	Luxury	0.888	16.929				3.15	1.437	3.19	1.594	3.13	1.356	0.629
	Suitable place for high-class	0.898	17.245				3.00	1.470	3.06	1.504	2.97	1.456	0.579
	Feeling special	0.864	16.007				2.75	1.424	2.84	1.385	2.70	1.444	0.382
	Differentiated image	0.780	14.499				3.00	1.279	3.03	1.274	2.99	1.283	0.782
Perceived Quality	Special and valued customer	0.875	-	0.955	0.957	0.759	3.83	1.224	3.76	1.340	3.87	1.165	0.877
	Well-mannered staff	0.880	23.019				4.30	0.976	4.26	.955	4.32	0.988	0.425
	Services at promised time	0.884	23.014				4.07	1.086	3.92	1.076	4.15	1.086	0.025*
	Effective complaint handling	0.861	17.375				4.02	1.032	3.95	1.065	4.05	1.016	0.363
	Active communication	0.835	21.162				4.09	1.006	4.11	.952	4.08	1.034	0.975
	Staff knowledge and confidence	0.892	24.142				4.02	1.018	3.95	1.091	4.06	0.980	0.462
	Anticipated service for special needs	0.870	32.372				3.95	1.149	3.85	1.175	4.00	1.136	0.201
Brand Loyalty	Intention to return	0.879	-	0.940	0.943	0.805	3.68	1.243	3.55	1.359	3.75	1.180	0.309
	Satisfaction	0.869	20.073				4.09	1.031	3.92	1.150	4.17	0.960	0.080
	Intention to recommend	0.937	35.095				3.95	1.230	3.75	1.342	4.05	1.162	0.093
	Non-intention to change	0.903	31.532				3.71	1.302	3.44	1.351	3.85	1.259	0.005*

Note: * Significant, $p < 0.05$; IMC = Integrated Marketing Communications; Chi-square Satorra-Bentler: 677.12; Degrees of freedom: 224; CFI: 0.928; IFI: 0.929; Bentler-Bonett NNFI: 0.919; RMSEA: 0.078.

Table 3. Discriminant validity of measurement scales

Construct	Correlations			
	F1	F2	F3	F4
F1. IMC	0.839			
F2. Brand Image	0.650	0.825		
F3. Perceived Quality	0.464	0.746	0.871	
F4. Brand Loyalty	0.546	0.762	0.845	0.897

Note: IMC = Integrated Marketing Communications; Diagonal values in bold are square roots of AVE and others (off-diagonal) are correlations between variables.

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Table 4. Structural equation model results

Total sample					Multisample analysis			
Relationship	Stand. Parameter	Stand. Error	<i>t</i>	Hypothesis	Italian Guests (N=110)	Foreign Guests (N=225)	Chi ² Diff.	p-Value
IMC → Brand image	0.387	0.053	8.073**	H1 supported	0.417	0.379	0.300	0.584
IMC → Perceived quality	0.464	0.083	8.869**	H2 supported	0.519	0.432	3.167	0.075
IMC → Brand loyalty	0.110	0.069	2.576*	H3 supported	0.112	0.093	3.207	0.073
Perceived quality → Brand image	0.567	0.039	10.209**	H4 supported	0.533	0.582	0.898	0.343
Perceived quality → Brand loyalty	0.629	0.069	9.242**	H5 supported	0.610	0.611	0.146	0.702
Brand image → Brand loyalty	0.221	0.106	3.074**	H6 supported	0.265	0.243	7.922	0.005
Chi-square Satorra-Bentler: 677.14; Degrees of freedom: 224; CFI: 0.928; IFI: 0.929; Bentler-Bonett NNFI: 0.919; RMSEA: 0.078.					Chi-square Satorra-Bentler: 1055.17; Degrees of freedom: 454; CFI: 0.912; IFI: 0.913; Bentler-Bonett NNFI: 0.902; RMSEA: 0.063.			

Note: *p<0.5; ** p<0.01; IMC = Integrated Marketing Communications.

(N=110), a review of applications of structural equation modeling confirms that studies with samples of around 100 individuals are not an unusual practice (Bentler, 2004).

Once we have assured that the constructs were measured in the same way in both models (Hair, Black, Babin, Anderson, & Tatham, 2006), we corroborated that the two models show good measurement scale validity and reliability. The model estimation results indicate that the relationships between IMC and brand equity dimensions are stronger for domestic travelers than for foreign ones. Thus, for Italian guests the path coefficients for the relationships between IMC and brand image, perceived quality, and brand loyalty are 0.417, 0.519, and 0.112, respectively, while for foreign guests they descend 0.379, 0.432, and 0.093, respectively. Nevertheless, these differences are not statistically significant ($p>0.05$). On the other hand, when testing the role of national culture on the relationships between the brand equity dimensions, we observe that path coefficients from perceived quality and brand image ($\beta=0.582$) and perceived quality and brand loyalty ($\beta=0.611$) are slightly stronger in the structural model for foreign guests than the corresponding path coefficients in the structural model for Italian guests ($\beta=0.533$; $\beta=0.610$). Still, once again, these differences are statistically insignificant ($p>0.05$). The results show that national culture has a significant moderating effect only on the relationship between brand image and brand loyalty, showing stronger impact among Italian guests ($p<0.05$). Therefore, H7, which hypothesized the existence of a statistically significant moderating effect of national culture within the proposed model, can only be supported partially.

Regarding the last hypothesis, descriptive statistics and nonparametric test were performed to assess the guest perception of the constructs. When comparing the evaluations of Italian and foreign guests, the Kolmogorov-Smirnov test was first conducted to check the normality of data distribution. As the results showed that the data were not normally distributed, the Mann-Whitney U test was completed, comparing two independent samples, as it is a nonparametric method that should be implemented when

data do not show normal distribution. This test was used to determine whether the obtained differences between the two compared subsamples are statistically significant (see Table 2).

The results revealed a relatively high perception of IMC, obtaining brand image consistency the highest mean value ($M=3.94$) and communications tools and channels consistency the lowest ($M=3.87$). When comparing two delimited subsamples, we found that foreign guests evaluated all the IMC items better. However, according to the Mann-Whitney U test, these differences are not statistically significant, as all p values of IMC items are higher than .05.

On the other hand, the findings showed a more moderate degree of brand image perception, as several items did not reach high levels, e.g. feeling special by visiting the hotel ($M=2.75$), suitable place for high-class ($M=3.00$), and differentiated image ($M=3.00$). In general, the items of these constructs (i.e. being luxury, suitable place for high class, feeling special, differentiated image) reached greater scores among Italian guests. Once again, differences between Italian and foreign guests' evaluations are statistically insignificant.

Regarding perceived quality, the items of this construct obtained relatively high scores, especially those that measured well-mannered staff ($M=4.30$), active communication with customers ($M=4.09$), services at promised time ($M=4.07$), effective customer complaints handling ($M=4.02$), and knowledge and confidence of the staff ($M=4.02$). The nonparametric test showed that foreign guests evaluated with higher score all the items, except the one that assessed active communication with guests, which was better scored among Italian respondents. However, only the item that examined whether the hotel provides services at promised time showed statistically significant differences among the two subsamples ($p=0.025$).

With respect to brand loyalty, guests showed high satisfaction ($M=4.09$) and intention to recommend the hotel ($M=3.95$) and slightly lower intention to return ($M=3.68$) and non-intention to change ($M=3.71$). When comparing the two subsamples, surprisingly, all the items reached higher scores among foreign guests, while only the evaluation of "non-intention to change" was statistically significant ($p=0.005$).

To conclude, as p values of almost all items are higher than the level of significance .05, we cannot accept the hypothesis H8, which posited statistically significant differences in guest evaluations, according to their national culture.

SOLUTIONS AND RECOMMENDATIONS

The results of this study confirm a positive and significant relationship between IMC and customer-based hotel brand equity, specifically between perceived unified communications for consistent message and image and: (a) brand image, (b) perceived quality, and (c) brand loyalty. These results suggest that high level of hotel implementation of IMC, and its subsequent guest perception can increase brand equity and provide the hotel with competitive advantages. More specifically, from a customer-based brand equity perspective, our study shows that guests' IMC perception can form and maintain strong and favorable associations to the brand image, enhance hotel perceived quality, and encourage brand loyalty.

The practical recommendations and implications of this work are widespread across the hospitality industry. We believe that IMC will certainly lead a new world in the hotel sector, which is why managers should conceive it as an important factor of their marketing strategy. First of all, they need to understand how their marketing communication activities affect consumer perceptions. Then, they need to address the IMC implementation to build and maintain hotel brand equity. As brand equity implies satisfied

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and loyal customers, the final purpose of implementing IMC in businesses should be to create satisfied and loyal customers.

Moreover, hypotheses predicting positive relationships between the three customer-based brand equity dimensions are supported, showing that perceived quality significantly predicts both brand image and brand loyalty. This is another important implication for hotel managers, who consistently need to provide high-quality services to their guests. In particular, managers of Italian hotels should do their best in making customers feel special and valued and in anticipating services for their special needs, as these items reached lower mean values.

In addition, this study demonstrates that brand loyalty is also influenced by brand image. The recommendation is that hotel companies should do their best in creating a favorable brand image, ensuring comfort, cleanliness, and high-level of service. Specifically, hotels managers should be able to create a differentiated image, making sure that their guests feel special during their stay in the hotel. By doing so, hotels will obtain satisfied customers, who will be willing to return and make positive recommendations about the hotel. Italian high-quality hotels should focus their attention on improving these aspects, as according to the results of our study, brand image perception did not reach high levels, especially among foreign guests.

Finally, national culture does not seem to moderate the relationship examined, nor to exert a significant role in guest evaluations, as Italian and foreign guests assessed the constructs similarly. This result is surprising and it might be related to the delimitation of the sample. Although covering both domestic and foreign guests was critical to increasing generalizability of the findings, different results might have been achieved if the sample was divided in two or more specific national cultures, rather than in Italian and foreign guests.

FUTURE RESEARCH DIRECTIONS

This study contains some limitations that should be surmounted in future research. First, our findings are limited to the hotel context, in particular, Italian high-quality hotels. To obtain more generalizable results and for comparison purpose, it would be interesting to reconsider the perception of IMC and its role in creation of brand equity not only in lower hotel categories, but also in other tourism and hospitality companies, such as travel agencies and restaurants.

Moreover, some other variables could be included in the model. We did not analyze brand awareness, as previous research showed that it is not a significant dimension of hotel brand equity. However, future studies should consider this variable as one of brand equity dimensions, due to its high importance in brand knowledge creation. Besides, as awareness is assured throughout different marketing communications, the direct relationship between IMC and brand awareness needs to be empirically tested. In addition, brand familiarity could be examined, as it was found to have a moderating role on the relationship between IMC and brand equity.

Finally, the effect of national culture should be reconsidered, approaching a greater number of guests to obtain more representative subsamples. It is surprising the lack of the moderating effect of national culture tested in this work, as it does not seem to support the idea that companies should consider cultural differences when making their business strategies. Therefore, in future research a representative number of respondents belonging to a specific national culture needs to be approached to re-examine the role of this variable in brand equity creation.

CONCLUSION

Integration of marketing communications has taken on a new imperative and urgency in recent years. This new communication practice adopts the holistic view of marketing communications in order to deliver a consistent message and achieve a greater impact through the integration of all elements of promotional mix. Considered among many academics and practitioners as the major marketing communications development, we agree that its emergence and expansion is both necessary and acceptable. Nevertheless, some recent voices called for further empirical evidence to consolidate the concept. In addition, the enhancement of brand equity is critical to successful brand management within hotel companies, which is why further research on this construct is necessary in this specific area (Bailey & Ball, 2006).

The marketing literature also suggested that customer insights need further research, which is why this work aims to understand the relationships between IMC and brand equity from the customer perspective. More specifically, we consider that IMC needs to be examined from the customer point of view, following the outside-in approach, which is one of the basic principles of the integration approach. In addition, from a marketing perspective, brand equity is referred to as customer-based brand equity. Conceptualizing brand equity from the customer perspective is useful as it provides both specific guidelines for marketing strategies and areas where research can be convenient in assisting decision making process in management (Keller, 1993). In addition, national culture is another aspect that does not remain neglected when examining customer behavior. However, there is no any empirical evidence on its role when approaching IMC and brand equity building.

This work contributes to existing knowledge on IMC by providing the empirical evidence on its impact on brand equity building. In particular, the following conclusions can be drawn from the present study. First, IMC positively impacts three major hotel brand equity dimensions, i.e. brand image, perceived quality, and brand loyalty, exerting the strongest influence on perceived quality ($\beta=0.464$) and the weakest on brand loyalty ($\beta=0.110$). The second major finding is that the three brand equity dimensions are inter-related, showing the strongest relationship between perceived quality and brand loyalty ($\beta=0.629$). Finally, after dividing the sample into Italian and foreign hotel guests, this research has shown that national culture does not moderate the above mentioned relationships, except the one established between brand image and brand loyalty. In addition, it does not seem to affect guest evaluations of IMC and brand equity dimensions, as similar scores are obtained when the two delimited subsamples were compared.

To conclude, this chapter makes several original and valuable contributions, thus filling the existing gap in the literature. First, whereas most of the research centered on the IMC implementation in advertising and PR agencies, our study examines the IMC concept in companies themselves. In particular, IMC is studied in a new specific context, i.e. the hotel sector, where the need for integration has proven to be as necessary as in other industries. Second, we have empirically examined the relationship between IMC and brand equity, an issue that, according to the most recent literature, needs empirical evidence. Third, while a considerable amount of literature has been published on the managers' opinions regarding integration of marketing communications, we decided to test our research model from the guest perspective, confirming thus the importance of customer opinions and perceptions as an integral part of business and marketing strategies. Fourth, the role of national culture is examined, an effort which is original both in the IMC and brand equity literature.

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KEY TERMS AND DEFINITIONS

Brand Image: Consumer perceptions of and preferences for a brand.

Brand Loyalty: The attachment that a customer has to a brand, expressed through repeat purchase and intention to recommend.

Customer-Based Brand Equity: A consumers' different response between a branded and an unbranded product when both have the same product features and are exposed to the same level of marketing stimuli.

Hotel Brand Equity: The value that consumers and hotel property owners associate with a hotel brand.

Integrated Marketing Communications: A tactical and strategic consumer-centric business process, boosted by advances in Information and Communication Technology (ICT) which, on the basis of information obtained from customers databases, delivers a clear and consistent message throughout the coordination and synergies of different communications tools and channels, in order to nourish long-lasting profitable relationships with customers and other stakeholders and create and maintain brand equity.

National Culture: The set of norms, behaviors, beliefs, customs, and values shared by the population of a sovereign nation.

Perceived Quality: The evaluation that a consumer makes about the excellence or superiority of a product.

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Chapter 5

Evaluation of Celebrity Endorsements on Consumer Perception and Brand Equity in Indian Market

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ABSTRACT

One of the most popular forms of marketing strategy to endorse a product or a brand is celebrity endorsement. Masses are big fan of celebrities both films or sports industry. Hence, using celebrities for brand or social welfare activities is a common phenomenon. Consumers do not purchase a product not because of their love and trust on the celebrity only. This study is aimed at finding the relation in building brand equity and the celebrity endorsers. This research infers the relationship between consumer perception formed through celebrity endorsements and its impact brand equity. It is also inferred from the study that celebrity endorsement fit for a product has a positive effect on consumer perception, hence building brand equity.

INTRODUCTION

Celebrities are those public figures who are majorly followed and liked by people either because of their attractiveness or celebrity status, or even both. It is the influential power of celebrities that has compelled marketers and advertisers to leverage it into their branding strategies (Dwivedi, et. al, 2015). Using celebrity for product or brand endorsement to increase the effectiveness and increase the credibility of advertisement is an old way of leveraging (Keller & Lehmann, 2006). Spry, et al. (2011) found this trend will rise as people become more conscious of the brand image of the products that they buy.

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Celebrity Endorsements on Perception and Brand Equity in Indian Market

Farjam and Hongyi (2015) found that a high level of brand equity can ensure an outstanding performance by high amount of brand recall because of the celebrity endorsement and brands can ask for premium price that consumer will happily agree to pay for. According to Keller (2006) advertising is one of the most convenient ways of creating brand equity. Dwivedi, et al. (2015) found celebrity endorsement is an important subject highly influencing marketing strategy used for promotion of brands and products, thereby influencing consumer perception.

With this study, the researchers want to evaluate the celebrity endorsement on consumer perception and brand equity in context to the Indian market where the share of celebrity endorsement is high because of the highly influential celebrities from film and sports industry. And further to see the relation between consumer perception and brand equity in order to understand the impact of it on brand equity.

CELEBRITY ENDORSEMENTS ON CONSUMER PERCEPTION AND BRAND EQUITY: A REVISIT

Celebrity Endorsement

According to Dom, et al. (2015), celebrities are those people who are publicly recognized by certain group of masses. Spry, et al. (2011) found that marketers use every one out of four celebs in advertisement worldwide for building up brand personality. Celebrity endorsement imbues aspirations and association with prominent match of personalities between a celebrity and the brand (Keller, 2006). This makes a brand aspirational with credible bond and brand equity impact. Thus, it is perceived the celebrity of the endorsement is a credible link to the brand, hence impacting brand equity (Eager & Lindridge, 2013).

Advertisers with celebrity as endorsers imbue an association with brand that is desirable to marketers (Dwivedi, et. al, 2015; Keller, 2013; Spry, et al., 2011). While the use of celebrity ensures brand awareness and brand recall, this eventually leads to purchase intension. A human brand by definition is popular personalities who are the theme for marketing product (Thomson, 2006).

Celebrity Credibility and Brand Congruence

Now consumers will possess only those set of brands, which have congruency, established with brands such that brands personality fits their actual self-personality and their ideal self-personality (Eager & Lindridge, 2013). And advertising can increase brand congruity by focusing on celebrity endorsement and other promotions in the consumers mind with imagery use in them (Verone, 2015). Every celebrity during their lifetime are creating powerful symbolic meaning directly associated to their life style and personality (Dwivedi, et. al, 2015), which helps in building up a strong connection with consumers creating human brand for themselves, valued by marketers (Verone, 2015). Human brands are created after associating with celebrities such that celebrities are considered as symbol of expertise of the product resulting in attractiveness, trustworthiness and positive impression of that brand (Dwivedi, et al., 2015; Spry, 2011). Product category association with celebrity will ensure that the brand will be linked to some belief and an attitude very specific to a brand. This will further shape consumer responses, as it will be an important determinant of consumer attitude towards brand (Keller, 2006).

Dwivedi, et al. (2015) has talked of the congruence between consumer and the brand in such a way that when brand personality fits with consumer's actual self (Roy & Moorthy, 2009; McCracken, 1989) and consumer's ideal self-brand, the consumers forms a favorable behavior for the brand creating brand congruity (Spry, et al., 2011).

Brand Equity and Celebrity Endorsement Fit

Brand equity from consumer perception can be defined as response of consumer to marketing of brand upon brand knowledge and its effect (Keller, 2013). Consumer based brand equity is when a consumer is acquainted with the brand and has satisfactory, positive and unique brand association in memory regarding the brand (Keller, 1993). Farjam & Hongyi (2015) found knowledge of brand in consumers' mind is a most valuable asset to improve productivity of marketing strategies related to brand communication (Kowalczyk & Royné, 2013). Consumer-based brand equity happens when customer forms an association with brand that is strong and in favor to it, making the brand hold a unique memory (Kowalczyk & Royné, 2013; Keller, 2013).

The competitive overlap of brand association as multiple brands in the same category ends up taking a same path of celeb endorsement thus hampering the ability to recall the brand (Keller, 1993). Brand association in memory depends upon strength and favorability as it can be affected by other brands with similar association (Keller & Lehmann, 2006). So, brand knowledge is fundamental to brand equity (Keller, 1993) which is central to brand recall which is what celebrity endorsement will ensure. So, a celebrity is considered to be a perfect brand or product representative due to public and private self, which matches the brand persona for that time (Keller & Lehmann, 2006). Pairing up brand with celebrity will ensure that the image of the celeb is transferred into brand and further helps in forming an image in the mind of the consumer (Keller & Lehman, 2006). This is building up brand equity in favorable position to the brand given that the celeb endorsement matches or fits the brand perception (Keller, 1993).

Celebrity Endorser Effectiveness and Celebrity Credibility

Celebrity endorsement effectiveness is an impact on attitude and consumer perception towards brand, product for purchasing (Choi & Rifon, 2012). There are three dimensions of a credible celebrity spokesperson namely:

1. *Expertise* being the experience, knowledge of the spokesperson possesses in the field relatable.
2. *Trustworthiness* is the confidence of audience in the source for providing honest and objective oriented information.
3. *Attractiveness* of the celebrity endorser physically also influence the liability.

In spite of the high credibility, celeb endorsers have been criticized on the effectiveness of the product regardless of the brand or product they endorse. So, the credibility approach is questioned for the quality of the celebrity (Choi, 2012).

RESEARCH METHODOLOGY

Conceptual Framework of the Study

According to the associative-network memory theory, consumer has knowledge of brand such that it can be represented conceptually as schema or network of stored information into nodes in consumer's memory (Keller, 1993). Our knowledge is divided into packets of information and it is believed that different information packets are hypothesized in existing memory for all kind (Spry, 2011). Nodes, which are interconnected by arcs or links, is known as association. If a node primed, becomes a probable cause of activation of all other nodes in consumer memory through a process of spreading activation, determining the brand information that one retrieves from memory hence reflecting brand's equity (Keller, 1993; Mitchell, 1982). So, perception of a consumer and attitude towards a celebrity endorser will depend upon the two sets of information nodes namely "celebrity" and "brand" (Keller & Lehmann, 2006). Where each represents set of information and an association in consumer memory (Till & Shimp, 1998). In an endorsement process a viewer or consumer will connect celebrity to brand via an image transfer or association (Dom, et. al, 2015). The endorsement process will spread meaning, by activating association transferred into a brand from celebs personality (Till, 1998; Mitchell, 1982).

Via associative-network memory theory, endorser's credibility will show an impact on the brand equity of the endorser. Hence, the perceived image of a celebrity endorser cognitively flows to the endorsed brand and becomes a part of the endorsed brand's association set (Keller, 1993).

Transfer of Meaning: Consumer 'Self' Motivation

By definition self-concept is regarded as sum of an individual's thought and feeling about him or her with respect to others (Onkvisit & Shaw, 1987). And the actual self is referred to as how people actually perceive him or self and ideal self is how he or she would like to be perceived. This notion of actual and ideal self is two separate divisions of self-concept (Verone, 2015).

McCracken (1989) through the theory of meaning movement explains how cultural meaning moves from cultural space into material objects and finally into consumers' lives, which is accompanied by advertisement. So, celebrity endorsement can be understood from this perspective though cultural meaning in association to the celebs. A celebrity personality gets molded every time celebs make a public appearance and his or her lifestyle (Roy & Moorthy, 2009). That personality and lifestyle is carried forwarded in the form of celebs personality to the product brand that they endorse (Roy & Moorthy, 2009). Forming a celebrity self-brand is the connection where in every consumer see a brand a step forward in projecting their sense of self. Consumers use such brand meaning to craft their own self-image (Onkvisit & Shaw, 1987). Personal identities are hence crafted which is also referred to as self-concept (Dwivedi, et. al, 2015). So, the symbolic meanings are transferred and associative-network theory forming aspirational reference for consumers. This hints out the fact that consumer form association with the meaning or image as a motivational factor that is vested through celeb endorsed brands with projection of self-concept (McCracken, 1989).

A consumer form engagement with only a set of brands, which they perceive representing their personalities, lifestyle and interest based on self-concept (Onkvisit & Shaw, 1987). This is a connection formed between brands and consumers, which are essential for forming brand recognition, attachment through successful celeb endorsements (Spry, et al. 2011). Different need, motives and goals depend-

ing upon the consumers' receiving utilitarian benefits from the brand, relevancy and social engagement with the brand from an interpersonal and sociocultural perspective influence the engagement with the brand (Verone, 2015).

Forming Congruence Between Brand and Celebrity

Celebrity endorsement generally ensures transfer of cultural meaning as meanings are taken from culturally constituted world to our society (Spry, et al., 2011). This transfer of image basically involves following step or stages:

Celebrity image is created; celeb image is transferred into product and from product to consumers finally. Hence, according to meaning transfer model celebrity transfers a particular niche association of the brand that they endorse (Onkvisit & Shaw, 1987). Marketers are conscious today while selecting endorsers for product in order to ensure right message is being transferred and conveyed (Onkvisit & Shaw, 1987). So, this is the congruence between spokesperson and brand in the form of personality that is being shared and conveyed with right medium. "Match-up hypothesis" says that it is essential to have a fit or match between the celebrity and the product endorsed by that celeb (Choi & Rifon, 2012). So a good match must exist between celeb and product for an effective communication rather than a poor match. Match up hypothesis show that for an effective endorsement, images and messages that the endorser carry should be congruent with the product endorsed (Choi & Rifon, 2012).

The degree of matchup between celeb and brand must be within congruence to brand to facilitate outcomes like positive attitude leading to purchase intentions. Endorser-brand congruence is integral, as meaning-transfer must smoothly happen for consumers to see the similarity between product/brand and endorser. Thus, a consumer-perceived "fit" between an endorser and an endorsed brand enhances the effectiveness of celebrity advertisements (Dwivedi, et al., 2015). Therefore, the endorser-brand congruence is perceived to a degree that will facilitate the credibility of endorser and thus on brands equity.

Considering the fan following that prevails in the country, so far, the researches done conceptualizes celebrity endorsement for understanding their characteristics and its brands image relationship or congruence that also from foreign perspective. Evaluating celebrity endorsement or consumer perception and brand equity is a gap that exists and can be explored upon from the Indian market perspective.

Hence, from the literature review, the objectives of our study are:

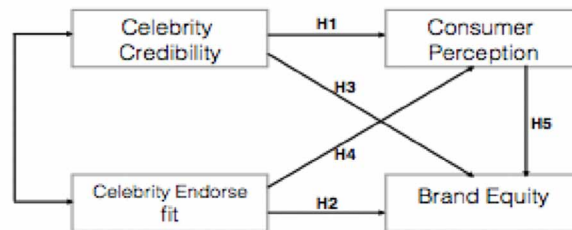
1. To understand the impact of celebrity endorsement on consumer perception;
2. To analyze the relationship between brand equity and celebrity endorsement; and
3. To examine the relationship between consumer perception and brand equity.

Hypothesis Development

- **H1:** Celebrity credibility has a positive impact on consumer perception
- **H2:** Celebrity endorser product fit (match-up) has a positive impact on brand equity
- **H3:** Celebrity credibility has a direct impact on brand equity
- **H4:** Celebrity endorser product fit (match-up) have a positive impact on consumer perception
- **H5:** If celebrity credibility and match-up have a positive impact on consumer perception, then they have positive impact on brand equity without purchase intention

Celebrity Endorsements on Perception and Brand Equity in Indian Market

Figure 1. The purposed hypothesis in a conceptual model



To fulfill our objective 1, we have H1 and H4.

To fulfill our objective 2, we have H2 and H3.

To fulfill our objective 3, we have H5.

The study is exploratory in nature. Quantitative methods have been used for the study.

Data Collection

To establish a relation between the independent and dependent variables upon the hypothesis designed, a quantitative research is conducted to ensure an accurate and honest data collection (Smith, 1988; Bogden & Taylor, 1975). The tool for data collection is Survey through an online questionnaire. The online questionnaire has been circulated via e-mail, social media site such as *Facebook*, *WhatsApp* etc. So only those respondents who had access to such Internet based technology are used for the study. The respondents were provided with a URL to access the questionnaire. The responses have been collected through an online database. The questions were based on the model created for brand equity and studies done for finding the relation the between celebrity endorsement and brand equity. The researchers have pre-tested and validated instruments, to get the responses regarding the overall use of the system and the same data is also used for validation of the model using statistical analysis.

Sampling

Convenience sampling method has been used for the study because it is a non-probabilistic sampling technique which enable selection of appropriate subjects for the study based on its purpose where time and budget is of utmost importance (Anderson et al., 2007). The target group of respondents were aged 18 years and above consisting of both working and non-working males and females who make frequent purchase decisions on their own directly or indirectly. The sampling size is 120 respondents from Pune, Bangalore, Delhi and Ahmedabad. This study does not specify for any particular generation or any year in particular.

Questionnaire Design

The purpose of this questionnaire is to understand the impact of celebrity credibility and match-up theory on brand equity, which can lead to purchase intensions with some consumer perception formed into consumers or respondents mind. Measurement scales have been adapted from Keller (2013). Endorser

credibility is a higher-order construct consisting of three sub-dimensions, attractiveness, expertise and trustworthiness, which is an adaptation of Associative network theory (Spry, et al., 2011).

The Questionnaire has four sections in total, including the respondent's detail sheet, using Google form service.

Measurement

The respondents were evaluated on the attitude towards the ads, towards the brand, purchase intention and its overall effect on brand equity. Attitude towards the ads are measured on differential scale anchored by "good/bad", "favorable/ unfavorable", "like/ dislike", "intelligent/boring" and "pleasant/ unpleasant". The respondents have also been asked for their purchase intentions based on the celebrity endorsement. The match-up concept includes semantic scale about 'good fit/ bad fit', 'relevant/irrelevant' and 'good match/ bad match'.

Analysis

SPSS has been used to quantitatively analysis the data.

CELEBRITY ENDORSEMENTS ON CONSUMER PERCEPTION AND BRAND EQUITY: AN EVALUATION

Cronbach's Alpha Test

To perform a test on the reliability of the Likert scale used to conduct this survey, Cronbach alpha test was done on all the scales. This test primarily is done to check the consistency and strength of the Likert scale. So, the independent variables such as celebrity credibility and celebrity endorser fit where checked for how much reliable the scale designed was. As well as dependent variable, such consumer perception and brand equity where tested for their strength and internal consistency.

Result

1. *For Expertise*, a Likert scale was designed with independent variables such as expert, experience, knowledge, qualifies and skills.
2. *For Trustworthiness*, a Likert scale was designed with independent variables such as dependable, honest, reliable and sincere.
3. *For attractiveness*, a Likert scale was designed with independent variables such as attractive, classy, beautiful, elegant and sexy.
4. *For celebrity endorser fit*, a Likert scale was designed with independent variable such as suitability, logical and appropriateness.
5. *For consumer perception*, a Likert scale was designed with parameters such as high value, persistent quality, features and reliability.
6. *For brand equity*, a Likert scale was designed with parameters such as positive feeling, favorable attitude and good brand.

Celebrity Endorsements on Perception and Brand Equity in Indian Market

Table 1. Reliability statistics for expertise

Cronbach's Alpha	No. of Items
.88	5

Cronbach's alpha value is 0.880 which is greater than 0.6

Table 2. Reliability statistics for trustworthiness

Cronbach's Alpha	No. of Items
.91	5

Cronbach's alpha value is 0.991 which is greater than 0.6

Table 3. Reliability statistics for attractiveness

Cronbach's Alpha	No. of Items
.92	5

Cronbach's alpha value is 0.92 which is greater than 0.6

Table 4. Reliability statistics for celebrity endorser fit

Cronbach's Alpha	No. of Items
.74	3

Cronbach's alpha value is 0.74 which is greater than 0.6

Table 5. Reliability statistics for consumer perception

Cronbach's Alpha	No. of Items
.89	4

Cronbach's alpha value is 0.89 which is greater than 0.6

Table 6. Reliability statistics for brand equity

Cronbach's Alpha	No. of Items
.89	3

Cronbach's alpha value is 0.89 which is greater than 0.6

Analysis

The value of Cronbach alpha is greater than 0.6 for all the scales designed for running this survey. If the value is greater than 0.06 it indicates that there is high reliability and internal consistency in the scale. Hence, all of the Likert scales used in this test are of high reliability and consistency.

Regression Test

To find relation between independent variables and dependent variable, regression analysis is performed over variable. So, in our model for evaluating celebrity endorsement on celebrity endorsement and brand equity, linear regression test was done to find out the relation between them both.

In our model, independent variables are:

1. Celebrity credibility: Expertise, trustworthiness, Attraction
2. Celebrity endorsement fit: Suitable, Logical, Reliable

In our model, dependable variables are:

1. Consumer perception: High value, persistent quality, feature, reliable
2. Brand equity: Positive feeling, favorable attitude, brand is good

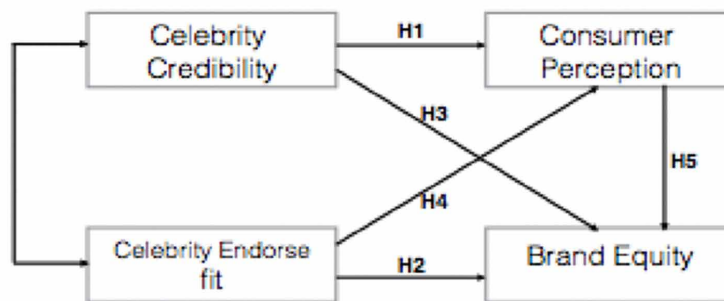
So, using SPSS statistics, liner regression analysis is done to predict value of a variable based on another variable. Our outcome variable for this model is dependable variable, whose value we tried to find out using predictor value also known as independent variable. By establishing the outcome based on this, using regression will tell us which dependable variable is relatable to which independent variable. So, we can explore relationships amongst out variables and understand their reliability and relation to each other.

Result

Celebrity Credibility to Consumer Perception

The beta value of relation between celebrity credibility and consumer perception is coming out to be 0.121. This means that the celebrity credibility (i.e. predictor variable) has .121-relation/ effect on consumer perception (i.e., dependable variable). The significance value is 0.000, which is less than 0.005 this means this relation has significance between the two variables.

Figure 2. Relationship between dependent and independent variables



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Table 7. Celebrity credibility to consumer perception

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	6.192	1.358		4.559	.000
Predictor variable	.121	.028	.370	4.333	.000

Celebrity Credibility to Brand Equity

The beta value of relation between celebrity credibility and brand equity is coming out to be 0.083. This means that the celebrity credibility (i.e. predictor variable) has .083 relation/effect on brand equity (i.e. dependable variable). The significance value is 0.000, which is less than 0.005 this means this relation has significance between the two variables.

Celebrity Endorsement Fit to Consumers' Perception

The beta value of relation between celebrity endorsement fit and consumer perception is coming out to be 0.695. This means that the celebrity endorsement fit (i.e. predictor variable) has .695-relation/ effect on consumer perception (i.e. dependable variable). The significance value is 0.000, which is less than 0.005 this means this relation has significance between the two variables.

Celebrity Endorsement Fit to Brand Equity

The beta value of relation between celebrity endorsement fit and brand equity is coming out to be 0.568. This means that the celebrity endorsement fit (i.e. predictor variable) has .568-relation/ effect on brand equity (i.e., dependable variable). The significance value is 0.000, which is less than 0.005 this means this relation has significance between the two variables.

Table 8. Celebrity credibility to brand equity

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.972	1.033		5.739	.000
Predictor variable	.083	.021	.338	3.898	.000

Table 9. Celebrity endorsement fit to consumers' perception

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.100	1.080		4.720	.000
Predictor variable	.695	.107	.515	6.529	.000

Table 10. Celebrity endorsement fit to brand equality

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(constant)	4.270	.783	.561	5.452	.000
Predictor Variable	.568	.077		7.358	.000

Consumer Perception to Brand Equity

The beta value of relation between consumer perception and brand equity is coming out to be 0.525. This means that the consumer perception (i.e., predictor variable) has .525-relation/ effect on brand equity (i.e., dependable variable). The significance value is 0.000, which is less than 0.005 this means this relation has significance between the two variables.

Analysis

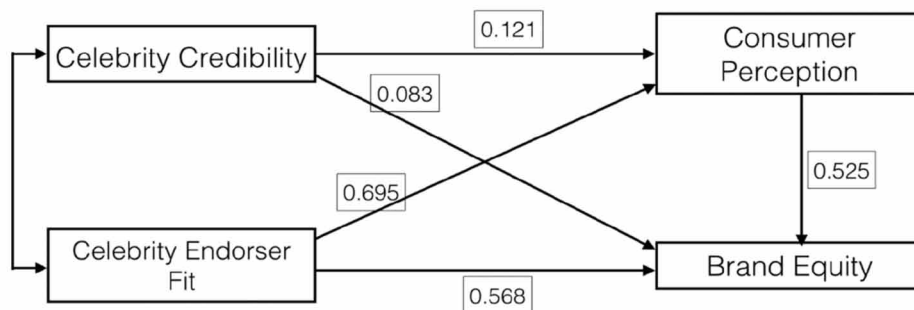
Linear Regression Analysis

1. The highest beta value for regression is between celebrity endorsement fit and consumer perception, which is 0.695. This means that there is a strong relation on consumer perception due to celebrity endorsement fit.

Table 11. Consumer perception to brand equity

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.590	.611	.700	5.872	.000
Predictor Variable	.525	.049		10.644	.000

Figure 3. Linear Regression Analysis model



Celebrity Endorsements on Perception and Brand Equity in Indian Market

2. The second highest beta value for regression is between celebrity endorser fit and brand equity, which is 0.568. This means that there is an effect on brand equity if there is a celebrity endorser fit.
3. The third highest beta value for regression is between consumer perception and brand equity, which is 0.525. This means that there is an effect on brand equity based on consumer perception.
4. The second lowest beta value for regression is between celebrity credibility and consumer perception, which is 0.121. This means that there is not a strong relation or effect on consumer perception if there is celebrity endorsement fit.
5. The lowest beta value for regression is between celebrity credibility and brand equity, which is 0.083. This means that there is not a strong relation or effect observed on brand equity of any brand or product based on celebrity credibility.

CONCLUSION

It can be concluded from the study that more there is a celebrity endorsement fit with the brand or product which they endorse, more will be the impact on consumer perception. That is consumer will think more favorably towards the quality. So, advertisers must choose a celebrity carefully keeping their image and brand image in mind while communication to consumers with celebrity advertisement. Thus, marketers and advertisers should look for a celebrity endorser who is suitable, logical and appropriate for their brand.

Brand equity will also have a strong effect if there is a celebrity match-up with the brand image and message that they communicate. Credibility of a celebrity will not have a strong effect on brand equity meaning that just having a celebrity who is considered as an expert, trustworthy and attractive will not suffice to build brand equity factors. So, if there is just a celebrity chosen based on his credibility it will not form a strong consumer perception about the brand or product because he or she must be seen as a fit with brand. This fit is possible only if there is a celebrity endorser fit with the brand.

The results from the hypothesis testing imply that a consumer perception is altered in favor of the brand if there is a match between the celebrity and the brand image. Just choosing a celebrity who is credible such that he/she is attractive or is an expert in the field or trustworthy is not sufficient. Advertisers and marketers must critically select a celebrity as he/ she will become a spokesperson of the brand and will give away the message about the brand to the masses. They must understand that celebrity endorsement will form a positive consumer perception if there is more about that celebrity in congruence with the brand image.

Celebrities must understand that their image is highly valuable to the message they give away through these advertisements. Also, they must understand that their image is build up with the kind of products that they endorse. From this study, it can also be inferred that consumers think celebrities are also responsible for the particular product they endorse. Hence, celebrities must be cautious enough for the brands they endorse, considering they are public figures. As a responsible public figure, they should know in details about the product they endorse.

The study will be beneficial for the marketers, advertisers, policy makers and government while taking any decision on selecting a celebrity for any endorsements as the celebrity will become a spokesperson of the brand and will give away the message about the brand to the masses. They must understand that celebrity endorsement will form a positive consumer perception if there is more about that celebrity in congruence with the brand image.

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Section 2

Brand Loyalty

Chapter 6

E–Satisfaction and E–Loyalty: Two Main Consequences of Online Buying Attributes

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ABSTRACT

The aim of this study is to examine the effect of most important factors of online shopping such as brand, price, and service quality on consumer's e-satisfaction and e-loyalty comparatively. It is for understanding the better online shopping in the Indian e-commerce context. The paper uses thorough literature review of closely related articles to analyze and confirm the conceptual model proposed in the research. The results indicate that Indian consumers are still price sensitive and influenced by branded products and excellent service quality while online shopping. However, service quality directly as well as positively affects both e-satisfaction and e-loyalty. The paper is different of its kind to discuss comparatively to the impact of brand, price and service quality on Indian customer e-satisfaction and e-loyalty. The study shows that the service quality aspects of online shopping websites need to be strengthened to motivate consumers to buy online.

1. INTRODUCTION

India has a vast population and growth prospects for e-commerce. Globally, India ranked number one in 2005 and 2006 for consumer market potential in the retail industry (Marubeni, Research Institute Report, 2006). Fuelled by high economic growth and second only to China, per capita, purchasing income in India has risen 70 percent since 1998 (Marubeni Research Institute Report, 2006). So this indicates that there is enormous scope for growth in both traditional and online retail arenas. India's population (totaling 1.08 billion) is highly involved in internet use (Marubeni Research Institute Report, 2006).

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The prior studies show that the online shopping has a bright future in India, if internet users become the internet buyers, it predicts a large online business in India. But despite a lot of potential consumers from diverse cultures, there is little research on the underlying characteristics together such as brand, price, and service quality that impel these different groups to purchase online (Jarvenpaa et al., 1999).

Previous studies report that satisfaction and loyalty are two important variables in the traditional environment. However, researchers have recently discovered that the online environment offers many opportunities for interactive and personalized marketing (Burke, 2002), advertising (Li and Lee, 2006). The development of online trust, satisfaction, and loyalty (Anderson and Srinivasan, 2003; Yoon, 2002) were considered significant aspects. As Shankar et al. (2003) have noted, "Firms need to gain a better understanding of the relationship between satisfaction and loyalty in the online ambiance to allocate their online marketing efforts between satisfaction initiatives and loyalty programs. In this highly competitive market of online shopping, the media have experienced a massive transformation over the past decade (Mangold and Faulds, 2009). Recent Statistics indicates that the number of people accessing the internet exceeds two billion four hundred thousand, i.e. 34% of the global population by (Internet World Stats, 2013). Moreover, one out of seven people in the world has their personal ID on the social media like Facebook (Neilson, 2012). With the number of Internets and social media users growing worldwide, it is essential for communication managers to understand online consumer behavior. In India 12 million people found to be active Internet surfers, which is 10.2 percent of its total population. Presently online shopping market in India is 46 million and is expected to treble in the next five years (Verma et al., 2012). Increased penetration of the Internet in smaller cities of the country, coupled with changes in the demographics, handles the growth of online shopping websites (Rakesh, et al., 2012).

Internet marketing firms in India used price promotions and branded products to attract and sustain consumers but still it is unclear that on which factors they should focus on online shopping. The top latest Internet shopping websites such as Flipkart and Amazon offer low prices comparative to the physical market and discounts and promotional offers in branded products to attract Indian customers. New ventures in online shopping are focusing on low prices to attract and retain users and earn profits. Internet shopping is still in the infant stage in the country. Consumer online shopping behavior is limited to browsing and surfing the Internet, but it varies customer to customer. Low prices offered by e-commerce websites are necessary for attracting non-buyers. Research suggests that Indian consumers are price oriented, and they seek discounts, and it affects their purchase behavior.

Online shoppers can compare different products and services, prices, features and services easily on the Internet. For small differentiation goods or services, consumers can examine the price and promotions at their leisure on the web. Online shopping web portals in India are focusing towards increasing their returns and profits (Rakesh, et al., 2012). While prior studies have empirically shown that the e-satisfaction and e-loyalty were most important aspects of online shopping, and there were so many studies conducted in this field, but there was a dearth of comparative study, to understand the factors which affect the most e-satisfaction and e-loyalty. So the objective of this research is first, to find out the most influencing attributes of online buying behavior out of the brand, price, and service quality comparatively. Secondly, to establish the relationship between these three variables. With this research, we are trying to throw some light on the online buying behavior of customers.

2. LITERATURE REVIEW

Online shopping is now gaining pace in the Indian market and so for the e-commerce industry requires the focused and appropriate strategies to create, sustain and delight the online customers. Hence, the role of three variables has to be taken as the primary attribute of e-satisfaction and e-loyalty. Many authors discussed the online buying behavior of the customer. Gong, et al., (2013) have studied on Chinese consumers, and various attributes of them like education, income, age, and marital status, and their perceived usefulness are found to be significant predictors of online shopping intention. Further, there is a lack of comparative research on these two significant consequences such as e-satisfaction and e-loyalty of online buying attributes. Thus, the role of brands, service, and price in online shopping comes into the light, and it always considered as the best tool for marketing and business strategy. As the communication systems are getting advanced nowadays, it narrows the distances, thereby linking markets through flows of information across markets. Similarly, price and service quality are also crucial factors. Sometimes customer relies on price as a mark of quality. During the immature stage of consumer behavior, consumers' limited experience with modern marketing makes them depend on well-known brands and track records. Therefore, the brand effect is critical to study and in such instances, it was found that the brands accounted for one-third to one-half of all consumers' expressions of intent to purchase items online (Joshi, 2013).

2.1. Brand

On the internet, brand building has become of peculiar significance as the consequences of the interactive interface and burst the number of competitive choices (Gomman, et al., 2001). The brand is a name, term, sign, symbol or a combination of all these planned to differentiate the products or services of one seller or group of sellers from those of competitors (Doyle, 2002). The brand is defined as a seller's promise to provide unfailingly a unique set of characteristics, advantages, and services to the consumers. Increasing loyalty is a method of inelasticity of demand (Reichheld, 1996) with brand loyal customers who are less to price increases because they value the benefit of the brand (Muniz, et al. 2000). Online brands emerge as the consequences of development in information and communication technologies.

On the other hand, an online brand is just a brand in that it constitutes a name or a sign or symbol and a set of goods and service features that are associated with that unique name (Christodoulides & de Chernatony, 2004). Like its offline counterpart, an online brand represents an identifiable product augmented in such a way that users perceive it as valuable and different from competitive products. The subjective perceptions of an integrated bundle of information and experiences evoke in the mind of a customer, a particular personality presence (Okazaki, 2006) and performance (Parasuraman, Zeithaml, & Malhotra, 2005). The context in which the consumer experiences the brand is a key distinguishing feature of an online brand (Christodoulides, 2009; Hoffman & Novak, 1996). The online contexts tend to be information-rich, dynamic, crowded, market spaces and characterized by excessive information flow and an emphasis on technological innovation (Huang, 2004).

The virtual nature of the computer-mediated environment and the associated lack of physical clues make intense the challenges of intangibility and uncertainty in that situation brand is the factor which stimulates a customer to make a deal. At the same time, this ambiance opens up the possibility of interactivity and a real-time brand experience where consumers are empowered to engage with the brand and with other customers (Moynagh, et al. 2002). Branding will be even more important in Internet markets

for less same goods and services, especially when they have significant non-contractible characteristics (Smith, et al., 2001). In fact, the continuous two-way interaction with a brand, or its traffic, represents the principal asset and predictor of success (Song et al., 2010). A consumer is loyal when he has a good relationship with the brand, and it is very necessary for the survival of the brand (Christodoulides, 2009 & Song et al., 2010).

Brand experience from the internet derives from the concept of customer experience and include cognitive and affective states of the customers that are complex and individual to each client. Online brand experience capture diagonal, cognitive, and target-oriented responses to a brand as well as the emotional, cognitive and affective processing of brand experiences (Rose et al., 2011). For example, primary outcomes include task-related phenomena such as usability and functionality of an online brand (Petre et al., 2006) as well as hedonic experiences such as fun or entertainment (Lin et al., 2008). Online brand experience represents a critical consideration for practitioners, and the question of efficient design of the consumer experience is at the leading position of legislative agenda for e-satisfaction. Nysvee, (2004) suggest that the customer experience in online environments, total consumer experience by social psychological theory and communication helps in developing the other dimension of the relational bond. Wagner, (1985), also support this view of the brand relationship. Oliver (1997), customer loyalty may move through four stages depending on the levels of commitment customers develop toward a product or service provider. Consumers who build deep relationships with brands tend to be actively involved in the two-way communication process, that is, for sending and receiving information. Affections towards a brand translate into a positive assessment of quality, satisfaction and loyalty (Aaker & Keller, 1990).

Researchers have found that brand related constructs and notions such as brand knowledge (Chen & He, 2003), brand name (Huang, Schrank, & Dubinsky, 2004), and brand familiarity (Park & Stoel, 2005) also play a significant role in e-loyalty. Familiar brand names and active and working brand knowledge (or brand image) of the e-tailer are expected to mitigate consumers' perceived risk concerning shopping or purchasing from the online website. For example, Park et al. (2005) report that online product presentation methods (e.g., use of motion) influence consumers perceived risk. Gommans et al. (2001) found that the brand loyalty can be transformed into e-loyalty for the brick to click business. Gaining and maintaining customer loyalty may be even more challenging on the internet shopping where the cost of switching between e-tailers is tiny, and thus, an e-tailer often faces constant competition with numerous others who are just a click away (Sherron j., (2009). Previous empirical studies explained that the loyal customers are more likely to repurchase the same service or brand, provide positive word of mouth, and be willing to pay a premium price and hence improve e-loyalty (Kandampully & Suhartanto, 2003).

2.2. Price of the Product

One of the powerful motives drawing consumers to shopping online is the promise of more savings. In fact, 85% of consumers look for price information when shopping online (Reed, 1999). According to Ziehl, (1988), the price has been regarded as either a monetary sacrifice for obtaining a product or a quality indicator of a product. In particular, when customers do not have enough product quality information, they may select high price options by analyzing price as a quality signal (Lichtenstein et al., 1993). Online or offline, the price is unquestionably one of the most important cues utilized during a consumer's decision-making process. Price can be defined as the user's perceptual representation or subjective perception of the actual price of the goods (Jacoby & Olson, 1977). Ziehl, (1982) proposed that consumers encode and interpret actual price in ways that are meaningful to them. After that,

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they judge the real price of a product to be high, low, or satisfactory in comparison with these internal standards. Therefore, it has been concluded that it is the perceived price, not the real price, of a product that affects consumers' product evaluation, choices, and satisfaction (Jocoby & Olson, 1977; Zeithaml, 1988). Consequently, it is argued that consumers perceived price would influence their choices of shopping channels. Audrain-Pontevia, et al., (2013) states that the price seems to serve as an extrinsic cue of product quality before purchase even after a product purchase, online consumers who obtained a real bargain may infer a lower level of product or services, and they remain unsatisfied.

Alba et al. (1997) pointed out that a fundamental difference between online and offline shopping is the ability of online consumers to get more information about both price and non-price information as a result of reduced search cost which makes the customer more satisfied. Moreover, contrary to our expectation, perceived price does not have effects on satisfaction, app continuance intention, and intention to recommend by Xu et al., (2015). Because users can easily obtain more price information online and compare across online retailers with a few clicks. They probably shop online when the price of a product is high rather than low, but the Indian consumers are price sensitive up to an individual level that if the price of branded product is comparatively less in online then to offline they purchase the product and even they do positive word of mouth. Reibstein (2002) found that price was the most important factor that could attract potential customers to transact with Internet vendors while some trust beliefs building factors were ranked low. According to Lin, et al. (2011) perceived price is the key element that positively affects the users' satisfaction.

2.3. Service Quality

Unlike traditional shopping, the distinct characteristic of online shopping is its convenience, time-saving and it has been found to be the principal motives for consumers to shop electronically (Jarvenpaa & Todd, 1997). E-service quality plays a fundamental role in improving e- satisfaction and retention through the web (Loiacono et al. 2002; Rust 2001; Zeithaml et al. 2000; Colla, et al., 2012). In their survey of 220 consumers, Jarvenpaa and Todd (1997) found that convenience was the single most outstanding benefit of online shopping. Similarly, Dholakia (2003) carried out six focus groups in different regions of the United States and found that convenience was the most often cited reason for users to engage in online shopping. Also, he found that the shoppers appreciated the ability to visit the virtual store at any hour, and to perform other activities, like exercise, cooking and child care while shopping. It means online shopping provide the facility to buy thing anytime anywhere twenty-four by seven. They could shop even when transportation was unavailable, and avoid crowded parking lots or inclement weather. Zehir et al., (2014) with the help of increasing globalization more and more firms started to become technology and market-oriented. Perceived value acts as a mediator between E-service Quality and Loyalty intentions. Online shopping eliminated drive time and check out time and allowed shoppers access to distant stores. Bellenger and Korgaonkar, (1980) found that one of the things that recreational buyers tend to take into consideration is quality when choosing stores for shopping. In an online shopping context, Gehrt et al. (2007) found that customers who shop for recreation online are significantly related to quality. Arrif et al., (2013) recommended that service quality has been positively affecting e-Satisfaction. Akhoondnejad, (2015) suggested that the perceived quality was found to have the direct effect on satisfaction.

Parasuraman et al. (1985) have defined service quality as a comparison between what customers should feel and what should be they offered. Service quality indicated as a result of clients' expectations of the service to be provided (based on their previous experience, the organizations image, the price of the

service) compared to their perceptions of the actual service experience (Berry, Parasuraman, & Zeithaml, 1985; Gronroos, 1984). Parasuraman, Zeithaml, and Berry (1988) state the concept of perception is the consumer's judgment of the service provider's performance. The SERVQUAL model is often used to measure service quality. It contains five dimensions, which are tangibles, reliability, responsiveness, assurance, and empathy (Parasuraman, Zeithaml, & Berry, 1994). Argued by Chang and Yeh (2002) that it was hard to describe and measure e-service quality in e-retailing because of its heterogeneity, intangibility, and inseparability.

Human et al., (2015) states that the Q-S-L paradigm is a core element of modern relationship marketing and confirmed that the perceived quality of products and services drives relationship satisfaction. Giovanis, et al., (2014) the results show that service quality aspects are associated positively with emotional satisfaction and customer loyalty. Shi et al., (2015) Findings indicate that service quality does explain significant variance in customer satisfaction and loyalty, each dimension has a different effect on outcome variables. It needs a substantial amount of time to measure the interaction of online clients, and website design to understand e-service quality (Donthu, 2001). Moreover, other factors such as outcome quality and recovery quality also have much affection on the perception of quality of online purchasing (Harwood, 2005). An early study by Kuei (1998) recognized the e-service quality as an important factor for e-retailers' sustainable competitive advantage. Kandulapati, et al., (2014) study proves that there is a significant impact of perceived e-Service Quality on perceived service value, which mediates the relationship between e-Service Quality and customer satisfaction.

Quality is concerned with the customer satisfaction, retention, and loyalty in both goods and services settings and also is expected to be a determinant of online retailer success as well (Wolfenbarger, et al., 2003). A recent study of online shopping failures reported that consumers considered the problem in delivery service as the most frequently happened problem in the online purchasing process (Liu et al., 2008). Parasuraman et al., (1988) Developed one of the first and the most widely used instruments (the SERVQUAL Model) to measure service quality model. Later it has been extended to measure e-service quality. Zeithaml et al. (2002) utilized the ease of navigation, flexibility, efficiency and security in addition to SERVQUAL model to measure e-service quality. Gefen (2002) categorized e-service quality dimensions into tangibles and intangibles, which is a combined dimension of responsiveness, reliability and assurance and empathy. Service quality is one of the major crucial factors that positively affect the customers' e-satisfaction (Lin, et al. 2011). According to Oliveira, "E-service quality can be used as a key lever to create customer loyalty in an e-service setting". Sharma, et al., (2015), & Vos, et al., (2014) findings suggest that online service quality was the key determinants of user satisfaction and sustainability of e-commerce technology.

2.4. E-Satisfaction

According to Oliver (1997) satisfaction is "The summary of psychological state resulting when the emotion surrounding disconfirmed expectations mixed with a consumer's prior feelings about the customer experience." From his perspective, "satisfaction may be best understood as an ongoing evaluation of the surprise inherent in product acquisition and consumption experience." Elkhani, et al., (2014) confirmed that customer satisfaction from website quality has a positive impact on purchase intention and attract new customers to airline companies, as well as seeking to retain the loyalty of existing customers. Chi

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et al., (2008) perceived value directly affect their satisfaction while satisfaction has a direct impact on their reliability. Research findings have confirmed that the, perceived value is a mediator between the satisfaction and loyalty. Minarti, et al., (2014) advocated that the Customer satisfaction increased, the client's commitment would also increase. Rigdon et al., (2011) In his research, defined e-satisfaction as the contentment of the customer on his or her previous purchasing experience with a given online firm.

All though Evanschitzky et al. (2004) suggested that convenience and website design are the most important drivers of e-satisfaction, which we have considered as part of service quality. Lee, et al., (2015) found that a greater degree of satisfaction leads to a higher level of loyalty if consumers perceive that a product has fulfilled its agreed premises, they tend to believe that this behavior will continue in the future. Uruena et al., (2015) concluded that Satisfaction along with its mediators are antecedents of loyalty. Fuentes-Blasco et al., (2014) managers must be aware of the need to increase satisfaction with a different approach that is, using strategies adapted to the customer profile, type of product, and type of shopping or experience similarly, highly satisfied customers may show loyalty. Also, an unhappy user is more likely to resist attempts by his or her favorite retailer to develop a good rapport and more liable to take steps to reduce the dependence on that retailer (Anderson et al.,2003). Further, the dissatisfied member may wish to redefine the relationship.

So in Indian context the consumers are not only dependent on single factors to delight themselves they look for the best combination of relevant factors online such as brand, price as well as service quality all are necessary for purchasing. Mohammad, (2014) found that equality influences e-satisfaction, which, in turn, affects customer e-loyalty. Chen, (2012) & Pappas et al., (2014) have concluded that in the context of service loyalty, customer satisfaction is an essential ingredient, and it exists as a mediator between satisfaction and loyalty. Although commitment, trust, and involvement are each proven to be partial mediators between satisfaction and loyalty while perceived value is shown to be a perfect judge. But Tontini, et al., (2015) results show that there is nonlinearity between quality dimensions, customer satisfaction, and loyalty. Anderson et al. (2003) stated that e-satisfaction has been assumed to be a natural antecedent to e-loyalty. So e-satisfaction is an actual and predominant variable of online buying attributes.

2.5. E-Loyalty

Engel, Kollat, and Blackwell (1982) explained brand loyalty as “the attitudinal, preferential and behavioral response toward individual or more brands in a product category expressed over a period by a consumer.” Also, Jacoby, (1971) suggest that loyalty is a biased behavioral buying process that results from a psychological process. Some of the researchers have defined loyalty as “a favorable attitude towards the brand, price, and service quality leading to the same purchase of the product or service over time” (Assael, 1992; Keller, 1993). Keller suggested that loyalty is present when favorable attitudes for the goods are discernible in repeat buying behavior. Gremler (1995) show that both attitudinal and behavioral dimensions needed to be incorporated in measuring loyalty. Fraering, et al., (2013) suggest that the satisfaction was found to affect short-term loyalty more than long-term commitment. Loyalty based on the duration of the relationship was also found to be positively related to satisfaction. Yoon, et al., (2013) concluded that the satisfaction and loyalty are concerned with each other. The UK Essay article defined e-loyalty defined as the customer's favorable attitude toward an electronic business resulting in repeat buying behavior.

Table 1. Table shows the prior research that has done earlier

S.No.	Author	Key parameter	Findings
1	Schefter and Reichheld (2000); Nayyar et al. (2011); Fraering et al. (2013); Minarti et al. (2014).	Satisfaction and loyalty	E-Loyalty is all about quality, convenient and reasonably priced.
2	Rust, Zeithaml, & Lemon (2000); Chi et al. (2008); Rigdon et al., (2011); Chen (2012); Gong et al. (2013); Yoon et al. (2013); Elkhani et al. (2014); Pappas et al. (2014); Mohammad (2014); Shi et al. (2015); Uruena et al. (2015); Tontini, et al. (2015); Sharma et al., (2015).	Satisfaction and loyalty	Concluded the positive relation between satisfaction and loyalty.
3	Imrie, Cadogan, & McNaughton (2002); Arrif et al. (2013)	Service quality	E-Service quality can bring positive benefits, such as customer retention and market growth.
4	Koufaris (2002)	Online factors	Quality and price of products, and brand building.
5	Jessica Santos (2003); Vos et al. (2014)	Service quality	Stated that e-service quality increased hit rates, stickiness, and customer retention.
6	Janjaap Semeijn, Allard, Van Riel, Marcel van Birgelen, & Sandra Streukens (2005); Zehir et al. (2014); Kandulapati et al. (2014); Giovanis et al. (2014); Human et al. (2015); Akhoondnejad (2015).	Service quality	E-service quality has found to be the main cause of customer satisfaction and loyalty.
7	Kim et al. (2009); Lee et al. (2015)	Satisfaction	That convenience was one of the main influences on e-satisfaction and higher the satisfaction; the loyalty would be higher.
8	Boulding (1956); Audrain-Pontevia et al. (2013)	Price	Price considered being a positive factor for e-satisfaction and e-loyalty.
9	Reed (1999); Chiang & Dholakia (2003)	Price	About 85% of consumers look for price information when shopping online.
10	Oliver (1993); Dabholkar et al. (2000)	Service quality	Service quality is the cause of consumer satisfaction.
11	Peter & Olson (1993)	Brand	Stronger consumer identification with a brand results in greater consumer satisfaction.
12	Faullant, Matzler, & Fuller (2008)	Brand	Higher brand image and the greatest satisfaction have the highest loyalty.
13	Bloemer et al. (1998); Caruana & Malta (2002); Dabholkar et al. (2000); colla et al. (2012)	Service quality	Demonstrate that consumer satisfaction mediates the effect of service quality on customer loyalty.
14	Huang et al. (2004); Schrank & Dubinsky (2006)	Brand	conclude that the presence or absence of a product's brand name affects online shoppers' perceived risk.
15	Park, Jaworski, & MacInnis (1986); Fournier (1998); Ailawadi, Lehmann, & Neslin (2003); Thomson, MacInnis, & Park (2005); Mizik & Jacobson (2008); Schau, Muñiz, & Arnould (2009); Park, MacInnis, Priester, Eisingerich, & Iacobucci (2010)	Brand	Customers can develop deep, meaningful relationships with a brand that result in increased brand purchase reduced consumer price sensitivity and lower marketing costs.

3. RESEARCH METHODOLOGY

A thorough Systematic literature review was undertaken to get an understanding of the different factors affecting e-commerce behavior on Indian consumers. By literature review, it was identified that while a lot of studies had been on this topic, there were very few studies that had adopted a comparative approach and a decision was taken to base the exploratory research on a conceptual approach. In this study,

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we have done a thorough literature review and a systematic analysis study of the previous papers that are directly or indirectly related to the topic. This article has its unique quality to compare the online consequences, in which we developed the theoretical model. It will help in getting a better understanding of online buying attributes.

We developed the relationships between the factors were evaluated and analyze to conclude how a brand, price, and service quality helps to maintain e-satisfaction and e-loyalty in Indian consumers. The problem much more based in the online environment and strategic part, we have tried to solve the problem in this study that which online factors are more responsible for the e-satisfaction and e-loyalty. This research paper focused on some major objectives, which will reveal the valuable base of information for the remedies of the problem, the following are some objectives. Firstly, to establish the relationship between e-loyalty and brand, price and service quality and Secondly to develop the relationship and to know the impact of these three crucial variables on customer's loyalty.

3.1. Development of Conceptual Model

The conceptual model was developed to examine the effects of the brand; price and service quality on Indian consumer's online shopping behaviors. The model mentioned above can be represented graphically or in narrative form to understand the main things, concepts or important variables (Vaughan, 2008). The framework is developed on the verge of existing information, thorough literature review, and it will provide more clarity to understand this paper. This model evaluates and analyzes Firstly, the influence of brand, price, and service quality on satisfaction towards online shopping and secondly, the impact of the relationship between these three crucial variables in online shopping to sustain and retain the Indian consumers (see Figure 1).

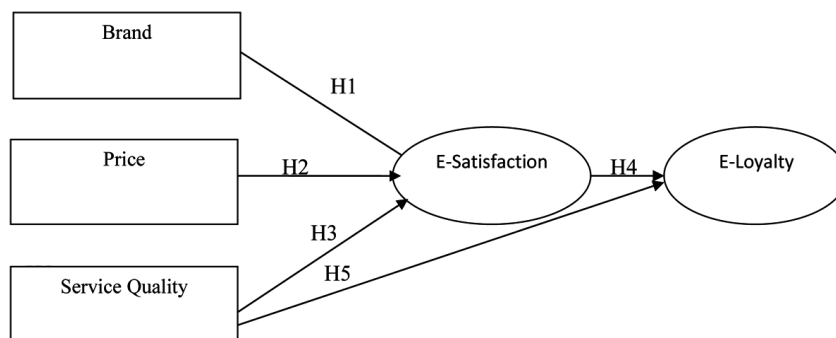
3.2. Conceptual Framework

Conceptual framework is shown in Figure 1.

3.3. Hypothesis Development

Based on the above model various hypotheses can be proposed and further tested to focus on the study. Following are the hypotheses of the research paper:

Figure 1. Conceptual framework



H1: Brand has a positive relationship with the consumer's e-satisfaction.

H2: Price has a positive relationship with the e-satisfaction.

H3: Service quality has a positive and relationship with e-satisfaction.

H4: e-satisfaction has a direct relationship with the e-loyalty.

H5: Service quality has a direct and positive relation with e-loyalty.

3.4. Hypothesis Testing

Firstly, there is a need to have a broad and systematic look towards the literature review that has done. A systematic review of literature also provides the new road for this study. There is also a need for a systematic review of literature because in India the online market is in a nascent stage and it has an enormous gap to fulfill, so to capture more and more market share the filtration of an important variable from various articles is required to strengthen the study. The facts from this would be beneficial for testing of hypothesis more accurately.

The Table 1 shows the summary of some closely related articles review and depicts which strengthen the research paper by assisting some crucial information and also provide the base to test the hypotheses. In most of the cases, authors discussed the particular problem and offered a solution to that problem by the research. All the required variables that are necessary for this study has been chosen from various research papers and mostly have discussed in uniform and the systematic way towards online variables in the e-commerce industry.

According to Table 2 which shows how authors have identified the different variables in online shopping. It also indicates that why authors have their prime concern towards the online buying behavior of the consumers and linkage between various variables in India. By making this table more fruitful and understandable, it has been drowning by segregating each and every research paper with their key variables to support this study.

- **H1: Brand has a Positive Relationship with the Consumer's E-satisfaction**

For testing, this hypothesis Table 2 shows the concrete reason that how the brand is important for the online shoppers to purchase products from the internet as it provides the reliability that the purchasing product would be of best quality and worthy. From the systematic literature review, we find that the 13% of the research were belong to branding and most of the authors are agree that brand has a positive relationship with satisfaction in online shopping. Hence, it is apparently presumed from Figure 2 that the brand plays a pivotal role in online purchasing, and, therefore, this relationship shows a positive effect on the consumer's e-satisfaction. Eventually, based on the above discussion it is clearly understood that the given hypothesis i.e. brand has a positive relationship with consumer's e-satisfaction is accepted.

- **H2: Price has Positive Relationship with the E-satisfaction**

To test hypothesis H2, the deep analysis is carried out to check the relationship between price and e-satisfaction in an online environment. Price remains a major issue in the marketing that what price should be set for the goods and services because there are biases about the price. Some of the consumers considered high price as a quality product while some of the consumers look for the cheaply priced product in online purchasing. Therefore, to explore this issue, this paper is comparing price variable

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Table 2. Shows some authors whose work is related to this study

Authors	e-commerce	Variables				
		Brand	Price	Service quality	e-satisfaction	e-Loyalty
Anderson, et al., (2003)	y	-	-	-	y	y
Arrif et al., (2013)	y	-	-	y	y	y
Audrain-Pontevia, et al., (2013)	y	-	y	-	y	-
Auh, et al., (2003)	-	y	-	-	-	y
Bloemer, (1998)	-	-	-	-	y	y
Carlson, et al., (2003)	y	-	-	y	y	y
Chen (2012)	y	-	-	y	y	y
colla, et al., (2012)	y	-	-	y	y	y
Cyr, et al. (2008)	y	-	-	-	y	y
Das, et al., (2009)	y	-	-	-	y	-
Donthu, et al. (1999)	y	-	-	y	y	y
Elkhani, et al., (2014)	y	-	-	y	y	y
Evanschitzky, et al. (2004)	y	-	-	y	y	y
Evanschitzky, et al. (2000)	-	-	-	y	y	y
Farley, et al. (1964)	y	y	-	-	-	y
Faullant, et al. (2008)	y	-	-	y	y	y
Fornell, et al. (1999)	-	-	y	y	y	-
Fortin, et al. (2002)	-	-	-	-	y	-
Fraering, et al., (2013)	-	-	-	-	y	y
Giovanis, et al., (2014)	-	-	-	y	y	y
Gommans, et al (2001)	y	y	y	-	-	-
Gong, et al., (2013)	y	-	-	-	y	-
Goode, et al. (2007)	y	-	-	-	y	-
Hand, et al. (2009)	y	-	-	-	-	-
Homburg, et al. (2001)	-	-	-	-	-	-
Huang, et al. (2004)	y	y	-	-	y	-
Human et al., (2015)	-	-	-	y	y	y
Imrie, et al. (2002)	-	-	-	y	y	-
Jayawardhena, et al. (2009)	y	-	-	y	-	y
Joshi, (2013)	-	y	-	-	-	y
Kandulapati, et al., (2014)	y	-	-	y	y	-
Kim, et al., (2009)	y	-	-	-	y	-
Kim, et al. (2012)	y	-	y	-	-	y
Korgaonkar, et al. (1999)	y	-	-	-	y	-
Koufaris, (2002)	y	-	-	y	y	y
Kuehn, (1962)	-	y	-	-	y	-
Kwon, et al. (2009)	y	y	-	-	-	-
Labrecque, et al. (2010)	y	y	-	-	y	-
Lee, et al., (2015)	-	-	-	-	y	-
Lee, et al. (2013)	y	y	-	-	y	-
Lichtenstein et al. (1993)	-	-	y	-	y	-

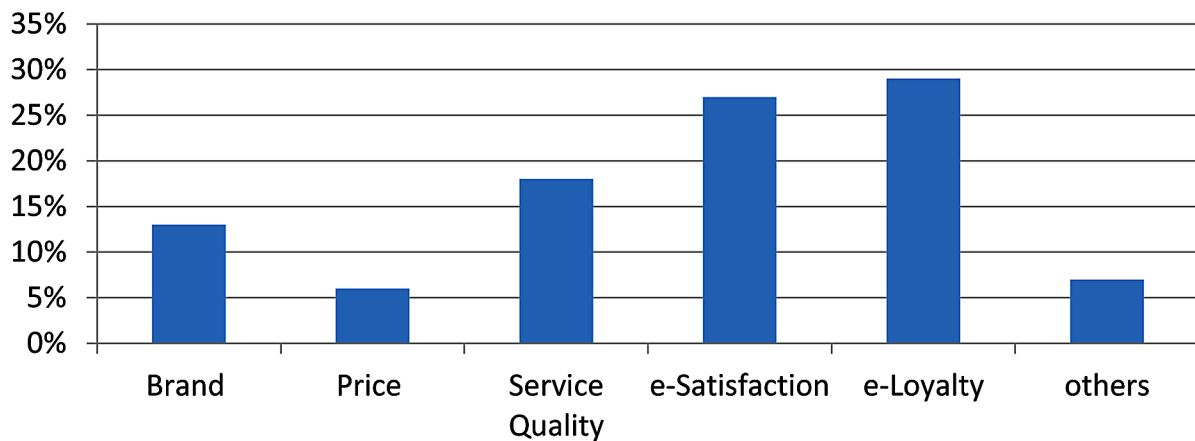
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Table 2. Continued

Authors	e-commerce	Variables				
		Brand	Price	Service quality	e-satisfaction	e-Loyalty
Lin, et al. (2011)	y	-	y	y	y	-
Loiacono, et al. (2002)	y	-	-	y	y	-
McKinney, et al. (2002)	y	-	-	y	y	-
Minarti, et al., (2014)	-	y	y	-	y	y
Mishra, (2009)	y	-	y	-	-	-
Mohammad, (2014)	y	-	-	y	y	y
Muniz, (2001)	y	y	-	-	-	y
Nayyar, et al., (2011)	y	-	-	-	y	-
Novak, et al. (2000)	y	-	-	y	-	-
Nowlis, et al. (2000)	-	-	-	-	y	-
Oliver, (1993)	y	-	-	y	-	-
Oliveira, et al. (2006)	y	-	-	y	-	y
O. Pappas, et al., (2014)	-	-	-	-	-	-
Overby, (2006)	y	-	-	-	-	-
Parasuraman, et al. (1985)	-	-	-	y	-	-
Parasuraman, et al. (1988)	-	-	-	y	-	-
Perea, et al. (2004)	y	-	-	y	-	-
Pinto, (2013)	y	-	-	-	y	-
Rakesh, et al. (2012)	y	-	-	-	-	-
Rastogi, (2010)	y	-	-	-	-	-
Reed, (1999)	y	-	y	-	-	-
Reibstein, (2002)	y	-	y	-	-	-
Rust, et al. (2000)	-	y	-	-	-	-
Schivinski, (2014)	y	y	-	-	-	-
Sharma, et al., (2015)	y	-	-	-	y	y
Shi et al., (2015)	-	-	-	y	y	y
Song, et al. (2012)	y	y	-	-	-	-
Swinyard, et al. (2003)	y	-	-	-	-	-
Szymanski, et al. (2000)	y	-	-	y	y	-
Tauber, (1972)	-	-	-	-	y	-
Thomas, et al. (2013)	y	y	-	-	y	-
Tontini, et al., (2015)	y	-	-	y	y	y
Uruena, et al., (2015)	y	-	-	-	y	y
Vyas, (2005)	y	y	-	-	-	-
Verma, et al.	y	-	y	y	-	-
Wolfenbarger, et al., (2003)	y	-	-	-	y	-
Xu et al., (2015)	-	-	y	-	y	y
Yoon, et al., (2013)	y	-	-	-	y	y
Zehir et al., (2014)	-	-	-	y	-	y
Zeithaml, (1982; 1988)	-	-	-	-	y	-
Zott, et al. (2000)	y	-	-	-	-	-

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Figure 2. The total number of research paper reviewed about 92



with another relevant variable. From the given Table 2, it is quickly told that from the total 92 papers review about 6% papers is concerned with the price and e-satisfaction. It has been observed that in the developing countries like India price is very crucial for the customers because they firstly fulfill their basic needs and then go for further extra benefits. At last, most of the researchers found that the price has a positive relationship with the e-satisfaction and hence hypothesis H2 is accepted.

- **H3: Service Quality has the Positive Relationship with E-satisfaction**

Service quality is found to be an important variable in online shopping by various authors.

According to the Table 2 and Figure 2 about 18% of the perpetrators discussed this issue in details they found that good service quality attracts the new customer as well as maintain the already existed. Literature review suggests that the most of the authors have discussed service quality in their research and through their analysis, it is clear that service quality is an important factor for e-satisfaction. Finally, it can be said that the hypothesis H3 i.e. service quality has a positive relationship with e-satisfaction is accepted.

- **H4: E-satisfaction has a Direct Relationship with the E-loyalty**

E-Loyalty is also a significant variable in sustaining the customers online; it is one of the prominent issues in e-commerce to persist the consumers because of the cut-throat competition in the e-commerce sector. Here comes the role of e-satisfaction and it helps in maintaining the online customers. According to the literature review and systematic analysis about 27% of the authors discussed e-loyalty. So, at the end the hypothesis i.e. e-satisfaction has a positive relation with e-loyalty is accepted.

- **H5: Service Quality has Direct and Positive Relation with E-loyalty**

By Table 2, it is clearly understood that the primary and dominant factor in e-loyalty is found to be service quality that is proved by many authors. The literature analysis suggests that in above mentioned three important variables the most important variable is service quality because it is not only positively

related with the e-satisfaction but also with the e-loyalty. Many authors included service quality as one of the important variables in their study and hence it is concluded that the hypothesis 5 i.e. service quality has a positive as well as the direct relationship with e-loyalty, so this hypothesis is accepted.

4. RESULTS AND DISCUSSION

This study focuses on the online buying attributes and builds the relationship between the two most significant consequences of online consumer behavior. Overall the results of the study provide the literature review support for the conceptual model that links the brand, price, and service quality to e-satisfaction and further to the e-loyalty. This study provides a new perspective into e-service quality as it is one of the most important variables in online shopping. We conclude that there are positive relationships between brand and e-satisfaction while the price has a less positive relationship with e-satisfaction. Also, we believe that the service quality has an active and prominent relationship with e-satisfaction as well e-loyalty. From the systematic review, we understood that if a customer is satisfied with goods and services he remains loyal to that particular product. So e-satisfaction has a positive and direct relationship with e-loyalty. From the systematic analysis of the research papers, we found that there were various other relevant findings, which are imperative. About 92 research papers have been taken to bring the result, and these research papers are first from the study point of view, and these all articles are drawn from the prestigious journals. About 31 journals out of 92 are found to be relevant to the e-satisfaction and authors are found to be more focused in e-satisfaction. After the analysis of the papers, it is concluded that 13% of the researchers focused on the brand, about 6% are focused on the price while 18% of the researchers are discussed the service quality in e-commerce sectors. In spite of that many authors also find some other relevant variables, which are also essential such convenience, trust, and security, internet expertise and e-value, etc.

5. MANAGERIAL IMPLICATION AND CONCLUSION

This study has important implication for marketing manager in online shopping. The research findings can be generalized to the younger population widely. This research paper can be helpful for various communities such as academicians, scholars, and industries. The finding of the study can also help marketing managers to understand the online buying behavior so that they can focused more to satisfy the customers. Online shopping websites have developed their web model with low prices and discounts. On the contrary, the outcome suggests that consumers shopping through online sites may not necessarily be affected by the cost of the product. Therefore, the results of the study may be interpreted keeping in mind that customers may be browsing the websites to analyze the discounts offered. While a marketer would be wise to take this eventuality into account when planning for their online marketing strategy. Our research corroborates the positive and direct link between e-satisfaction and e-service quality and its consequences. Thus it would seem that marketers would want to focus more on service marketing in online shopping.

The real purchase activity may not be dependent on good deals or low price. The focus on discounts and offers may not be a standard model in retaining consumers. The competitive strategy must be de-

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veloped to remain in this highly complex environment. This information can provide valuable inputs about understanding Indian consumers' online behavioral tendencies.

Many researchers found in their study that the online shopping has ravishing future in India. In fact, perception towards online buying is getting better in India. Findings suggest that consumers are branding conscious. Further, they look for opportunities to buy well-known brands at best possible prices.

With the use of the internet, customers can purchase anywhere, anything and anytime with easy and safe payment options. Consumers can compare while shopping between products, as well as, online stores. Some of the Indian consumers are found to be more attractive towards the online convenience benefits. Most of the Indian customers are interested in buying the branded products from the internet rather than a local one. Finally, the three variables play a pivotal role in the e-satisfaction and e-loyalty, out of which the Indian customers are price sensitive but with the help of price, online website companies cannot sustain their customer anymore, so brand factors and service quality are also equally important as the price. On the other hand, service quality has found to be most important as compared to rest of the two variables.

6. LIMITATION AND FUTURE SCOPE

Although we followed a rigorous methodology, our study has several limitations. First, we have focused only on the three attributes (brand, price, and service quality) of the online buying behavior while other attributes like trust are also an important factor (Kim, et al., 2009). Future research should incorporate more online attributes. Second, the paper is based on secondary data and there is a lack of empirical comparative studies. Still there is a need for empirical research on this topic and should also focus on the security, perceived value, and website features to strengthen the finding of the study. Third, this study does not take into consideration demographic factors such as income, education and Internet browsing behavior of the respondents. The findings of the earlier study indicate that other attributes are also important for a future study like internet expertise, perceived usefulness, and perceived ease of use.

Prior research on Internet shopping in India suggests that Internet behavior of Indians is limited to browsing. Fourth, moreover, browsing the only internet may not necessarily get converted to shopping and other factors apart from branding, price and service quality in determining online shopping behavior need to be identified. Finally, this study examined the relationship between brand, price, and service quality, but some other factors such as website, layout, product displays and modes of payment, and Internet-savvy behavior could possibly influence the relationship, so they can be included for further research.

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Chapter 7

Relationship Marketing as a Mediating Role Between Brand Image and Customer Loyalty in B2B Markets: Evidence From a Manufacturing Company

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ABSTRACT

The purpose of this paper is to examine how brand image, value equity (conceptualized as relationship value), and relationship equity (conceptualized as relationship quality) and customer loyalty play a vital role in the Egyptian business to business market-and to test it empirically in agricultural business customers of chemical manufacturer with respect to their main supplier. A structured questionnaire was developed. The hypotheses were simultaneously tested on a sample of 328 customer-supplier relationships out of 603 distributed, giving a response rate of 54.4 per cent. The structural equation modelling technique was used to empirically test the proposed hypotheses. The findings of this study show significant positive relationships and impacts among the factors under investigation. Also, relationship equity and value equity act as mediators in the link between brand image and customer loyalty.

INTRODUCTION

Over the past years, many marketing scholars realized the dramatic change in the ways that business organizations deal with each other, and with suppliers (Abdelsalam, 2015; Caceres and Paparoidamis, 2007; Christopher et al., 1991; Ellram, 1995; Han et al., 1993; O'Neal, 1989). This change occurred because of the agreement that coordination between buyer and seller represent a source of competitive advantage (Berry & Terry, 2008; Caceres & Paparoidamis, 2007; Chen & Myagmarsuren, 2011; Ganesan, 1994; Morgan & Hunt, 1994; Ulaga, 2003; Ulaga & Eggert, 2006 a, b; Vandenbosch & Dawar, 2002). Conse-

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quently, many organizations understood the importance of customer relationship marketing management as an exciting area that can create and deliver value in business-to-business relationship by focusing on establishing, attracting, maintaining and enhancing long-term relationships with customers beyond merely selling products (Abdelsalam, 2015; Caceres & Paparoidamis, 2007; Cater & Cater, 2009 a, b; Chen and Myagmarsuren, 2011; Holmlund & Kock, 1996; Hutt & Speh, 2004; Jayachandran et al., 2005; Lacey & Morgan, 2009; Ross et al., 2009; Sheth & Parvatiyar, 1995; Ulaga & Eggert, 2006 a, b; Verhoef, 2003; Zablah et al., 2004). There is no doubt that customer relationship marketing management was already a hot topic in services by the mid-1980s – and is still – a topic of high interest for both academics and practitioners. Only recently has the concept achieved widespread attention in business practice under the rubrics of “1-to-1 marketing” and “CRM” (Crosby, 2002; Dimitriadis & Stevens, 2008). The objectives in relationship marketing are to establish, attract, maintain and enhance customer relationships (Sheth & Parvatiyar, 1995). Establishing a relationship involves giving promises; maintaining a relationship is based on fulfilment of promises, and enhancing a relationship means a new set of promises are given with the fulfilment of earlier promise as a prerequisite (Owusu-Frimpong, 2001). Caceres and Paparoidamis, (2007, p. 836) stated that “establishing a relationship with customers is divided into two parts. The first part is to attract the customer and the second is to build the relationship with that customer so that the economic goals of that relationship are achieved”. The major basic principles upon which relationship marketing is build are value, trust and commitment; the greater the level of customer satisfaction with the relationship-not only the product and the service offered by the organization-the greater the level of customer loyalty to that organization (Chen & Myagmarsuren, 2011; Izquierdo et al., 2005; Rigby et al., 2002). The major thrust of relationship marketing is to create high levels of value that can be mutually beneficial by which they can achieve high level of satisfaction through collaboration and coordination of the parties involved (Caceres & Paparoidamis, 2007; Chen & Myagmarsuren, 2011; Eggert et al., 2006; Johnson et al., 2006; Leone et al., 2006; Low and Johnston, 2006; Payne et al., 1995; Raimondo et al., 2008; Ryssel et al., 2004; Saura et al., 2009; Ulaga and Eggert, 2002, 2006; Walter et al., 2001). In Particular, Ulaga and Eggert (2006b, p. 313) point out that “relationship value must be included as a key element in models that analyze the buyer-seller relationship in the industrial context”. Furthermore, relationship value should be included as a key constituent when modelling business relationships. Indeed, “value creation and value sharing can be regarded as the *raison d’être* of collaborative customer-supplier relationships” (Anderson, 1995, p. 349; Ulaga & Eggert, 2006a, 2006b).

Although both academic and practitioners recognize the importance of relationship marketing and customer loyalty in developing long-term profitable relationships, still there is a gap in both the marketing literature and the empirical evidence regarding the mediating role of relationship marketing practices between brand image and customer loyalty in the business to business context (Berry, 1995; Chen & Myagmarsuren, 2011; Caceres & Paparoidamis, 2007; Dimitriadis & Stevens, 2008; Eggert et al., 2006; Goff et al., 1997; Gronroos, 1990; Opoku et al., 2008; Owusu-Frimpong, 1999; Paulins, 2008; Payne et al., 1995; Ryssel et al., 2004; Saura et al., 2009; Sheth & Parvatiyar, 1995; Slatten, 2008; Solent, 2006; Ulaga and Eggert, 2002, 2006; Vasconcelos, 2008; Walter et al., 2001). Most of the existing research papers have focused on end-consumer, rather than business customers (Caceres & Paparoidamis, 2004, 2007; Gwinner et al., 1998; Woo & Ennew, 2004, 2005). Since business to business contexts remain undefined and relatively unexplored, to address these interesting but unanswered questions, the researcher was motivated to conduct the present study to shed some light specifically in the issue of “relationship marketing as a mediating role between brand image and customer loyalty” in B2B contexts. The

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researcher focuses on three sets of factors. The first is brand equity conceptualised as brand image, the second is relationship marketing that is measure by value equity (relationship value) and relationship equity (relationship quality) and finally the third factor is customer loyalty.

The aims of this research are therefore to:

- Put various relational factors that have been widely used in the relationship marketing under the one umbrella of value equity (relationship value) and relationship equity (relationship quality) in B2B context.
- Establish a theoretical basis for evaluating a strategic increase in customers' perception of relationship value of products and its services specifically in terms of an increase in relationship value and quality and customer loyalty in B2B context.
- Examine this theoretical basis empirically in an agricultural business customer of chemical Egyptian manufacturer with respect to their main supplier.
- Explore how these three sets of factors are interrelated in B2B context.

The rest of the research paper is structured as follows. First conceptual background based on literature review and research hypotheses is presented. Second the research method that empirically tests the formulated model to establish the mediating role of relationship marketing between brand image and customer loyalty in B2B setting is presented. Finally, the empirical results, together with conclusions and managerial implications, are then discussed in the last section.

Conceptual Background and Research Hypotheses: Brand Image

In B2B markets, brand image is considered one of the important aspect of marketing research activities, branding, and market offering; but still there is no common approach to its conceptualization (Aaker, 1996; Agarwal & Rao, 1996; Burleigh & Sidney, 1955; Chahal & Bala, 2012; Cretu & Brodie, 2007; Dobni & George, 1990; Dobni & Zinkhan, 1990; Feldwick, 1996; Keller, 1993; Lee et al., 2011; Li et al., 2010; Malik & Naeem, 2011; Martinez & Pina, 2003; Ogba & Tan, 2009; Shanthi, 2006; Srivastava & Shocker, 1991).

Brand image has been defined as perceptions, understanding, thoughts and feelings about a brand as reflected by the brand associations held in consumer memory and derived from the sum total of brand related activities engaged in the organization (Chahal & Bala, 2012; Farquhar & Herr, 1993; Herzog, 1963; Im et al., 2012; Keller, 1993; Keller, 2003; Lee et al., 2011; Li et al., 2010; Malik & Naeem, 2011; Newman, 1957; Ogba & Tan, 2009; Roy & Banerjee, 2007). It is the set of all associations refer to any brand aspect within the consumers' memory (Aaker, 1991, 1996a, 1996b; Keller, 1993; Lee et al., 2011; Ogba & Tan, 2009). Keller (1993) and Ogba and Tan (2009) argued that these associations could originate from customers' direct experience or from information obtained on a market offering or due to the impact of a pre-existing associations with an organization had on consumers who do not have any particular ideas about a product and/or service used the brand image (or name) to infer its quality (Chen & Myagmarsuren, 2011; Lee & Ganesh, 1999). Thus, brand image is the overall mental picture that constitutes its uniqueness, strength and favourability in comparison to other brands (Faircloth, 2005; Lee et al., 2011; Li et al., 2010; Ogba & Tan, 2009). Consequently, the higher the brand image, the higher the consumer favourability, the stronger the influence the brand's message in comparison to

competitor brand messages (Hsieh and Li, 2008; Lee et al., 2011). Chen and Myagmarsuren (2011, p. 960) defined brand image as “a subjective perception, a mental representation of functional and non-functional information regarding the product or service.”

Relationship Value

Value is the key building block of relationship marketing (Abdelsalam, 2015; Cater & Cater, 2009b; Holmlund & Kock, 1996; Ulaga & Eggert, 2005) and relationship-based strategies in building a firm’s competitive advantage (Abdelsalam, 2015; Morgan & Hunt, 1994). Furthermore, Abdelsalam (2015, p. 36) & Holbrook (1994, p. 22) stated that “Value has usually been the fundamental basis for all marketing activity”. The concept of value is polysemous (Abdelsalam, 2015; Gallarza & Gil, 2006; Monroe, 1990; Ulaga & Eggert, 2006a, 2006b; Zeithaml et al., 1996).

Value is a subjective concept; Different customer segments perceive different values within the same product (Abdelsalam, 2015; Gallarza & Gil, 2006; Kortge & Okonkwo, 1993; Monroe, 1990; Ulaga & Eggert, 2006a, 2006b; Zeithaml et al., 1996). Value appears in various contexts, such as creating and delivering value to the customer, perceived value for the customer, and the value of customers for the organization and others (Abdelsalam, 2015; Payne and Holt, 2001). Value is the heart of social exchange theory (Abdelsalam, 2015; Thibault and Kelley, 1959), as customer perceived value is defined by Zeithaml (1988, p. 14) as “the trade-off between the benefits (“what you get”) and the sacrifices (“what you give”) in a market exchange”. Chen and Myagmarsuren (2011, p. 960) defined relationship value as “a cognitive evaluation of whether or not the exchange relationship with the relationship is rewarding”. Other researchers have pointed out that value is a perception relative to competition, a trade-off between benefits and sacrifices that can be multi-faceted (Abdelsalam, 2015; Lindgreen et al., 2006; Monroe, 1990; Saura et al., 2009; Ulaga & Eggert, 2006a, 2006b; Ulaga, 2003; Zeithaml et al., 1996; Zeithaml, 1988). To summarize these arguments value is simply quality and relationship value is simply the major thrust of relationship marketing. It should be mutually beneficial for both parties; otherwise the relationship will end (Abdelsalam, 2015; Caceres & Paparoidamis, 2007; Eggert et al., 2006; Payne & Holt, 2001; Ryssel et al., 2004; Saura et al., 2009; Ulaga & Eggert, 2002, 2006a, 2006b; Ulaga, 2003; Walter et al., 2001).

Ravald and Gronroos (1996, p. 29) differentiate between relationship value and episode value given that “a relationship consists of episodes” and the relationship itself might have a major effect on the total value perceived by the consumer. In a close relationship context, the customer will probably shift the focus from evaluating separate offerings – episodes – to evaluating the relationship as a whole. For Flint et al. (2002, p. 103) in the B2B interaction the perception of value materializes in “judgements or evaluations of what the customer perceives he has received from the seller”. In this framework, relationship value in B2B is conceptualized as: “the trade-off between the multiple benefits and sacrifices of the supplier’s supply, as perceived by the main deciders in the customer organization, taking into consideration the offers from the available alternative suppliers in a specific use situation” (Eggert & Ulaga, 2002, p. 110)

B2B transaction is a multi-dimensional construct, making it very difficult to evaluate (Abdelsalam, 2015; Vaaland et al., 2008). The evaluation of the core dimensions of these multi-dimensional factors affects other dimensions; reputation and trust are among the core dimensions (Abdelsalam, 2015; Cater and Cater, 2009a, 2009b; Saura et al., 2009).

Brand Image and Relationship Value

Several authors argued that brand image has not only immediate value but also act as a driver of long-term value by guaranteeing future revenue streams (Aaker, 1991, 1997; Chen and Myagmarsuren, 2011; Webb et al., 2000). As previously mentioned customers are concerned with how much they receive for what they give. If the upcoming reward is not as good as expected, customers are less likely to be responsive to the other party (Esch et al., 2006). Thus, the researcher can hypothesize that:

Brand Image Has a Positive Impact on Relationship Value: Relationship Quality

Relationship quality is crucial to organizational development in an industrial context, as well as a service context. Consequently, both researchers and practitioners were interested to understand, handle and measure relationship quality between firms and their customers, manufacturers, suppliers, distributors, salespeople and resellers (Bejou et al., 1996; Chen & Myagmarsuren, 2011; Han & Sung, 2008). Chen & Myagmarsuren (2011, p. 960) defined relationship quality as “a general assessment of relationship strength between two organizations and the extent to which a relationship meets the needs, wants and expectations of the other parties involved based on the history of successful or unsuccessful encounters and/or events.”

Although, there is, as yet, no clear consensus in the literature concerning the set of factors or dimensions that constitutes the construct of relationship quality (Bejou et al., 1996; Caceres & Paparoidamis, 2007; Crosby et al., 1990; Chen & Myagmarsuren, 2011; Dorsch et al., 1998; Garbarino & Johnson, 1999; Hennig-Thurau et al., 2002; Kumar et al., 1995; Smith, 1998; Ulaga & Eggert, 2002, 2006a, 2006b), the importance of satisfaction, trust “benevolence” and commitment as indicators of the higher-order construct of relationship quality has been conceptualized by various authors (Chen & Myagmarsuren, 2011; Caceres & Paparoidamis, 2007; Crosby et al., 1990; de Wulf et al., 2001; Dorsch et al., 1998; Dwyner et al., 1987; Hennig-Thurau et al., 2001, 2002; Hennig-Thurau & Klee, 1997; Hewett et al., 2002; Hibbard et al., 2001; Leuthesser, 1997; Roberts et al., 2003; Shamdasani & Balakrishnan, 2000; Ulaga & Eggert, 2002, 2006a, 2006b). Caceres & Paparoidamis (2007, p. 842) stated that “... Although these attitudinal factors are distinct, consumers tend to “lump” them together.” Relationship quality differs significantly from service quality and it is considered to be a better predictor of behavioural customer loyalty than service quality (Bennett & Barkensjo, 2005; Chen & Myagmarsuren, 2011; Ward & Dagger, 2007). In line with these previous researchers and studies, the current research paper therefore focused on satisfaction, trust and commitment as key indicators of relationship quality. Relationship satisfaction was captured from Dwyer et al. (1987); Ganesan (1994) and Anderson and Narus (1984, p. 66, 1990, p. 45) definition as a “positive affective state resulting from a firm’s appraisal of all aspects of its working relationship with another firm”. Trust was captured from Morgan and Hunt (1994, p. 23) definition as a situation “when one party has confidence in an exchange partner’s reliability and integrity”. Commitment was captured from Caceres and Paparoidamis (2007) and Chen and Myagmarsuren (2011) as the buying firm’s enduring desire to continue a relationship with the supplier (vendor)

Brand Image and Relationship Quality

Relationship quality development translates into customers’ relationships with a branded product and/or service. Equally, a strong brand image helps to control and stabilize its quality and value (Chen &

Myagmarsuren, 2011; Grewal et al., 1998). Several authors argued that brand image should be an antecedent construct to relationship quality as it serves as an indicator for quality. In other words, a strong brand image allow the linkage to an array of benefits and positive expectations by giving customers a package of information about a branded product and/or service for evaluation (Broyles et al., 2009; Brucks et al., 2000; Chen & Myagmarsuren, 2011; Kressmann et al., 2006; Teas and Agarwal, 2000). Thus, the researcher can hypothesize that:

H2: Brand image has positive impact on relationship quality

Relationship Value and Relationship Quality

Reasoned action theory of Fishbein and Ajzen (1975) suggested that cognitive variables are mediated by affective constructs to result in conative outcomes. In the current study, the cognitive relationship value and relationship quality plays a mediator role between brand image and customer loyalty. Despite the general agreement on the importance of both constructs whether in business to business or business to customers' relationships, there does not seem to be consensus on the way in which these constructs relate to each other (Hewett et al., 2002; Ulaga & Eggert, 2006a, 2006b). Caceres and Paparoidamis (2007), Gabarino and Johnson (1999), Morgan and Hunt (1994), Saura et al.(2009), Sigauw et al. (1998) and Ulaga and Eggert (2006a, 2006b) conceptualized trust as an antecedent of commitment, while Gundlach et al (1995) conceptualized commitment as an antecedent of trust in exchange relationships, finally trust and commitment are conceptualized as equal components without a causal relationship between them (Baker et al., 1999; Crosby et al., 1990; Dorsch et al., 1998; Lewin & Johnston, 2008).

Chen and Myagmarsuren (2011) in business to customer context argued that relationship quality is one of the major relationship marketing factors affecting customers' decision to expand and develop or withdraw and leave a relationship. They conceptualized relationship quality as an antecedent to relationship value. On the other hand, Ulaga and Eggert (2006a, 2006b) and Saura et al. (2009) in business to business context argued that relationship value is a performance-based construct that is the outcome of relationship quality and they conceptualized relationship value as an antecedent of relationship quality. Given the contradictory arguments of previous studies, the current study is investigating how relationship value affects relationship quality. Thus, the researcher can hypothesize that:

H3: Relationship Value has positive impact on relationship quality

Customer Loyalty

Customer loyalty have emerged as perhaps the most accepted and dignified relationship- marketing approach used by organizations to establish, maintain, create, develop, enhance and sustain valuable customer relationships (Abdelsalam, 2015; Lacey, 2009). Customer loyalty has been verified as the most valuable source of competitive advantage (Abdelsalam, 2015; Woodruff, 1997) for organisational profit, market share, success, survival and prosperity (Oliver, 1997; Abdelsalam, 2015). Customer loyalty in business to business context has not been clearly defined – regardless of the various ways of defining and measuring loyalty in a buyer market context. Oliver (1999, p. 34) defined loyalty as, "... A deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and market-

ing efforts having the potential to cause switching behaviour”. This definition confirms the two primary aspects of loyalty; the first is behavioural; and the second is attitudinal (Aaker, 1991; Abdelsalam, 2015; Assael, 1998; Day, 1969; Jacoby & Chestnut, 1978; Jacoby & Kyner, 1973; Oliver, 1999; Rauyruen & Miller, 2007; Tucker, 1964).

Heskett (2002: 355) describes loyalty as the “sine qua non of the effective business strategy”. The major crux of relationship marketing is that consumers like to reduce alternatives that constitute risk even if this risk is limited by engaging in an on-going loyalty relationship with organizations (Sheth & Parvatiyar 1995). Gremler and Brown (1996, p. 173) state that “loyalty is the degree to which a customer exhibits repeats purchasing behaviour from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider when a need for this service arises”. Different types of loyalty have been examined by different measurements. In general, behavioural loyalty is measured in terms of repurchasing rate, or purchase behaviour within a period of time. Affective loyalty is measured in terms of intention to continue a relationship with the regular supplier and by positive word of mouth or recommendations of that supplier (Zeithaml et al., 1996). This last approach to the measurement of loyalty has been broadly accepted and retained. Customer loyalty has been defined as a construct that measures the possibility that the customer will return and that he is ready to embark upon partnering activities such as word of mouth referrals (Abdelsalam, 2015; Bowen & Shoemaker, 2003; Rauyruen & Miller, 2007). Thus, behavioural loyalty can be defined for the purposes of the current research as the intention and willingness of the customer to continue a relationship with the supplier and repurchase the product. Jacoby and Chesnut (1978) state that behavioural loyalty reflects customer actions and measurement of past purchases of the same brand and/or the measurement of probabilities of future purchase given past purchase behaviours, while attitudinal loyalty is the level of the customer’s psychological attachments and attitudinal advocacy vis-à-vis the supplier (Abdelsalam, 2015; Jacoby & Chesnut, 1978; Rauyruen & Miller, 2007).

Various authors examined the effect of relationship value and relationship quality on customer satisfaction whether in business to business context or in business to customer context and found that both of them separately have a significant positive impact on customer loyalty (Abdelsalam, 2015; Caceres and Paparoidamis, 2007; Chen and Myagmarsuren, 2011; Saura et al., 2009; Ulaga and Eggert, 2006a, 2006b). Thus, the researcher can hypothesize that:

H4: Relationship value has positive impact on customer loyalty

H5: Relationship quality has positive impact on customer loyalty

Brand Image and Customer Loyalty

Brand image is considered an important driving factor of customer behaviour in terms of creating strong customer loyalty, corporate repurchase intention, positive word of mouth, great willingness to pay a price premium and a strong feeling of affiliation or liking (Burmam et al., 2008; Chen & Myagmarsuren, 2011; Davis-Sramek et al., 2009; Kwon & Lennon, 2009; Lee et al., 2011; Martenson, 2007)). As previously discussed brand image is considered to be the personal symbolic meaning associated with brand, which constitutes both descriptive and evaluative information (Aperia & Back, 2004; Chen & Myagmarsuren, 2011; Dobni & Zinkhan, 1990; Iversen & Hen, 2008; Lee et al., 2011; Ogba & Tan, 2009; Padgett & Allen, 1997). Various researchers argued that brand image has a positive impact on customer loyalty (Andreassen & Lindestad, 1998; Aydin & Ozer, 2005; Boo et al., 2009; Brunner et al., 2008; Dalakas &

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Levin, 2005; Fornell et al., 2006; Hart & Rosenberger, 2004; Hsu et al., 2013; Johnson et al., 2001; Kim & Kim, 2005; Lee et al., 2011; Malik & Naeem, 2011; Ogba & Tan, 2009; Zeithaml, 1988; Zins, 2001). Consequently, in the context of relationship marketing, brand image can potentially affect customers' loyalty towards the manufacturing company. Thus, the researcher can hypothesize that:

H6: Brand Image has positive direct impact on customer loyalty

H7: Relationship value mediates the relationship between Brand Image and customer loyalty

H8: Relationship quality mediates the relationship between Brand Image and customer loyalty

Research Questions and Model of the Study

See the conceptual model of the study in Figure 1. The purpose of the research was to answer the following questions:

1. Is there a significant positive impact between brand image and value equity (relationship value), relationship equity (relationship quality) in B2B context?
2. Is there a significant positive impact between value equity (relationship value), relationship equity (relationship quality) and customer loyalty in B2B context?
3. Is there a significant positive impact between value equity (relationship value) and relationship equity (relationship quality) in B2B context?
4. Is there a significant positive impact between brand image and customer loyalty in B2B context?
5. Do value equity (relationship value), relationship equity (relationship quality) as a mediator have a significant positive impact between brand image and customer loyalty in B2B context?

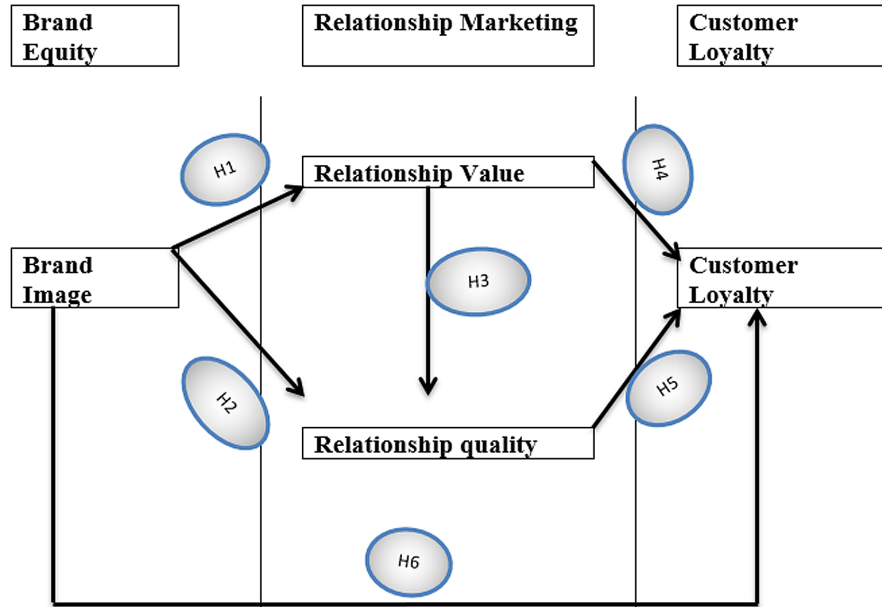
RESEARCH METHODOLOGY

Sample and Data Collection

The basic purpose of this research paper is to analyse (1) the direct impact of brand image on relationship value, relationship quality and customer loyalty in B2B context; (2) the direct impact of relationship value and relationship quality on customer loyalty in B2B context; (3) the direct impact of relationship value on relationship quality in B2B context; and (4) the indirect impact of relationship value and relationship quality as a mediator between brand image and customer loyalty in B2B context.

In order to study the proposed causal relationships and answer the research questions, aims and objectives, the researcher analysed the corporate customers of an Egyptian agrochemical manufacturer, to determine how they perceive their relationship with their main supplier on the basis of a questionnaire as an instrument for data collection. In an effort to control against disproportionate representation, the list of customers to be included in the survey was selected randomly from the host agrochemical manufacturer's database that contains all the financial and non-financial data for all of its corporate customers. Survey participants were selected based on the volume of purchasing and the length of the relationship with the main supplier (manufacturer). For the purpose of confidentiality, the name of the agrochemical manufacturer is not disclosed.

Figure 1. The conceptual model of the study



The surveys were mailed to 603 of the company’s most profitable B2B partners. They contained a questionnaire along with a postage-paid business reply envelope. The cover letter requested the participation of the person responsible for managing buyer-seller relationships (such as director of procurement, director of marketing, director of sales, director of logistics operations, director of supply chain management, senior buyer or purchasing manager).

By this way, the researcher assured to get in contact with the right responsible person that will be able to express their opinions regarding the constructs under investigation. A telephone call was made by the researcher as well as by the CEO and owner of agrochemical manufacturer three weeks to confirm that that they received the survey. A second telephone reminder was made five weeks after the first one and the third final call was made four weeks before the due date. Data collection took place from 1 March to mid of August 2016, achieving 328 valid questionnaires (i.e., responses with no missing values), for a response rate of 54.4 percent. It may be mentioned here that a sample size is considered to be small, when N is less than 100, medium when N is between 100 and 200 and large when N is greater than 200 (Kline, 2005; Palaima & Auruskeviciene, 2007). Consequently, the survey sample size is considered sufficient and satisfactory. Of the valid respondents, 45 per cent had an annual sales volume above LE 1 million per year, 30 per cent had an annual sales volume from LE 500,000 to more than LE 1 million per year and 25 per cent had an annual sales volume less than LE 500,000. In terms of age of the company, 42 per cent of the companies had been in business for 15 years or more, 34 per cent from 10 years to less than 15 years, and 24 per cent from five years to less than ten years. In terms of number of employees 56 per cent of the sample had 500 employees or more, 32 percent had from 100 to less than 500 employees, 12 per cent had less than 100 employees.

Questionnaire Design, Development, Scale, Coding, and Translation Procedures

The survey instrument was developed specifically to investigate the qualities of the relationships and effect in the B2B agrochemical sector in Egyptian markets. The literature review suggested the use of multi-item scales. Thus, rather than designing a questionnaire from scratch, the researcher decided to modify reliable and valid scales for each factor under investigation, which will be illustrated in Table 1. The reliability and validity of these scales in a less developed country, such as Egypt, was then measured. Responses were coded and entered into SPSS version 20 using appropriate coding—for example, 1-to-5 answers on a Likert scale (5 for ‘strongly agree’ to 1 for ‘strongly disagree’). The second step was to re-code the variables that were reverse-scored (as mentioned in the original scales) prior to any statistical analysis.

Appropriate steps were taken to establish linguistic equivalence of the questionnaire in Arabic. First, the researcher translated the questionnaire, and then two colleagues reviewed it. Some changes were made as a result of their comments. Brislin (1980), Hui and Triandias, (1985), Newmark (1988), and El-Kot (2001) suggest back-translation as a useful test of the accuracy of the translated statements. The back-translation was made by a professional translator from the language department at the Arab Academy for Science and Technology and Maritime Transport from Arabic to English and was cross-examined by another professional, a native speaker of English, who compared the original English questionnaire and the back-translated questionnaire. Any major differences were corrected in order to ensure semantic matches between the two versions (Kivimaki et al., 1997; El-Kot, 2001). The draft questionnaire was given to five faculty members with knowledge of the relationship field in the marketing departments in the Arab Academy for Science and Technology and Maritime Transport and Alexandria University, and to others with expertise in questionnaire design, for their comments. This was done to ensure that all items in the questionnaire were appropriate and that its content was clearly stated. They were also asked to indicate whether the questions reflected the domains under scrutiny and whether they were applicable to the targeted population, to ensure understanding and consistency. The detailed review and validation resulted in only minor changes to the items being measured. The research instrument was then deemed to measure the concepts adequately, thus providing assurance of content and face validity. For the pre-test of the questionnaire, the researcher randomly selected 60 corporate customers. The reliability test revealed that all the items had been well understood by the respondents.

Instrumentation

The survey instrument used in this study comprised four established scales. The measure of brand image was adapted from Brodie et al. (2009) and Chen and Myagmarsuren (2011). Relationship value was adapted from Ulaga and Eggert (2006b), Saura et al., (2009), and Chen and Myagmarsuren (2011). Relationship quality was adapted from Ural (2009) and Chen and Myagmarsuren (2011). The B2B customer loyalty scale was adapted from Caceres and Paparoidamis (2007), Palaima and Auruskeviciene (2007), Cater and Cater (2009b), Saura et al., (2009), Vogel et al. (2008), and Chen and Myagmarsuren (2011).

ANALYSIS AND RESULTS

Measurement Model

The hypotheses are verified using the structural equations models technique, following Anderson and Gerbing (1988), Saura et al. (2009) and Chen and Myagmarsuren (2011) procedures. The first procedure is to examine the quality of the construct measurements, by conducting exploratory (EFA) and confirmatory (CFA) factor analysis. The second procedure is to examine the conceptual model which will provide valuable information on the relationships between the constructs under investigation. Measurement scale reliability can be confirmed by the values of the respective Cronbach's α statistics for the factors under investigation. Also, construct convergent and discriminant validity for the factors under investigation were confirmed. The researcher used statistical software SPSS 20 and AMOS 20 selecting the principal component estimation method in SPSS 20 for the EFA and the maximum likelihood estimation method in AMOS 20 for the CFA. However, due to their factor loadings being <0.5 , three items were eliminated including two brand image items "the main supplier are imaginative" and "the main supplier are spirited" and one item of relationship quality "I certainly like the main supplier". The modified confirmatory (CFA) factor analysis with remaining items was then estimated. According to the goodness-of-fit indices from CFA, the modified measurement model proves parsimonious chi-square statistic 203.816 is significant with degrees of freedom (DF = 112), the ratio of the chi-square value to degrees of freedom (1.82) is less than the cut-off value of 3. Furthermore, other indices such as CFI (0.981), NFI (0.959), GFI (0.934), and AGFI (0.909) are greater than the recommended value of 0.9. The root-mean-square error of approximation (RMSEA) is 0.050, which is <0.10 (Hair et al., 2006). Table 1 will illustrate the EFA, CFA, and Cronbach α results.

To analyse convergent validity, that is, the scale items are strongly related and significant (above 0.5 on averages). Table 1 shows that these results indicate that the measurement model has good convergent validity, furthermore, the reliability coefficients (Alpha) for all the constructs under investigation are within the acceptable level of reliability coefficients in social research. Thus, they are considered safely above the limit of acceptability for social research.

After confirming convergent validity, the author proceeded to check discriminant validity, that is, the scales do not measure constructs other than those intended. In reference to discriminate validity Fornell and Larcker (1981) suggested it to be secured for two particular constructs when the AVE values of each of these constructs are greater than the coefficient determination (r^2) of the constructs. This was done by observing the inter-construct correlations between them (Table 2) whereby a squared root of AVE for each construct is greater than the correlation coefficients of the corresponding inter-construct correlations, confirming discriminant validity (Fornell and Larcker, 1981).

As shown in Table 2 that showed the four research constructs there are no issues regarding the discriminate validity, therefore, the researcher can conclude that all the variables under investigation are significant, secured and thus safely above the limit of acceptability for social research.

Structural Model and Hypothesis Tests

A structural equation model was applied to estimate the relationships between brand image, relationship value, relationship quality and customer loyalty using the statistical software AMOS 20 selecting the maximum likelihood estimation method.

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Table 1. EFA, CFA, and Cronbach α results of the constructs under investigation

Constructs Items	Standardized factor loading (EFA)	Standardized factor loading (CFA)	Construct reliability (α)	Average variance extracted (AVE)	Kaiser-Meyer-Olkin (KMO)	Bartlett's test of Sphericity	
Brand image							
The main supplier think outside the box	0.861	0.756	0.875	79.967	0.722	Approx. Chi-square	520.579
The main supplier are warm and engaging	0.919	0.902				df	3
The main supplier are up to date	0.902	0.856				Sig	0.000
Relationship value							
The main supplier adds more value to the relationship as a whole	0.792	0.592	0.822	65.459	0.718	Approx. Chi-square	516.716
We gain more in our relationship with the main supplier	0.863	0.944				df	6
The relationship with the main supplier is more valuable	0.803	0.569				Sig	0.000
The main supplier creates more value for us when we compare all the costs and benefits of the relationship	0.775	0.717					
The main supplier gives me a feeling of confidence (trust)	0.815	0.692	0.915	70.307	0.835	Approx. Chi-square	1574.762
I have the feeling that the main supplier is trustworthy (trust)	0.815	0.673				df	15
The main supplier has always been courteous and friendly (commitment)	0.828	0.807				Sig	0.000
I have a clear commitment towards the main supplier (commitment)	0.828	0.837					
I am very satisfied with the main supplier (satisfaction)	0.878	0.861					
I have a favourable opinion about the main supplier (satisfaction)	0.865	0.867					
Customer loyalty							
I intend to continue buying this supplier's products in the future.	0.933	0.891	0.953	87.896	0.856	Approx. Chi-square	1424.831
The next time I need the same type of product I shall purchase it from the same supplier.	0.921	0.869				df	6
I shall continue buying from this supplier more frequently in the future.	0.937	0.927				Sig	0.000
I will probably buy products from this supplier again	0.959	0.963					

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Table 2. Correlation Coefficient between Brand image, relationship value, relationship quality and customer loyalty

s	Factors	1	2	3	4
1	Brand Image	0.89			
2	Relationship Value	0.628*	0.81		
3	Relationship Quality	0.777**	0.626*	0.84	
4	Customer Loyalty	0.796**	0.701*	0.817**	0.94

Note: Square root of average variance (AVE) is shown on the diagonal of the matrix; inter-construct is shown off the diagonal

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Table 3 and Figure 2 show the proposed conceptual model, with standardized path coefficients regression weights. The fit measures indicate that the proposed model fits the data well:

Chi-square statistic 295.656 is significant with degrees of freedom (DF = 107, n =328), the ratio of the chi-square value to degrees of freedom (2.763) is less than the cut-off value of 3.

Furthermore, other indices such as CFI (0.967), NFI (0.950), GFI (0.904), and AGFI (0.862), all are greater than the recommended value of 0.9 except AGFI, however, it is within the acceptable level for social science. Furthermore, the root-mean-square error of approximation (RMSEA) is 0.073.

The impacts of brand image on relationship value and relationship quality are found to be significantly positive (0.845 at 0.0001) and (0.475 at 0.0001) respectively, indicating that H1 and H2 are supported. Furthermore, the impact of relationship value on relationship quality is found to be significantly positive (0.501 at 0.0001) indicating that H3 is supported. Similarly, the impacts of relationship value and relationship quality on customer loyalty are found to be significantly positive (0.286 at 0.0001) and (0.419 at 0.0001) respectively, indicating that H4 and H5 are supported. Also, it was found that the direct impact of brand image on customer loyalty to be significantly positive (0.240 at 0.007), indicating that H6 is supported.

Total, Direct, and Indirect Effects on Customer Loyalty

Table 4 shows the measured impact on customer loyalty relationships. The total effect – the sum of direct and indirect effects- of brand image on customer loyalty is 0.858 is significant, however indirect effect is larger and significant (0.618) than direct effect (0.240). These results imply that relationship value

Table 3. Key Parameters of the structural model

	Hypothesis	Regression coefficient	t-value	Significance
H1:	Brand image → Relationship value	0.913	17.409	Supported
H2:	Brand image → Relationship quality	0.444	6.497	Supported
H3:	Relationship value → Relationship quality	0.434	6.791	Supported
H4:	Relationship value → Customer Loyalty	0.326	3.422	Supported
H5:	Relationship quality → Customer Loyalty	0.552	3.475	Supported
H6:	Brand image → Customer Loyalty	0.295	2.684	Supported

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Figure 2. The standardized regression weights path coefficients of the conceptual model of the study

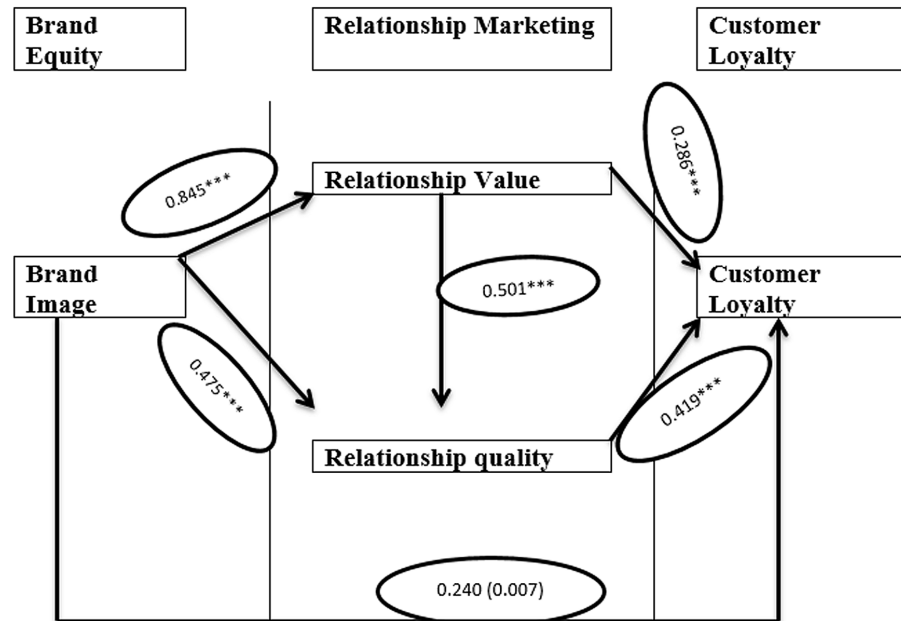


Table 4. Total, direct, and indirect effects on customer loyalty

Path	Direct effect	Sig	Indirect effect	Sig	Total effect	Sig
Brand image → Relationship Value	0.845	0.000			0.845	0.000
Brand image → Relationship Quality	0.475	0.000	0.423	0.000	0.898	0.000
Relationship Value → Relationship Quality	0.501	0.000			0.501	0.000
Relationship Value → customer loyalty	0.286	0.000	0.210	0.000	0.496	0.000
Relationship Quality → customer loyalty	0.419	0.000			0.419	0.000
Brand image → customer loyalty	0.240	0.000	0.618	0.000	0.858	0.000

and relationship quality acts as a mediator between brand image and customer loyalty. Thus, H7 and H8 are supported. The second step is to identify which one of them (relationship value and / or relationship quality) has a stronger impact on customer loyalty. The results of Table 4 showed that relationship value has a stronger impact as a mediator on customer loyalty than relationship quality.

CONCLUSION

Customer relationship marketing management aims to do business with a group of key valued suppliers, with whom they wish to maintain true relationships, not mere transactions. Understanding what makes B2B relationships lasting and stable is one of the main areas of academic as well as practitioner

interest in the study of corporate relations (Chumpitaz & Paparoidamis, 2007; Saura et al., 2009). The main aims of the current study are to fill a previous gap in the business-to-business area by introducing a theoretical basis to gain a better understanding of how corporate customers' perceptions of brand image influence relationship marketing perspectives (relationship value and relationship quality) and customer loyalty, and to examine this theoretical basis empirically. The usefulness of the current study lies in providing evidence to make helpful recommendations for future practices in B2B environment. Structural equation modeling provides results that contribute to the literature of customer relationship marketing management in business markets in several significant points. First, establishing, maintaining, developing, enhancing, and sustaining loyalty, especially in business-to-business market settings, is not easy to achieve. From a theoretical perspective, the current study integrates all aspects of brand image, relationship value, relationship quality, and B2B customer loyalty, in a B2B model investigating cause-effect links among them, which responds to a research gap noted in the literature (Ulaga & Eggert, 2006a; Ryssel et al., 2004; Saura et al., 2009), being relationship value partially a new variable in the field. To the author's knowledge, there have been few research papers that examine the corporate customers' perception of brand image in business relationship in Western countries, and it is the first such study in a developing country such as Egypt.

Second, the current study emphasizes the role of relationship marketing (relationship value and relationship quality) in building strong sustainable long-lasting relationships with suppliers and supplying firm. Relationship value contributes to generate trust, satisfaction, and commitment that constitute relationship quality with the supplier relationship to achieve business-to-business loyalty. Also, relationship value and relationship quality have proved to mediate in predicting loyalty, nevertheless relationship value has a stronger impact as a mediator than relationship quality. Third, the findings of the current study confirm the direct significant effect of brand image on perceptions of relationship value and relationship quality does not differ in importance. In other words, corporate customers' evaluation of a brand transferred through corporate integrated marketing communication channels strongly influence their judgements about the trade-off between benefits and costs as well as their experience regarding trust, satisfaction, and commitment incurred in a purchasing relationship, as proved in several previous studies (Henning-Thurau & Klee, 1997; Low & Johnston, 2006; Macintosh, 2007; Ulaga & Eggert, 2006a; Ryssel et al., 2004; Saura et al., 2009).

The current study supported that relationship value has a positive impact on relationship quality. This result revealed that consistently offering superior value has a favorable impact and helps to generate trust, satisfaction, and commitment, as consistent with several previous studies (Abdelsalam, 2015; Doney & Cannon, 1997; Eggert & Ulaga, 2002; Ganesan, 1994; Gilliland & Bello, 2002; Kumar et al., 1995; Lin et al., 2005; Morgan & Hunt, 1994; Saura et al., 2009; Sullivan & Peterson, 1982; Ulaga & Eggert, 2006a, 2006b). Fourth, relationship value and relationship quality are mediated between brand image and customer loyalty. Chen and Myagmarsuren (2011) and Kwon and Lennon (2009) mentioned that in order to enjoy benefits of customer loyalty such as reduced costs, increased revenues, positive word-of-mouth, re-patronage intentions; organizations should emphasize on brand image, loyalty cards, customer trust, satisfaction, and commitment and excellent service quality.

In fact, in the relationship marketing management domain, creating relationship value and quality have become the most significant source of competitive advantage. Both parties benefit in terms of high value, better quality, enhanced satisfaction, trust, and commitment with their main supplier purchases relationships, greater sales volumes, positive word-of-mouth, expansion re-patronage intentions, positive

feedback and decreased marketing expenses and withdrawal opportunities or switching to other supplier as indicated by the relationship value to be a positive function of relationship quality.\

The significant causal relationships in the current study show the following sequence: Brand image → Relationship value → Relationship quality → Customer Loyalty

These sequences highlight the importance of having a coordinated customer relationship marketing management program that integrates these constructs to achieve a sustainable long-lasting loyalty.

Managerial Implications and Recommendations

The current study reveals some implications for managing, developing and enhancing business relationships so as to create a competitive advantage. Brand image is of primary importance in maintaining relationship value, satisfaction, trust, commitment that constitutes relationship quality to achieve a sustainable long-lasting loyalty. Organizations and managers should concentrate on creating and maintaining a clear vision for developing brand image in their strategies, policies, rules, and procedures that directly influence relationship value and relationship quality at a level that exceeds corporate customers' expectations. Furthermore, relationship value is important to relationship quality in predicting customer loyalty. Relationship value is one of the key strategic issues for organizations to consider when establishing, maintaining, developing, enhancing long-term relationships with their corporate customers to an extent if ignored could go out of business. For long-term relationship success, organizations should be deliberate in seeking feedback from their satisfied and committed customers. Also, relationship value is a significant driver of customer loyalty. Organizations should meet customers' expectations by considering the evaluations of costs; what is given up (price) and benefits; what is received in return (value) within a relationship.

Research Limitations

The current study offers insights into the relationships between the constructs under investigation and provides a clear understanding of the importance and critical role of business relationship markets. Nevertheless, the findings must be tempered by several limitations. First, the researcher examined only the customer's perspective in the perception of value. The supplier's perspective can be different and potential difference and gaps between the perceptions of the two parties should be examined. Second, the current study is limited to one international manufacturing company; thus, the findings may have limited applicability to other B2B markets. Third, the sample is composed of well-educated and affluent respondents. Future research could include interviews with another segment of customers who may be less educated but experienced farmers. Fourth, although the analysis of cross-sectional data via quantitative methods is considered valuable, it does not reveal the reasons for those relationships. Therefore, using qualitative along with quantitative research, such as focus groups and/or structured or semi-structured interviews, would offer richer information about the causes of B2B relationships. Longitudinal studies might also offset the disadvantages of cross-sectional research. Fifth, the current research was conducted in Egypt; cultural factors may enter into the results. Despite the care that was taken in the translation of scale items, accurate linguistic equivalence between the original scales and the translated ones cannot be guaranteed. Egyptian cultural standards tend to be collectivistic, which may produce some systematic biases in their responses. However, despite these potential problems, the researcher has no reason to believe that the theoretical relationships measured in the Egyptian sample

here would differ from findings in other countries. Sixth, there may be doubt about the generalizability of these findings beyond the company in which the data were collected. It might be beneficial to obtain data from other types of organizations in the same industry, or even different industries, to see whether this model can be generalized. Overall, this research's measurement results were satisfactory in terms of reliability and validity, but there is definitely a need for further work.

Direction for Future Research

Future research can be designed to overcome these limitations. A number of researchers have recommended including additional variables, such as brand image and reputation, brand equity, dependency, environmental variables such as socioeconomic value, technological value, political values such as governmental regulations and policies, demographic variables, and personal characteristics (Cater & Cater, 2009a, b; Paulssen & Birk, 2007; Vargo et al., 2007; Wangenheim, 2003). The study should also be replicated in other countries, such as India and China, where the subject company has customers, as a comparative study between perceptions of the company's customers in different countries. Future research should also investigate the perceptions of the company's suppliers. Research of this kind will broaden our understanding of relationship marketing.

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Chapter 8

Apps in Hospitality and Tourism: Conceptualization of Branded Apps in Building Traveler Satisfaction and Loyalty

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ABSTRACT

The development of Apps usage in the tourism industry is along with the rise of relevant technologies that has affected the tourism industry all around the world. In order to build a competitive brand, firms are forced to implement the information technology related functions in their core business model. This chapter mainly focuses on the impact of Apps implementation in hospitality and tourism sector and conceptually propose that how branded Apps could yield tourist satisfaction and loyalty. Apps awareness, Apps quality and Apps image are proposed as several indicators of traveler's satisfaction and loyalty. The chapter argue that branding makes a business advantage; the brand follows indication of quality and assurance to the buyer and also special characteristics that could inspire consumers to buy products or services that are branded.

INTRODUCTION

One of the key research topics is considered to be brand equity for customer-based view in marketing management context in the late 1990's and early 2000's; therefore, it has been identified as a significant element build a competitive advantage and marketing approaches for distinction (Ferns & Walls, 2012; Kim, Kim, et al., 2008). Brand equity is a valuable, yet fragile, firm asset (Buil et al., 2013; Seo & Jang, 2013). The relationship between satisfaction and brand equity is very vague (Wong, 2013). The literature regarding brand equity, specifically about hospitality and tourism, commonly lacks in research (Oh & Hsu, 2014). Furthermore, equity of a brand is the main index for brand achievement. Realizing this and developing equity of a brand is definitely crucial for operators (Buil et al., 2013).

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Branding makes a business advantage; the brand follows the indication of quality and assurance to the buyer and also special characteristics that could inspire consumers to buy products or services that are branded (Lee & Back, 2010). Previous studies have investigated about the correlation among variables, for instance, consumer satisfaction as well as consumer loyalty, and found that there is a shortage of analysis regarding equity of brand and brand loyalty, which are influenced by customer satisfaction (Nam et al., 2011). Thus, by using the hospitality notion in service delivery businesses can easily motivate the interplay among receivers and suppliers, where provisions affect an intricate blend of food, beverage and also accommodation (Teng, 2011).

Branding has existed for many centuries as a method of differentiating the goods of one producer from another (Sheng & Teo, 2012). The topic of customer loyalty has received attention since the 1990s when relationship marketing became popular; perhaps, businesses are attempting to find out different methods in order to improve the effectiveness of loyalty marketing (Yoo & Bai, 2013). It is very difficult and expensive to gain a new customer due to advertising, and promotion and as such, it is better to retain and serve the current customers (Power et al., 2001). Customer loyalty is described as an individual's repeated purchase or visitation behavior while including the emotional pledge (Yoo & Bai, 2013). The focus on brand equity is on the advantages of powerful brand equity, which is called the buffering point of view (Seo & Jang, 2013). The hospitality organizations have admitted that the scope of marketing is to collect as many new customers as it is feasible (Ajzen et al., 1980).

Therefore, to build a competitive brand, firms are forced to implement the information technology related functions in their core business model. This chapter mainly focuses on the impact of Apps implementation in hospitality and tourism sector and conceptually propose that how branded Apps could yield tourist satisfaction and loyalty. Apps awareness, Apps quality, and Apps image are proposed as several indicators of traveler's satisfaction and loyalty.

APPS IN TOURISM AND HOSPITALITY SECTOR

The fast development of information communication technologies and the expansion of the internet have changed industry structures around the world (Ma et al., 2003). Perhaps, impacts even more on the tourism industry than on any other (Amin et al., 2014; Bhat & Shah, 2014; Daliri et al., 2014; Rezaei & Amin, 2013). Similarly, the internet has played a fundamental role in reshaping the means through which information related to tourism is transmitted as well as the plans people draw in preparation for travel and how they consume it (Buhalis & Law, 2008).

Today, the tourism industry is one of the major users of internet technology (Yuan et al., 2003). In order to provide reliable and accurate information, for example, travel agencies, use IT for reservation, accounting, and inventory management functions (Alavi et al., 2016; Rezaei et al., 2014; Shahijan et al., 2015; Standing et al., 2014). Likewise, the internet has been the major source of information for tourists around the world (Anwar et al., 2014). According to McCabe et al. (2012) tourists are expecting to know what is available to a destination, book travel, accommodation and visitor attractions, find relevant information before and during the trip, capture and share experiences. Therefore, the apps tourism help facilitate those interactions and most importantly will free up the precious time as well as save the tourists from frustration.

Apps tourism refer to mobile apps that are specifically targeted at tourists such as Airbnb, Tripadvisor, Skyscanner as well as those used in a typical travel context, for example Google map, Money, Instagram

(Lu, Mao, et al., 2015). The rapid uptake of mobile technology has enabled people to negotiate their day-to-day mobility with increasing fluidity and providing scope for decision-making on the go, based on networked connectivity between people (Dickinson et al., 2014). Likewise, smartphones are becoming a primary platform for information access and a primary application area for mobile applications is tourism (Alavi et al., 2016; Pesonen & Horster, 2012; Rezaei et al., 2014; Shahijan et al., 2015). In particular, it is possible to access a broad variety of tourism and hospitality related mobile applications (Adukaite et al., 2013). Moreover, the smartphone offers a wide range of possibilities to support tourists in their use of information and communications home and away (Wang et al., 2015). The link between tourism and information communication technology, whilst always strong, changes with every new generation of technologies, as well as with people, location, and culture (O'Regan & Chang, 2015).

Building Competitive Brand Strategy

Indeed, brand equity is a significant notion in management practice and also in academic research, because brand achievement can let the dealer and the marketer obtain a competitive advantage such as expansion of opportunity and the ability to make some limit for rivalry entry (Kim, Kim, et al., 2008). Despite the significance of branding, the restaurant sector needs more studies in terms of brand research (Hyun, 2009). Brands will improve the trust of customers especially for an intangible purchase, and also the risk perception will reduce as well by helping the customers to conceive and understand the intangible form of service products (Lee & Back, 2008). The methods of branding have become such a powerful mechanism for destinations where tourists are visiting because the brand is able to make a positive brand image and identity that particular destination (Esper & Rateike, 2010). The hospitality industries can expand their share of the market by raising the number of their loyal customers; perhaps, this is an appropriate approach compared to other marketing activities, for example: discounting or promotional agenda (Power et al., 2001) and indicates that managers and the employees of the hotel should strive as much as possible to impact quality, brand loyalty and brand image as well as brand awareness in their hotels and also they need to design a procedure to deliver services based on the relations among customer brand equity constructs (Mohseni et al., 2016; Rezaei, Ali, et al., 2016; Rezaei, Amin, et al., 2016; Shahijan et al., 2016; Yeo et al., 2017).

Brand achievement does not only assist in developing a powerful identity for the products of the organization but it can also impact the preferences that assist the brands as a competitive advantage (Toufaily et al., 2013). Via communication of brand, the brand works as a tool in order to involve both seller and buyer in the long term consumer brand relationship (Hair et al., 2013). Brand commitment implies on commitment or binding of the individual self-behavior, which shows an association between internal attitude and public behavior (Brady et al., 2008). The research result has attributed to the hotel as an organization which should literally take quality perception, brand image, and loyalty into consideration when attempting to describe brand equity from customer's viewpoint (Goswami et al., 2012).

Brand Equity Dimensions

“Hospitality implies on the hosting behavior that impacts hospitality or hospitable nature of the hotel services” (Ariffin & Maghzi, 2012, p. 192). A brand is defined as an indication for a collection of products decided for sale by the same organizational entity (Randall et al., 1998). Brand equity is applied as a pressure indicator of brand stability via the use of its name, logo, and symbol (Lee & Back, 2008).

Additionally, a brand is considered as a legal material, company, logo, image, personality, and identity system and relationship or adding value. “Brand Equity is a set of brand assets and liabilities linked to a brand, its name, and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers” (Oh & Hsu, 2014). Customers brand equity can be the different effects of consumer response by brand knowledge in order to market the brand (Keller, 1993). From a product perspective, brand equity implies on the brand name value which it brings to a particular product (Liao & Cheng, 2014). Table 1 shows the brand equity dimensions.

A previous research has proposed that building brand equity can improve the rivalry advantage (Nyadzayo et al., 2011). A final direction within planning, management and the literature of strategy is the fact and essence of the branding study (Line & Runyan, 2012). Brand equity is very significant therefore it can create certain brand associates in the customers’ minds and show a common market about the reliability of that brand (Hyun, 2009). Brand equity has different definition terms such as desirable impressions attitudinal disposition and behavioral forecasting (Sheng & Teo, 2012). Brand equity follows consumers’ desirable, powerful, and unique attitudes which are related to a branded product (Liao & Cheng, 2014). From the consumer point of view, brand equity will take place when the individual customer is familiar with the desirable association of any brand which is already in his or her mind (Wong, 2013). Interestingly the brand, which is well-known globally, will remain in numerous markets, such as financial services or telecom or even those from the fast moving consumer commodity market.

Brand equity is actually wider in terms of a concept which embraces the image of the brand; for example, service quality perception and brand familiarity (Nam et al., 2011). Brand equity is a customer’s emotion about the intangible measurement of the particular brand as well as the value (Kim & Ko, 2012). There are four most broadly recognized and cited variables by scholars such as perceived quality, brand awareness, brand image, and brand loyalty in the customer based notion of brand equity (Namkung & Jang, 2013). One of the significant factors in business to business market and business to consumer is brand building which can separate the organization away from its rivals and perhaps improve the market share (Amin et al., 2014; Daliri et al., 2014; Nyadzayo et al., 2011; Rezaei & Amin, 2013). Basically, the brand equity concept is established in the business to customer market and it is well-known and recognized; the equity of brand and brand management are critical for achievement in this particular context (Biedenbach et al., 2011). In fact, brand equity could appear as the added value to any particular product or the one which is already in the minds of consumers (Kim, Kim, et al., 2008).

Table 1. Brand equity dimensions

Dimension	Definition
1. Awareness	It demonstrates the presence of the brand in the memory which can influence perception and attitudes
2. Loyalty	The connection of the customers towards a brand, and his or her intention to purchase again or recommend it to others
3. Perceived Value	Consumers overall assessment of the brand based on the perception that they have regarding other kinds of brands
4. Perceived Quality	The consumer’s belief and opinion on the priority or excellence of the brand.
5. Image	According to numerous studies, the personality of a brand can make a unique group and desirable affiliation in the mind of the consumers.

Source: Alahuhta et al., (2005)

Conceptual Model and Propositions

A summarized paper about brand equity literature shows that there are three types of basic frameworks in order to realize and assess brand equity such as (1) Aaker's (1991) model, which is a commanding vision of brand equity; (2) Keller's (Zhou, 2011) Psychological or memory vision of brand equity, and (3) (Kautonen et al., 2007). The brand equity model has based on economic data as well as the theory of signaling (Haverila, 2011). Progressively, the brand is very significant to the organizations and managers; similarly, academics have indicated that they have a keen interest in order to measure the brands' value (Voleti & Ghosh, 2013). The brand is defined as a single and specific name or a symbol that comprises of trademark, logo or even package design in order to identify and distinguish the products or services of a particular organization (Aaker, 1991). To be specific, it can be any name, symbol, design, sign, and term or even a combination of these in order to identify products or services of an individual or group of sellers to differentiate them from other competitors (Kotler 1991, 442). Branding is able to differentiate two products from each other by making different brand factors such as name, logo, package design, and symbol, as it gets some value for the particular organization not only in terms of economic benefit but also creates reputation awareness as well as prominence in the market (Esper & Rateike, 2010).

Apps Awareness

“Brand awareness includes consumer recognition, top-of-mind awareness, knowledge dominance, and recall performance of brands, as well as brand attitude” (Kim, Kim, et al., 2008, p. 77). “Loyalty is defined as a profoundly held pledge to buy again or encourage a preferable product or service continually in the future” (Callarisa et al., 2012, p. 75). “Brand loyalty has traditionally been conceived as a behavioral construct relating to intentions towards repeat purchase” (Nam et al., 2011, p. 1011). Service industry's quality can be illustrated based on three important unique attributes of services such as intangibility, heterogeneity, and inseparability of production and consumption (Bastič & Gojčič, 2012). The notion of quality of service is broadly acknowledged as being multi-dimensional; besides, the amount and figure of its characteristics could still be disputed (Nam et al., 2011).

Positive reputation associated with the brand could create trust, which is generated by products and services offered in the past (Kim, Ferrin, et al., 2008). Consumer awareness influences their satisfaction and trust; therefore, a well-known website has greater capability to fulfill customer needs than other brands (Chang & Chen, 2008). The physical quality projects images by using such aspects like facilities, tools, design as well as hotel industry materials whereas the behavior of staff are just an illustration which is planned by qualification, friendliness, helpfulness of the hotel/restaurant employees and workers (Nam et al., 2011, p. 113). Consumers perceive that controlling or using the service can draw out a positive sensation (Cronin Jr et al., 2000). The overall satisfaction is an assessment of the last purchase moment and according to all confrontations with the service provider (Nam et al., 2011, p. 114). Basically, satisfaction is considered as dealing with a specific assessment of the moment of truth which promptly decays, at the post-purchasing point, among the consumers' overall attitude to the service firm (Ekinci et al., 2008). However, the study was done by Lee and Back (2010) regarding the differential effects of brand knowledge and shown that brand awareness is negatively associated with brand satisfaction.

Awareness is considered as the central element of the effects of the brand in the tourists' behavior (Callarisa et al., 2012). Similarly, awareness can help in building loyalty (Rana et al., 2015). A study was explored how online promotion and its influence on awareness and loyalty in the tourism industry

and found that there is a strong, significant relationship among awareness and loyalty (Lai & Vinh, 2013). Moreover, awareness is recognized as a prerequisite for loyalty as consumers tend to trust a high-awareness brand and purchase products and services of that brand more frequently (Hyun & Kim, 2011; Lu, Gursoy, et al., 2015). According to Hsu et al. (2011) loyalty results partially from strong awareness; hence, awareness is positively related to loyalty. Conversely, Makanyeza (2015) stated that consumer awareness does not influence consumer loyalty and revealed that as consumers become aware of their rights and responsibilities in the marketplace, they can make informed purchase decisions. Thus:

P1: Apps awareness influences traveler satisfaction.

P2: Apps awareness influences traveler loyalty.

Apps Quality

Brand quality refers to “consumers’ global assessments and judgments of the superiority or excellence of a product or services” (Dens & Pelsmacker, 2016, p. 466). Quality is one of the most important elements frequently used by tourism researchers (Im et al., 2012; Liu et al., 2014). Similarly, quality is considered to be an important management tool for being competitive, as positive quality affects customer satisfaction (Benitez et al., 2007). Quality in general acts as a significant predictor of satisfaction; and this relationship is fundamental in generating behavioral intentions (Han & Hyun, 2015). According to Dortyol et al. (2014) quality is a conceptual reaction, customer satisfaction consists of both conceptual and affective reactions. Sigurðardóttir and Helgadóttir (2015) pointed out that, customer satisfaction may be a broader concept than quality, but a low level of quality is likely to reduce the total satisfaction of customers. In the same vein, Thaichon and Quach (2015) stated that consumers will evaluate quality to determine satisfaction. Su et al. (2016) stated that quality has a significant effect on satisfaction. Likewise, quality is an important factor influencing satisfaction which should receive special attention in the tourism management context (Allameh et al., 2015). Moreover, the study investigated the determinants of current visitors’ festival revisit intentions and stated that festival quality has been used as a precursor to festival satisfaction (Choo et al., 2016).

Tran et al. (2013) asserted that quality can be critical to predicting loyalty. The increasing recognition of perceived quality has been attributed to its positive effects on loyalty (Debata et al., 2015). Quality is connected with the loyalty of the customer, his / her propensity to recommend or his / her complaint behavior (Moliner et al., 2007). According to Wong et al. (2015) quality has been considered as the key driver of loyalty. In the same vein, Yoon et al. (2010) asserted that the linkages between quality and loyalty are recognized as an important area of research. A case study examined how destination image, perceived value, and service quality affect destination loyalty and found that quality is an immediate antecedent of satisfaction and affects destination loyalty both directly and indirectly through satisfaction (Kim et al., 2013).

P3: Apps quality influences traveler satisfaction.

P4: Apps quality influences traveler loyalty.

Apps Image

“Brand image refers to consumers’ brand perceptions in their minds” (Horng et al., 2012, p. 2609). The image is commonly accepted as an important aspect in successful tourism development due to its impact on both supply- and demand-side aspects of marketing (Tasci & Gartner, 2007). Likewise, tourism image has been a focal area of conceptual and empirical tourism research over the last 30 years (Kaur et al., 2016; Tasci et al., 2007). Therefore, the image is so significant because it is presumed to have direct consequences for variables such as the satisfaction felt by the tourist (Hernández-Lobato et al., 2006). It has been acknowledged that the image perceived by tourists of an app has an important role in their decision-making, app choice, and future behaviors (Cheng & Lu, 2013; Liu, 2014; Zhang et al., 2014). Furthermore, deciding which app to use might depend heavily on the image of that particular app (Chen et al., 2013). According to Veasna et al. (2013) apps image is a key determinant influencing tourists’ attitudes toward the app. A positive app image should be magical, unique and pleasing, among others (Pan et al., 2014). In the same vein, the positive image may help the tourists in order to select the best app (Hallmann et al., 2013).

Several scholars confirmed that image has a positive influence on satisfaction (Assaker et al., 2011; Castro et al., 2007; Chi & Qu, 2008). Similarly, Prayag and Ryan (2012) pointed out that the positive relationship between image and satisfaction is well established in the tourism literature. A study examined the role of travel experience in the structural relationships among tourists’ perceived image, satisfaction, and behavioral intentions. Therefore, this study found that perceived destination image has a significant impact on satisfaction level (Liu et al., 2015). Prayag et al. (2015) asserted that favorable assessment of a destination’s overall image positively influences tourist satisfaction. Study examined the moderating effect on the relations between satisfaction, behavioral intentions, as well as destination image and revealed that destination image seems to have a more significant impact on visitor satisfaction, meaning that visitors will be more likely to be comprehensively satisfied if their cognitive image of a destination is more positive (Li & Yang, 2015; Rezaei, Ali, et al., 2016; Rezaei, Emami, et al., 2016; Rezaei & Ismail, 2014; Shahijan et al., 2016).

Chen and Phou (2013) stated that image plays an important role in creating tourist loyalty. Liat et al. (2014) reported that image influences customer loyalty in the hotel industry. Similarly, Song et al. (2013) stated that destination image has direct and/or indirect influences on destination loyalty in terms of tourists’ behavioral intentions. A study regarding the importance of quality, satisfaction, trust, and image in relation to rural tourist loyalty indicates that rural tourism lodging image has a direct positive effect on loyalty (Loureiro & González, 2008). On the other hand, the study was done in a hotel setting and found that hotel image had a lesser impact on loyalty (Jani & Han, 2014).

P5: Apps image influences traveler satisfaction.

P6: Apps image influences traveler loyalty.

Traveler Satisfaction

The expectation-confirmation model has been developed by Oliver (1977) and Oliver (1980) in order to profoundly investigating consumers satisfaction (Pantano & Viassone, 2014). The topic of satisfaction has held a significant position in the marketing literature over the decades since satisfied customers can generate long-term benefits for companies (Liu & Jang, 2009). Similarly, tourism satisfaction has received

considerable attention from tourism scholars (Chen et al., 2016). Satisfaction can be defined as tourist's judgment about product or service fulfillment (Jang & Feng, 2007). According to Nash et al. (2006), a tourist is considered satisfied when his/her total of experiences shows a feeling of gratification when compared with his/her expectations. However, if it does not meet his/her expectations, then tourists are normally unsatisfied (Li et al., 2013).

Customer satisfaction and loyalty are an integral part of doing a business (Yuksel et al., 2010). Therefore, Lee et al. (2009) stated that increased customer satisfaction also increases loyalty. Similarly, Eid (2015) argued that customer satisfaction is a direct determinant of customer loyalty. A study was aimed at investigating the relationship among customer satisfaction, and customer loyalty in the restaurant industry and the findings revealed that customer satisfaction has high effect on customer loyalty (Amin et al., 2014; Han & Ryu, 2009; Kalantari Shahijan et al., 2014; Mohseni et al., 2016; Rezaei, 2015; Rezaei & Ghodsi, 2014; Valaei, Rezaei, Ismail, et al., 2016; Valaei, Rezaei, & Shahijan, 2016). Another study regarding the impact of tour quality and tourist satisfaction on tourist loyalty in South Korea and the results shown that a positive relationship exists between satisfaction and loyalty (Lee et al., 2011). On the other hand, the study examined the value, satisfaction, and loyalty of TV travel product shopping and found that satisfaction has a negative relationship with loyalty (Chen & Tsai, 2008). Therefore, customer satisfaction is a direct determining of customer loyalty, which:

P7: Traveler satisfaction influences traveler loyalty.

Traveler Loyalty

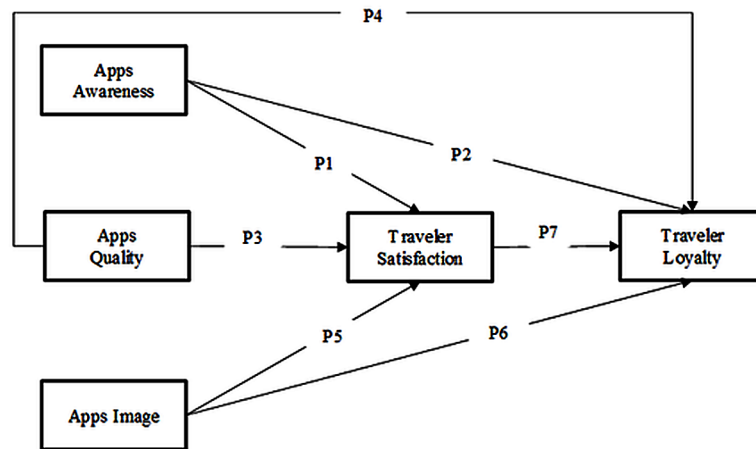
According to Moore et al. (2015) loyalty has been proposed and studied as a complex, sequenced construct. Thus, loyalty is defined as a traveler's deep and consistent commitment to a product, service, or brand (Kandampully et al., 2011). For many years, loyalty has been considered a significant indicator of marketing success of firms in many industries, including tourism and hospitality (So et al., 2014). Therefore, Velázquez et al. (2011) stated that creating consumer loyalty has become a strategic goal for companies in these types of services as it helps them to grow. Loyalty is important because loyal customers buy more products or services, they are less price sensitive and pay less attention to competitors' advertising, and they help recruit other customers by word of mouth (Murray & Kline, 2015). Similarly, customer loyalty is worth 10 times the price of a single purchase, and, if customers like the service, they will tell three people. If they do not, they will tell 11 people (Cheng et al., 2015).

CONCLUSION

The development of internet usage in the tourism industry went along with the rise of relevant technologies that has affected the tourism industry all around the world. The internet provides great opportunities for the marketers to sell their products and services through online channels. Apps, as a face of the company in an online environment, offers a great environment for the customers to get relevant information and purchase products and services by a simple click. On the other hand, companies could reach tourists more effectively and create a strong relationship with them.

Individual awareness impacts on satisfaction, thus, a well-known website has greater capability to fulfill consumer needs and wants than other brands. Many scholars confirmed that awareness has a

Figure 1. Conceptual research framework



significant effect on satisfaction and also claimed that the linkages between awareness and satisfaction are considered as a significant area of research. Moreover, awareness is recognized as a prerequisite for loyalty; hence awareness is positively related to loyalty. Quality is an important factor frequently used by tourism scholars. Likewise, researchers and practitioners asserted that quality has a significant effect on satisfaction.

A study (Rezaei, Shahijan, et al., 2016) pointed out that quality is an antecedent of satisfaction and impacts loyalty both directly and indirectly via satisfaction. Tourism image has been a central focus of conceptual and empirical tourism research over the last three decades. It has been acknowledged that the image perceived by tourists of an app has a crucial role in their decision-making and also app choice. Studies in tourism context claimed that the positive relationship between image and satisfaction is well established. In the same vein, image has direct and/or indirect effects on loyalty in terms of travelers' behavioral intentions.

Travelers' satisfaction has received considerable attention from tourism researchers. A traveler is considered satisfied when his/her total of experiences indicates a feeling of gratification when compared with his/her expectations. However, if it does not meet his/her expectations, then travelers are normally unsatisfied. Scholars stated that travelers' satisfaction is a direct determinant of travelers' loyalty (Rezaei, Shahijan, et al., 2016; Valaei & Rezaei, 2016). Furthermore, the study pointed out that creating traveler loyalty has become a strategic goal for the tourism industry.

FUTURE RESEARCH DIRECTIONS FOR EMPIRICAL ASSESSMENT

The quantitative method should be used for this research in order to examine the relationship among proposed variables. The secondary data should be collected from several journals and publications from previous related studies. Moreover, primary data should be collected via paper and pencil questionnaires among tourists. A pilot test of 30 respondents should be conducted before the actual study. Before distributing the questionnaires, the researcher tested the questionnaire to identify whether the questionnaire is able to capture the required data as expected. Once all the data have been collected, it will be keyed into

the Package of Statistic for social Sciences software version 17.0 (SPSS-Version 17.0). SPSS software will be used in order to analyze data. This study should further deploy structural equation modeling (SEM) to assess measurement and the structural model. To evaluate the reflectively measured models, the outer loadings, composite reliability, average variance extracted (AVE = convergent validity), and discriminant validity should be performed in this research. Moreover, structural model relationships (the path coefficients), which represent the hypothesized relationships between the constructs are analyzed.

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KEY TERMS AND DEFINITIONS

Apps Tourism: Mobile apps that are specifically targeted at tourists as well as those used in a typical travel context.

Brand Equity: “Brand Equity is a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers” (Oh & Hsu, 2014).

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Brand Image: “Brand image refers to consumers’ brand perceptions in their minds” (Horng et al., 2012, p. 2609).

Branded Apps: A branded Apps is defined as an indication for a collection of products decided for sale by the same organizational entity.

Hospitality: “Implies on the hosting behavior that impacts hospitality or hospitable nature of the hotel services” (Ariffin & Maghzi, 2012, p. 192).

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Chapter 9

Determinants of Attitudinal Loyalty in Retail Banking: Evidence From Nigeria

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ABSTRACT

This paper tests a conceptual model by drawing on the relationship marketing theory and the brand attitude literature. Two specific research aims were explored. First, the authors tests the mediating role of brand credibility in the relationships between its antecedents and attitudinal loyalty. Second, the moderating role of satisfaction in the relationships between information sharing, customer orientation and brand credibility were explored. Quantitative data generated from 332 experienced users of banking services in Nigeria formed the final database. The study contributes to brand attitude literature and loyalty theory by demonstrating that over and above the simple significant positive effects of information sharing, customer orientation, and brand credibility on attitudinal loyalty, brand credibility transmits the effects of information sharing and customer orientation onto attitudinal loyalty.

RESEARCH BACKGROUND

Although most organisations have deployed substantial efforts and resources to customer retention, the number of defection among satisfied customers is still high (Oliver, 1999). It has therefore been argued that the best strategy for enhancing customer retention is to proactively anticipate and moderate customer defection (Lowenstein, 2013). A well-articulated customer retention strategy leads to customer loyalty and profitability. Customer loyalty has therefore attracted a significant body of literature because practitioners and academics understand the profit impact of building a sustainable loyal customer base (Izogo, 2015; Oliver, 1999). From the theoretical standpoint, customer loyalty occurs when a customer is committed to rebuying a product/service consistently in the future despite the existence of alternative market offerings (Oliver, 1999). Earlier conceptualisations of customer loyalty suggest it comprises attitude and behaviour (Jacoby and Chestnut, 1987). Previous studies of loyalty (e.g. Tarus and Rabach, 2013; Alam

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et al., 2012; Lai et al., 2009; Oliver, 1999) explored the determinants of the overall concept of loyalty but failed to examine the individual components of the construct. Izogo (2015) therefore declared that the epistemological depth of the two major components of loyalty (behavioural and attitudinal) is shallow and consequently argued that the attitudinal component of the construct is yet to receive adequate research.

Customers can, and do distinguish between various aspects of marketing outcomes especially loyalty (Rafiq et al., 2013). Thus, loyalty theory can be advanced by examining the antecedents of the different components of loyalty in greater detail. Whereas behavioural loyalty is spontaneous and fails to account for customers' continuous long-term repeat patronage (Tarus and Rabach, 2013; Jacoby and Chestnut, 1987); it has been argued that attitudinal loyalty is a step beyond behavioural loyalty because it measures the psychological attachment and attitudinal disposition of the customers toward a firm or its products and services (Chaudhuri and Holbrook, 2001). Jacoby and Chestnut (1987) argued that inferring loyalty or disloyalty solely from the lens of repeat purchase behaviour without further analysis is inadequate. The implicit proposal is that both components of loyalty (behavioural and attitudinal) are important in examining the construct. But, Pan et al. (2012) argued that measures of attitudinal loyalty can serve as a surrogate for behavioural loyalty measures. Hence, to avoid unnecessary redundant duplications, it is plausible to directly establish attitudinal loyalty as the ultimate measure of the construct because Oliver (1999) argued that true loyalty can only ensue from consumer attitude. Thus, attitudinal loyalty is the right metric to be linked to companies' financial outcomes since sustainable profits are more likely to result from customers who are attitudinally loyal rather those who are spuriously loyal (the behaviourally loyal customers). However, studies that examined how attitudinal loyalty evolves from the lenses of satisfaction, brand credibility, customer orientation and information sharing are scarce.

Although satisfaction has been widely cited as a determinant of loyalty (Lai et al., 2009; Oliver, 1999), it is not sufficient to elicit true loyalty (Izogo, 2013; Oliver, 1999). Oliver (1999) stated that when loyalty begins to set through other mechanisms, satisfaction become less significant. "For some firms, satisfaction is the only feasible goal for which they should strive" (Oliver, 1999, p. 33). Thus, satisfaction should be a fundamental component of behavioural marketing models that integrate the determinants of loyalty. This paper seeks to advance loyalty theory by drawing on the relationship marketing theory and the brand attitude literature to formulate and test a unique model of the determinants of attitudinal loyalty. The paper therefore aims to: 1) investigate the effects of customer orientation, information sharing, and brand credibility on attitudinal loyalty; 2) examine the mediating effect of brand credibility on the relationships between customer orientation, information sharing, and attitudinal loyalty; and 3) examine the moderating effect of satisfaction on the relationships between customer orientation, information sharing, and attitudinal loyalty.

THEORETICAL CONTEXT

Relationship Marketing Theory

The relationship marketing (RM) theory emerged as a result of the resurgence of direct marketing both in business-to-business and business-to-consumer markets (Sheth and Parvatiyar, 1995). The RM theory is broadly conceptualised as, "all marketing activities directed towards establishing, developing, and maintaining successful relational exchanges" (Morgan and Hunt, 1994, p. 22). Thus, RM advances the understanding of the various aspects of business strategy because it takes several forms (Hunt et

al., 2006). Morgan and Hunt (1994) specifically distinguished ten forms of RM, but, “the long-term exchanges between firms and ultimate customers, as particularly recommended in the services marketing area” (p. 21) is considered the most suitable for our purpose in this paper. Drawing on this line of thought, RM means attracting, developing, maintaining and enhancing customer relationships (Berry, 1982). It is characterised by the direct interactions between firms and their customers which have the potential to foster greater emotional bonding that transcends economic exchange especially as both parties grow in the relationship; and consequently learn to understand and appreciate each other’s needs and constraints and are more likely to cooperate with one another (Sheth and Parvatiyar, 1995). This mutual growth of relational orientation can affect the nature of relationship between brands and customers’ attitudinal responses. According to Palmatier (2008), it is difficult to separate the effects of brands and relationships on the customer’s attitude towards the firm because even though branding and RM differ, branding and RM strategies that focus on brand building overlap. It can therefore be argued that the quality of relationship between exchange partners is vital in explain the relationship between brand credibility and attitudinal loyalty.

Furthermore, mutual understanding of needs and interactions have been cited as key activators of successful consumer-firm services relationships (Palmatier, 2008; Hunt et al., 2006; Gummesson, 1994). Such a compelling case was made on the ground that the interactions between exchange partners foster co-production (Prahalad and Ramaswamy, 2004) and value co-creation (Normann and Ramirez, 1993) especially in services where production and consumption are simultaneous. When customers and firms co-create and co-produce products, greater mutual bonding is built between both parties. However, relationship building will be more successful if interactions are customer-focused. Satisfaction is therefore more likely to emerge from customer-focused interactions. When customers are satisfied with brand signals, they tend to perceive such brand as credible (Erdem and Swait, 2004). Following these lines of thought, information sharing and customer orientation were considered as the key determinants of brand credibility. We therefore theorise that brand credibility transmits the effects of these determinants onto attitudinal loyalty while satisfaction moderates the relationships between information sharing, customer orientation, and brand credibility.

HYPOTHESES DEVELOPMENT

Brand Credibility

One of the onerous tasks of marketers is the ability to humanise their brands. Thus, brand credibility is a strategic concept. The concept was popularised by Erdem and Swait (1998) who drew from the signalling theory (based mainly on information economics) to examine consumer-based brand equity. Manifesting itself in the forms of trustworthiness and expertise¹, credibility describes the extent to which an entity’s (in this case bank’s) intentions for its customers are believable (Erdem and Swait, 2004). Such believability perception of the customers impacts their choices positively (Kemp and Bui, 2011), and also minimises customers’ perceived risk and boosts customers’ confidence (Knox, 2004). Thus, a brand that is perceived credible by the customers can counteract persuasions originating from competing brands, foster greater customer-brand relationship, and ultimately, customer-firm relationships. The result is that the firm’s strategic position in a competitive market will improve.

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The outcomes of brand credibility are well established in the brand attitude literature. Majority of the existing research explored the effects of brand credibility on customer loyalty (Alam et al., 2012; Sweeney and Swait, 2008), purchase intention, brand commitment and self-based connection (Baek and King, 2011; Kemp and Bui, 2011, Baek et al., 2010; Erdem and Swait, 2004), brand equity (Leung et al., 2014; Spry et al., 2011; Erdem and Swait, 1998) and consumer price sensitivity (Erdem et al., 2002). Despite these acclaimed outcomes of brand credibility, only a handful of studies (e.g. Alam et al., 2012; Kemp and Bui, 2011; Spry et al., 2011) examined the determinants of brand credibility. But, brand credibility can only trigger the desired outcomes if its determinants are examined. Hence, determinants of brand credibility should be further explored.

Although “brand credibility reflects the consistency of marketing mix strategies through brand investments such as advertising” (Baek et al., 2010, p. 665); advertising constitutes a huge drain on firms’ capital inflows. Yet, most brand attitude research focused on advertising as an antecedent of brand credibility. Thus, other critical determinants of construct were neglected. The ugly side of the advertising story is that a great deal of literature suggests that advertising is insignificantly correlated with profitability in some industries (see for example Elliot, 2001). Alternatively, mutual information sharing between companies and their customers through other cheaper direct channels such as emails, social media, SMS, and face-to-face interactions play a key role in reducing consumer-firm brand relationships uncertainty and information asymmetry. This is more likely if the firm is highly customer-focused in delivering value. Consistent with this view, Vargo and Lusch (2004) argued that the firm-customer interactions should be a communication process characterised by dialogue, asking and answering questions. However, till date, the effects of information sharing and customer orientation on brand credibility is yet to be explored. Drawing on the relationship marketing theory, this is surprising especially as the direct contact between customers and customer-facing employees is essential in the value co-creation and service co-production activities of firms (Gronroos, 2009). Customer-facing employees must approach promise fulfilment from the customers’ perspective irrespective of their positions in the organisation (Gronroos, 2009).

Drawing on the signalling theory, customer-firm interactions help to eliminate uncertainty and information asymmetry. Thus, information sharing can act as an activator of brand credibility. This derives mainly from the fact that customers who have perfect knowledge about a brand is more likely to develop trustworthiness and confidence in the expertise of the firm if the available information is believable. Lee et al. (2011) specifically argued that customers with low trust reduce the risk of uncertainty by acquiring more information about a brand. The costs involved in information acquisition is reduced by relational exchanges that are already prone to intensive consumer-firm interactions (Hunt et al., 2006). Information sharing is generally conceptualised as formal and informal sharing of meaningful information between exchange partners in a timely and empathetic manner (Wong et al., 2007). Since information sharing is an integral part of the overall marketing strategy, we draw on the relationship marketing theory that suggests that partnering relationship is characterised by intensive information exchange to propose the following hypothesis:

H1: Information sharing has a significant positive impact on brand credibility

Customer orientation refers to employees’ ability to assist the customers meet their needs (Saxe and Weitz, 1982) through demonstrating good understanding of customers’ needs and delivering superior

value (Wray et al., 1994). Consistent with the extant literature (e.g. Gronroos, 2009; Vargo and Lusch, 2004), it is difficult if not impossible for organisations to induce positive responses from the customers if their activities are not initiated from the customers' point of view. Gronroos (2009) specifically argued that, "marketing should relate the firm to its customers' everyday processes and practices so that value-in-use can be created in those processes" (p. 351). This customer management role is a fundamental element of every company's marketing strategy especially with the highly competitive state of different services industries. As the customers become aware that a firm is concerned with serving them better through restructuring every process that leads to service creation, there is a greater likelihood that the credibility of that brand will be activated in the minds of the customers. The following hypothesis is therefore proposed:

H2: Customer orientation has a significant positive impact on brand credibility

Brand Credibility and Attitudinal Loyalty

Credibility (i.e. firm's willingness and ability to fulfil promises) is recognised as the most important feature of a brand (Erdem and Swait, 2004). Thus, customers form positive attitude towards a credible brand and are more likely to patronise the brand consistently in the future despite the presence of competing brands and recommend it to others. Loyalty is "a deeply held commitment to rebuy or repatronise a preferred product/service consistently in the future" (Oliver, 1999, p. 34). "Bowen and Shoemaker (1998) described [...] attitudinal loyalty as customers' likelihood to return to a service provider, making business referrals, providing word of mouth, references and publicity about a product or service to other customers" (Izogo, 2016, p. 5). Thus, attitudinal loyalty "means a deep sense of commitment by a customer to continue patronising a particular telecom service provider and equally recommend it to others" (Izogo, 2016, p. 5).

A company that sends credible signals will capture attitudinal loyalty. The RM theory argues that promise fulfilment is strategic. According to Gronroos (1999), sustainable relationships are achieved through mutual promise making and fulfilment. Such mutual promise making and fulfilment activities are capable of shaping customers' attitude towards a company's brand(s) positively. Although the existing literature is yet to examine the relationship between brand credibility and attitudinal loyalty, the brand credibility-customer behaviour link has been adequately explored. For instance, Erdem and Swait (2004) found that brand credibility is an essential factor that determines customers' choice. Erdem et al. (2002) found that brand credibility decreases consumers' price sensitivity. More recently, Alam et al. (2012) used a sample of 263 respondents conveniently drawn from major cities in Pakistan to establish that brand credibility has a significant positive effect on customer loyalty. Kemp and Bui (2011) also argued that customers can develop commitment to a brand if they believe that the brand is credible and repeatedly purchases it. Baek and King (2011) also found a strong positive impact of brand credibility on purchase intentions. Building on these parallel wealth of established empirical results on the brand credibility-customer behaviour relationship, it is argued that the brand credibility-attitudinal loyalty link is tenable. Hence, the following hypothesis is proposed:

H3: Brand credibility has a significant positive impact on attitudinal loyalty

The Mediating Role of Brand Credibility

Although the mediating effect of brand credibility in the relationships between information sharing, customer orientation and attitudinal loyalty is yet to be explored, it is well established within the brand attitude literature that brand credibility mediates the relationships between behavioural constructs and marketing outcome variables like loyalty, brand equity and profitability (see for example Alam et al., 2012; Spry et al., 2011). Alam et al. (2012) found that brand credibility mediates the relationships between trustworthiness, perceived quality and customer loyalty. Spry et al. (2011) found that brand credibility mediates the effect of endorser credibility on brand equity. Based on these findings, the following hypotheses are proposed:

H4: Brand credibility mediates the linear relationship between information sharing and attitudinal loyalty

H5: Brand credibility mediates the linear relationship between customer orientation and attitudinal loyalty

The Moderating Effect of Satisfaction

The direct effect of satisfaction on consumer behaviour is well established in the literature (see for example, Johnson et al., 2008; Oliver, 1999), but only a handful of studies (e.g. Keh and Lee, 2006) examined the moderating effect of satisfaction on the relationships between other antecedents of behavioural intentions and behavioural intentions. One possible explanation for this may be the insensitivity of both academics and practitioners towards the role of satisfaction in enhancing the links between the antecedents and consequences of behavioural constructs. Alternatively, a better explanation may be because higher level of satisfaction does not always translate into improved customer behaviour especially loyalty (Johnson et al., 2008; Oliver, 1999). The weight of this evidence provides a strong ground to position this paper more suitably in the debate. The paragraph below provides an explanation of this paper's position in the debate.

Since satisfaction has been defined as consumers' sense of pleasurable fulfilment arising from consumption experiences (Oliver, 1999), it makes great academic sense to argue that satisfaction may likely play a moderating role in the consumer-brand relationship. In specific terms, customers are more likely to perceive brands as credible when they are satisfied with the mutual information sharing with the company than otherwise. Customer-firm interactions facilitate customer-centric value creation which consequently builds credibility into marketing activities (Gronroos, 2009). Brand credibility will more likely result from such interactions if the encounter is satisfactory. Thus, since a positive relationship between information sharing and brand credibility has been previously proposed, depending on whether customers have positive or negative perception of the mutual information exchange between them and the firm, their perception about the brand will be credible or not. Additionally, when customers are satisfied with the firm's ability to help them meet their needs through the demonstration of good understanding of customers' needs and superior value delivery – customer orientation – there is greater likelihood that the customers will perceive such brand to be more credible. Thus, customers' expression of favourable brand attitude is more likely if they relish satisfactory performances in both determinants of brand credibility – information sharing and customer orientation. The following research hypotheses are therefore proposed:

H6: Satisfaction moderates the linear relationship between information sharing and brand credibility

H7: Satisfaction moderates the linear relationship between customer orientation and brand credibility

RESEARCH FRAMEWORK

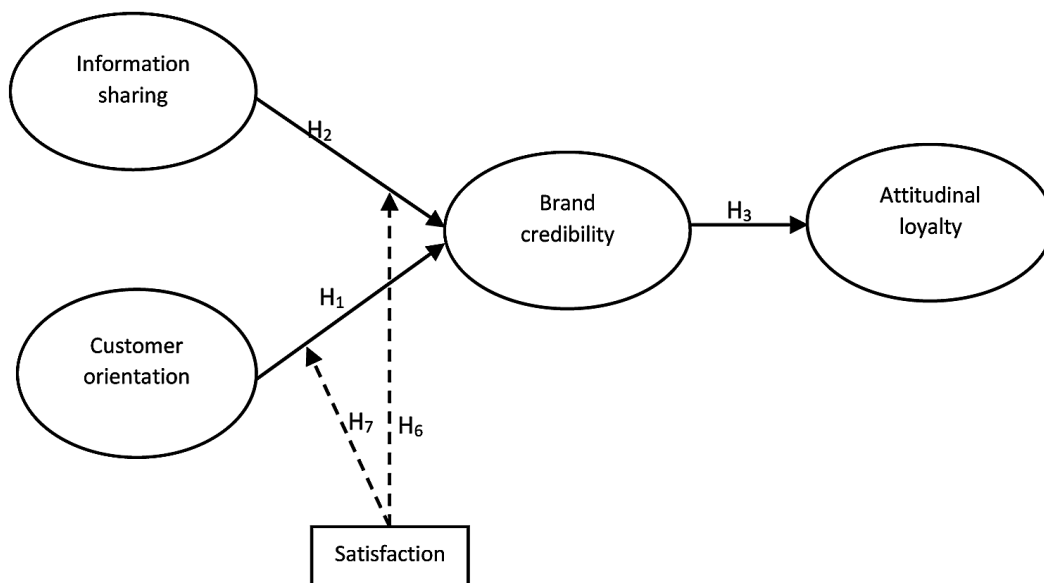
A conceptual model based on the reviewed literature and the paper's theoretical underpinnings is shown in Figure 1. The framework shows that consistent with the brand attitude literature and the RM theory, customer orientation and information sharing are the antecedents of brand credibility. It is equally proposed that satisfaction could possibly play a moderating role in the relationships between the two determinants of brand credibility and brand credibility. Finally, it is proposed that attitudinal loyalty is the outcome of brand credibility.

METHODOLOGY

Measures

The reflective indicators of the five latent constructs – customer orientation, information sharing, satisfaction, brand credibility, and attitudinal loyalty, were adapted from previous research. According to Wu et al. (2012), scales used in previous studies help to ensure content validity. 19 scale items were utilised to measure the latent constructs (see appendix). Four items reflecting the willingness to share information, timely and empathetic dimensions of information sharing were adapted from Chu and Wang (2012); Ndubisi (2007) and Wong et al. (2007). Four items which echoes firms' knowledge of customers' needs, the willingness and ability to help customers meet those needs were extracted from Cheng et al. (2008)

Figure 1. Conceptual model



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and Wray et al. (1994). Measures of “brand credibility, representing the belief that the brand is capable and willing to act on its promises, and comprising aspects of expertise and trustworthiness” (Sweeney and Swait, 2008, p. 185) were adapted from Erdem and Swait (1998). Previous operationalisations of satisfaction stress that measures of the construct mirror economic, non-economic and global dimensions of the consumer-firm relationship. Three items indicating each of these dimensions were adapted from Rajaobelina and Bergeron (2009) and De Canniere et al. (2010). Measures of attitudinal loyalty broadly comprise repurchase behaviour and customers’ willingness to recommend (Izogo, 2015) because measures of the construct can serve as surrogates for behavioural loyalty measures (Pan et al., 2012). Hence, two standardised items indicating repeat purchase behaviour and willingness to recommend were extracted from Liu et al. (2011) to measure attitudinal loyalty. All measures were in a 5-point Likert scale format with anchors of “strongly agree” = 5 and “strongly disagree” = 1 at both extremes.

Data Collection and Sample Distribution

The hypothesised model was examined using data generated from the customers of retail banking services. A mall-intercept method was used to recruit the research informants from two south-eastern Nigerian cities – Enugu and Abakaliki. The mall-intercept involved bank customers who were conveniently contacted either on their way into or out of the various banks chosen for the study. This was complimented with online survey which offered the opportunity to reach respondents who could not be reached by mall-intercept. The online survey was sent to respondents’ email addresses and private timelines on Facebook. Respondents’ participation was exclusively voluntary because no incentives were offered. A total of 450 respondents participated in the research. 398 respondents completed and returned the questionnaire (268 from mall-intercept and 130 from online survey). 66 responses (45 from mall-intercept and 21 from online survey) were discounted based on perceived response biases and omissions of some of the vital scale items. Thus, the overall response rate is 74%.

The gender distribution of the valid data was relatively even with the male and female respondents paralleling 56.6% and 43.4% respectively. With respect to age, majority (80.4%) were ≤ 35 years. Respondents who are ≥ 55 years were underrepresented (1.0%). In respect of marital status, the responses skewed towards single category which had over 65% whereas only a third were married. The respondents are reasonably educated as majority (over 80%) have at least a degree certificate. All the respondents had a minimum of college certificate. In respect of occupation, 13.6% were self-employed whereas 47.3% were government employees. 21.4% were employed by the private sector whereas 17.8% are students. The income distribution also skewed towards the low income earners because nearly half of the respondents earn \leq N50, 000. The reason for this is not far-fetched. Government employees dominated the sample and the minimum wage for government workers is poor. The summary of the respondents’ demographic profile is reported in Table 1.

ANALYSIS AND RESULTS

Assumption Check and Common Method Bias

Before the main analysis, several fundamental assumptions of structural equation modelling (SEM) and common method bias were examined. The fundamental assumptions of SEM which is similar to

Table 1. Respondents' demographic anatomy

Variable	Category	Frequency	Percentage
Gender	Male	188	56.6
	Female	144	43.4
Age bracket	≤ 25	76	22.9
	26-35	191	57.5
	36-45	48	14.5
	46-55	14	4.2
	56 and above	3	0.9
Marital status	Single	216	65.1
	Married	111	33.4
	Other	5	1.5
Educational qualification	FSLC	0	0
	WAEC/SSCE	18	5.4
	NCE/Diploma	24	7.2
	HND/BSc	189	56.9
	Postgraduate	101	30.4
Occupation	Self employed	45	13.6
	Employed by government	157	47.3
	Employed by private organization	71	21.4
	Student	59	17.8
Monthly income	≤N50, 000	164	49.4
	N50, 001- N100, 000	94	28.3
	N100, 000-N150, 000	28	8.4
	N150, 001-N200, 000	15	4.5
	N200, 001 and above	31	9.3

Note: n = 332

those underlying factor analysis stipulate as follows: a) the Kaiser-Meyer-Olkin's measure of sampling adequacy (KMO) must be ≥ 0.5 ; b) the Bartlett's Test of Sphericity must show that factor extractions are statistically significant; c) absence of multicollinearity; and d) data normality (Hair et al., 1998). These tests were completed with SPSS version 22.00 software. Outputs from the factor tools show that the overall KMO value was 0.916. This is far above the 0.5 acceptable limit. The Bartlett's Test of Sphericity index was statistically significant ($p= 0.000$). Hence, a substantial evidence for the planned factoring of the 19 scale items does exist (Kaiser, 1974). Furthermore, the extracted communalities across all the measurement items ranged from 0.286 to 0.770. This shows that multicollinearity is absent among the 19 measurement items since none of the items had a communality score of over 0.90. Collinearity diagnostics were further examined by inspecting the tolerance value and the variance inflation factor (VIF) of the latent constructs following the criteria stipulated by Hair et al. (2010). Results indicate that the tolerance values (0.40 – 0.60) were well above the minimum limit whilst the VIF values (1.68 – 2.50)

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were equally below the maximum threshold. Thus, multicollinearity and redundancy issues are absent and do not pose any threat to the estimation of the regression models.

The normality assumption was examined via the scatterplot and the P-P plot. Although the P-P plot reveals a good fit, indications of minimum deviations from normality were evident. Additionally, the scatterplot showed a rectangular distribution with most of the scores clustering around the centre. Yet, few outliers with standardised residuals typically exceeding the 3.3 and -3.3 range were spotted. To ensure that these few outliers did not violate the normality regression assumption, the Mahalanobis distance and the Cook's distance values were inspected and compared with the critical value. The process led to the exclusion of 29 cases that were believed to pose potential inflation threat in the estimation of the models because these cases were having standardised residual values exceeding the critical value. The scatterplot and the P-P plot were not reported due to space.

Most common method bias arises from self-reported data where respondents provide measures for both explanatory and criterion variables using a common rater (Podsakoff et al., 2003). In this study, all the latent constructs were subjectively measured, suggesting in fact that a common method bias may likely be present. To confirm whether common method bias posed any serious threat to the analysis, the Harmon's one-factor test recommended by Podsakoff et al. (2003) was conducted. The items used to measure the five latent constructs (which includes the predictor and criterion variables) were simultaneously entered into a single exploratory factor analysis to determine whether a single factor solution will emerge or whether the majority of the variance could be accounted for by one general factor, that is, more than 50% of the variance. The results show that the predictor and explanatory variables are different factors. No single factor accounted for the majority of the variance (less than 50% of the variance). Thus, we conclude that common method bias is absent.

In addition, a representative test was further conducted, to ascertain the randomness of the response sample. The entire sample was split into two independent groups/subsamples, based on a random sampling procedure (Hair et al., 2010). The two groups were compared, using some demographic characteristics such as gender, age, and occupation. All correlations revealed no significant difference at the 0.05 level. Thus, the sample is representative of the population.

Psychometric Properties of the Measurement Model

Prior to hypotheses tests, the measurement model was assessed through a confirmatory factor analysis (CFA). The partial least square structural equation modelling procedure (PLS-SEM) was employed. The appropriateness of PLS-SEM lies in its suitability for small and medium samples (Segarra-Moliner et al., 2013). This analysis was completed with the SmartPLS 2.0 software (Ringle et al., 2005). Table 2 shows the mean, standard deviation, Cronbach alpha, composite reliability, average variance extracted (AVE) as well as the square root of the AVE. The reliability outputs provided acceptable indices of internal consistency because the Cronbach alpha and composite reliability indicators ranged from 0.679 to 0.901 and 0.807 to 0.953 respectively (see Table 2). These were respectively above the 0.6 lower limit cut-off for Cronbach alpha (Hair et al., 1998) and the 0.7 minimum threshold recommended for composite reliability (Bagozzi and Yi, 1988). The validity test outputs are shown in Table 2. The AVE for all the latent constructs were greater than the 0.5 minimum threshold (Bagozzi and Yi, 1988). Hence, the measurement instrument demonstrate convergent validity. Finally, discriminant validity condition is met since the square root of the AVEs were all greater than the correlations among each latent constructs' pair (see Table 2). Overall, the measurement model is assessed reliable and valid.

Table 2. Latent constructs' descriptive statistics, validity and reliability measurement

Construct	Mean	SD	Cr. Alpha	CR	AVE	Constructs				
						1	2	3	4	5
Information sharing (1)	4.027	0.597	0.739	0.836	0.564	0.751				
Customer orientation (2)	3.899	0.621	0.679	0.807	0.519	0.541	0.720			
Brand credibility (3)	4.109	0.550	0.867	0.900	0.602	0.705	0.663	0.776		
Satisfaction (4)	3.920	0.713	0.807	0.885	0.720	0.701	0.567	0.704	0.849	
Attitudinal loyalty (5)	4.229	0.751	0.901	0.953	0.910	0.479	0.501	0.641	0.692	0.954

Notes: Diagonal elements (in bold) are the square root of the AVE; Off-diagonal elements are the correlations among the 5 latent constructs (all correlations are significant, $p < 0.01$); For discriminant validity, diagonal elements should be larger than off-diagonal elements; SD, standard deviation; CR, composite reliability

Test of Hypotheses

Model Specification

The proposed hypotheses were tested using SPSS version 22.0 in two streams. The two tests were completed with hierarchical regression procedure. First, mediation relationships were examined using the procedures stipulated by Baron and Kenney (1986). They stated that a mediation relationship exists if the following conditions are fulfilled: i) the predictor variable is related to the mediator; ii) the mediator and the dependent variable are correlated; and iii) the previously significant relationship between the predictor variable and the independent variable is no longer significant or substantially decreased when i) and ii) are controlled. If Z = Dependent variable, X = independent variable, and Y = mediator:

$$Z = f(X) = a + bX; Y = f(X) = c + dX$$

$$Z = f(Y) = e + fY; Z = f(X,Y) = g + hX + jY$$

Full mediation: Partial mediation

$$*b \neq 0 \quad *b \neq 0$$

$$*d \neq 0 \quad *d \neq 0$$

$$*f \neq 0 \text{ also } j \neq 0 \quad *f \neq 0 \text{ also } j \neq 0$$

$$*h \neq 0 \quad *h \neq 0 \text{ but } h < b.$$

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Secondly, the moderating effect of satisfaction was tested following the Aiken and West (1991) approach. First, the predictor variables (information sharing and customer orientation) and the moderator variable (satisfaction) were centred to reduce the multicollinearity issues associated with a pooled regression model that includes multiplicative terms meant to test interaction effects and consequently pave way for easy interpretation of regression results as well as reduced numerical instability. The moderation model is formed by a single regression equation captured below:

$$Y = a + \beta_1 X + \beta_2 Z + \beta_3 XZ + \varepsilon$$

A significant moderation is said to exist if β_3 is statistically different from zero. Based on this formula, the moderation model depicting a multilevel analysis will proceed as follows:

$$\begin{aligned} \text{Brand credibility} &= a + \beta_1 (\text{Information sharing}) \\ &+ \beta_2 (\text{customer orientation}) + \varepsilon \end{aligned} \tag{1}$$

Moderated regression model is specified as follows:

$$\begin{aligned} \text{Brand credibility} &= a + \beta_1 (\text{Information sharing}) \\ &+ \beta_2 (\text{customer orientation}) \\ &+ \beta_3 (\text{information sharing} \times \text{satisfaction}) + \varepsilon \end{aligned} \tag{2}$$

$$\begin{aligned} \text{Brand credibility} &= a + \beta_1 (\text{Information sharing}) \\ &+ \beta_2 (\text{customer orientation}) \\ &+ \beta_3 (\text{customer orientation} \times \text{satisfaction}) + \varepsilon \end{aligned} \tag{3}$$

Results

Given that all the latent variables are significantly related (see Table 2), Baron and Kenney's (1986) first and second condition for testing mediation was fulfilled. Data were thereafter entered in two blocks. The two predictor variables were entered in model 1 without the mediator (brand credibility), whereas in the second model (model 2), the mediator was included in the analysis. The results of the analysis are reported in Table 3. Following Baron and Kenney's (1986) criterion, brand credibility mediates the relationships among information sharing, customer orientation and attitudinal loyalty. There is a significant increase of 12% in the coefficient of determination (R^2) between model 1 and model 2 as well as a significant F. change (see Table 3). This change was accounted for by the introduction of the mediator (brand credibility). The beta coefficients of information sharing and customer orientation observed in model 1, have significantly decreased in model 2 upon the introduction of the mediator (brand credibility). Although

Table 3. Regression outputs of the mediated model (Dependent variable – attitudinal loyalty)

Predictor variable	Model 1	Model 2
	β (SE)	β (SE)
Information sharing	0.414(0.081)***	0.166(0.085)*
Customer orientation	0.167(0.078)*	0.004(0.076)
Brand credibility		0.511(0.090)***
R ²	0.290	0.410
Δ R ²	0.290	0.119
Δ F	61.388***	60.335 ***
Note: β = beta coefficient; SE= standard error; * p < 0.05; *** p < 0.001; n = 303		

the beta coefficient of information sharing managed to retain its significance level, customer orientation dropped out of the significance level. Such increase in R^2 and decrease in beta coefficients show that the relationships of information sharing and customer orientation with attitudinal loyalty is mediated by brand credibility. Hence, H4 and H5 are supported. Whereas a partial mediation was detected in the relationship between information sharing and attitudinal loyalty, brand credibility fully mediates the relationship between customer orientation and attitudinal loyalty.

A separate linear regression model that was not reported in Table 3 was conducted to test H1, H2 and H3. The outputs show that information sharing ($\beta = 0.486$; $p < 0.001$) and customer orientation ($\beta = 0.319$; $p < 0.001$) were significant predictors of brand credibility. Hence, H1 and H2 are supported at the $p < 0.001$ significance level. The two variables jointly explained 54% (R^2) of the total variance in brand credibility. But as can be observed from the beta coefficients, information sharing is a better predictor of brand credibility than customer orientation. The regression outputs also indicate that brand credibility ($\beta = 0.629$; $p < 0.001$) is a significant predictor of attitudinal loyalty. Hence, H3 is supported.

Table 4 depicts the outputs of the moderated regression model. An OLS hierarchical regression was conducted to investigate our hypotheses that information sharing and satisfaction as well as customer orientation and satisfaction would be associated with brand credibility, assessed as the standard deviation in brand credibility scores. As previously specified in our model, predictors were hierarchically entered in three blocks. In the first block, the simple additive model (information sharing and customer orientation) was entered. In the second block, the interaction term (information \times satisfaction) was entered. The interaction term (customer orientation \times satisfaction) was entered in the third block. Regressing brand credibility onto satisfaction, information sharing, and customer orientation, the proposed two-way information sharing \times satisfaction ($\beta = -0.114$; $p < 0.05$) was significant as shown in model 2 (see Table 4). The interaction effect of satisfaction with information sharing significantly increased the R^2 of brand credibility by 1.2 percent ($F = 7.790$; $p < 0.01$), indicating a small effect change. This confirms H6 and it can be concluded that satisfaction does moderate the impact of information sharing on brand credibility. Additionally, although an interaction effect was marginally evident with respect to the proposed two-way customer orientation \times satisfaction, a significant effect was not detected ($\beta = -0.036$; $p > 0.05$). The interaction effect of satisfaction with customer orientation only marginally increased the R^2 of brand credibility by 0.1 percent ($F = 0.387$; $p > 0.05$), indicating a very meagre effect change. We therefore reject H7 and conclude that satisfaction does not moderate the impact of customer orientation on brand credibility.

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Table 4. Regression outputs of the moderated model (Dependent variable – brand credibility)

Predictor variable	Model 1	Model 2	Model 3
	$\beta(SE)$	$\beta(SE)$	$\beta(SE)$
Information sharing (IS)	0.486 (0.048)***	0.453(0.049)***	0.456(0.049)***
Customer orientation (CO)	0.319 (0.046)***	0.315(0.046)***	0.310(0.046)***
IS \times satisfaction		-0.114(0.020)**	
CO \times satisfaction			-0.036(0.028) ^{ns}
R^2	0.543	0.555	0.555
ΔR^2	0.543	0.012	0.001
ΔF	178.279***	7.790**	0.387 ^{ns}

Note: β = beta coefficient; SE= standard error; n = 303

To confirm that these results were not confounded by multicollinearity, collinearity diagnostics was once again examined. The outputs indicate that multicollinearity was not an issue because the tolerance scores which ranged from 0.438 to 0.898 were all well above the minimum threshold of 0.10 while the variance inflation factor (VIF) which ranged from 1.114 to 2.283 were all substantially below 5 which is the maximum threshold.

DISCUSSION AND CONCLUSION

Despite the significant role which customer-brand interactions and customer-focused philosophy play in strengthening the customer-firm relationships, the brand attitude literature is quiet on how information sharing and customer orientation influence the believability of brands and how such believability can affect marketing outcomes. This is particularly surprising when thought is given to the fact that stronger customer-firm ties ensue when a brand is perceived to be credible. Additionally, although satisfaction is a key metric used for evaluating marketing performance, few studies (e.g. Keh and Lee, 2006) tested its moderating effects with evidence of total neglect in the brand attitude literature. This study explored these evident gaps within the retail banking sector. This study contributes to brand attitude literature and loyalty theory by demonstrating that over and above the simple significant positive effects of information sharing, customer orientation, and brand credibility on attitudinal loyalty, brand credibility does transmit the effects of information sharing and customer orientation onto attitudinal loyalty. The study also shows that satisfaction significantly moderated the effect of information sharing on brand credibility but no significant moderating effect was detected in the customer orientation-brand credibility link. It is therefore argued that mere customer-firm interactions cannot elicit brand credibility unless customers are satisfied. Overall, information sharing was a better predictor of brand credibility than customer orientation, but brand credibility was a better predictor of attitudinal loyalty than information sharing.

Although previous research failed to examine the effects of information sharing and customer orientation on brand credibility, this paper demonstrates that these two constructs explain over 50 percent

of the variance in brand credibility. So in addition to other determinants of brand credibility already established in the brand attitude literature (see Alam et al., 2012; Spry et al., 2011), this study has further shown that information sharing and customer orientation are good predictors of brand credibility. Thus, attitudinal loyalty greatly depends on the way and manner in which information is shared between firms and their customers. Additionally, customer-focused philosophy is also strong determinants of brand credibility. Furthermore, brand credibility mediates the relationships between its determinants and attitudinal loyalty. Thus, customers who believe in a brand based on their interactions with the brand and how customer-oriented the firm is, are more likely to exhibit attitudinal loyalty. This proposal is tenable to the extent that separating the effects of brands and relationships on customers' attitudinal responses is difficult (Palmatier, 2008) especially as the RM theory advocates customer-oriented intensive information exchange between parties in a business relationship.

The moderation effect of satisfaction in the relationship between information sharing and brand credibility is relatively contentious because previous research (e.g. Johnson et al., 2008) argue that higher levels of satisfaction does not always transform into enhanced customer behaviour. It is therefore insightful to argue that whilst brands can be humanised, customer behaviour and brand behaviour are still distinct. In fact, brand credibility precedes customer behaviour. Since satisfaction precedes customer behaviour, the relationships between the antecedents of brand credibility, brand credibility and satisfaction are still within the confines of the determinants of customer attitudinal responses and the possibility of satisfaction enhancing the links between these construct cannot be completely ruled out. Thus, there is no gainsaying that satisfaction cannot enhance the relationship between information sharing and brand credibility because our findings show that higher levels of satisfaction can actually affect the relationship between information sharing and brand credibility. On the contrary, results show that the proposed moderation effect of satisfaction on the customer orientation-brand credibility relationship is very marginal and insignificant. Thus, whether a customer is satisfied with a brand or not plays little or no role in enhancing the relationship between customer orientation and brand credibility. This ultimately indicates the robustness of customer orientation as a direct determinant of brand credibility. Thus, satisfaction becomes an insignificant signal when customers' tendency to believe a brand has been boosted by the firm's customer-oriented philosophy. These disparities in the pursuit of brand credibility through information sharing and customer orientation as well as the fundamental content of brand attitude response pose several investigative directions for further brand attitude research. Specifically, the role of satisfaction in these links ought to be further explored.

Our research findings must be interpreted with caution due to some evident limitations. First, it is difficult to establish the causal ordering of post-purchase evaluations with a cross-sectional dataset (Johnson et al., 2008). Future research could examine the causal links explored in the research model using a longitudinal design. Second, the conveniently generated sample may not have allowed for a fully matched profile of the respondents. However, the fitness of the regression model is satisfactory and results cannot be said to be spurious. Finally, the data emerged from a service sector that has been witnessing restructuring for over a decade. This may have affected the responses. However, it can be argued that the mediating effects of brand credibility in the relationship between information sharing, customer orientation, and attitudinal loyalty is consistent with findings in previous research (e.g. Alam et al., 2012; Spry et al., 2011). However, the links tested within the research model are unique.

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ENDNOTE

- ¹ Trustworthiness and expertise of a brand are based on the cumulative impacts of all previous marketing strategies and actions taken by a brand (Baek et al., 2010, p. 665).

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APPENDIX

Table 5. Scale.

Items	Reference
<i>Information sharing (IS)</i>	
1. The information I receive from bank is always accurate	Ndubisi (2007)
2. My bank keeps me informed about new services	Ndubisi (2007)
3. I receive good explanations from my bank whenever I'm confused about anything concerning their services	Wong et al. (2007)
4. I am always willing to share vital information with my bank	Chu and Wang (2012)
<i>Customer orientation (CO)</i>	
5. My bank is knowledgeable about customer needs	Cheng et al. (2008)
6. My bank do their best to solve my problems	Cheng et al. (2008)
7. My bank has the interests of customers in mind	Cheng et al. (2008)
8. My bank tries to understand my financial needs	Wray et al. (1994)
<i>Brand credibility (BC)</i>	
9. My bank delivers what it promises	Erdem and Swait (1998)
10. My bank's claims about it services are believable	Erdem and Swait (1998)
11. Overall, my bank is a brand that can be trusted	Erdem and Swait (1998)
12. My bank reminds me of someone who's competent and knows what he/she is doing	Erdem and Swait (1998)
13. My bank does not pretend to be something it is not	Erdem and Swait (1998)
14. My bank is at the forefront of using technology to deliver a better service	Erdem and Swait (1998)
<i>Satisfaction (SAT)</i>	
15. My bank is a good company to do business with	Rajaobelina and Bergeron (2009)
16. I am satisfied with the monetary benefits provided by my bank	Rajaobelina and Bergeron (2009)
17. Overall, I am very satisfied with my bank	De Canniere et al. (2010)
<i>Attitudinal loyalty (AL)</i>	
18. I intend to stay with my bank for a very long time	Liu et al. (2011)
19. I will always recommend my bank to other people	Liu et al. (2011)

Section 3

Brand Management and Customer Engagement

Chapter 10

Consumer Relationships With Brands

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ABSTRACT

A brand can be one of a firm's most valuable assets; however, the value of a brand is contingent on the perceptions, attitudes, and behaviors of its consumers. A brand can legally belong to a firm, but its value is in consumers' hands. Thus, it is important to know how a brand can connect with its users and how to build strong brand relationships that lead to consumer loyalty and advocacy for a brand. Brands can also influence the adoption of new products by helping consumers to reduce the uncertainty of new product adoption. This chapter addresses how marketing strategies can enhance brand relationships.

INTRODUCTION

Apple was ranked the most valuable global brand in 2013 by the prestigious consulting firm Interbrand. This means that if Apple lost all of its tangible assets (e.g. buildings, land, and machinery) and all of its intangible assets (e.g. patents, managerial strengths) except its brand, the company would still have an asset worth of 98.31 billion U.S. dollars. How is this value determined? This calculation considers the present value of the expected earnings, considering the risk associated with the earnings—the higher the value, the greater the expected earnings of the brand. The Interbrand model takes into account the fundamental principles of both marketing and finance. It recognizes the added value that brands generate for their owners and the relationship between the marketing activities necessary to stimulate demand, loyalty, and value on the stock market.

The concept of brand equity recognizes that brand value depends on the perceptions, attitudes, and behaviors of consumers to which a brand is targeted. Thus, while a brand can legally belong to a firm, its value is in the consumers' hands. Measuring the value of a brand is the starting point for design, and implementing effective strategies to maintain and increase that value is the task of effective market-

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ing leaders. Aaker (1991) states that, in order to develop brand value, consumers have to go through a series of stages: first they must learn that the brand exists and the benefits they might experience from purchasing the brand. Simply put, they have to know the brand. This brand awareness by consumers represents a competitive advantage for the firm. In general, consumers feel safe and comfortable with familiar products and brands and are usually not willing to invest time and money in evaluating new options. The second part of the process of building brand relationships is creating an image or a set of associations that is appealing to the target market. How can a brand connect with its users? Brand-customer associations need to fit with the lifestyle, personality, or values of the target market population to strengthen consumers' relationships with the brand. Finally, other brand assets, such as intangible assets, brand assets, patents, and relationships with intermediaries should be preserved and nurtured. All of these assets should facilitate consumers' access to the brand and in the process build barriers to the entry of new competitors to the market. When firms satisfy all of these conditions, they can establish a strong brand relationship based on loyalty. Loyal consumers not only buy the product repeatedly, but also express their satisfaction to other consumers and recommend the brand. Loyal consumers can become the best advocates for a brand. If we accept the fact that high value brands can create long-lasting and strong relationship with consumers, we must recognize the influence of emotions in developing this relationship. Just as emotions play an important role in personal relationships, emotions also influence brand-consumer relations. Consumers hold certain brand association which can include associations with certain benefits, memories, people, and events. In other words, they feel confident that the brand will not fail them. Finally, Keller (2003) describes the value of the brand is a vital and strategic bridge that allows brands to successfully transition from the past to the future. We can conclude that the permanence of this connection and commitment between brands and their consumers enables the value of a brand to endure and grow in a competitive environment, characterized by the emergence of new technologies. Recent literature has identified the importance of understanding the audience of brands in the online environment, as it is a prerequisite for a successful brand performance (Singh & Sonnenburg, 2012). Additionally, consumers have more empowerment than ever before, because social networking sites provide a propitious context for increased personal self-exhibition with brands in front of other consumers (Cova & Pace, 2006).

This chapter will address how marketing strategies can enhance brand relationships. We will begin by discussing how brand relationships are built. We will then focus on how brand credibility can be developed. Finally, we will refer to the adoption of new products from the consumer perspective. Overall, this chapter is intended to provide managerial guidance on the basis of recent research findings on the branding and adoption of new brands and products.

1. BUILDING BRAND RELATIONSHIP

Brand Meaning

One of the most important goals of brand managers is to build strong, long-lasting brands. Strong brands often are important sources of short- and long-term revenue (Aaker 1991). Although strong brands result in higher revenue terms in the short and long run (Keller 2003), this can be measured and achieved in customer-based analogies on how consumers perceive, use, evaluate, and involve brands in their inter-personal lives. The meaning consumers give to brands comes from a dynamic process of interpretation

Consumer Relationships With Brands

that is formed in terms of the context in which they are used, the characteristics of their consumers, and the cultures to which these consumers belong (Batey, 2008). Consumers choose and use brands to define themselves. Consumers not only buy brands in light of their functional attributes, but also for those brands' meaning as well as to communicate such meaning by showing something about themselves to others. The theory of brand personality (Aaker, 1997) suggests that people associate several human characteristics to brands and these characteristics can be generalized across cultures:

- **Sincerity:** Down to earth, honest, wholesome, cheerful,
- **Excitement:** Daring, spirited, up to date, imaginative,
- **Competence:** Reliable, intelligent, successful,
- **Sophistication:** Upper class, charming (e.g. Guess Jeans),
- **Ruggedness:** Outdoorsy, tough (e.g. Nike tennis shoes).

Previous research has shown that these brand personalities can transfer to consumers when they use a specific brand. For example, Park & John (2010) identified that some women, after walking with a Victoria Secret bag in a shopping mall, felt more good-looking, feminine, and sophisticated – personality traits that were also associated with the brand.

The ideas about brand meaning and brand personality are also consistent with the consumer-brand relationship theory. Considering that relationships add and provide structure to meanings in a person's life, Fournier (1998) introduced a consumer-brand relationship model based on this process of meaning creation. By following a modified life-history case study with three women in different life situations, she was able to obtain significant insights into the meaning of consumers' lived experiences with brands. Her findings suggest that people can develop relationships with brands as they develop them with other people. To conclude her study, she proposed a typology of fifteen consumer-brand relationship forms: from casual friends to committed partnerships (Fournier, 1998).

Several works of literature have tried to explain how to build a brand relationship from a managerial point of view; this approach can be incomplete if it lacks insights into how relationships are built. In the interpersonal domain, the self-expansion model of (interpersonal) close relationships (Aron, Aron & Norman, 2001) proposes that people tend to form close relationships as a means of enhancing their potential efficacy through the acquisition of the other's physical and social resources, perspectives and identities. Trust would be the cornerstone of close relationships (Garbarino & Johnson, 1999). This process is known as self-expansion, which is believed to be a central motivation to human beings. Inclusion of the other into the self is concurrent at the time of self-expansion, and both processes occur simultaneously and increase over time within the persons involved in the relationship. Research has found that consumers can react psychologically and physiologically to brands just as they do to human partners. For example, Reimann, Castaño, Zaichowsky, and Bechara (2012), using psychological measures and sophisticated physiological measures such as skin conductance and fMRI brain imaging, found that, similarly to interpersonal relationships, consumers experience increased emotional arousal in the first stages of brand relationship, which decreases over time. This is similar to how people experience love; they experience strong emotions at the beginning of the relationship, which eventually decrease in intensity as this "honeymoon period" ends. Interestingly, the authors found that close brand relationships activate areas of the brain associated with urging and interpersonal love. In a commercial context, it's useful to view relationships as different aspects or facets as one overall relationship. Consumers are more concerned with how much they receive for what they give in the relationship; a non-reciprocal relation-

ship tends to be less responsive. This suggests that evaluations are made by consumers regarding whether the relationship is worth pursuing or not. Furthermore, most relationships are formed through sharing positive emotions and experiences. However, recent research has found that consumers can develop a relationship with a brand after experiencing fear while accompanied by such brand. For example, while viewing a horror movie, consumers will feel closer to the brand of water that was near them even though it was unknown to them prior to the experience (Dunn & Hoegg, 2014).

Companies that ignore or disregard these brand-consumer relations do so at their risk, and marketing history is full of examples of companies that fail to understand the deep connections consumers can have with the brands they love. Possibly the most famous example—but by no means the only one—is the introduction of New Coke in 1985 to replace the staple drink of the Coca-Cola Company. Following the consumer protest, Coca-Cola had to back pedal and bring back the original formula under the name of Classic Coke to reinforce its traditional heritage. Although in blind tests consumers had preferred the flavor of the New Coke over the old coke (i.e. Classic Coke), Coca-Cola failed to understand the way in which consumers had integrated the brand into their lives. A more recent example includes The Gap's failed attempt to change its well-loved solid blue rectangle logo for a clean font and a small blue square. Due to consumer's reaction, Gap had to backtrack and bring back its iconic logo after a short period of time. These examples show the strength of the bond that can be developed between consumers and brands. Of course, not all brands develop this kind of deep relationships with consumers, but those that do develop enormous rewards in the form of brand purchases, brand recommendations, and brand value.

Brand Communities and Technology

Consumers can develop extremely strong relationships with some brands, showing extreme devotion to them, often exhibiting the quasi-religious aspects of cults. For example, Belk and Tumbat (2005) describe how the extreme devotion of some Macintosh users to the brand takes on nearly cultic characteristics. Interestingly, brands can also help consumers *connect* with other consumers with similarly strong feelings towards the brand. These brand communities, which others have called “consumption communities” or “idiocultures”, can bring together consumers from different geographical areas into a community bound by a set of social norms built around the brand (Muniz & O'Guinn, 2001). For example, Schouten & McAlexander (1995) describe how brand communities are built around brands committed to a particular product class, brand, or consumption activity. For consumers, such commitment to a brand saves the cost of seeking new relations with other brands (Chaudhuri and Holbrook, 2001).

There is a big difference between the meanings that marketing managers impose on the brand and the creation of meaning of that brand in consumers' daily lives. What matters in the construction of brand relationships is what consumers do with brands to add meaning to their lives). Therefore, brand managers are well advised to use measures of brand relationships, including brand attachment (Thomson, McInnis & Park, 2005), brand bond connections (Thompson et al., 2005), brand devotion (Pichler & Hemetsberger, 2007), and brand love (Ahuvia, 2005; Carroll & Ahuvia, 2006) in addition to brand knowledge measures. Marketers should develop strategic and tactical initiatives to ensure that consumers are satisfied with the brands, trust them, and feel attached to them. Experiential marketing mix and communications techniques are recommended to enhance interactions and emotional connections between customers and the brand.

New advances in technology and other communication channels are beginning to influence a change of the ownership of brands. Today, consumers have the ability to share experiences, opinions, and ideas

with others through social networking sites in an unprecedented manner. Companies as brand “owners” have little control over what consumers share in public forums, and all of this information affects (or modifies) the original brand company-intended image. The Internet is making possible the explosion of messages transmitted via social networking sites at any moment, resulting in important implications for marketing and consumer behavior research and practice. For example, people now use this technology to obtain information, evaluate products and services, make purchases, and recommend them to others. Previous research on the topic has suggested that consumers trust brand pages on social networking sites, and more importantly, they consider these pages to have an influence on their purchase decisions (Araujo & Neijens, 2012). For this reason, companies are beginning to identify social networking sites as tools for marketing activities (Zaglia, 2013). Specifically, this new channel of communication is being used to promote services or products. The different abilities of social networking sites, such as the creation of groups of people who share the same interests, geo-location technologies, and the integration of applications, makes them unique for marketing, advertising, and communication.

In sum, relationships with brands are being modified, as consumers can “follow” brands and have them in the same online “social circle” that they have among their family members and close friends. As technology enables consumers to be more social and mobile, their decision-making processes become more interesting. Other online communication tools include email, instant messaging or chat, forums, discussion boards, blogs, text messaging, VoIP, and videoconferencing. There is a need to develop a deep understanding of how to construct brand relationships in these new contexts as we strive to understand how the nature of consumer-brand relationships has been impacted by technology.

2. CONSTRUCTING BRAND CREDIBILITY

The Meaning of Credibility

Several years ago, the magazine *Business Week* featured a cover story entitled “Vigilant Consumers” in which author Jena McGregor (2008) essentially warns corporations that, with the growth of the internet and the resulting easy spread of (opinionated) information, brands would soon find themselves in a dramatically worsening credibility crisis. While consumers continued to lose faith in brand positioning, claims, marketing communications, and advertising, companies were perceived more and more as simply not willing and/or not able to fulfill their end of the bargain and deliver on their promises. This telling article provides a vivid example of what has been described as consumer-brand-ownership and also of how the accumulation of a customer’s negative experiences with companies and brands may in due course lead to the erosion of credibility, a loss of trust, and, in the long run, forfeited brand loyalty. Although in the previous section we postulated several reasons why consumers begin to feel attached to a specific brand—including, for example, satisfaction, risk reduction, affirmation, and/or status—it is generally agreed upon that *trustworthiness* resulting from expertise and reliability lies at the core of most successful relationships. The advantages to be gained from such close affiliations between consumers and their favorite brands are twofold: on the one hand, companies benefit because customer loyalty augments a brand’s equity and makes competitive actions from rival businesses less likely. On the other hand, a brand that has earned a customer’s loyalty on previous occasions serves him/her as a signal of comfort and believability that their expectations will be met again during future purchases. Furthermore, the brand can extract positive returns with strategic moves if it has built strong credibility. For example,

Sorescu, Shankar and Kushawa (2007) found that brands launching new products could benefit from pre-announcements if they are reliable and give specific details about the new product such as launching date and product characteristics.

Yet, in light of what has been outlined up to this point, the necessary credible information to form such a reassuring relationship with a brand may not always be readily available to consumers. The general cause-and-effect chain of brand credibility is based on the assumption of higher quality in strong and credible brands, which in turn leads to lower associated risks, as consumers are able to feel more comfortable with their choices based on the perceived trustworthiness and expertise of the company. Swait and Erdem (2007, p. 679) define a brand's credibility as "the believability of the product information contained in a brand, which requires that consumers perceive the brand as having the ability (i.e. expertise) and willingness (i.e. trustworthiness) to deliver continuously what has been promised", as well as being likable (Keller, 2012). If said brand does not deliver on what has been promised, consumers are highly likely to eventually uncover such unethical and opportunistic behavior and, as demonstrated by McGregor in "Vigilant Consumers," are also highly likely to inform other customers over the Internet or different forms of customer-generated media. Hence, if a company does not deliver on its promises, its credibility will eventually fade, and with it, the company's brand equity will also disappear. Research has repeatedly shown the positive effect of brand credibility on choice (Erdem & Swait, 2004) thus, Gobé (2010) suggests that companies have to build sustainable and coherent brand equity integrating consumers in their dynamic process of brand building on a personal and emotional level. Furthermore, Aggarwal (2004) suggests that customers expect brands to know them intimately and individually, with a solid understanding of their needs. With the imminent growing trend of globalization and the relevant role of brands in these processes, there is a substantial need to extend research and test the validity of the existing conceptual frameworks in different cultures.

Brands as Signals of Credible Information

One of the numerous effects of today's competitive environment has been the permeation of many markets with indistinguishable products and services that seem to offer essentially the same function to the consumer. This excessive amount of choices has made it much more difficult for any one company to capture, and retain the attention of potential customers and thereby effectively differentiate itself from the competition. The enormous variety of alternative products and the continuously increasing amount of consumer-directed information simply have become too overwhelming and, in many cases, too irrelevant to be perceived and consciously processed by a person in its entirety.

Accordingly, from the perspective of the average consumer, it should quite often be unclear what exactly the differences are between any two products or services and why he or she should prefer the one over the other. However, this theoretical reasoning certainly does not explain why, for example, some people decide to camp out in front of an electronics store for many days just to be among the first to hold a cellular phone of a particular brand in their hands.

Considering these outlined circumstances, it seems obvious to identify the practice of creating strong and credible brand images to be one of the few remaining options left to a company trying to distinguish itself from its competition and actually be recognized by consumers. When aspiring to stand out from the masses, such an ability to offer differentiating and unique additional value—beyond physical product properties or lower prices—generally appears to be one of the key aspects that may favorably influence a person's buying preferences (Trout & Rivkin, 2008). Moreover, it must be acknowledged

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that effective branding also wields tremendous power in successfully persuading customers not only to purchase a product or service once, but also again and again. In short, while strong brands immensely contribute to a corporation's strategic competitiveness, they also may very well be the one crucial factor that ultimately decides over its success or failure.

Depending on the overall market conditions and composition of the desired target group, corporations generally are able to employ a tremendous number of diverse marketing mix elements (e.g. price initiatives, distribution channels) in addition to brands as signals to try and convey any number of benefits (i.e. performance characteristics, reputation) to the consumers. But all marketing mix elements and brand signals will only be able to guide the consumers in their product considerations if the source of the signal is perceived as credible and is not believed to have a reason or possibility to convey false signals or to cheat in any other way (Erdem & Swait, 1998).

This notion of consistently building a reputation based on predictable and unvarying performance over time is an essential part of this framework, as was demonstrated by Erdem and Swait (1998) when they showed that credibility is notably higher for brands with a more consistent and harmonic mix of marketing stimuli. In these cases, consumers perceive the expenditure for marketing efforts to be long-term brand investments and generally react favorably to such overt signs of commitment, as they now feel that the company cares about their relationship and the company can be expected also to be present in the future to serve its customers.

It has become clear that there are two main components of brand credibility, namely a company's willingness and ability to consistently deliver on what has been promised to the consumer. A consumer is dependent on a brand's credibility to provide him or her with adequate, relevant, and transparent information since, on average, most markets are characterized by a relatively high degree of imperfect and asymmetric information distribution. If a brand is able and willing to continuously provide such clear and transparent information, the resulting enhanced credibility of the brand may (a) increase perceived quality, (b) decrease perceived risk, and (c) lower expenditure in regard to the gathering of information. Erdem, Swait and Louviere (2002) show that a higher brand credibility may also lead to (d) lower price sensitivity as superior credibility generally leads to an increase in quality perception and a more likely acceptance of strong brands commanding a price premium (Swait & Erdem, 2007). Furthermore, Baek, Kim & Yu (2010) added brand prestige as a combinatory mechanism parallel to brand credibility to be analyzed across multiple categories, brand prestige can be defined as the relatively status of a positioned product related to a brand (Steenkamp, Batra & Alden, 2003).

3. ADOPTION OF NEW PRODUCTS

Today's environment is characterized by rapid changes. Consumers are often faced with innovations that require them to adopt new behavior patterns or to discontinue previous behavior patterns. An innovation is "an idea, practice, or object that is perceived as new by an individual, or other unit of adoption" (Rogers, 2002, p. 990). Innovations can be classified according to their degree of novelty, which is the degree of change they create in consumption patterns. Really new products (RNPs) are innovations that resist straightforward classification in terms of existing product concepts and, thus, create or at least substantially expand a category rather than reallocate shares within an existing one. From a marketer's perspective, the significant learning costs that RNPs impose on consumers present a challenge for the company. Hoeffler (2003) argues for a definition of RNPs that captures precisely the essence of consumer

perception of newness. He finds support for the notion that consumers have high levels of uncertainty when predicting the future utility of a RNP (benefits, drawbacks, and social implications). He also suggests that consumers use sensemaking procedures—such as analogies to existing products and mental simulation—to try to confront the inherent uncertainty associated with RNPs. In this chapter we do not make fine distinctions between discontinuous innovations, technological innovations, and RNPs, but instead draw on their commonalities and will identify in them the following characteristics: (a) they require a change in consumer behavior patterns, (b) consumers have high levels of uncertainty when predicting their utility, (c) the risk factor in the adoption decision is high, and (d) they involve substantial learning efforts. The relative newness of these innovations and associated uncertainty is what differentiates consumers' adoption decisions from other types of decision making. Although radically new products can provide significant rewards for the company, the characteristics outlined above may also represent significant barriers to their success.

Barriers to Adoption of Really New Products

Resistance is a consumer's desire not to buy the innovation and has been shown to be higher for products that are more novel, as is the case with RNPs. Understanding when and why consumers resist innovations is important to marketers, because if resistance is high, failure is likely to occur. Traditional research has documented different factors as barriers to innovation adoption. For example, innovation characteristics, perceived risk, and uncertainty have been widely documented as barriers to innovation adoption.

Traditional studies have examined innovation characteristics such as complexity, relative advantage, trialability, compatibility, and observability as factors that affect resistance, adoption, and diffusion (e.g. Rogers, 1983). Each of these factors relates to how a consumer perceives the innovation. Complexity is the degree of ease or difficulty a consumer may have in understanding and using a new item. Relative advantage is the perceived advantage or improvement relative to the product it is to supersede. Compatibility is the evaluation of how closely the innovation fits with the existing values, past experiences, and needs of the potential adopter. Trialability relates to the perception of how easy it is for a potential adopter to test out the innovation without making a purchase. Observability is the degree to which the innovation or the results to be gained from its use are visible to others. Relative advantage, compatibility, trialability, and observability are all proposed to positively impact adoption behavior, while complexity is expected to negatively impact the likelihood of trial and adoption. In sum, previous research suggests that resistance to adopt a RNP might be a particular form of resistance to change current behavior patterns. This resistance to change has been linked to perceived risk and uncertainty but which are the specific types of uncertainty associated with RNPs that represent potential barriers to their adoption? Hoeffler (2003) summarizes and finds evidence of the following specific types of uncertainty associated with RNPs: (a) performance uncertainty (e.g., Will this product be useful?), (b) network externalities uncertainty (e.g., Will there be additional products or services that will allow me to fully utilize the product?), (c) switching-costs uncertainty (e.g., ability to switch from using a current product and replace it with the new product), (d) symbolic uncertainty (e.g., Will this product be seen as socially desirable and appropriate, and (e) affective uncertainty (e.g., How will I feel if I use this product?).

Two types of uncertainties dominate consumer thinking regarding new products. If the buying decision is in the distant future, consumers are concerned primarily with benefit-related uncertainties, such as how the product will perform or what others will think of it. If the buying decision is in the near future, consumers are more concerned with cost-related uncertainties, such as how long it will take to learn

how to use it or how much it will cost (Castano, Sujan, Kacker & Sujan, 2008). Thus, if a company is thinking of launching a revolutionary new product, it should plan a two-phased marketing strategy that first emphasizes the product's benefits and later focuses on the practical aspects of using it. These findings have public policy implications as well. If a policymaker wishes to generate popular acceptance of a new initiative, the research suggests that initial communications should emphasize the "why" of the policy change; for example, its expected beneficial outcomes. As the date of the policy implementation draws near, communications should shift to emphasize the "how to" of the policy change, or the practical aspects of dealing with the new policy. Whether you're introducing a new wireless device or changing the way city occupational licenses are issued, a two-phased communication strategy is the key to improving the public's adoption.

In a recent study, Ma, Yang and Mourali (2014) showed that consumers that consider themselves independent are mostly found in individualistic cultures, and are the most receptive to really new products. In contrast, interdependent consumers, commonly found in collectivistic cultures, are more willing to adopt products with incremental innovations. In addition, they found that if the product with incremental innovations is scarce, it may be better accepted by independent consumers. Hence, the managerial implications might include the evaluation of introducing RNPs first in individualistic cultures and then on collectivistic ones. Furthermore, companies could introduce a sense of product scarcity in the market of individualistic cultures if the innovation is more subtle. Moreover, not only the culture and perception of their self is relevant, but also the actual social network that consumers rely on. Risselada, Verhoef and Bijmolt (2014) found that the probability of a consumer to adopt a high-technology product increases if someone on his or her social network has adopted such product. Additionally, they found that the strength of the relationship and how much they have in common (homophily) will accentuate the effect.

GENERAL DISCUSSION

A brand can be one of the most important assets a firm can own. In fact, many firms invest heavily in activities to build up their brands. These activities are geared towards building strong brands that will yield continuous sales over an extended period of time. But what constitutes a strong brand, and more importantly, how can firms build one? In this chapter, we have described how consumer brand relationships with brands constitute a central element of brand loyalty which is materialized in repeated purchases. We have also discussed how brand credibility can influence brand choice and how brands can help consumers feel safer and more comfortable while adopting a new product.

From a functional standpoint, a brand is a "name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers" (American Marketing Association, 2014). According to this point of view, brands belong to firms, and firms create and develop brands to ensure that consumers are aware of them and prefer them. At the same time, brands speak to and appeal to consumers on a very personal and emotional level. As a result, consumers establish relationships with brands that take many of the forms and characteristics of person-to-person relationships (Fournier, 1998). In constructing these relationships with their brands, consumers add meaning to their lives and create new meanings for brands that may be different from those intended by brand managers (Fournier, 1998). Thus, understanding the relationship a consumer has with a brand is essential in order to unleash the true power of branding. This concept of brand relationship marked a fundamental shift in our understanding of brand loyalty. Brand loyalty has been traditionally conceptualized as repeated

purchases, and to a large extent, this view is still prevalent in many firms. However, this view is limited, as it ignores the complexity and depth of brand connections. We have mentioned this before, but it bears repeating that the brand relationship perspective is more than a useful way to conceptualize consumer-brand interactions. Brands can actually become relationship partners, and in many cases, it can act like one. The neurophysiological research discussed in this chapter provides evidence that, to an extent, consumers react to brands in much the same ways as to other consumers. Thus, understanding how these connections are formed and how to develop them is the basis for creating and cultivating brand value.

An integral component of brand relationships is credibility. A deep connection with the brand can only occur if consumers trust the brand and what it represents. As in interpersonal relationships, there is value in the credibility and trustworthiness of a brand. The credibility of its brand is one of the most difficult aspects to build. Brand credibility represents a commitment by the firm to stand behind its brand and to deliver on the promises the brand makes to consumers each and every time. Furthermore, brand credibility construction is complicated by the fact that many elements beyond the product itself can affect its credibility. For example, the BP Deep Water Horizon oil spill in the Gulf of Mexico in 2010 severely damaged the BP's credibility as an environmentally conscious energy company, even though its products (e.g. gasoline, jet fuel) continue to perform as usual. Companies like Nike that have been accused of contracting with sweatshops in Asia to manufacture their products have also suffered blows to their credibility. These examples highlight the fragile nature of brand credibility. This aspect takes time and concerted effort from all areas of the firm to build, but it can be diminished or lost very quickly. When brands are sincere, consumer relationships with the brand deepen over time; however, in the event of a slight or mishap, consumers react strongly against the brand, and relationships suffer (Aaker, Fournier, & Brasel, 2004).

FURTHER RESEARCH

The types of brand relationships that can be formed offer potential for a wide variety of research lines. Specifically, further research could investigate if there are differences in how brand relationships are perceived by contrasting different cultures or consumer groups. For example, Zayer and Neier (2011) found two other types of consumer-brand relationships when studying men. Furthermore, more research is needed not only on the positive types of brand relationships or the positive experiences with brand relationships but also on the potential usefulness of negative relationships. Relationships are purposive, complex and dynamic (Fournier, 2009); hence, other promising lines of research could address the processes of dissolution and recovery of the relationship, as well as the process of gaining credibility. Additionally, further research could also explore the role of personality traits and diverse aspects of culture on the adoption of innovations.

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Chapter 11

How to Drive Brand Communication in Virtual Settings: An Analytical Approach Based on Digital Data (Consumer Brand Alignment and Social Engagement)

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ABSTRACT

The paper proposes an analytical approach that explores brands in virtual environments by creating indicators of consumer brand alignment and comparing them with measurements of social engagement. In particular, it combines indicators that estimate the correspondence between brand identity and brand image with measurements of engagement that emerge from platforms that monitor social media (Talkwalker and Social Mentions). The premise is that to gain objective awareness of the reputation a brand has achieved online, it is essential to filter the commitment that it produces on social media with assessments of the relations that consumers have with it. The latter is expressed through indicators of consumer brand alignment that are elaborated investigating virtual communities and adopting an interdisciplinary method that integrates netnography and text mining. The results generated by the approach illustrated in this chapter can be useful to devise adjustments to brand communication. The analysis is applied to twenty-nine important brands belonging to the fashion industry.

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INTRODUCTION: SOCIAL ENGAGEMENT AND BRAND PERCEPTION IN ONLINE MARKETS

The life of a brand is being increasingly played out in online markets, where it seeks to unfold all its relational potential (Aaker, 1999). Indeed, the brand presents itself as driver of virtual consumer communities which function as interactive *loci* populated by consumers who share information, perceptions and, thus, also sensations (Szmigin, Canning & Reppel, 2005). These *loci* must not go unnoticed by companies; the intensity with which they are experienced and the information they provide make it possible to reconstruct consumer behaviors and thus to explore how consumers relate with brands (Muniz & O’Guinn, 2011). In this connection, recent studies show that the analysis of the consumer engagement that a brand produces takes on particular importance for companies that invest to create, develop and enhance virtual brand identity together with that projected through the use of more traditional interactive spaces (stores and media communication). Consumer engagement synthesizes “the level of a customer’s cognitive, emotional and behavioral investment in specific brand interactions” (Hollebeck, 2011, p. 6). If investigated in online contexts, this engagement takes on, according to Mollen and Wilson (2010), the form of “cognitive and affective commitment to an active relationship with the brand as personified by the website or other computer-mediated entities designed to communicate brand value” (p. 5). The cognitive engagement identifies the “consumer’s level of brand-related thought processing and elaboration in a particular consumer/brand interaction,” while the emotional engagement translates into “a consumer’s degree of positive brand-related affects in a particular consumer/brand interaction” (Hollebeck, Glynn & Brodie, 2014, p. 154). Both are distinct from behavioral engagement, which most attracts the attention of businesses; this is in fact given by the time and energy the consumer spends in interacting with the brand. The three levels are not independent one from the other but are closely interrelated. Today there are monitoring platforms that make it possible to measure the “rumor” a brand generates on the web, thus leading to a determination of the level of brand engagement stemming from social media. The information that these analyses provide become of strategic importance for the determination of branding policies once integrated with data describing the relation the consumer establishes with the brand (Murdough, 2009). The authors intend to compare measurements that express the engagement the brand generates on the web with indicators that derive from the comparison between the brand perception as it emerges from the accounts of consumers in virtual communities (Kozinets, 1999) and the brand characters that the company communicates through digital media. These indicators estimate the alignment that the brand image, as it appears in the mind of the consumer has respect to the brand identity, as it is transmitted by the company. They contribute to filling a research gap since the many studies on brand image, even though they explore the impact of marketing choices on brand perception, do not compare the ensuing brand associations with those that company communicates (Gwinner & Eaton, 1999; Häubl & Elrod, 1999; Schoormans & Robben, 1997; Czellar, 2003). Indeed, the exploration of how much consumers and company share in terms of brand representation is a source of strategic information; it is in fact, the emerging state of brand sharing that underpins the level of brand equity and thus, the differential response to the marketing of a brand (Keller, 1993). The level of brand alignment is a useful filter of the brand engagement. They can be seen as strictly related. High engagement accompanied by low alignment, for example, reflects a negative situation: people speak a lot about the brand without having a brand identity aligned to the brand image. In other words, companies and consumers use a different brand language, and the online brand engagement acts as a sounding board that can amplify the perceptual gap. All this has a negative impact on consumer brand equity. At the same

time the brand engagement can strengthen the brand image and create value in case of alignment between brand identity and brand image. In this chapter it will be illustrated how to build specific indicators of brand alignment by using digital resources and how to combine them with data of social engagement concerning the brand in order to provide information that can serve to adequate orient branding policies (Ozuem, Howell, & Lancaster, 2008). The indicators that are created emerge by comparing, on the one hand, brand personality transferred online, and on the other that perceived in virtual environments. Thus, the analysis more specifically involves the “set of human characteristics associated with a brand” (Aaker, 1997, p. 347), that is, the metaphorical and less functional features attributed to the brand as expressions of its interior nature (Plummer, 2000; Keller, 1993; Batra, Lehmann & Singh, 1993). These are characteristics, which, once perceived, make the brand a “brand persona” (Herskovitz & Crystal, 2010), that is, a brand with human attributes. The context of the analysis is the world of fashion, which is a fertile terrain for the proposed research aims. Here, in fact, the online communities turn out to be digital platforms where consumers interact intensively and animate discussions exchanging ideas and information (Boyd, Okleshen & Tolson, 2007; Rickman & Cosenza, 2007).

A DIGITAL BASED ANALYTICAL APPROACH: PROCESS, INSTRUMENTS AND OUTCOMES

The analytical approach that the authors propose consists of the following steps: (i) select a sample of brands for study; (ii) collect digital texts about the explored brands from sources produced both by the company and by consumers; (iii) extract the linguistic data consisting of adjectives that the company and consumers use to describe the brand personality. Once these steps have been overtaken, the subsequent ones are: (iv) construct indicators of consumer brand personality alignment; (v) determine measurements of social engagement using social media monitoring platforms; (vi) compare indicators and measurements emerging from the two preceding phases examining the possible repercussions in terms of brand communication. In the first three steps the authors adopt an interdisciplinary method that has recently emerged in marketing literature (Crawford Camiciottoli, Ranfagni & Guercini, 2014; Ranfagni, Crawford Camiciottoli & Faraoni, 2016). It follows netnographic rules to identify and collect digital texts (Kozinets, 2002) and uses the quantitative techniques of text mining to extract linguistic data (Witten, 2005). Netnography is a qualitative method used to explore consumer interactions in virtual communities through computer-mediated discourses, rather than data collected from live encounters. It may be combined with text mining that is used to extrapolate information from relatively large amounts of electronically stored textual data by means of computer applications. Now we explore in detail each phase of the process just introduced.

1. As to the *selection of a sample of brands* for study, among the brands taken into consideration the authors chose to focus our analysis on those found in the fashion blog Style.com and in the social media monitoring the tools Talkwalker and Social Mention. The total number of brands investigated is 29 (see Table 1).
2. The *collection of data* involved two sources, one external and one internal. The external source consists of texts written by consumers and posted on the Syle.com blog. Of the many blogs on fashion, this one best meets the requirements for analysis set out by netnography: it has an excellent performance record in terms of data traffic, membership and links; moreover, the posts and com-

ments are archived for extended periods of time (about four years) making it possible to carry out an extended temporal and textual analysis. The blog also employs a tagging system that allows the user to search for posts and comments by brand name (Bardzell, Pace, Brunetti, Huang & Perry, 2009). A collection of posts and comments was compiled for each brand under study, yielding twenty-nine text files, which made up the blog dataset. The timeframe of analysis covered the five-year period from August 2008 through August 2015. The internal source, on the other hand, consists of texts contained in the digital spaces created and maintained by the company, such as the company's website and Facebook page, which provide descriptions (through interviews, press releases, etc.) of the brand identity and its personality traits. The collection of these texts produced another twenty-nine files composing the company dataset.

3. The text files contained in the two datasets were then subjected to the analytical text-mining procedures developed in linguistic disciplines (Swales & Burke, 2003; Marzá, 2013). These procedures permitted the isolation and extraction of the adjectives connected with brand personality. Adjectives are words that encode perceptions, attitudes and emotions (Lyons, 1995; Martin & White, 2005) and can, as such, constitute an interpretive route between the communicated personality and the perceived personality. They were extracted from the text files to the extent that they were derivable from the basic features of brand personality proposed by Aaker (1997). These features are sincerity, excitement, competence, sophistication and ruggedness¹. We find that, compared with the more psychologically oriented conceptualizations of brand personality (cf. Geuens, Weijters & Wulf, 2009; Azoulay & Kapferer, 2003), the conceptual framework underlying the traits proposed by Aaker is more extended and therefore more appropriate for the analysis of linguistic data spontaneously emerging from conversations which are by nature linguistically quite rich. Technically, the extraction of personality adjectives took place following precise steps, which will now be described. The 29 company text files were subjected to a process of grammatical tagging (using the software Constituent Likelihood Automatic Word Tagging System - CLAWS4) in order to label each word in the text files according to grammatical function, for example VV for verb, JJ for adjective and AT for article. Subsequently, another software was used (WordSmith Tools, Scott 2010) to extract from the 29 files all the words tagged JJ together with the sentences in which they occur. For each of the twenty-nine companies being studied a list was drawn up of the adjective types used in the respective online communications of brand personality. In drawing up the list it was decided to discard from the analysis all the adjectives not employed to qualify the brand as well as those that were neutral or not significant (such as those relating to color, size, dimension and nationality). The list of adjective types for each brand was set against the personality adjectives occurring in the respective blog files. This comparison was facilitated and made systematic with the help of another software program, AntConc (Anthony, 2011), which allows the researcher to carry out automatic searches for more than one adjective within a predefined language corpus. This analysis led to the identification for each adjective type of the company files of the corresponding adjectives in the blog files. Table 1 shows the brands in the sample, the number of adjective types communicated by the company (section A), the number of words per blog file, the number of shared adjective types that also consumers use and the number of times consumers associates each adjective type to the brand (section B). To clarify the last two kinds of information, it is now proposed to consider the example of the brand Damir Doma. Here, 36 adjective types are transmitted in market communication; of these the consumer recognizes five (specifically "cool", "soft", "light", "modern", and "traditional") and the first two occurring twice. The shared adjective types are five but the number

of shared adjectives amount to a total of seven. For the purposes of the present study the authors limit themselves to indicating the number of shared adjective types without specifying the words themselves.

4. The next step was to *construct the indicators of consumer brand personality alignment (CBPA)*, which are the *consumer brand personality matching (CBPM)* and the *brand personality coverage (BPC)*. The consumer brand personality matching (CBPM) relates for each brand the number of shared adjectives to the number words composing the blog files and then normalizing the resulting value by 1000. This normalization serves to homogenize and make comparable the CBPM values of the different brands that would otherwise be distorted by the different number of words contained in the blog files (Meyer, 2002). The higher the values of the CBPM, the great the number of adjectives in common that occur at least once per 1000 words of text produced by consumers. We are dealing with a vertical measurement of alignment. Table 1, quadrant (a) of section C, shows the CBPM values for each brand studied.

The CBPM values can be integrated with those deriving from the measurement of the extent to which the adjective types adopted by consumers overlap with the adjective types used by the company in its brand communication. What results is the calculation of the consumer brand personality coverage $BPC_{(CP/CN)}$. This measurement emerges from a comparison between the $BPC_{(CP)}$, which measures the numerousness of the adjective types per 1000 words of the blog files, in the event all the adjective types used by the company were also used by the consumers in their brand narrations, and the $BPC_{(CN)}$, which calculates the numerousness of shared adjective types per 1000 words of the blog file. The more the differential value of the resulting $CBPC_{(CP/CN)}$ represents a low percentage of the $BPC_{(CP)}$, the more the adjective types recognized by the consumer cover the variety of the adjectives used by the company in brand communication. The relative percent value is expressed as $CBPC (\%)_{(CP/CN)}$. This is a horizontal measurement of alignment. Table 1, quadrants b), c), d) and e) of section C, respectively, shows for each brand explored the values of $BPC_{(CN)}$, $BPC_{(CP)}$, $CBPC_{(CP/CN)}$ and $CBPC (\%)_{(CP/CN)}$.

5. Subsequently, the *measurements of social engagement were extracted* from the platforms Talkwalker and Social Mention. Talkwalker² is one of the main tools of social data intelligence on the web. It processes over 500 million posts per day monitoring conversations on social networks, news websites, blogs, and forums in 187 languages. The results it produces are measurements of online performance. In addition to that of “engagement” deriving from levels of response such as “likes” and “shares”, which make up the “rumor” surrounding a brand, another measurement is the “mention”, which calculates the number of times a brand is cited on the web and the potential to reach a user/consumer. Social Mention³, on the other hand, is a platform of analysis that aggregates the contents generated by consumers in the universe of over 100 social media in real time. It provides measurements determining the “strength” of a brand given by the probability of its being cited on the web, but it also measures “passion”, that is, the probability that a user who mentions a brand will do so more than once, and “sentiment”, which can be positive, negative or neutral. For the purpose of the analysis of social engagement the measurements taken into consideration are those of “strength”, produced by Social Mention, and “engagement”, by Talkwalker. In interpreting these measurements it is necessary to bear in mind that both Talkwalker and Social Mention, monitoring the entire web, include posts and comments by consumers but also by companies, which use social media to talk about themselves.

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6. Finally, a comparison was made between the two indicators of consumer brand alignment and the measurements of social engagement deriving from Talkwalker and Social Mention. We will discuss this comparison and assess the effects in terms of brand communication after having provided adequate guidance to the interpretation of both the calculation and of the values stemming from the brand indicators and the related social “rumor”.

A DIGITAL BASED ANALYTICAL APPROACH: APPLICATIONS AND EMPIRICAL RESULTS

The approach that has been just described supplies indicators of consumer brand personality alignment (table 1, section C). As regards that of CBPM, the values of this indicator calculated on the 29 brands examined oscillate from a minimum of 0.90 per Chanel to a maximum of 5.43 for Rebecca Taylor. In particular, $CBPM_{CH}$ is given by relating the number of aligned adjectives (8) and the total number of words occurring in the blog file (8855) and normalizing the result by 1000; similarly, the $CBPM_{RT}$ emerges from the normalized relationships between the 13 shared adjectives and the total number of words in the respective blog file (2391). In addition to Rebecca Taylor high values of CBPM mark Cheap Monday (4.8), Rachel Roy (4.5) and Christopher Raeburn (3.9), while, along with Chanel, low values characterize brands like Alexander Wang (0.90) and Narciso Rodriguez (0.93). In general, considering all the CBPM values of the brands investigated, they may be reasonable group in low (0.90-1.09), medium-low (1.10-1.97), medium-high (1.98-3.17) and high (3.18-5.43)⁴. On the other hand, as regards the analysis of the BPC, the results show that for the brand Rebecca Taylor the adjective types recognized by consumers also cover the highest level of adjective types used by the company in its communication, while the correspondence is lower for the brand Tibi. In the case of Rebecca Taylor the $BPC_{RT(CP/CN)}$ amount to 2.92 as a result of the comparison between $BPC_{RT(CP)}$ at 5.85 and $BPC_{RT(CN)}$ at 2.93. The former is calculated by relating with the total number of words in the blog file (2391) the 14 shared adjective types, while the latter by comparing the sole seven adjective types also recognized by the consumer. The calculation of both is completed normalizing their results by 1000. The resulting $BPC(\%)_{RT(CP/CN)}$ value represents 50% of the adjective types not covered (and therefore also 50% of those covered). In addition to Rebecca Taylor, the cases in which the coverage gap of the adjective types is lower are those of Jason Wu (52.63%), Rachel Roy (62.5%), Christopher Raeburn (63.15%) and Cheap Monday (65.78%). A high gap emerges for Tibi and brands such as Azzarro (95.83%), Bottega Veneta (89.55%) and Fendi (88.31%). Considering that companies tend to speak about brand more on the web than on traditional media (Harris & Rae, 2010), the percentage levels of the lack of coverage $CBPC(\%)_{(CP/CN)}$ among the brands examined may be reasonable aggregated in the following way: high if above 80.64% (coverage attained below 19.36%); medium-high is in the range between 76.19% and 80.63% (coverage attained between 19.37% and 23.81%); medium-low if between 68.18% and 76.18% (coverage between 23.82% and 31.82%); low if below 68.17% (coverage above 31.83%).

What is more, the approach that is proposed also includes measurements of the “engagement” and “strength” produced respectively by Talkwalker and Social Mention. The measurement of the “engagement” is given by “the sum of actions made by others on article/post and it is calculated in the following way: blogs; news sites; forums; number of Facebook likes + number of comments on the article + number of shares on Facebook of the URL + number of tweets on Twitter of the URL; Facebook: sum

of shares, likes and comments; Twitter: number of retweets; Instagram: sum of likes and comments” (User Manual, 2017). It takes into account then both the reactions to the various posts/articles produced in the social media like Facebook, Twitter, Instagram, etc. and the comments and/or shares on the specific blogs, new sites or forums. The value of the measurement of the “strength” produced by Social Mention is defined as “the likelihood that a brand is being discussed in social media and comes from a very simple calculation: phrase mentions within the last 24 hours divided by total possible mentions” (Social Mention, n.d.). The data relative to the two measurements of social engagement were gathered in August 2015. For each brand analyzed, they are reported in Table 1, section D. On the basis of these data we have identified the following levels of social engagement (SE):

- **High:** The measurement of *engagement* of Talkwalker is greater than the value of 100,000 and/or that of *strength* in Social Mention is above the level of 50% (see the brands Alexander Wang, Azzarro, Balenciaga, Banana Republic, Chanel, Escada, Giorgio Armani, Narciso Rodriguez);
- **Medium:** The level of *engagement* provided by Talkwalker is between 10,000 and 100,000 and/or of *strength* provided by Social Mention is between 30% and 50% (see the brands Akris, Alberta Ferretti, Catherina Malandrino, Cheap Monday, Emilio Pucci, Fendi, Jason Wu, Rebecca Taylor, Thakoon, Tibi);
- **Low:** The measurements resulting from Talkwalker and Social Mention are lower than those characterizing the medium level (see the brands Bottega Veneta, Christopher Raeburn, Damir Doma, Felder Felder, Holly Fulton, Jay Ahr, Rachel Roy, Rag e Bone, Reed Krakoff, Temperley London, Tim Coppens).

DISCUSSIONS AND IMPLICATIONS

Emerging Effects of Combining Indicators of CBPA and Measurements of SE

A first comparison may be made between the two kinds of CBPA indicators; this leads to the following diverse situations.

Cognitive Alignment

High CBPM values are accompanied by low values of $BPC(\%)_{(CP/CN)}$ and thus of lacking coverage. This means that for every 1000 words occurring in the narrations consumers produce about the brand there is a high number of personality adjectives communicated by the company that he or she recognizes; these adjectives also constitute a considerable share of the adjective types used by the company to describe its brand. The variety of brand language and the intensity with which company and consumers make use of it are similar. This is the situation in which the match between brand personality communicated and that perceived is at its highest. The company shows that it knows how to communicate brand. This is clearly the case of Cheap Monday, Christopher Raeburn, Rachel Roy and Rebecca Taylor, as it is of Alberta Ferretti, whose CBPM value and $BPC(\%)_{(CP/CN)}$ value, however, are respectively medium-high and medium-low.

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Table 1. An overview of elaborated digital data (personality adjectives from company and blog files) and of values of CBPA indicators and of SE measurements

Brand	Section A Company File	Section B Blog File			Section C CBPA Indicators					Section D Social Engagement (SE) Measurements		
	Adjective types communicated	Shared adjective types	Number of shared adjectives	Words	(a) CBPM	(b) BPC _(CN)	(c) BPC _(CP)	(d) BPC _(CPCN)	(e) BPC (%) (CPCN)	Engagement (TK)	Strength (%) (SM)	SE
Akris	18	3	3	3157	0.950	0.950	5.702	4.751	83.333	5	42	MEDIUM
Alberta Ferretti	68	20	23	7248	3.173	2.759	9.382	6.623	70.588	6400	48	MEDIUM
Alexander Wang	13	3	5	5527	0.905	0.543	2.352	1.809	76.923	485200	54	HIGH
Azzarro	96	4	7	2028	3.452	1.972	47.337	45.365	95.833	11500	66	HIGH
Balenciaga	57	8	12	4905	2.446	1.631	11.621	9.990	85.965	500100	56	HIGH
Banana Republic	14	2	4	2427	1.648	0.824	5.768	4.944	85.714	34900	50	HIGH
Bottega Veneta	67	7	10	4049	2.470	1.729	16.547	14.818	89.552	3800	26	LOW
Catherina Malandrino	31	6	8	4098	1.952	1.464	7.565	6.101	80.645	104	43	MEDIUM
Chanel	41	6	8	8855	0.903	0.678	4.630	3.953	85.366	3M	55	HIGH
Cheap Monday	38	13	17	3507	4.847	3.707	10.835	7.129	65.789	4500	41	MEDIUM
Christopher Raeburn	19	7	11	2800	3.929	2.500	6.786	4.286	63.158	936	2	LOW
Damir Doma	36	5	7	2145	3.263	2.331	16.783	14.452	86.111	432	14	LOW
Emilio Pucci	70	13	24	4647	5.165	2.798	15.063	12.266	81.429	11200	42	MEDIUM
Escada	12	3	3	2738	1.096	1.096	4.383	3.287	75.000	133400	53	HIGH
Felder Felder	7	2	4	2103	1.902	0.951	3.329	2.378	71.429	377	4	LOW
Fendi	77	9	17	14840	1.146	0.606	5.189	4.582	88.312	11700	48	MEDIUM
Giorgio Armani	163	31	41	16052	2.554	1.931	10.154	8.223	80.982	210700	41	HIGH
Holly Fulton	44	7	11	4300	2.558	1.628	10.233	8.605	84.091	3000	11	LOW
Jason Wu	19	9	18	11344	1.587	0.793	1.675	0.882	52.632	62100	48	MEDIUM
Jay Ahr	16	2	2	1107	1.807	1.807	14.453	12.647	87.500	4	18	LOW
Narciso Rodriguez	18	4	7	7498	0.934	0.533	2.401	1.867	77.778	15900	72	HIGH
Rachel Roy	16	6	13	2860	4.545	2.098	5.594	3.497	62.500	2700	5	LOW
Rag e Bone	22	7	11	6305	1.745	1.110	3.489	2.379	68.182	20	0	LOW
Rebecca Taylor	14	7	13	2391	5.437	2.928	5.855	2.928	50.000	3300	32	MEDIUM
Reed Krakoff	17	4	6	4786	1.254	0.836	3.552	2.716	76.471	517	27	LOW
Temperley London	22	5	7	1977	3.541	2.529	11.128	8.599	77.273	1900	18	LOW
Thakoon	21	5	5	5047	0.991	0.991	4.161	3.170	76.190	25900	32	MEDIUM
Tibi	45	1	4	2023	1.977	0.494	22.244	21.750	97.778	677	42	MEDIUM
Tim Coppens	7	1	2	1109	1.803	0.902	6.312	5.410	85.714	40	0	LOW

Cognitive Disalignment

This includes those cases in which low CBPM values combine with high levels of lacking coverage. In these, for every 1000 words the number of brand personality adjectives that both company and consumers employ is low; then, these adjectives reflect a small part of the range of adjectives the company uses when it talks about brand. Cases of this type are Chanel and Akris. To these could be added Narciso Rodriguez, Alexander Wang and Thakoon, even though their $BPC(\%)_{(CP/CN)}$ are medium-high. Others that could be included are Fendi, Banana Republic, Tim Coppens, Jay Ahr, Tibi, and Catherina Malandrino, whose $BPC(\%)_{(CP/CN)}$ values are high while those of the CBPM are medium-low. Medium-low CBPM values accompanied by medium-high values of lacking coverage distinguish Reed Krakoff, which, as such, can be grouped with the cases just illustrated.

Vertical Cognitive Alignment

This is the case where both CBPM and $BPC(\%)_{(CP/CN)}$ values are high. Consumers when speaking about the brand adopt shared personality adjectives with high frequency but these adjectives cover a low rate of adjective types communicated by the company. Consumers, that is, when describing the brand do not use the variety of personality adjectives the company uses when transferring brand personality to the market. Examples of this type are Azzarro, Damir Doma and Emilio Pucci. To these could be added Temperly London, whose CBPM value is high, while that of lacking coverage is medium-high, and Balenciaga, Bottega Veneta, Giorgio Armani and Holly Fulton, whose lacking coverage values are high, while those of the CBPM are medium-high.

Horizontal Cognitive Alignment

This involves low CBPM values combined with low $BPC(\%)_{(CP/CN)}$ values. Consumers speak about the brand making use with a low frequency of common personality adjectives, which cover, however, a considerable share of the adjective types used by the company. In this case consumers' discourse about the brand includes few brand personality adjectives but covering a wide range if compared with those employed by the company. We can be considered Escada and Jason Wu examples of this; in the former the CBPM is low and the $BPC(\%)_{(CP/CN)}$ is medium-low while in the latter the CBPM is medium-low and the CBPC is low. Other instances are Rag e Bone and Felder and Felder, whose CBPM values are medium-low as are those of $BPC(\%)_{(CP/CN)}$.

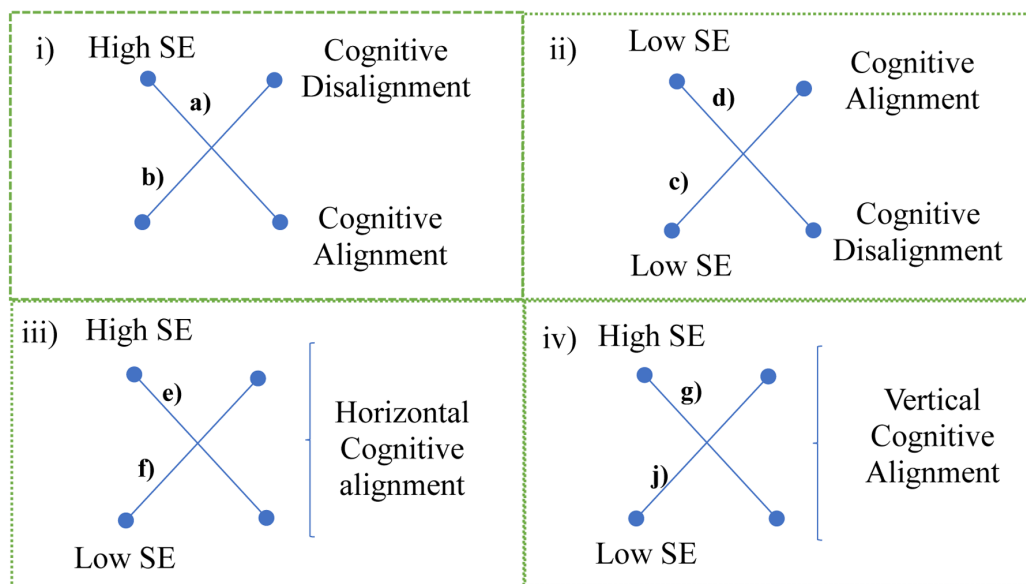
The comparisons between the CBPA indicators just described can be combined with the different levels of social engagement. As can be seen in Table 1, section D, the cases of high SE are accompanied by situations of vertical and horizontal cognitive alignment as well as by situations of cognitive disalignment. Together with these situations, the cases of medium and of low engagement are also characterized by those of cognitive alignment. The question that now emerges concerns what interpretations may be advanced from this combination of data and, consequently, how the analysis of the consumer brand matching indicators together with the measurements of social engagement can help managers determine their branding policies. It is on this that attention is now focalized.

Suggestions in Terms of Brand Communication

If we set the results of social engagement against the levels of cognitive alignment/disalignment the situations that emerge are diverse as well as the different decisions it may result in terms of brand communication.

The first situation is represented in figure 1, quadrant (i). It combines on the one hand, high rumor (SE) with cognitive alignment (a) and on the other, high rumor (SE) with cognitive disalignment (b). None of the brands investigated figure in (a), while in (b) we find brands like Alexander Wang, Banana Republic and Chanel. In (a) the company will seek to *preserve* the situation that comes into existence: there is high brand rumor, which is followed by a perception of personality in line with the identity that is transferred to market. This demonstrates that the company is able to communicate brand personality. In this situation it should strive to create a circular link between high rumor and cognitive alignment. More specifically, it should cultivate its communication ability and exploit it by intensifying interactions with consumers also in digital environments to increase the SE around the brand; the latter, in turn, as based on aligned brand communications, could produce as an effect a reinforcement of consumer brand personality matching. Diametrically opposed to (a) is (b), in which high social engagement corresponds to situations in which consumers do not decode brand personality as well as the company codifies it in its online communications. There follows the need for the company to modify the way in which the personality adjectives are communicated and perhaps even to *redefine* the concept of brand personality that is adopted to reduce a situation of disalignment and initiate its conversion into a situation of cognitive alignment. If the company does not intervene along these lines, a perverse mechanism may be set off whereby the high rumor on the web could simply increase the disalignment that exists between the personality as communicated and the personality as perceived. This mechanism must be halted.

Figure 1. Combination of consumer brand alignments and of levels of social engagement



Other possible situations are those indicated by the quadrant (ii) in figure 1; they combine on the one hand, low rumor (SE) with cognitive alignment (c) and on the other, low rumor (SE) with cognitive disalignment (d). Of the brands studied Rachel Roy and Christopher Raeburn belong to (c), while Jay Ahr, Reed Krakoff and Tim Coppens to (d). In (c) an option for the company may be to *increase* the current brand communication above all in social media stressing the personality adjectives that are also perceived by consumers in order to animate the social connectivity of the brand and thereby foster its SE among consumers. Instead, in (d), the company will need to revise its brand communications and perhaps even decide to reconceptualise the brand personality by realizing choices of brand repositioning. These choices, in contrast to those emerging in situation (b) will be a preliminary step aimed not to clean up the SE and in particular, the disalignment it embeds, but to create it from scratch on the basis of a cognitive alignment.

To these situations another two can be added. One is illustrated in the quadrant (iii) of Figure 1; it combines on the one hand, a horizontal cognitive alignment with high rumor (e) and on the other, a horizontal cognitive alignment with low rumor (f). Among the brands studied Escada can be assigned to (e) and Felder and Felder to (f). In both cases, the company will need to make the communication capable of intensifying, using online channels as appropriate, the connective strength of the brand personality in the mind of consumers so that their accounts concerning the brand are intensely evocative of personality associations. In other words, the company needs to enhance the conviction in consumers of what the brand is. While in (e) such interventions could reinforce the SE among consumers, in (f) they could contribute to its development. Finally, there is another situation indicated by quadrant (iv) of Figure 1, in which on the one hand, a vertical cognitive alignment combines with high rumor (g) and on the other, where the same alignment is accompanied by low rumor (j). Balenciaga and Azzarro are example of situation (g), while brands like Bottega Veneta, Damir Doma, Holly Fulton Rag and Bone exemplify (j). In cases like these. the company will need to amplify the perception of the range of brand personality traits by creating in its brand communications connections between the adjectives that consumers recognize and those that they do not recognize. While in (g) this amplification needs to take place without altering a SE which conceals a brand perception based on a specific nucleus of personality associations, in (j) the increase should result from the attempt to make the new personality traits as motors of SE. Situations characterized by medium level social engagement have not been commented upon since it is likely that in these cases companies will tend to carry out the same actions as in cases of low social engagement. These actions will vary, of course, according to the type of alignment that accompanies the SE.

CONCLUSION

The use of social media as tools to communicate and to determine branding policies is by now a widespread practice among companies because of the awareness that marketing managers have developed of the enormous potential of the web (Ozwell, Howell & Lancaster, 2008). The optimism that surrounds these tools must, however, face the difficulties of interpretation emerging from the vast quantities of information that the web offers. With respect to branding policies, for example, the measurements of engagement that the online monitoring platforms provide take on a strategic valence if related to analyses like those proposed in this chapter, which are capable of interpreting them critically. In all the brands investigated the social engagement measurements have been compared with indicators relative to the alignment between the brand personality communicated and that perceived. It is just this combined

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analysis that makes it possible to identify the presence (or absence) of brand anomalies resulting from virtual environments together with the different levels of social rumor among consumers. The analysis the authors have proposed could be a valid support for monitoring the effects that strategic brand decisions produce. It is still explorative and inevitably must, to some extent, be refined; it is not, in other words, without its limits. One of these is that the value of engagement on social media is based on the analysis of data stemming from only two platforms, that is, Talkwalker and Social Mention; in reality, there are many others, whose engagement values on social media, if compared, would make possible a more extensive analysis. There is a limit that also characterizes the extraction of data on the perception of brand personality; in fact it is based solely on the blog style.com. In this case as well it would be advisable to widen the field of investigation to include other blogs and forums monitored by social platforms available on the web. Finally, as possible future research developments it would be interesting to verify the existence of relations between social engagement, cognitive alignment/disalignment and brand performances. It is precisely with the aim of overcoming the limits just described that the authors intend to proceed with their research. In doing so they feel it could be useful to initiate a more direct dialogue with the business community so as to develop analytical tools capable of rendering digital marketing a powerful driver of brand differentiation in the current competitive markets.

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KEY TERMS AND DEFINITIONS

Brand Personality: Is the set of human characteristics associated with a brand.

Brand Personality Coverage (BPC): Is the measurement of the extent to which the adjective types adopted by consumers overlap with the adjective types used by the company in its brand communication.

Consumer Brand Personality Matching (CBPM): Indicates the number of adjectives that company and consumers have in common at least once per 1000 words of the blog files. The higher the values of the CBPM, the greater the ability of the company to make communication.

Consumer Engagement: Is the level of a customer’s cognitive, emotional and behavioral investment in specific brand interactions.

Netnography: Is a qualitative method used to explore consumer interactions in virtual communities through computer-mediated discourses, rather than data collected from live encounters.

Social Engagement: Is the form of cognitive and affective commitment to an active relationship with the brand as personified by the website or other computer-mediated entities designed to communicate brand value.

Social Platforms: Are tools of social data intelligence that process conversations on social networks, news websites, blogs, and forums in different languages.

Text Mining: Is a quantitative method used to extrapolate information from relatively large amounts of electronically stored textual data by means of computer applications.

ENDNOTES

¹ Sincerity, for example, is exemplified by expressions such as “down-to earth”, “honest”, “wholesome” and “cheerful”; excitement reflects words like “daring”, “spirited” “imaginative” and “up-to-date”; competence includes notions like “reliable”, “intelligent” and “successful”; sophistication is described in terms of “upper-class” and “charming”; finally, ruggedness is expressed as “outdoorsy” and “tough”.

² Talkwalker is often used as a source of data for academic studies, as in D’Ambrosio et al., 2015.

³ Social Mention is also used in the academic literature, e.g. Kietzmann et al., 2011.

⁴ For both the BPM and the BPC the levels in which their values are grouped may be revised on the basis of the results from the sample of companies studied.

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Chapter 12

Managing Integrated Brand Communication Strategies in the Online Era: New Marketing Frontiers for Luxury Goods

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ABSTRACT

Since the spread of digital environments has certainly helped to broaden the spectrum of possibilities for managing channels, while opening new areas of competitive confrontation, is to assume that new technologies have contributed to the definition of a hybrid environment in which pre- and post-digital-revolution habits coexist. The aim of the present chapter is to show how this kind of hybrid channels, want to meet the two requirements to communicate and sell - through the use of media platforms that appeal to each other, meet and complement each other – is nowadays managed and how it can be used in the future to reach business and awareness goals in luxury markets. The analysis has been based on ways through which global luxury goods firms integrate their communication and selling tools each other, by focusing the attention on web and social strategies.

INTRODUCTION

Spaces and environments are places of consumption, but they also provide communication opportunities to the final consumer who, in turn, uses consumption as a communication system that is expressed through a variety of languages (Mosca et al., 2013). The more layers there are in a society, which brings many different linguistic expressions, the more complex it is to analyze consumption dynamics. This is particularly true for luxury goods (Chevalier & Mazzalovo, 2012) that are sold and communicated in markets that are difficult to define, but in which it is possible to find various layers of media attitudes.

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In fact, it is possible to say that the traditional consideration whereby businesses serve as the exclusive source of communication messages and brand-related content, designed to influence the behavior of consumers and create brand equity, is overtaken. This is due to the fact that marketing and communication strategies, together with the instruments and actors involved in their planning processes, need to take into account the evolution of technology, the transformation of consumer behavior and media attitudes, the fact that stakeholders constantly communicate each others and this kind of communication is difficult to manage by firms. The communication works in attracting people's interest toward a certain brand, but, at the same time, it works as shield for the corporate reputation and a springboard for spreading corporate values.

As a topic that is largely discussed in various areas of interest, it is important to underline that in the last 10 years, technological evolution has been leading mass media to a decline in their ability to attract people's (audiences') attention. Of course, this is due, above all, to changes in the attitudes of generation Y toward the media, together with the growing interest in new media content generated by people (mostly young individuals) – the so-called user-generated content (UGC), such as blogging, podcasting, online videos (eg: YouTube, Vimeo), and social networking (Facebook, Twitter, Pinterest, Google Plus). So, even when we talk about luxury players, it is fundamental to understand that the Internet is now the real “backbone of the media system” (CENSIS, 2013).

In order to respond to the aforementioned trends, organizations are generally dealing with developing a communication plan that can integrate all those tools with which they intend to interface with their stakeholders (Schultz, Tannenbaum & Lauterborn, 1993; Romano, 1988; Krugman et al., 1994; Collesei, 2002; Duncan & Mulhern, 2004; Aiello & Donvito, 2005; Collesei & Ravà, 2008; Belch & Belch, 1998, 2009). Moreover, in order to reach their target audience, the concept of integrated communication becomes inseparable from common value sharing with stakeholders; people are more worried about values and how responsible a given firm is. This is supposed to assume an attitude of protection toward the environment (geographical, economic, and social), upon which a firm should intend to develop its strategic action. Globalization, the fast development of communication technologies, the continuous research of information by people, and the economic and financial global crisis that started in 2008 represent some of the primary factors that have contributed to the increase in stakeholders' expectations and their awareness toward goods and services. Customers, above all, feel more involved in purchases; they pay attention to the product process, when they can, and they want to be notified about everything concerning the firm through which they are buying products. As a consequence, companies have to rethink their offers, as well as their social and environmental impacts, and build a new system of values that respond to the reference community and to society at large. According to the 2013 Consumer Trend Report (2), nowadays, products are being asked to give back a specific set of expected and shared values. Porter and Kramer refer to the fact that firms and stakeholders can co-create value (2011); they regard the sharing of values between the business community and the organization as the main key to holding a competitive advantage.

Turning to the changes made in technology, as well as taking into account the macro-environment factors considered above, we discover that stakeholders (from the luxury goods and players' perspectives) are willing to share values; they want to participate in the content generation of every firm's story. They aim to be a part of an exclusive group; this sentiment has been stronger in the last few years, especially since these individuals have lived in a period of crisis. This is increasingly felt as we talk about the digital age. It is the digital age that is pushing these aforementioned trends; for luxury products, their success can come only when two conditions are fulfilled: personalized identification and provision of a

multi-sensory experience. The response to these conditions has led luxury companies to take to online strategies, without forgetting that the concept of a traditional store always plays a major role in the experience of buying luxury goods.

Since the spread of digital environments has certainly helped to broaden the spectrum of possibilities to managing channels, while offering new areas for competitive confrontation, it is possible to assume that new technologies have contributed to define a hybrid environment in which pre- and post-digital revolution habits coexist. The first research question that this chapter seeks to answer is the following: Can we talk about a certain type of “reverse multichannel marketing”? The aim, indeed, is to show how this kind of hybrid distribution and communication channel – which wants to meet the two requirements of communicating and selling through the use of media platforms that appeal to one another, while complementing each other – is currently managed, and how it can be used in the future to reach business and awareness goals in luxury markets.

Considering the particular sector that the present chapter wishes to analyze, the concept of multichannel marketing has been translated in physical and digital channel integration, with the aim of enhancing consumer and audience engagement. Is multichannel marketing just a fad that follows contemporary media attitudes, or does it represent a new strategy? This is the other research question the present chapter seeks to answer through a case analysis. If this is a novel strategy, it means that the logic underlying the development of the digital channel for luxury players is therefore one of integration with the physical channel; it is not to be viewed as a standalone distribution channel, but as one that completes the physical one.

Moreover, this chapter wants to emphasize the importance of the concept of consistency, since in every marketing book, authors say that luxury market players follow different rules than their competitors in terms of consumer goods. We talk about communicative coherence and the ability of companies to decline providing such consistency across all those channels at their disposal to reach their intended audience, considering that, for luxury goods above all, the selling point has always been the first way to communicate the brand’s identity and its real essence. Is this consistency reached even if luxury players are mixing their classical channels with those channels that are always exploited by players in every kind of market?

COMMUNICATION AND DISTRIBUTION INTEGRATION AS A LOGICAL MULTICHANNEL LAST STEP

The real challenges for every firm relate to new communication trends on the one hand, and changing buyers’ attitudes on the other. Nowadays, one of the most important marketing paradigms refers to the fact that the more consumers perceive that the firm’s values are closely aligned with what they think, trust in, and feel, the more they are likely to buy. In particular, this has been brought about by constant communication; stakeholders steadily talk to each other. They are more informed and they want to know everything about the organizations in which they are involved. This is particularly true in highly symbolic value goods markets; information technology increases development (Rifkin, 2000), while the continuous compression of the product life cycle reinforces new consumption mechanisms that will be focused not only on the possession of the product, but on the sharing of wealth and consumption experiences. Moreover, in recent years, researchers and managers have found that various consumption forms exist together, especially when we talk about luxury markets, which range from more traditional buying behaviors (well described in the Conspicuous Consumptions Veblen Model) to the birth of connoisseurs

(Corbellini & Saviolo, 2007). This is due to the ongoing changes related to purchasing schemes used by customers, who are defined as smart, well informed, and always looking for brand new experiences and relationships (Okonkwo, 2010).

The aforementioned findings highlight that a lot of the traditional marketing logic has changed in these last few years. Even if the concept of “multichannel marketing” is not new, here we can find roots of another trend: the integration of distribution and communication platforms. This is due to the increase in the penetration of digital environments, which feed customers’ associations of new activities when compared to the more traditional rituals of consumption. It is common practice to look for information about a product through blogs, social networking pages, and online groups before making a buying decision; people want to understand from other people how good a certain brand is, where to buy a certain product, and how long lasting the materials or textiles of a certain good are. As a result, it is also possible to observe that the same person buys a product by using more than one channel, depending on the product and its availability, price, time, and service (Venkatesan et al., 2007).

When we talk about multichannel marketing, we refer to a strategy concerning the use of more than just one channel for placing information and products/services on the market – even in the aftermarket – and the result is a major public commitment and a higher degree of customer engagement (Rangaswamy & Van Bruggen, 2005). Customers, in particular, perceive that they have the chance to interact with brands; they can generate content, and they can ultimately affect the future of a certain brand (Osmonbekov et al., 2009).

Managers can exploit the advantages stemming from multichannel marketing strategies; they can increase the customer perception of brand equity through concrete actions associated with client retention. A firm that uses multichannel marketing is able to segment and manage the increasing variety of demand; in this way, it is aided by digital innovation. Market management can be easier, and there is a major opportunity to augment the awareness of a corporate brand (Mosca, 2014). Specifically, there are no geographical barriers when we talk about online strategies and, at the same time, the integration of communication and distribution channels (online and offline) is possible.

Moreover, by leveraging the digital environment, it is possible to collect data surrounding consumers’ habits and fads, both new and uncommon, and this can offer the ability to make a decisive contribution to the acquisition of other geographical markets. Since one of the so-called “lost opportunities” (Kotler et al., 2009) is represented by the impossibility of finding a product in a local market, online distribution provides companies with a chance to exploit brand communication to sell more products and at a lower cost (Osmonbekov et al., 2009). At the same time, firms can benefit from the results coming from customer relationship management (CRM) when they carefully handle channels; it is possible to collect new and infrequent information on what customers prefer, when they decide to make a purchase, and what the behavior leading the purchase itself is (Ricotta, 2009). Of course, the customer will be incentivized to maintain a relationship with that brand, generating an increase of value for him/her that stems from the available variety, the customization of channels, and the rise in adaptations following personal predilections (Ricotta, 2009).

The arrival of online and social platforms has created another profound change: the upside-down use of communication and distribution strategies. More precisely, when considering the term “social media” – which gained popularity in 2005 – it has been used to describe different types of digital content that have been developed for interactive advertising; this offers audience members the possibility to generate content around a specific brand. Here, we talk about *user-generated contents* (UGC), as argued by Kaplan and Haenlein in 2010. Consumers become leading actors, and firms can develop measures

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of engagement and take advantage of word of mouth referrals with a proactive and dynamic approach. This dynamic approach indicates that another trend is becoming important: online selling through mobile channels. Luxury players, above all, can benefit from this growing trend in other markets (KPMG, 2013). Given that authors have previously talked about the integration of channels, we must now point out that the instruments have traditionally been used for distribution, they are now being used and designed to achieve the objectives of establishing competence, which has previously been assigned to communication functions. Vice versa, web and mobile, designed to spread the communication at the beginning, are now becoming the main distribution channels.

Considering what was described above, managers have to approach new strategies through the understanding of how customers use different platforms, after having analyzed them through a new demand segmentation model, as represented in Table 1. This table provides an output of previous researches (Mosca *et al.*, 2013, 2014). The considered dimensions (empathy, expression, and enhancement, which originated from the study of people's attitudes toward online and offline media) are valid for every kind of market, but the interesting thing is that they are also valid for luxury goods (in mature markets). By matching these dimensions with new customer/audience attitudes toward media, it is possible to outline new profiles. Table 1 illustrates a scheme that can be helpful when determining the best method through which to integrate distribution and communication channels; it provides a complete overview of customer behaviors. It is possible to highlight three types of profiles: the Traditionalist, the Multimedia lover and the Eager about social media. Every profile presents, as it is possible to see in the table, a different tendency in using the web and the other screens and a specific reason driving his/her interaction with brands.

The research questions that were posited in the present chapter now have their first answers. We are talking about the definition of a strategy that concerns the integrated use of communication and distribution channels, which is the answer that players are giving to markets changes. We are not talking about a “fad” or a quick trend; rather, we are talking about a strategy that gains the confidence of the target audience. This phenomenon had its birth in 1994, and it has become viral in recent years, thanks to the increased sales in mobile devices. The first example of such “reverse multichannel marketing” comes from the mass market. In fact, it is possible to analyze a particular case study: Made.com. In early 2015, the UK furniture selling Web site opened its fourth showroom in Soho. The aim of this strategy was to enable people to have hands-on experiences. As is already known, the biggest bug in online

Table 1. Online users' profiles (mature markets) (Mosca *et al.*, 2013)

	Traditionalist	Multimedia Lover	Eager about Social Media
	He/she lives the brand communication primarily through its above the line (ATL) media effectiveness. He/she prefers printed paper and specialized magazines as tools through which to enjoy communication and to find information on products and luxury brands.	The ATL advertisement triggers a mechanism that sees this individual interacting with the brand and its products through the use of multiple screens. He/she spontaneously remembers integrated communication campaigns, becoming – in some cases – a means of communication him/herself by sharing content (institutional or not) such as videos, photos, and articles.	Actively contributes to the promotion of messages and information, often becoming an active user not only in the process of diffusion, but also in the process of content creation through the use of comments, links to external sites, or providing additional information through blogs, etc. These individuals are major users of exclusive content made available by companies.
Empathy	✓	✓	✓
Expression	✗	✓	✓
Enhancement	✗	✗	✓

selling revolves around the impossibility of trying or touching goods prior to purchase. Made.com can avoid this problem by offering physical places in which nothing is for sale, but where people can test a product, see its real colors, view textiles, and assess their dimensions. As such, we are talking about a space that is not a shop – no cash is exchanged on the way out; rather, this space offers a sort of physical complement to the online purchasing experience. The outfit features 1:1 goods projections to show how possible combinations can be realized when requested by customers. Visitors are equipped with a tablet to gather information on specific products. They can also project their place's spaces, create wish lists, and buy desired products.

This case illustrates how some important elements are fundamental when effectively integrating distribution and communication channels:

- People are encouraged to constantly use screens; they want to optimize the free time they have through screen technology;
- People are willing to make purchases, but only when they know the materials, textiles, and dimensions of the goods they want to try;
- Since technology can help managers in this way, the interaction between communication and distribution channels can bring about positive results, but it is possible to sell only when people perceive that a certain degree of consistency exists among the various channels used;
- A customer may decide to make an online purchase via a physical point of sale if the technology experienced in the physical place can lend value to the purchase itself;
- The audience and possible customers never “go to sleep”; this refers to the idea that the Web and the marketing strategy must consider that this platform does not have geographical barriers; and
- The integration of virtual and physical channels has been reinvented with upside-down logic: the online channel is not additional or an accessory to the physical one; rather, both channels are part of the same process. The physical place is the communication channel and the online space is the selling one.

The above case shows that the spread of digital environments has helped broaden the spectrum of channel possibilities, and this can serve as a new area of competition. If we think that technology and its new horizons have redefined something, it is possible to refer to this as a hybrid exchange environment in which managers can study the coexistence of well-established and growing habits. Moreover, the increasing synchrony between distribution and communication channels can enhance the reassurance felt by customers and, as a consequence, it can further bolster client loyalty (Berger, 2006). When a firm is able to surround its target market, the result will be engagement and long-range profit.

ONLINE AND OFFLINE INTEGRATION ENHANCEMENT: HOW LUXURY FIRMS EXPLOIT THE CONCEPT OF MULTICHANNEL MARKETING

The luxury market's competitive landscape in recent years has been changing, primarily due to the rise in user-generated content. Firms have to revise their strategies to implement a “hold” concept: multichannel marketing is increasing in importance, as international media trends are operated by an ever-more demanding and informed audience.

International research initiatives (KPMG, 2013, for instance) have probed into the situation that luxury firms are facing with a high degree of success: a phenomenon that is known as the “digital challenge”. These firms try to integrate both online and offline communication tools and, as a result, they recourse to a plurality of channels that are used to sell, but that are also primarily implemented to tell a story, to enhance the perception of product quality. This is interesting if we think that brands like Burberry, Chanel, Bottega Veneta, Gucci, and Ferrari are using the same channels (digital ones) that mass market firms are using. However, digital channels are a necessity even for luxury goods, since the most frequently used exchange platforms are currently online. Again, is this just a passing trend or a real competitive strategy?

The integration of different platforms in contemporary times revolves around the Web. The age of 2.0 has led the luxury goods players, as will be discussed below, to adopt the same strategies and tactics taken by the actors in mass markets; this has been a revolution, especially if you think that traditional marketing has always considered luxury and mass markets as two competitive environments with totally different mixed marketing strategies. Yet, the Web is able to bridge these two worlds without upsetting them and without having the various players fail their promise of consistency. Data relating to social media serve as examples of what was said earlier: in the middle of 2013, social media was compared (Mosca et al., 2013) between a number of brands (like Chanel) and more famous brands to the consumer (such as Benetton). It turned out that the number of likes and shares for the luxury fashion player was twice that of those in the mass market. This finding is as relevant as ever, as it indicates the short amount of time it took for brands like Chanel to develop their own social presence online.

Considering the necessity of using digital platforms to reach and engage people as a standpoint, it is useful to underline that digital channels are a way better method through which to interact with the audience. Consequently, digital platforms take on a double connotation: a digital channel is a tool through which to inform and persuade individuals, like other older media; at the same time, it represents a way through which to sell a product, using both physical and virtual contact modes. According to this idea, it is possible to say that the benefits coming from online and offline integration strategies interest both luxury firms, as well as their audience members. First of all, the public’s attention can be easily captured through the interactions caused by the nature of Web 2.0 (Ricotta, 2009); this pertains to UGC, which was previously discussed, and its power to enhance people’s engagement. Moreover, pushing the simultaneous use of different screens – which is called “interactive multimedia” (Casalegno, Li, 2012) – provides luxury firms with some advantages, including the following: long-lasting customer loyalty, especially since the audience is surrounded by a certain message from the firm; the pulse of customer’s experience as the result of the interaction; sales increase given that the more a customer has confidence in a brand, the more he or she is going to buy it; and employee retention, since the first customer of a firm is the employee him/herself. On the other side, even customers can benefit from a multichannel strategy; they can customize the product they want by providing feedback to firms, they save time when comparing products and during the purchase process, they feel involved in the exchange process, and they can receive the product in a shorter amount of time through online purchasing.

According to this perspective, even the development of a digital channel for luxury players has to consider integration with the traditional distribution channel; it is not to be viewed as a standalone distribution channel, but as one that complements the physical channel, as will be argued below, and as various examples in the text can show.

Traditional and physical stores always play a major role in the experience of buying luxury goods, but the huge success of the digital channel turns it into an inescapable variable for players in the market for highly symbolic value goods. Nowadays, a Web strategy is essential for a luxury brand (Mosca et al.,

2013, 2014). In order to provide a clearer idea of how powerful the method of selling online is becoming, one must consider the Digital Luxury Experience (DLE) 3rd edition. The results of this research project – jointly developed by the Fondazione Altagamma and McKinsey in 2012 – confirm that the online sales of luxury products reached €7.5 billion, accounting for 4% of the total selling. For 2017, the study forecasts an increased incidence of 6% with an increase in sales of €17 billion. Another interesting result concerns the highest growth shown in multi-brand sites when compared with market products at full price. This shows that Web channels today can no longer be regarded as virtual spaces in which consumers hunt for bargain purchases. Luxury customers are involved in services and the breadth of offering, as they are when they buy products in a physical place. Another important finding is that there is confirmation of the increasing role of Smartphones and tablets; in fact, 50% of luxury consumers conduct online searches from a mobile device, and there is also an increasingly strong correlation between the increase in sales and the number of Web pages visited. For companies with a page per visit above the panel average, the sales increase is 16%. Another study published by KPMG indicates that 70% of Chinese customers make purchases online at least once a month (KPMG, 2013).

In fact, especially in this particular competitive environment, consumers are looking for a deep and intimate relationship with brands that emphasize recognition, respect, dialogue, and collaboration with their costumers (Mosca et al., 2013). On the other hand, costumers tend to reject those brands that do not regard their involvement, nor that provide the attention they require. So, they tend to abandon those firms that are not able to convey their experiences, values, and excellent product concepts in a way that is consistent between the real world and the online environment. From this perspective, integrated communication has gained importance in the management of luxury brands. These brands have already exploited their online potential in communication, and they are beginning to approach the Web as a means through which to sell products by leveraging their unique values. Table 2 summarizes the shared content belonging to the most major luxury firms in the past year (2014).

Focusing attention on the third research question, it is necessary to consider the ways in which luxury players can maintain consistency in their brand’s identity, the new communication and distribution channels that are adopted, and the efforts to reach a certain brand positioning. In this scenario, which is dominated by a stronger relationship between people and technology, communication, and the Web, the marketing of luxury goods requires a new communication model based on the 7Es (4Es + 3Es): Experience, Exclusivity, Engagement, and Emotion, in addition to the other 3Es that have arisen from the opportunities that the Web affords. In particular, the 3Es that have emerged from the social Web have brought the following to communication: Expression, Enhancement, and Empathy. This strategy is described below.

Table 2. Online/social shared luxury firms’ contents (analysis conducted by the authors)

	Heritage	Storytelling	Events & Celebrities	Entertainment
Automotive	25%	35%	20%	20%
Fashion	15%	30%	40%	15%
Wine and spirits	40%	10%	15%	35%
Jewelry and watchmaking	35%	20%	30%	15%
Perfumery and cosmetics	35%	15%	15%	35%

THE “7ES” STRATEGY FOR A MAJOR BRAND’S CONSISTENCY: OUTFITS AND RESULTS

The 7Es strategy was already considered in previous researches (Mosca et al, 2013, 2014), but the interesting thing is that these seven elements are still being considered, and the channels through which luxury players market their products has been based on this model in the last four years to enhance their positioning and the consistency of their brand’s identity. As has already been argued, it is very uncommon for luxury players to employ marketing and communication strategies using the same communication and distribution channels already used by mass market firms. One must examine what it is about the “sense of elite” that comes from the unique experiences of a customer, and how this could be received from a selling point. What about the services given by shops and showroom employees? What about the rules that were already studied and applied by managers until a few years ago? Consistency, “sense of elite”, and brand engagement can be enhanced through Web communication and online selling if luxury firm managers consider the following elements.

Experience. During the recession and post-recession, and unlike in other markets, the traditional luxury goods customer has not significantly limited his or her consumption. As a result, luxury goods markets have not been heavily affected by the crisis; rather, it can be highlighted that purchasing trends have shown the opposite pattern. While the luxury market and spending on luxury goods has grown, on the other side, luxury consumers have become more selective, informed, and a little bit more cynical. Today, the luxury consumers’ purchasing decisions revolve around the question, “Is it worth it?” In this scenario, luxury companies have to provide unique and engaging experiences. Some authors have observed how the next decade will be characterized by the centrality of the experience. Attention is no longer paid to what you buy, but how you buy. This stems from the fact that the selling point has become the focus of a luxury brand’s marketing strategies, and it now constitutes a central element in the process of integrated communication, which is capable of influencing, through its tangible and intangible elements, the brand’s image. It also ensures that the consumer is provided with a unique and engaging experience.

Burberry

This fashion luxury player – with an allocation of 60% of available resources for digital marketing – opened its flagship store on September 14, 2012 in the heart of London. The flagship store, thanks to the technology developed by the brand, is designed to increase customer engagement and purchasing through a digital and tactile experience in store, which shows the historical and artistic heritage of the brand. The 44,000 square-foot store on Regent Street was developed as the physical expression of Burberry.com; in fact, the rooms in the flagship store follow the sections of the Website that are available online, allowing customers to dive into a combined digital and physical experience. This experience is enhanced by features such as the presence of 100 screens, the installation of the largest indoor advertising screen in the world (22 ft), and 500 speakers that support the playing of movies and exclusive videos of this luxury maison in Britain. Regarding merchandising and inventory, Burberry’s flagship store features completely innovative technology. Alongside the RDIF chips sewn into the clothing and accessories, which provide a range of multimedia content related to the products, employees of the British luxury maison – thanks to a series of iPad applications designed for the sales staff – are able to access information about a customer’s purchase history and their preferences, thus providing customers with a personal and customized shopping experience. In conclusion, the strategy put in place by Burberry not only allows a customer to

increase his or her perceived value of the brand, thus improving his/her shopping experience, but it also enables the brand to increase its permanence in terms of the amount of time spent in the store, creating the customer's desire to return and repeat the experience.

Exclusivity

In marketing, exclusivity is considered to arise from the second P of the marketing mix: price. Exclusivity, however, has always been the cornerstone of a luxury firm's strategies, and no concept has ever been more intensely protected. It is widely believed that the use of digital marketing in luxury marketing strategies could "put in jeopardy the exclusivity of the brand"; however, on the contrary, it could offer a real opportunity and an elegant way through which to control and develop such exclusivity, simultaneously increasing the visibility of a brand. As a result, the players of the luxury market have created exclusive platforms for consumers, as for instance the virtual community. This expedient has been used, for example, by Burberry for its "Art of Trench". In fact, each maison has a special icon that distinguishes one from the other – similar to, for instance, the Hermès Kelly. For Burberry, this icon is its trench coat. As its symbolic garment, Burberry's creative director, Christopher Bailey, has created a real fashion social network that collects photo shoots of characters, famous and not, who wear the company's icon. The British maison has developed a platform that combines high-quality content produced by the brand with those of its users by allowing users to communicate with the company and with one another. To launch the project, Christopher Bailey has hired Scott Schuman, the world-famous photographer, to take the first hundred pictures; later, users have responded to the initiative by uploading thousands of their own photos.

Engagement

In the realm of luxury goods, engagement is granted and often evoked by one thing: the story. Any video, online experience, or a simple post on Facebook, which is equipped with engaging content, constitutes a story that arouses emotions and involves the viewer in a unique experience. Today, in the luxury market, convincing the consumer to buy is not sufficient. Convincing them, however, to participate in an exclusive trip with and within the brand is the key to success, and that is what stories achieve. In addition, it is known that these stories "sell".

Tiffany

The jeweler reported a significant increase in sales after the public and the press enthusiastically greeted the microsite developed by the brand, What Makes Love True, and the mobile application, Engagement Ring Finder. These two elements of digital marketing conveyed the powerful and engaging history of the Tiffany brand in achieving true love. Tiffany has decided not to focus only on selling products, but on an entire way of life. In fact, the brand has invested heavily in the What Makes Love True campaign. What Makes Love True offers videos, stories, and content from Web users/customers that follow the stages of how the main characters of the stories met and fell in love in a mix that also involves film and romantic songs. What Tiffany did was create an environment that embodies the lifestyle of the brand. The site also offers sections where customers and fans of the brand can share their love stories and a map, thanks to a tracking system, all of which are in place in New York, where a major event has happened.

Emotion

The combination of the 3Es described above takes a fourth element of luxury marketing into account: emotion. Without the proper application of this key variable, the success of luxury brands is not sustainable in the long run. The reason is simple: luxury firms have consumers that can buy almost anything they want. In this context, the physical product acquires secondary importance in favor of what luxury consumers are really looking for: a more personal experience or an engaging story that will evoke in them a particular emotion.

With respect to these basic Es, which have been identified through a literature review (Luan, 2008; Corbellini & Saviolo, 2007; Okonkwo, 2010; Kapferer & Bastien, 2014), it is evident that in order to complete the model, it is necessary to add the 3Es that are linked to consumer empowerment (Mosca et al., 2013).

Enhancement

This is the enrichment of luxury content through the provision of exclusive content; this content could be shared, but it is used to increase the consumer's experience.

Expression

The Internet provides consumers with the opportunity to manage the amount of time they communicate. This has given way to a communication style that is more charming, elegant, and dream-like, and that is able to reach a specific target market which, until now, was not possible with only above the line media.

Cartier

The first luxury brand to use a social network in its marketing strategy was Cartier which, in 2008, created its first official page on MySpace to advertise one of its brands (Love) and its charity campaign. From 2008 onward, Cartier has leveraged the power of the Web, creating opportunities through which to enhance the brand's expression. Nowadays, Cartier is present on Facebook, Pinterest, YouTube, Twitter, and LinkedIn. Moreover, the Web site features an online shopping page. To augment consumer engagement and provide a sense of membership, the various Web pages present the same picture (Cartier's symbol, the jaguar).

Empathy

UGC media are able to provide luxury firms with personal information about their customers, allowing companies to establish a more intimate relationship with their clients. This practice is in line with the inversion of the traditional communication scheme that has influenced the current scenario in almost all markets.

Chanel

Although Chanel has already been mentioned as being very active in social networks, this famous player has not offered sales channels online to date. The company's online presence has been developed to attract customers to its traditional stores. Why? Chanel says that if you do not try on clothes, you cannot buy them. The online catalogue is not used to sell products through the Web; rather, it serves as a tool through which to push its in-store sales. Finally, the company's online and social presence was established to create a sense of empathy, which was already explained. The brand aims to tell a story: the story of Madame Coco. That story can affect people, and this is an effective way through which to establish a more intimate relationship with the customer. In this instance, we are talking about a case of integrating online and offline channels, of course, but the two platforms, the distribution as well the communication one, are not changing their rules, at least so far.

FUTURE DIRECTIONS: BENEFITS AND RISKS FOR CONSUMERS

The potential impact of online stores on a customer's purchase behaviors represents an interesting area of discussion. Are people changing their habits and attitudes in such a way that pushes every luxury firm to consider online selling? So far, as has already been shown, some luxury players have not decided to sell online, but what about tomorrow? Managers can try to provide solutions to the aforementioned questions by considering that online selling features risks and benefits. On the one hand, an online shop can augment the 7Es, and the 7Es can be exploited to encourage people to buy online. It is also worth considering that in the future, generation Y will represent the luxury target market, and studies on their attitudes toward buying and media are showing a strong predilection for online tools (both for buying and for gathering information). Moreover, we have already considered that customers can benefit from online purchasing methods (they can customize their future purchases, they can experience the brand, and they can interact with and gather major information about the firm itself); in addition to these benefits, customers are also provided with the added convenience of receiving products directly to their door (Voyer, Tran, 2013), and customers are also able to monitor online product stocks (usually when a certain product is scarce, people know).

On the other side, online sales feature risks. From a customer's perspective, the first risk is linked to the nature of the online environment: you cannot try to think, you cannot see the clothes or purses live, and the screen on your laptop/PC can provide you with a poor image resolution. Moreover, if the value of a luxury product is high given its selective distribution, how does the online environment change this – especially since Web pages have no barriers? Eventually, from the firms' perspective, the online environment can create conflict among distribution channels.

Finally, managers need to face the pros and cons of online strategies and, consequently, they have to consider if their target market is ready to accept online products. At the same time, they need to consider that people love, above all, to experience products in luxury markets.

CONCLUSION

Digital technology has brought about a radical change in the dynamics of marketing, and it is becoming increasingly important. The spread of social media and mobile media offers firms new business opportunities; these firms have the potential to create viral communication campaigns and to reach, thanks to the potential of new media, multiple market segments, providing the ability to customize messages. While the Web experience is based on exchange, sharing, and collaboration, consumers of luxury goods in mature markets are certainly not immune to this revolution. Hence, firms need to have an online presence, not only through Web sites, but they should also provide content and services to the expanding virtual community. All businesses, including those operating in the field of luxury goods, are conscious that in order to be on the Internet, “showcase Web sites” are being overtaken by the real leading players in the creation and exchange of information and experiences, offering dedicated spaces, content, and additional services to users and fans of the brand.

Luxury firms thus address their system of offerings to consumers with a view of producing any number of functional benefits. With this in mind, the physical quality of the goods, while important, is instrumental in the creation of the emotions that are sought and shared. This can enhance a new concept called “reverse multichannel marketing”. What has primarily been a communication platform thus far is now transforming into a selling place, while what has always been a selling platform is now becoming a “showcase” where people can gather information on and experiment with what they can buy online. This represents an interesting and fruitful area for future research for both academics and managers.

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KEY TERMS AND DEFINITIONS

Engagement: A promise, obligation, or other condition that binds. This is the aim of firms want to serve people for a long while.

Exclusivity: In marketing exclusivity is considered as arising from the second p of marketing mix: the price. The exclusivity, however, has always been the cornerstone of luxury's strategies and no appearance has never been more intensely protected.

Luxury Markets: Places in which it is possible to sell or buy a material object, service, etc., that brings physical comfort or rich living, but is not a necessity of life.

Mobile Sale: Smartphone, tablet or dedicated wireless device that performs the functions of a cash register or electronic point of sale terminal. It represents a possibility to buy things by using the device.

Multichannel Marketing: Is the ability to interact with stakeholders on various platforms. In this sense, a channel might be a print ad, a retail location, a website, a promotional event, a products package or even word of mouth.

Social Networks: Digital platforms in which it is possible to find network of social interactions and personal relationships.

Values: The abstract concepts of what is right, worthwhile, or desirable; principles or standards.

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Chapter 13

Choice of National Brand vs. Private Label “Me- Too” New Products in a Multicultural Context: Understanding Consumer Innovativeness

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ABSTRACT

Many national brands adopt innovation strategies based on frequent launches of new products to defend and grow market shares against private labels. However, retailers imitate the novelties of national brand new products very fast. One of the key questions to assess the effectiveness of national brands' product innovation is to get a deeper understanding of how consumers react in terms of choice when faced with a national brand new product and a me-too private label product. In particular this research explores the effects of consumer innovativeness and risk aversion on this choice in five European countries and the United States. Results show that consumers with higher innovativeness prefer national brands. However, there are significant differences among countries depending on their uncertainty avoidance and risk aversion.

INTRODUCTION

Private labels are gaining market share in consumer packaged goods (CPG) around the world (Sethuraman & Gielens, 2014). One reason for this growth is consumer's increasing appreciation for these brands. In many cases, they are perceived as similar in quality to leading national brands at a significant price advantage (De Wulf et al., 2005).

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To defend and grow market shares, many national brands adopt innovation strategies based on frequent launches of new products. Brand managers rely on such tactics to provide value to consumers and to differentiate their brands in the marketplace. However, retailers imitate the novelties of national brand new products very quickly since the barriers to copying CPG products are low, and breakthrough new products are scarce (Kantar, 2013; Sorescu & Spanjol, 2008). This makes it possible for private labels to rapidly respond to national brand innovations with me-too new products (Sinapuelas & Robinson, 2009). Due to private labels' privileged access to distribution, many consumers are exposed to both new products at the same time, having to choose between them and experimenting the uncertainty and risk associated with new products decision making.

The empirical study described in this chapter is conducted in order to understand how a consumer trait called “consumer innovativeness” is influencing the choice for either a national brand new product or its corresponding me-too private label. This study also examines whether this consumer trait is determined first by individual proneness to risk and second by cultural or environmental factors that produce different types of choices depending on the country where the consumer lives. These are highly relevant research questions as, should there be differences in consumer choice due to the geographical context and personal traits, these will affect global brand strategies and should be taken into account by retailers and manufacturers.

The study is structured as follows. First, a summary is given of the background related to national brand new product strategies for competing with private labels and the response from retailers. Second, an overview of the arguments in favor of conducting this study based on the gaps detected in the literature review, the conceptual framework and the research propositions. Lastly, the empirical study undertaken to answer the research questions and discuss the results. Finally, the recommendations, limitations, future lines for research, and conclusion are provided.

BACKGROUND

A number of articles have analyzed the impact of national brand innovation on private label consumption. For example, Sriram et al. (2007) showed that the introduction of new products by CPG manufacturers positively influences their brand equity, which reduces their vulnerability to the entry of private labels. Pauwels and Srinivasan (2004) also found that when private labels enter a category, national brands adopt a defensive strategy of investing in product innovation that can enhance their competitive advantage and enable a sustainable price premium over the private labels (Abril & Martos-Partal, 2013).

Additional findings reveal that national brands' innovation intensity in a category negatively correlates to private label share (Anselmsson & Johansson, 2009; Martos-Partal, 2012; Rubio & Yagüe, 2009; Steenkamp & Gielens, 2003). As the number of new product launches in an industry increases, the private label category share decreases (Kumar & Steenkamp, 2007). However, depending on retailer power and retailer interest, product innovation effectiveness may vary (Abril & Martos-Partal, 2013). These empirical results confirm that product innovation is an effective strategy for halting the entry of new private labels on the market and for preventing the growth of existing private-label market share (Kumar & Steenkamp, 2007; Steiner, 2004; Verhoef et al., 2002).

Product innovation used to be a national brand strategy. However, due to retailers' increasing power, some private labels have nowadays enough resources and access to the latest product development advances to be able, in turn, to innovate. To put this point into perspective, it is worth mentioning that

private label revenues from WalMart, Tesco or Carrefour exceed total revenue from Coca Cola (Kumar & Steenkamp, 2007).

This is why leading retailers have access to strong and dedicated private label suppliers or even to national brand manufacturers that produce private labels for them (Leader & Cuthill, 2008). Some private-label suppliers, such as Senoble and McBride, are large enough to provide retailers with competitive R&D services (Abril & Martos-Partal, 2013). Other retailers obtain support from manufacturers in their efforts to develop premium brands (Harcar et al., 2006), or have access to employees, suppliers or customers’ innovation as other top manufacturers do (Sakkab, 2007).

Thus, distributors have full access to the technology needed to imitate national brands’ innovation. In fact, it must be acknowledged that the most common strategy for private labels to compete with national brands’ innovation is to copy them (Kumar & Steenkamp, 2007). Taking into account that a retailer’s bargaining power is reduced when national brand manufacturers differentiate their brands by introducing new features (Kotler and Armstrong, 2003), retailers follow up the new features introduced by national brands and try to introduce them as fast as possible under their private label range. Imitation time will depend on whether the private labels are able to copy the technology easily. When a new manufacturing process is required, products with the new features are more technologically advanced and take longer to develop (Karlsson & Ahlstrom, 1999).

Barriers against private label imitation are quite low, since breakthrough innovations are rare events. Even in high tech industries they only represent about 6% of innovations (Sorescu & Spanjol, 2008). This data is consistent with Kantar Radar on new products (Kantar, 2014) in the CPG market, where only 11% of new products are true innovations. In fact, to copy national brands’ product innovation is not only possible for private labels, but they do it faster than other rival brands (Sinapuelas & Robinson, 2009).

It is not a surprise that private labels are able to follow new products faster, given the distribution control the retailers exert and the point of sale information advantage they enjoy. Following Sinapuelas (2007), speed is important as entry order affects the performance of me-too brands. This author shows that conditional to imitation, the time to market for private labels in US is 35 weeks shorter than that of competitor national brands.

Moreover, full distribution for a new product is difficult to achieve in the first year. For example, the average weighted distribution of the top 20 new products in the first year is 46% (Kantar, 2014). Thus, considering private labels’ speed to imitate and the difficulties to achieve rapid distribution, it is important to note that many consumers will be exposed simultaneously to both new products: national brands and private label me-toos. Understanding the factors that influence consumer decision making is of the utmost importance for manufacturers who risk seeing their investment in R+D fail to capitalize in the marketplace (Karp, 2012).

In this context, it is important to highlight that from the consumers’ point of view, there is a difference between choosing from a national brand and a private label for a known product, and choosing from a national brand new product and a private label new product, both of which offer new benefits to consumers. Risk perception is one of the key barriers to adopting private labels (Burton et al., 1998) and it is also a key barrier to adopting new products (Rogers, 1995). So, when consumers are exposed to the possibility of choosing a private label new product the risk effect is enhanced.

Therefore, the following arguments were applied for maximum clarification in this research study.

First, the authors consider that most new references under private labels are very similar to national brand new products, like other me-too brands. According to the definition provided by Carpenter and Nakamoto (1989), me-too brands claim to be “*just like the pioneer but less expensive*” (p. 288).

Second, the study of the relationship between innovation in the market and private labels has been approached from the perspective of the aggregate market metric, namely market share (Martos-Partal and González-Benito, 2009; Gielens, 2012), but not from the consumers’ decision making point of view.

Third, there is also a gap in the existing literature concerning what happens when private labels respond with me-too new products to the national brands new products. The few existing articles (Gielens, 2012) study the impact of new products on rival share and category growth, but do not examine the effect from the perspective of consumers’ decision making when counter-strategies, such as imitating a new product, are in place.

Under this context, one of the key questions in assessing the effectiveness of national brands’ product innovation strategy is to seek a deeper understanding of how consumers react in terms of preference when faced with the choice of a national brand new product and a similar/me-too private label product. In particular, an important but not yet researched aspect in the literature on private labels, namely consumers’ innovativeness in their propensity to try new products, is explored in this work.

Thus, this empirical study will shed light on:

- How is consumer innovativeness influencing national brand versus private label choice in the context of new products? How does consumer innovativeness act? Are there different segments based on this trait?
- If so, are these consumer segments also affected by their risk perception?
- Is this choice between a national brand new product and a similar/me-too private label product affected by different cultural and market situations? Are there differences across countries that may affect global brands’ strategies?

Conceptual Framework

This section contains, first, a description of the concept of consumer innovativeness. Secondly, to understand risk behavior as antecedent of innovativeness, certain claims stemming from the theory of regulatory focus are expounded. Lastly, the expected consequences of these two concepts on the choice between a national brand new product and a me-too private label are examined. There follows a discussion of some empirical results from different countries in order to understand whether there are differences or similarities among countries based on the constructs examined.

Consumer Innovativeness

Innovativeness is an important consumer characteristic as it transforms buyers’ actions from routinized purchases of a static set of brands and products to a dynamic behavior (Hirschman, 1980). In this sense one can say that it is the “willingness of a consuming population to innovate that gives the market place its dynamic nature” (Hirschman, 1980, p. 283). Consumer innovativeness is not only important for marketing theory but also for marketing practice, because companies rely increasingly on successfully introducing new products for future growth and profitability (Steenkamp et al., 1999).

Innovativeness is an individual variable that describes reactions to the new and different. These reactions range from a very positive attitude toward change to a very negative attitude. How do these differences act when the consumer is exposed to a new product, having to choose between a national brand and its private label counterpart? What makes consumers more receptive to each of these new products?

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Researchers have not yet agreed on a single definition of innovativeness (Hauser et al., 2006). Current definitions range from innate openness to new ideas and behavior, or a propensity to adopt new products, to actual adoption and usage of new products. In the initial stages of consumer innovativeness research, Rogers and Shoemaker (1971, p. 27) defined innovativeness as “the degree to which an individual is relatively early in adopting an innovation than other members of his social system”. However, Midgley and Dowling (1978, p. 236) stated that innovativeness is “the degree to which an individual is receptive to new ideas and makes innovation decisions independently of the communicated experience of others”. In both cases, it is interesting to highlight that innovation is the notion of being perceived as new by the individual (Rogers & Shoemaker, 1971). Some explanations have been proposed for such consumer predisposition: stimulation need, novelty seeking, independence towards others’ communicated experience and need for uniqueness (Roehrich, 2004).

To the best of the authors’ knowledge, the effect of consumer innovativeness on consumer choice between a national brand new product and a private label me-too new product has not been explored yet.

The closest studies relating innovativeness and private labels are those attempting to identify innovativeness as an antecedent of private label attitude (Baltas, 1997; Ailawadi et al., 2001; Martos-Partal and González-Benito, 2009; Gómez and Rubio, 2010) and/or private label purchase intention (Jin & Suh, 2005). This consumer trait is included in models with a whole set of other constructs or variables. Empirical results are controversial and unclear. A summary of the literature review is presented in Table 1. Only two out of the five studies prove a significant relationship between attitude toward private labels and innovativeness (Martos-Partal & González-Benito, 2009; Jin & Suh, 2005). Therefore, the empirical evidence on this relationship is not conclusive. No significant relationship is found between innovativeness and purchase of private labels.

The authors claim that innovativeness has not been analyzed yet in the context of choice of private labels and new products. Previous studies have measured this psychological trait in the context of consumers’ usual shopping basket, measuring their attitude, purchase intention and share of wallet. However, no research study has been designed to measure the choice of private labels when facing new product decision making.

This study focuses on me-too private label new products since, in most countries, private labels offer the same new product attributes as national brands at a lower price (Anselmsson & Johansson 2005; Gielens 2012).

Table 1. Effect of innovativeness on private labels attitude/purchase intention

Authors	Coefficient	Dependent Variable	Significance
Baltas (1997)	0.05	Attitude	Non-significant
Ailawadi et al. (2001)	0.01	Attitude/Purchase (Share of Wallet)	Non-significant
Jin & Suh (2005)	0.39/0.21	Purchase intention (Food/Home Appliances)	***
Martos-Partal & González-Benito (2009)	0.08	Attitude	***
Martínez & Montaner (2008)	0.15	Attitude	Non-significant
Gómez & Rubio (2010)	-0.02	Attitude	Non-significant
Gonzalez-Benito et al. (2014)	-0.016	Purchase (Share of Wallet)	Non-significant

Note: *** Significant at 1%

Source: Compiled by the authors

What happens, then, when consumers are trying to solve a problem and are confronted with the choice of two new products to satisfy their needs, a national brand new product and a private label me-too new product?

According to Goldsmith et al. (2003) innovative consumers are more insensitive to price as compared to others and there is a negative correlation between price sensitivity and innovativeness. Therefore, the less price-sensitive consumers can be expected to choose the national brand option over the me-too private label. Moreover, highly innovative consumers evaluate new products with new brand names more favorably than brand extensions (Klink & Athaide, 2010). Private labels are usually marketed more frequently than national brands under an umbrella brand strategy, as they group several product categories under a common name (Steiner, 2004). This means that new products from national brands will have an advantage from innovative consumers' choice over private labels me-too new products.

These two arguments lead to the first proposition in this study:

P1: Consumers who choose national brand new products over private label me-too new products show a higher degree of innovativeness than those who choose private label me-too new products.

Uncertainty and Risk: Regulatory Focus (Prevention vs. Promotion Oriented Consumers) as Antecedent of Consumer Innovativeness

Most conceptions of risk taking are based on some notion of “chance of loss” (Slovic, 1964). Thus, risk is subjective to the individual and contingent to a specific consumer decision. Risk perception and tolerance differ among individuals. The perceived risk is a function of two dimensions: uncertainty of consequences (i.e., the subjective probability of unfavorable outcomes) and magnitude or importance of consequences.

Among “risky” consumer behaviors, innovativeness has probably attracted the most attention in the literature (Steenkamp & Baumgartner, 1992). Following the distinction made by Midgley and Dowling (1978) between innate and actualized innovativeness, most authors seem to consider innovativeness as a trait, the nature of which is still under question. While actualized innovativeness is the degree to which an individual is relatively earlier in adopting an innovation than other consumers, innate innovativeness is a predisposition to buy new and different brands rather than remain with previous choices and consumer patterns (Steenkamp et al., 1999).

Innovative behavior can be modeled as a function of the personality traits innate innovativeness, interest in the product category, and situational influences (Foxall & Bhate, 1991). Innate innovativeness is the tendency to make innovative decisions “independently of the communicated experience of others” (Midgley & Dowling 1978, p. 235). It involves a tendency to take risks and explore new solutions to consumption problems.

Risk is a critical factor when consumers choose between private labels and national brands (Burton et al., 1998), and when a consumer decides whether or not to adopt a new product (Rogers, 1995).

Under these conditions, in the authors' opinion, the regulatory focus theory (Higgins, 2002) can be used to explain the relationship between uncertainty/risk taking and innovativeness, which in turn affects the choice between national brand new products and private label me-too new products.

The regulatory focus theory has been used in previous studies (Lee and Aaker, 2004; Murali et al., 2007, among others) to explain how risk avoidance/attraction and general attitude towards life has an

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influence over individuals' decision-making processes. Indeed, this theory provides a framework for analyzing the motivational processes underlying the effects of context on choice (Mourali et al., 2007) which are the focus of our research.

Unlike other motivational approaches, regulatory focus theory is not founded on consumers' specific goals, needs, and motives, which are virtually infinite (Mourali et al., 2007). Instead, it is rooted in the strategic inclinations for attaining these goals, needs, and motives, which are organized into two broad categories or self-regulation strategies: promotion focus and prevention focus. According to Lee and Aaker (2004), the strategy termed promotion focus emphasizes the pursuit of gains (or the avoidance of non-gains) and aspirations toward ideals; the other, termed prevention focus, emphasizes the avoidance of losses (or the pursuit of non-losses) and the fulfillment of obligations.

Taking into account that this individual psychological characteristic –prevention versus promotion– might be an antecedent of consumer innovativeness, the following is proposed:

P2: Risk-oriented consumers (promotion focus) show a higher and more positive degree of innovativeness than consumers who avoid risk (prevention focus).

Consumer Innovativeness and Private Labels in a Multicultural Context

Regional level factors, such as cultural factors and market share, can have a strong influence on consumers' profiles and how they make purchases (Kacen & Lee, 2002). In fact, the strength of consumer innovativeness is moderated by innovation characteristics, marketing and other factors (Steenkamp et al. 1999). People's disposition and behaviors are affected not only by themselves (high/low degree of innovativeness and risk tolerance) but also by the norms and beliefs of the cultural environment (Triandis, 1989).

Uncertainty avoidance not only refers to individuals but also to societies. The level of anxiety about the future (Hofstede, 1980, 2001) is a cultural factor and thus, societies that are low in uncertainty avoidance are more willing to take risks. Countries or geographical areas that are low in uncertainty avoidance are expected to embrace new products more easily than those with higher in uncertainty avoidance (Tellis et al., 2003). In this sense, Steenkamp et al. (1999) found that consumers in countries high in uncertainty avoidance are less innovative than consumers in countries low in uncertainty avoidance. For example, in Europe their research showed that innovators in the United Kingdom represented 24%, in France 15%, in Germany 17%, in Spain 9% and in Italy 13%. In the US, Rogers (1983) estimated the combined percentage of innovators and early adopters at 16%.

Obviously, these figures related to high innovation consumers, and uncertainty avoidance must be updated. The conditions of the environment and the evolution of consumer markets have changed dramatically in the last fifteen years, especially after the economic crisis that began in 2008. This affected the US and European countries in a different manner.

Table 2 shows the figures in each country for private label share, share evolution, gross domestic product (GDP) growth and uncertainty index for 2012 – the year in which the data for the empirical analyses presented in the next sections was taken. Although there is not a perfect correlation, it seems that environmental factors affect shopper behavior.

Indeed, consumers are more likely to adopt private labels during recession periods (Lamey et al., 2007, 2012). According to IRI (2012), tough times facilitated private label growth in Europe that en-

Table 2. Private label shares, economic growth and uncertainty (2012)

Country	PL Value Share (2012)	RANK PLVS 2012	Share Evolution vs. the Previous Year (2012)	RANK Share Evolution 2012	GDP Growth (2012)	RANK GDP Growth	Uncertainty (2012)	RANK UNC
US	19%	6	0.1%	6	2.3	1	46	5
Italy	20%	5	0.7%	5	-2.8	6	75	3
France	35%	4	0.2%	4	0.2	4	86	2
Germany	38%	3	0.5%	3	0.4	3	65	4
Spain	47%	2	1.3%	2	-2.1	5	86	1
UK	51%	1	0.5%	1	0.7	2	35	6

Source: Compiled by the authors from IRI (2012), World Bank (2015) and Hofstede (2015).

tered in 2012 its sixth year of economic turbulence. The economic downturn is largely responsible for accelerating the growth in sales of private labels although this is enhanced by the continual drive for depth and quality in the product. Retailers are awarding PL more prominence in-store to secure greater margins at the expense of smaller and mid-ranked national brands.

Today, an ever-increasing number of private labels are being launched due to the strong competitive pressure faced by retailers. Simultaneously, consumer attitudes toward these brands have changed remarkably in recent years (Shukla et al., 2013), leading them to reach significant market share levels across Europe and North America (Manzur et al, 2011).

It is therefore important to analyze consumers’ reactions across markets facing different economic conditions (Steenkamp & Geyskens, 2014). The authors set out to explore to what extent the market levels reached by private labels may influence consumers’ choice, expecting to find differences based not only on the cultural differences but also to the contingent situations related to private labels strength. This gives rise to the following proposition:

P3: Choice of National brand versus private label me-too new products varies across countries according to different conditions related to culture and the retail environment.

METHODOLOGY

A preliminary study was conducted to help the development of the survey instruments. 16 in-depth interviews were held in urban areas with similar characteristics in Chicago (USA) and Madrid (Spain). Three stratification variables were used to select the sample: gender, age and education. The fieldwork was undertaken in November 2011. Interviews contributed to defining the profile of private label versus national brand shoppers, consumers’ innovativeness and perception of risk in an international context.

Data for the main study is depicted in Table 3. It is based on a survey carried out on people of over 18 years of age who are responsible for the purchase of CPG products within their respective households.

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Table 3. Methodology

Main Aspects	Details
Universe	Over 18 years responsible for the purchase of CPG products within their households
Type of Survey	On-line (Qualtrics Panel)
Sample Size	1188 participants from 6 countries: Spain (202), US (201), Germany (200), France (189), UK (197), Italy (199)
Date of the fieldwork	November 2012-January 2013
Information data analyses	Mean, Standard Deviation, Anova and Manova, Principal Components Analyses, Cluster Analyses and Structural Equation Modeling
Statistical programs	SPSS and AMOS 22.0

Data was collected in 2012-2013 from 1188 consumers. The international sample includes shoppers from Spain (n = 202), EEUU (n = 201), Germany (n = 200), France (n = 189), UK (n = 197) and Italy (n = 199).

Questionnaires were developed in Spanish and English by the members of the research project. Next, they were reviewed by a professional editing service. Once the correct expressions were stated in both languages, further versions in German, Italian and French were translated by the same company and reviewed by native speakers of each language.

Regarding the product category, a new shampoo product was chosen for the research because it is an item purchased on a regular basis: as consumers are familiar with shampoo brands, they can also easily evaluate them. Second, the purchase of personal care products is linked to life-styles and requires greater consumer engagement in the evaluative process (Alarcón et al., 2013). Third, private labels enjoy a significant market share in the shampoo category, which makes them a credible purchase alternative to national brands.

The questionnaire is structured in three sections. The first section presents images of two brands of shampoo: we confronted consumers with the problem of buying a new product to solve a given need. As a choice we showed a new product by a well-known national brand sold in all the countries in the research and a simulated me-too private label. Each brand has its own price, lower for the private label and adapted to the level of prices for each country. Both options portrayed the same new benefit. However, they had distinct branding and packaging. Participants have to answer questions about their choice for the new product using a nominal scale (0 = national brand and 1 = private label).

The second section of the questionnaire introduces items related to consumer innovativeness and regulatory focus. Consumer innovativeness is measured from 3 items suggested by previous research (Ailawadi et al., 2001; Jin and Suh, 2005; Gómez and Rubio, 2010) rated on a 7-point Likert-type scale. Regulatory focus (prevention-promotion items) is measured with a semantic differential scale (7 positions), provided by Valenzuela (2008).

The third section covers demographic characteristics of the sample: age, nationality, gender, occupation and studies. As expected, these variables have not shown significant impact on the private labels evaluative process.

The sample profile related to gender, age and studies is shown in Table 4.

Table 4. Sample profile

Variable	Description	Frequency	%
Gender	Women	528	44%
	Men	660	56%
Age	Less than 25	241	20%
	Between 26 and 35	463	39%
	Between 36 and 45	263	22%
	Between 46 and 55	144	12%
	More than 55	83	7%
Studies	No university	446	37%
	At university now	183	15%
	Bachelor’s	401	34%
	Master/Doctoral	149	13%
	Others	13	1%

RESULTS AND DISCUSSION

Consumer Innovativeness

General scores for consumer innovativeness (means, standard deviation and variation coefficient) are shown in Table 5. Average values for two items, those related to new products trial and variety seeking, are relatively low, in both cases below the intermediate position of the scale (4). Both are related to product innovation per se. When innovation is related to new brands, the mean is higher than 4 showing that, in general, consumers are more likely to try new brands than to introduce an actual innovation in their lives. Nevertheless, the high scores for standard deviation and the variation coefficient above 2 indicate the presence of different kinds of consumer segments. This is the first clue for dividing the global sample into groups based on their innovativeness profile.

In order to find the segments, a Cluster analysis was applied using as input variables the three items that compose the innovativeness trait. Using Ward’s method with three-cluster solutions showed that there are three groups: Low, High, and Medium. A further ANOVA application with the three groups as

Table 5. Descriptive measures

Dimension	Item Name	Description	Mean	Standard Deviation	Variation Coefficient
Innovativeness	Innova1	I am often among the first people to try a new product	3.90	1.812	2.154
	Innova2	I usually like to try new brands	4.40	1.666	2.640
	Innova3	When I see a product somewhat different from the usual, I check it out	3.83	1.787	2.140

Note: Seven-Point Likert-Type Scale

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independent variables and the three items as dependent variables showed statistical differences among the three clusters at 1% level (Table 6).

The most numerous group, called medium innovativeness, comprises 50% of the sample (604 cases). Participants in this group have average means for all three items, the highest mean being for new brands trial. The second group is composed of high-innovativeness consumers (32% of the sample, 385 cases). This group has an average greater than 5, which especially for new products introduction, is higher than variety seeking or new brands trial. The low-innovativeness segment is formed by 17% of the sample (209 cases). This segment scores low in all items, even below 2 (1.92) for new products introduction.

Relationship Between Innovativeness and Risk Oriented Consumers

The segments or groups divided by their innovation proneness could not be described solely by the items relating to this trait. Considering that individuals’ risk orientation could influence their innovation profile, the next step was to understand the perception of risk held by these consumer innovativeness groups.

Table 7 shows the scores for the three items related to self-orientation to risk. In general, the results show that consumers are more prevention that promotion oriented, preferring to be stable and safe instead of taking risks when doing new things, saving money instead of using it, or being cautious instead of taking opportunities when they are risky. The higher the score, the more promotion-oriented is the subject. Hereinafter, therefore, the authors’ comments are referred to the more risky of the two options presented in the differential semantic scale: promotion oriented consumers.

A second consideration is that when comparing these findings to those depicted in Table 4 related to innovativeness, promotion oriented consumers have even lower scores -below 4- than for innovativeness trait. The standard deviations are smaller, meaning that the sample in general has less dispersion for these items. The item related to spending money instead of saving it is rather low, with a mean of 3.32, and a variation coefficient of 1.87 in comparison to the average response.

Table 6. Segmenting consumer innovativeness with cluster analyses: High-Medium-Low

Description	Group	N	Mean	Standard Deviation	F	Significance
I am often among the first people to try a new product	Low	209	1.92	.819	803.957	.000
	High	385	5.83	.886		
	Medium	604	3.65	1.434		
	Total	1198	4.05	1.815		
I usually like to try new brands	Low	209	2.20	.793	631.173	.000
	High	385	5.74	1.031		
	Medium	604	4.28	1.339		
	Total	1198	4.39	1.668		
When I see a product somewhat different from the usual, I check it out	Low	209	2.75	1.608	313.907	.000
	High	385	5.49	1.076		
	Medium	604	3.54	1.584		
	Total	1198	4.03	1.783		

Note: Seven-Point Likert-Type Scale

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Table 7. Risk aversion: prevention versus promotion oriented consumers

Dimension	Item	Description	Mean	Stand. Dev	Var.Coeff.
Risk orientation	Promo1	I would prefer to do things that are familiar and safe <i>versus</i> I would prefer to take risks and do things that are new	3.75	1.709	2.197
	Promo2	Right now I would rather save money just in case <i>versus</i> Right now I would rather use my money	3.32	1.771	1.874
	Promo3	I would prefer to be cautious to avoid mistakes <i>versus</i> I would prefer to seize opportunities even if they are risky	3.64	1.734	2.100

Note: Seven Point Differential Semantic Scale

Table 8 depicts the relationship between the scores in risk-oriented regulation and the three segments of consumer innovation (low, medium, high) formed with clusters. Statistical differences are below 1% significance for the three segments. As expected, low innovators are less likely to take risks than medium and high innovators. For high innovators, the most important item is related to undertaking new things since for this variable they score above 4, the medium position of the scale in comparison with the other two items. In contrast, the low and medium innovators segment prefer not to take risks when doing new things, with means of 3.58 and 3.91 for this item respectively.

Table 8. Innovativeness groups and scores for promotion oriented consumers

Description	Group	N	Mean	Standard Deviation	F	Significance
I would prefer to take risks and do things that are new	Low	207	3.58	1.710	9.348	.000
	High	385	4.23	1.920		
	Medium	603	3.91	1.681		
	Total	1195	3.96	1.779		
Right now I would rather use my money	Low	207	3.50	1.787	5.134	.006
	High	382	3.95	1.977		
	Medium	595	3.63	1.773		
	Total	1184	3.71	1.850		
I would prefer to seize opportunities even if they are risky	Low	207	3.45	1.674	4.978	.007
	High	385	3.91	1.886		
	Medium	597	3.69	1.665		
	Total	1189	3.72	1.747		

Note: Seven-Point Likert-Type Scale

Choice of Private Label vs. National Brand New Products: Innovativeness and Promotion Oriented Consumers

In order to understand choice for private label or national brand, a principal component analysis (PCA) with oblimin rotation was conducted as a previous measure to verify the construct structure. After this a confirmatory factor analysis (CFA) was applied to the measurement model and variance-covariance method for testing the structural model. Subsequently, a multi-group analysis procedure was followed in order to understand the influence of the nominal variable choice.

The PCA results are shown in Table 9. Innovativeness (3 items) and regulatory focus (3 items) are measured with the composed item scales based on the literature review. The two expected factors account for more than 60% of the explained variance. Oblimin rotation allows a certain correlation between factors, 16.2% in this case. Correlation was expected between the two constructs (innovativeness and promotion oriented) in the CFA, although both constructs must show discriminant validity as well.

Regarding the measurement model, the CFA shows a satisfactory global fit in the estimation of the two factors proposed, innovativeness and promotion orientedness. The values obtained ($X^2/df = 1.84$; $CFI = 0.995$; $RMSEA = 0.026$) are within the limits suggested in the academic literature (Hu & Bentler, 1999). Table 9 shows the results for reliability and validity for the global sample. In all cases, the statistics used for reliability, alpha Cronbach and composite reliability are higher than the minimum value of 0.70 (Hair et al., 1999).

The variance extracted is in all cases higher than or equal to a variance of 0.5, and all items have sufficient convergent validity, since all of the parameters are statistically significant. Cronbach’s alpha coefficients are higher than 0.70 in all cases, ensuring the reliability of the model. The authors likewise confirmed the discriminant validity since the root of the percentage of variance extracted for each construct is in all cases higher than the correlation between each pair of concepts. The fit obtained for the causal model is satisfactory ($X^2 = 14.71$; $df = 25$; $X^2/df = 1.84$; $CFI = 0.985$; $RMSEA = 0.026$) and the proposed hypotheses are confirmed.

L_i : Standardized loading;

$E_i = (1 - R^2)$: error variance;

Table 9. Principal component analysis

Item	Item Name	Factor Loads	
		Innovativeness	Promotion Oriented
I am often among the first people to try a new product	Innova1	.823	
When I see a product somewhat different from the usual, I check it out	Innova3	.821	
I usually like to try new brands	Innova2	.788	
I would prefer to seize opportunities even if they are risky	Promo3		.811
I would prefer to take risks and do things that are new	Promo1		.755
Right now I would rather use my money	Promo2		.730
Accumulated Explained Variance: 62.24%		36.45%	25.79%

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Table 10. Confirmatory factor analyses

Variables			Li	Ei	Reliability		Validity			
					Alpha (a)	Composite Reliability	AVE	Converg. Validity	P	Sq Root AVE
Innova1	<---	Innovativeness	0.708	0.499	0.704	0.796	0.719	-----		0.848
Innova2	<---	Innovativeness	0.637	0.594				16.943	***	
Innova3	<---	Innovativeness	0.720					17.469	***	
Promo1	<---	Promotion	0.599	0.641	0.810	0.657	0.508	-----		0.713
Promo2	<---	Promotion	0.534	0.715				12.530	***	
Promo3	<---	Promotion	0.734	0.461				12.036	***	
Correlations			Estimate							
INNOVAT	<---	PROMO	0.219							
Goodness of Fit										
			Model	CHI	DF	P	CHI/DF	CFI	RMSA	
				14.71	8	0.065	1.84	0.995	0.026	

Significance level: *** p< 0.001.

Path coefficients for the overall structural model appear in Table 11. The most important result of this model is that it proves that promotion is a significant antecedent of innovativeness. The more risk oriented the consumer, the more prone to innovation.

Table 12 illustrates the potential variations in the promotion/innovativeness relationship when national brand and private label new products choice is involved. For those who choose the national brand, 34.3% are in the high innovativeness group. For those who choose the me-too private label, 26% are in this high innovation group. The medium innovation group has also a different formation. For people choosing the national brand, 47% are in the high segment, whereas the medium segment is larger among those choosing the private label, accounting for 56%. Both national and private label brands have practically the same percentage for consumers in the low segment (17% and 17.6%, respectively).

Table 11. Standardized regression weights

Item		Construct	Estimate
Innovativeness	<---	Promotion	0.219
Innova1	<---	Innovativeness	0.708
Innova2	<---	Innovativeness	0.637
Innova3	<---	Innovativeness	0.720
Promo1	<---	Promotion	0.599
Promo2	<---	Promotion	0.534
Promo3	<---	Promotion	0.734

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Table 12. National versus private labels new product and innovativeness

Innovativeness Group	Brand Choice		Total
	National	Me Too Private Label	
Low	147	62	209
	17.80%	17.00%	17.60%
High	283	97	380
	34.30%	26.60%	32.00%
Medium	395	205	600
	47.90%	56.30%	50.50%
TOTAL	825	364	1189

Taking into account these differences, multi-group analyses were conducted, imposing the restriction of equality of parameters for the two samples and comparing the results for goodness of fit for the restricted model with the results for the goodness of fit for the unrestricted model ($DX2 = 58.12$; $Ddf = 7$ $Dp = 0.24 > 0.000$). A test was also conducted to ensure that the differences between the CFI obtained for the unrestricted and restricted models is 0.001, lower than 0.01, maximum threshold recommended by Cheung and Rensvold (2002). Since no significant worsening in the model’s fit was observed, this result guarantees that measurement invariance is fulfilled. Thus, the differences observed by the researchers between the causal relationship models are due to the causal relationships themselves and not to the measurement of the constructs. In other words, factor loadings are equivalent in the two samples, the criterion of measurement invariance having been met. Meeting this measurement invariance criterion guarantees that if differences are identified in the subsequent analysis, they are due to real differences in the structural relationships and not to the measurement of the constructs.

A multi-group structural analysis was then performed for the two options (private labels vs. national brands). Results were compared for the two models: the first, unrestricted model, and a second model, on which the restriction of equality for the structural parameters was imposed (restricted model). The results obtained show that the restricted model has a significantly worse fit than the unconstrained model (Table 13). This result points to the presence of a moderating effect, suggesting that some of the constraints of equality imposed cannot be sustained. The level of probability associated with the increase in the chi-square is significant, indicating that the model’s fit worsens considerably, and the CFI and AGFI indices decrease 0.002 and 0.003 points, respectively, in relation to the unconstrained model.

Table 14 shows the non-standardized structural parameter for the two possible choices (national versus private labels) and the critical ratio (CR) obtained for the differences. In comparing models, non-standardized coefficients must be observed due to the presence of different standard deviation

Table 13. Multi-group analyses for choice

Model	CMIN	DF	DIF	P	CFI	GFI	AGFI	RMSA
Unconstrained	47.369	50			0.998	0.992	0.979	0.000
Model with restrictions	61.743	57	14.374	0.31	0.999	0.994	0.982	0.001
DIF	14.374	7		0.31	0.001	0.002	0.003	0.001

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Table 14. Multi-group analysis for choice

Model Relationships			National	Private Label	CR
Innovativeness	<---	Promotion	0.180	0.146	2.349***

for each construct between samples (Iglesias & Vazquez, 2001). A t-test based on the expression $t = (b_i - b_j) / \text{square root } (S_i^2 + S_j^2)$, in which b_i and b_j represent the coefficients to be contrasted and S_i and S_j their respective standard errors (Hair et al., 1998), was performed to calculate statistical significance of the differences between parameters. The relationship between innovativeness and promotion oriented consumers for either national brand or private label is 0.180 and 0.146, respectively. The critical ratio is 2.349, statistically significant for the relationship at 5% level. This means that the relationship between risk orientation (promotion) and innovativeness is stronger for national brand new products than for private label new products.

Cross Cultural Differences

First of all, it was necessary to take into account an issue related to the countries involved in the study. Six countries were included in the study presenting different perceptions of uncertainty avoidance. United Kingdom (35) and United States (46) represent the countries analyzed in this research with the lowest scores for this variable in Hofstede system (The Hofstede Center, 2015), below the average for the whole sample of countries. They are followed by Germany (65). This score is on the high end, so there is a slight preference for uncertainty avoidance. Italy (75) and overall, France (86) and Spain (86) have the highest scores.

Table 15 shows the results of a cross tabulation with high, medium and low innovativeness segments by country. The chi-square value is 8.142, statistically significant at 1% level. The results show that France, Germany and Spain have a higher composition of low and medium innovators. On the contrary, US, UK and Italy have more individuals in the high innovation group.

A multivariate analysis of variance (MANOVA) was performed, at this stage, to prove how the differences in the choice of national brand versus private labels new product were affected by innovativeness

Table 15. High-low innovativeness groups by country

Innovativeness Groups	Country						Total
	Spain	Germany	France	UK	Italy	US	
Low	45	41	44	30	18	31	209
	19.90%	20.40%	22.60%	16.00%	9.00%	16.30%	17.40%
High	46	57	35	83	75	89	385
	20.40%	28.40%	17.90%	44.40%	37.70%	46.80%	32.10%
Medium	135	103	116	74	106	70	604
	59.70%	51.20%	59.50%	39.60%	53.30%	36.80%	50.40%
	226	201	195	187	199	190	1198

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and regulatory focus in each country. This technique was also used to test the joint effect of the two constructs, since the interaction between the two was included. The dependent variables are the innovativeness and promotion factors from the ACP. The independent variables (fixed factors) are choice and country. The F statistic for innovativeness by choice alone is 15.27 (significant at 1% level), and the F statistic for promotion by choice is 7.98 (significant at 1% level). There are also statistical differences in the average values for these factors by country ($F = 11.09$; 1%; $F = 14.40$; 1%). Moreover, the F for the interaction between country and brand is 2.59, significant at 5% level, indicating that the difference of means coming from choice and country is statistically significant for innovation. However, the F for the interaction between country and brand for promotion is not statistically significant ($F = 0.81$).

Table 16 shows that the countries where participants score higher in innovativeness are Italy (0.25), UK (0.19) and US (0.18). On the contrary, Spain (-0.26), France (-0.20) and Germany (-0.14) show negative scores for this factor. This does not mean that the innovativeness trait is negative but that in these countries the load for every item in the factor counts less than in the others, below the average that is 0, since the factor is standardized. Moreover, the impact of this consumer trait is higher in national brands than in private label me-toos in the high-innovativeness countries. In the US, the average value is negative even for private labels. For low-innovativeness countries, the impact of consumer innovativeness is lower for national brands and higher for private labels.

Table 16. Anova for innovativeness by country and choice

Country	Choice	Mean	Standard Dev.	N
Spain	National	-.22	.91	175
	Private label	-.43	1.04	41
	Total	-.26	.94	216
Germany	National	-.07	1.00	158
	Private label	-.42	1.06	41
	Total	-.14	1.02	199
France	National	-.22	.97	141
	Private label	-.13	.92	42
	Total	-.20	.95	183
UK	National	.25	.99	103
	Private label	.11	.89	80
	Total	.19	.94	183
Italy	National	.41	.91	117
	Private label	.01	.80	78
	Total	.25	.89	195
US	National	.43	1.05	113
	Private label	-.21	1.12	71
	Total	.18	1.12	184
Total	National	.05	1.00	807
	Private label	-.13	.98	353
	Total	.00	1.00	1160

Significance level: *** $p < 0.001$ for country, choice.

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A crosstab with countries divided by groups and influenced by choice helps us to understand where the main differences are found. Table 17 shows where the differences are. Each cell contains a count, with the percentage per column given below. The results are obtained by comparing the columns for national brands and private labels. After the comparison for each country, the overall percentage per row is given,

Table 17. Crosstabs for innovativeness by country and choice

		Brand Choice		Total
		National	Private	
UK	Low	17	13	30
		16.3%	16.3%	16.3%
	High	53	28	81
		51.0%	35.0%	44.0%
	Medium	34	39	73
		32.7%	48.8%	39.7%
Total	104	80	184	
% Row	56.5%	43.5%	100%	
Italy	Low	13	5	18
		10.9%	6.3%	9.0%
	High	55	20	75
		46.2%	25.0%	37.7%
	Medium	51	55	106
		42.9%	68.8%	53.3%
Total	119	80	199	
	59.8%	40.2%	100%	
US	Low	15	16	31
		13.3%	21.9%	16.7%
	High	63	23	86
		55.8%	31.5%	46.2%
	Medium	35	34	69
		31.0%	46.6%	37.1%
Total	113	73	186	
	60.8%	39.2%	100%	
Spain	Low	33	12	45
		17.9%	28.6%	19.9%
	High	37	9	46
		20.1%	21.4%	20.4%
	Medium	114	21	135
		62.0%	50.0%	59.7%
Total	184	42	226	
	81.4%	18.6%	100%	

continued on following page

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Table 17. Continued

		Brand Choice		Total
		National	Private	
Germany	Low	33	8	41
		20.8%	19.0%	20.4%
	High	49	8	57
		30.8%	19.0%	28.4%
	Medium	77	26	103
		48.4%	61.9%	51.2%
Total	159	42	201	
	79.1%	20.9%	100%	
France	Low	36	8	44
		24.7%	17.0%	22.8%
	High	26	9	35
		17.8%	19.1%	18.1%
	Medium	84	30	114
		57.5%	63.8%	59.1%
Total	146	47	193	
	75.7%	24.3%	100%	

i.e. the figure denoting how the choice between both brands is shared for every sub-sample (by country). For the low innovation countries Spain, Germany and France -thus high in uncertainty avoidance except for Italy- there are no statistical differences by consumer groups according to their innovative level, since the chi-square that tests dependence between the variables is not significant (Chi-square Spain = 2.791; Chi-square Germany = 2.848; Chi-square France = 1.183).

However, there is a greater preference overall for the national brand option in these low innovative countries. Probably, one reason for this is to reduce their risk aversion to both private labels and new product decision making. For the most innovative countries, with less uncertainty avoidance except Italy, the choice of private labels is high. For those consumers who choose the national brand, 55% belong to the high-innovativeness group, 51% in UK and 46% in Italy. Chi-square is significant at 10% for United Kingdom (5.56), 1% for Italy (12.89) and 1% for the United States (10.53).

RECOMMENDATIONS

These results have some managerial implications for both retailers and manufacturers. The importance of consumer innovativeness, risk aversion and market environment on consumer choice suggest the convenience of adopting an efficient market segmentation approach. Not all types of consumers will react in the same way to the new product offering. These results also have important implications in the adequate rollout of international brands, as deciding in which country to start the launch will have different consequences regarding achieving critical mass at a faster pace.

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Given that this study reveals that multicultural differences exist, manufacturers and/or retailers who commercialize brands on international markets should apply different strategies in accordance with the shopping scenario. Specifically, those companies who target Spanish, German or French markets and want to attract consumers when launching new brands or products could place a greater emphasis on the quality-price ratio rather on the innovative nature of the new product. In the United States, United Kingdom or Italy they have to make greater use of the novelty aspect of their brands with actions that highlight the new experience resulting from their consumption.

From the perspective of the manufacturers, these results have important implications for the effective implementation and rollout of new products on international markets. In the case of highly innovative countries, national brands should target innovative consumers, as they represent an important part of their target market and they will be willing to choose their brand in first place over private labels. However, in these countries, national brands will need to pay attention to the value proposition they offer compared to private label me-toos as other innovative (though to a lesser extent) consumers who are also interested in the value of products may venture to choose the private label me-toos.

In the case of low innovative countries, national brands will show a higher preference as consumers are more risk averse, especially when choosing new products. However, manufacturers should not underestimate the marketing activities that retailers will most probably perform to reduce this perceived risk, such as sampling and incentives for consumers to try their brand. This scenario suggests that a powerful marketing plan is needed for entering these countries, in order to achieve rapid penetration and distribution and to prevent private labels trial. This does not seem to be an easy task as many national brands complain about the difficulties they find to appropriately list their products in the point of sale.

From the perspective of retailers, a new strategy consists in innovating with their own brands (Ailawadi & Keller, 2004). In recent years retailers have been investing more money in R&D, narrowing the gap with national brands (Conn, 2005) and in some cases leading the innovation as, for example, in the case of Mercadona, a leading retailer in Spain (Kantar, 2014). According to the results of this study, it appears more difficult for private labels to pioneer innovations in less innovative countries, as the double risk of choosing a private label and trying a new product will apply to these consumers. However, in more innovative countries it is possible that consumers will dare to try new products from private labels. But it is important to highlight that those consumers will probably not be the most innovative in these countries, but those seeking better value in their purchase.

More work is needed to understand how other factors interact with the variables analyzed in this research. Since private labels show different positioning and enjoy different levels of brand equity among consumers, it is reasonable to expect that these variables will shed more light on understanding consumer preferences. Also, previous familiarity with private labels and national brands will probably prove to be important in understanding consumer decisions.

Altogether the results highlight the importance of having local launch plans even for global brands, as the key to success may not only lie in the product and benefit launched in each country, but in where and to whom the new product is targeted.

FUTURE RESEARCH DIRECTIONS

The fact that only one product category (shampoo) has been included in this research represents a limitation to the study. As well, no specific retailer could be identified in the picture shown to the participants

in the study, where it was just stated that the alternative shampoo bottle with a generic label belonged to a well-known supermarket.

Another limitation involves the relatively small sample sizes for each country, around 200 people per country. The authors opted for smaller sample size and more countries, but having observed the differences among them, are of the opinion that it is advisable to increase the sample size for at least two countries (i.e. the United States versus Spain). Also related to this issue, there is a possible bias since the sample is not stratified by socio-demographic characteristics in the different countries. Therefore, the authors are resolved to delve into this issue in further studies.

The risk variable measured at the individual level could have been measured in greater depth, not only with regulatory focus but including items relating to functional, psychological and social risk.

One issue that merits further research is related to gaining a better understanding of the impact of different private label offerings on the differences found among countries. This is of relevance to the matter in hand, as the private labels available in Europe are of higher quality and better value for money than those offered in the U.S. where they are perceived as inferior regarding their quality-price ratio.

This research has not taken into account the different quality tiers that private labels belong to. Therefore, exploring different price tiers and positioning will be an excellent opportunity for subsequent studies.

There are clearly other factors influencing these results that have not been included in this study. For instance, price consciousness, brand attachment or market structure that might also help to explain the results from the United Kingdom. It has not been possible to further explore these possibilities with the information provided in this study. They remain open, no doubt, as future research avenues.

Finally, future research could reproduce more realistic shopping conditions by adding private labels from different store chains or more complex shopping baskets with different categories and brands, especially those categories that imply a higher commitment and risk perceived by consumers.

CONCLUSION

The three research propositions formulated in the conceptual framework have been confirmed. First, consumers choosing national brand new products show a higher degree of innovativeness than those who choose private label me-toos. Second, the risk aversion or attraction is an antecedent of consumer innovativeness. In this sense, promotion-oriented consumers show a positive degree of innovativeness in comparison to prevention-oriented consumers. Third, there are differences among countries regarding innovativeness and new product brand choice. In fact results vary depending whether they are analyzed inter- or intra-country. In other words, different results are obtained when considering the individual level or the country aggregate level. Consumers from the United States, United Kingdom and Italy show a higher degree of innovativeness, and the group of consumers with the highest innovative scores shows a significant preference for national brand new products. However, differences in the degree of innovativeness were not observed among groups of consumers in the less innovative countries.

Interestingly, at an aggregate country level the lower scores in innovativeness in countries such as Germany, Spain and France are related to a higher preference for national brands. This result might be explained as private labels show a higher perceived risk (Richardson et al., 1996) and uncertainty when the case of new products is focused. Thus, risk-averse countries will prefer a safer choice when confronted with the double uncertainty of choosing a private label and a new product. The exception to this rule

is Italy, which shows more innovativeness and therefore this trait prevails over promotion orientedness when consumers are confronted with the choice.

There is possibly a non-linear relationship between the private label market share and the greater presence of innovative consumer segments in the country. Thus, countries like the United States and Italy, with higher innovativeness scores, show lower private label shares. On the contrary, countries like Germany, Spain and France, with higher private label shares, show lower scores in innovativeness.

To sum up, the results obtained in this study enable to confirm the correct functioning of the proposed model, explaining how innovativeness works when a shopper has to choose between a national brand new product and its me-too private label counterpart. Therefore, the general understanding provided in this research can be translated into future studies aiming at the specific understanding and prediction of product adoption for particular products and markets.

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KEY TERMS AND DEFINITIONS

Consumer: Individual who buys products or services for personal use. He/she makes decisions whether or not to purchase a product. He/she is the primary target of the marketing program.

Consumer Packaged Goods (CPG): A type of good consumed every day by the average consumer. They need to be replaced frequently, compared to those that are usable for extended periods of time. Fast-Moving consumer goods is also a synonym of this term.

Innovation: The process of translating an idea into a product or service that creates value or consumers and industry.

Manufacturer: A company that produces products or services.

Me-Too Brands: A brand designed on purpose to be similar to a leading brand.

National Brand: The brand name of a product or service produced by manufacturers.

Retailer: A company that buys products or services to the manufacturers or other retailers and sells them to the final consumers.

Regulatory Focus Theory: it is a theoretical proposal that examines the relationship between the motivation of a person and the way in which he/she achieves the goal. It has two orientations: promotion and prevention.

Shopper: A person who visit the store in search of products, services or brands.

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Chapter 14

Brand Positioning Practices in Services Sector: A Study of Banking Brands

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ABSTRACT

During 1980s the strategic relevance of brand positioning was recognized and service organisations are now identifying their key market segments and determining how they wish consumers to perceive their company and its products/services. Positioning is of particular significance for services as it places an intangible service within a more tangible frame of reference. This chapter examines and compares the brand positioning practices in services sector with reference to banks. It proposes a model for positioning of brands in services sector. The findings are based on an exploratory study; empirical data is collected from customer respondents (1800) and marketing executives of the banks. Six banks are studied, two each from public, private sectors and foreign banks. The study would help banks to acquire, retain and satisfy their customers by positioning their brand as it suggests a model that concentrates on internal and external facilitators, sources of growth, designing the service offer and differentiating it from competitors and delivering the service successfully.

INTRODUCTION

During the 1980s the strategic relevance of positioning started to become recognized amongst leading service organisations. Service companies are now identifying their key market segments and then they determine how they wish consumers to perceive both their company and its products and services. Positioning is of particular significance in the services sector as it places an intangible service within a more tangible frame of reference. Thus the concept of positioning stems from a consideration of how a company wishes its target customer to view its products and services in relationship to those of its competitors and their actual or perceived, needs. The objectives of this chapter are to study and compare the brand positioning practices of banks and apply the MAAM model and propose a brand positioning model for

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services. This chapter is organised in the following way: first section deals with review of literature and research methodology, followed by hypotheses validation and application of MAAM model, and last section proposes a model for positioning of services and its validation.

REVIEW OF LITERATURE

“Positioning” is the term coined and conceptualised by marketing gurus Al Ries and Jack Trout in 1970s. Their landmark thinking gave marketers a new handle on creating an association in the buyer’s mind, tying a company’s products and services with reasons why the buyer should consider doing business with that enterprise. Aaker, David and Gary J Shansby (1982) opine that the positioning decision is often the crucial strategic decision for a company or brand because the position is central to the customer’s perception and choice. Ennis, Beaven F. (1986) explain that the fundamental responsibility of the marketing manager is to ‘select a positioning concept that drives the consumer’s perception of a brand as far up the spectrum of differentiation as is legally and ethically possible. Joe Marconi (2003) has observed that when marketers speak of positioning a product, they mean an attempt to conjure an image or an association in a mental frame of reference, to physically place it in a particular section of the mind, to make it available through related service where are many expect to find it.

- Al Ries and Jack Trout (2003) have been the pioneers to develop the concept of Positioning and they considered that Positioning starts with a product, a piece of merchandise, a service, a company, an institution, or even a person. But positioning is not what one does to a product. Positioning is what a company does to the mind of the prospect. That is, the company positions the product in the mind of the prospect. So it is incorrect to call the concept “product positioning” as if one were doing something to the product itself. They concluded that Positioning is also the first body of thought that comes to grips with the problems of getting heard in an over communicated society.
- Crawford, Merle C (2008) proposed only two alternative bases for positioning which are defined as: Positioning to an attribute (feature, function or benefit) and Positioning to a surrogate that implies features, functions or benefits. The author has contributed a novel approach to positioning by suggesting that when differentiation by physical attributes is not feasible companies should create brand differentiation by positioning to a surrogate.
- George E. Belch & Michael A. Belch (2002) observed that positioning strategies generally focus on either the consumer or the competition. While both approaches involve the association of product benefits with consumer needs, the former does so by linking the product with the benefits the consumer will derive or create a favorable brand image. The latter approach positions the product by comparing it and the benefit it offers different from its competition.
- John. H. Roberts (2005) observed that defensive marketing begin with an assessment of the weapons a company has to protect its market position. These include brand identity, or how customers perceive the brand; the mix of products and services supporting their identity, including their pricing; and the means of communicating brand identity, such as advertising.
- Richard Woods (2002) has suggested that one of the problems in brand positioning work is that the stimulus material shown to consumers is generic (statements and mood boards are not part of

the consumers' experience), vague and unfocused, often irrelevant, and boring. His study outlined the idea of 'Brandcepts', suggesting the ways in which the brand might interact with consumers in future. These include packaging, promotions, service interactions with customers, etc. The author also cited that brand positioning is about precision and that a large number of different brand expressions need to be created so that the consumer can pinpoint what the brand should be about.

- Terry Tyrrell (May 2009) has said that banks have become distrusted by their customers and, to regain that trust, banks must position and reposition themselves. Customers do not rely on their advice alone; new styles of more accessible professional advisors, who do not look like traditional banks, have emerged. The author suggests that the banks adopt different approaches all based on siding with and championing their customers, or empathising with their concerns. The key is placing the customer at the centre, giving first place to customer values. The author feels that this is where banks have missed out, although some are beginning to learn the lesson.

RESEARCH GAPS

Insufficient research is done on understanding the positioning approach from three dimensions namely i) within the organisation ii) from the customer's perspective and ii) the company's approach in relation to its competitors. Though studies are undertaken on analysing the brand positioning practices of players in financial sector, specific research is not undertaken on comparing such practices of public sector banks in India, private sector banks in India and private sector banks of foreign origin operating in India.

RESEARCH QUESTIONS

- What difference, (if any) exists between the positioning practices of public sector banks in India, private sector banks in India and private sector banks of foreign origin operating in India?
- How does the bank define its competitor's position and its own positioning approach in relation to the competitors?
- Could there be a model for defining the brand positioning platform for services sector?

RESEARCH OBJECTIVES

- To study and compare the brand positioning practices of Indian public sector banks, private sector Indian banks and private sector foreign banks operating in India.
- To apply the MAAM model (Martin Fishbein's model) and measure the overall attitude of customers of the bank towards certain attributes of the bank and to make a comparative analysis of the model being applied to the banks under the study.
- To identify a positioning and to suggest and/or recommend an alternative system if brand positioning is found to be weak.

HYPOTHESES

H1: Similar dimensions are used by different banks to position their brand.

H2: Most banks stick to a single positioning strategy.

H3: Targeting Method differs from one bank to another.

SAMPLE DESIGN

Keeping in view the focus of the research, which is, to examine brand positioning practices of banks, two banks are chosen from each sector i.e., public, private and foreign. The banks are chosen based on their position in the market, the first bank that is chosen in each sector is the market leader and the second bank is the market challenger. Stratified random sampling is applied to choose customer respondents. On account of data loss to the extent of 19 customers, the analysis is done on data collected from the actual number of customers i.e. 1781. The sample so chosen is representative of the population as it satisfies the sample adequacy test and is chosen as per Rejoice Morgan Table. The sample of bank's respondents consists of 10 executives chosen from marketing department of the bank working at various managerial positions are depicted in Table 1.

QUESTIONNAIRE

Questionnaire is administered to the customer and bank respondents. The questionnaires are tested by applying Cronbach Alpha measure which is shown in Table 2. The questionnaire is said to be reliable if the score is above 60% and as the table reveals, the Cronbach's Alpha is .887 i.e. 88.7% which implies that the questionnaires are reliable.

PILOT STUDY

Before the finalization of the questionnaires, a pilot study has been undertaken with a sample of 120 customers chosen at random (20 each from the six banks under the study). Few questions that respondents did not respond to were modified. These were related to their transactions with the banks, the compliant handling procedure and elements in the banks' service that attracted them most to the bank. Such questions have been modified. The pilot study also revealed that irrespective of the branch, most customers have similar preferences of timings and facilities in the bank. Certain other questions that concentrated on a customer's transaction with the bank with the use of technology were added after the pilot study as most respondents had transactions using technology such as ATM, NEFT, Online banking and Mobile banking.

DATA ANALYSIS TOOLS

Data has been analysed using statistical tools such as ANOVA, Chi-Square test, Rank Correlation. SPSS is used to facilitate the same. Apart from the statistical tools, a popular model named as Martin Fishbein's Model (MAAM) - Multi Attribute Attitude Model used in marketing research is also being applied to the sample to evaluate the consumer's attitudes and beliefs that lead the brand to occupy a space in the minds of the consumers.

CHALLENGES FOR POSITIONING BRANDS IN BANKING SECTOR

- The idea of positioning a brand is a new one for the industry, as many banks have historically perceived brand management as only relevant to consumer goods. Another difficulty that banks face in brand management is the similarity of product offerings from firm to firm. Product innovations in banking services are short-lived since it is relatively easy to copy new product offerings. The result is that banks must find other aspects of their business, such as the client /advisor relationship, as a means to differentiate from the competition. The difficulty in differentiating based on product offering leads to the elevation of the client /advisor relationship to the most important driver of client loyalty.
- Another set of challenges in banks involves the difficulty of positioning brand(s) in the face of industry trends such as the global/local debate and recent merger and acquisition activity. The task of positioning a brand involves deciding which part of "what a brand stands for" will be actively communicated to the target audience. Many firms, from SMEs (Small to Medium Sized Enterprises) to larger ones, have encountered the challenge of highlighting global capacity and simultaneously emphasizing the ability to deliver locally tailored products / services. At the same time, the slew of mergers and acquisitions in the late 1990s required banks to make significant decisions about the relationship between their brands. Major world banks have been at the forefront of using IT and technology services for 20 years. They have developed sophisticated procurement functions such as smart sourcing; they were early adopters of the off-shoring model as captive owners and users of third parties; they engaged in transformation projects to deliver business process change; and they have tried to manage contracts efficiently by creating large governance teams and innovative scorecards to measure performance.
- Banking is a service business, but most of the brand management techniques being used have been borrowed from the packaged goods industry. Most service organizations fall into the same trap. The most common problem in banking brand management is the practice of handing overall responsibility for brand management to the marketing department. One of the most common problems found in brand positioning is the lack of coordination between marketing and operations. Everything that touches the customer is a brand communication. Managers know this intuitively, but in practice few banks are systematically managing in a way that recognizes this concept. In a service business like banking, brand positioning involves alignment and needs to be happening proactively in every corner of the business. For that reason overall responsibility for managing the brand should rest with the chief executive officer and his or her senior management team.

Brand Positioning Practices in Services Sector

- In the fiercely competitive world of the services industry, image building and brands are becoming increasingly imperative for banks. The days when banks wait for the customers to step in are over. Banks have to re-build their brands and images in order to attract and retain customers currently flooded with alternative choices. Technology and customer loyalty are two independent facets of the picture, but they have to be consistently reinforced with the right image and brand. Building a new corporate brand image is becoming mandatory for all the banks in the country. The lone public relations officer posted at the head office would not be able to live up to the new challenges and demands of the times, the world of banking had been transformed with the advent of the new generation private sector banks, with their high levels of automation, new and technology savvy products, high decibel brand building, and smart and swank branches. These new banks also had the inherent advantage of starting with the right brand and image suited for the current times, a senior banker said. To compete in this changing environment, several of the old-generation private and public sector banks have gone in for an image makeover. A large number of banks have re-designed their logo and the colour and display style of their names. The makeover and transformation of two of the largest Indian banks, SBI and Bank of Baroda, have been quite visible, a senior banker said. Smaller banks are also making major inroads.

FINDINGS OF THE STUDY

Hypothesis 1: Similar Dimensions Are Used by Different Banks to Position Their Brand

Companies position themselves around various dimensions. The position that the bank prominently owns in the prospect's mind can be defined in terms of:

1. **Structural:** Identity, architecture, and brand strategy.
2. **Verbal:** Names, nomenclature, and systems.
3. **Visual:** Graphics, package and new media design.
4. **Environmental:** Interior design, merchandising and visual display.
5. **Factual:** Message strategy, message tactics and language style.
6. **Behavioural:** Employee communications and training.

The various dimensions based on which banks position themselves, as shown in Table 3, are analysed using bank manager's and customer's opinion. There is a difference in the opinion of the bankers and customers with respect to the positioning dimensions. Managers of the banks have ranked verbal, factual and structural dimensions as the first three dimensions on which their bank has positioned themselves. While the customer of the banks have ranked visual, verbal and structural dimensions as the first three dimensions based on which the banks have occupied a position in their minds. Environmental dimension is least preferred by the bank to position themselves while behavioural dimension does not hold a strong position in the customers' mind and hence is ranked last by the customers.

Measuring the Dimension That Has a Strong Position in the Minds of the Customers

In order to measure which dimension has a strong position in the minds of the respondents, rank correlation is applied. The dimensions that were being used are Visual, Verbal, Environmental, Factual and Behavioural. Ranks are assigned to these dimensions based on their mean values. Rank 1 is assigned to that dimension which has the lowest mean. Analysis is done for all banks collectively and for each bank individually. Table 3 reveals the ranks for all banks collectively. Visual dimension is ranked first with the lowest mean of 2.64. This dimension comprises graphics, package and media design decisions of the banks that have a prominent position in customer's mind. Verbal dimension is ranked second with the second lowest mean of 3.27 comprising names, nomenclature and systems. This is followed by Structural dimension (comprising identity, architecture and strategy) with a mean of 3.36, Environmental dimension (comprising interior design, forms, signboards and visual display) with a mean of 3.51. The dimension that is ranked fifth is factual dimension comprising message strategy tactics, language and style. The dimension that is ranked the least is behavioural comprising employee training and communication.

Bank-wise analysis presented in the Table 4 reveals the coherence or variation of each bank with the dimensions ranked for all the banks put together. From Table 4, it can be seen that for bank Leader-PSB, behavioural dimension is ranked first followed by factual, environmental, verbal, visual and then structural dimension. The behavioural dimension has a strong position in the minds of the customers of Leader-PSB. Similarly for Challenger-PSB, verbal dimension is ranked first followed by structural, visual, environmental, factual and then behavioural dimensions. Likewise analysis is done to all the six banks as is presented in the above table. It can be seen that Leader-PVB is close to the rankings given to overall banks whereby customers of this bank also feel that visual dimension has a strong position in their minds.

Hypothesis 2: Most Banks Stick to a Single Positioning Strategy

The hypothesis is tested using Chi-Square test for all the banks collectively and also for individual banks. The test statistics, as shown in Table 5 and Table 6 reveal that the Chi-Square value is 1.667 $df=1$ at 5% level of significance and the table value is 3.841, the hypothesis is accepted that banks stick to a single positioning strategy. As the calculated value is less than the table value, the hypothesis is accepted. On observing the individual banks, it is seen that that all the managers at Challenger-PSB said that their bank follows a single positioning with all managers agreeing to the same. Except for the managers of Leader-PVB, all other managers feel that their banks have practice a single positioning. The managers of Leader-PVB feel that their bank does not adopt a single positioning (the calculated value of Chi-Square is 6.4 $df=1$ at 5% level of significance whereas the table value is 3.841, as is depicted in Table 7, hence the hypothesis is rejected). Therefore, from the table it is seen that all the banks adopt one (single) positioning strategy and have been practicing the same except for Leader-PVB the hypothesis is rejected at 5% level of significance with calculated value of 6.40 being greater than the table value of 3.841. It can be concluded that given the variety of services offered by Leader-PVB, it is imperative for them to adopt different positioning strategy.

Hypothesis 3: Targeting Method Differs From One Bank to Another

Methods of targeting available to the bankers are individual customer targeting (I degree), segmented targeting (II degree targeting) and self-selection targeting (III degree). It can be seen from Table 8, that out of the total 60 managers, 65% managers feel that their bank adopts I degree targeting while 33.3% feel that their respective banks adopts II degree targeting. Bank-wise analysis reveals that the highest percentage of bankers who adopt I degree are from Leader-FPVB (100%) followed by 90% managers from Challenger-FPVB, 80% from Challenger-PVB and 60% from Leader-PVB. First degree targeting is more prominent in private and foreign banks while second degree targeting is adopted by public sector banks i.e. 80% managers from Challenger-PSB and 60% from Leader-PSB. A very less percentage (1.7%) managers feel that their respective bankers adopt self-selection i.e. III degree targeting. Therefore, it can be said that predominantly there is a difference in the targeting method, I degree targeting is adopted by private and foreign banks while II degree targeting is adopted by public sector banks in India

Application of MAAM Model as Given by Martin Fishbein

Martin Fishbein (1963) developed a theory of attitude formation and change based on behavioural learning theory, which can be summarized as,

$$A_o = \sum_i b_i a_i$$

Where,

A_o = Attitude towards any object

b_i = Belief (likelihood) that the object possesses attribute i

a_i = Evaluation (goodness of badness) of the attribute i

In this model, the overall attitude towards a brand is viewed as the product of beliefs about a brand along a particular attribute and the value of the attribute, summed over all attributes. This model has been seen in a number of studies evaluating its relevance to marketing situations. However, marketing researchers have had difficulty in actually applying it in its strictest sense. The use of probability scale to measure brand attributes proved cumbersome and hence simple scales (like rating on a 1-5 scales) were proposed as measure of beliefs. In this study, the model has been applied to measure the overall attitude of customers of the bank. The customers were asked to rate the attributes on a 5 point scale. From the ratings so given, mean score is calculated which is represented as 'B' and the weights 'a' to the attributes is assigned depending upon the highest mean (As the questions are based on a rating scale, highest weight 14 is assigned to that attribute that has the highest mean and the following weights are assigned to the next highest mean). Table 9 reveals the A_o scores for all the banks under the study. It can be seen that Leader-PVB has the highest score meaning that the customers of this bank have positive attitude towards the bank and a good overall evaluation of the bank in terms of the attributes chosen. The second highly rated bank in terms of the attributes so chosen is Challenger-PVB and the third highly rated bank is Challenger-FPVB. It can also be interpreted that the banks in public sector in India are not well appreciated by their customers as the overall attitude and evaluation of these is not good

with low A_0 scores. An objective of this study is to identify a positioning option that helps to maximise market share and increase profitability and to suggest and/or recommend an alternative system if brand positioning is found to be weak. This objective is fulfilled by proposing a Brand Positioning Model for Services which is diagrammatically shown in Figure 1.

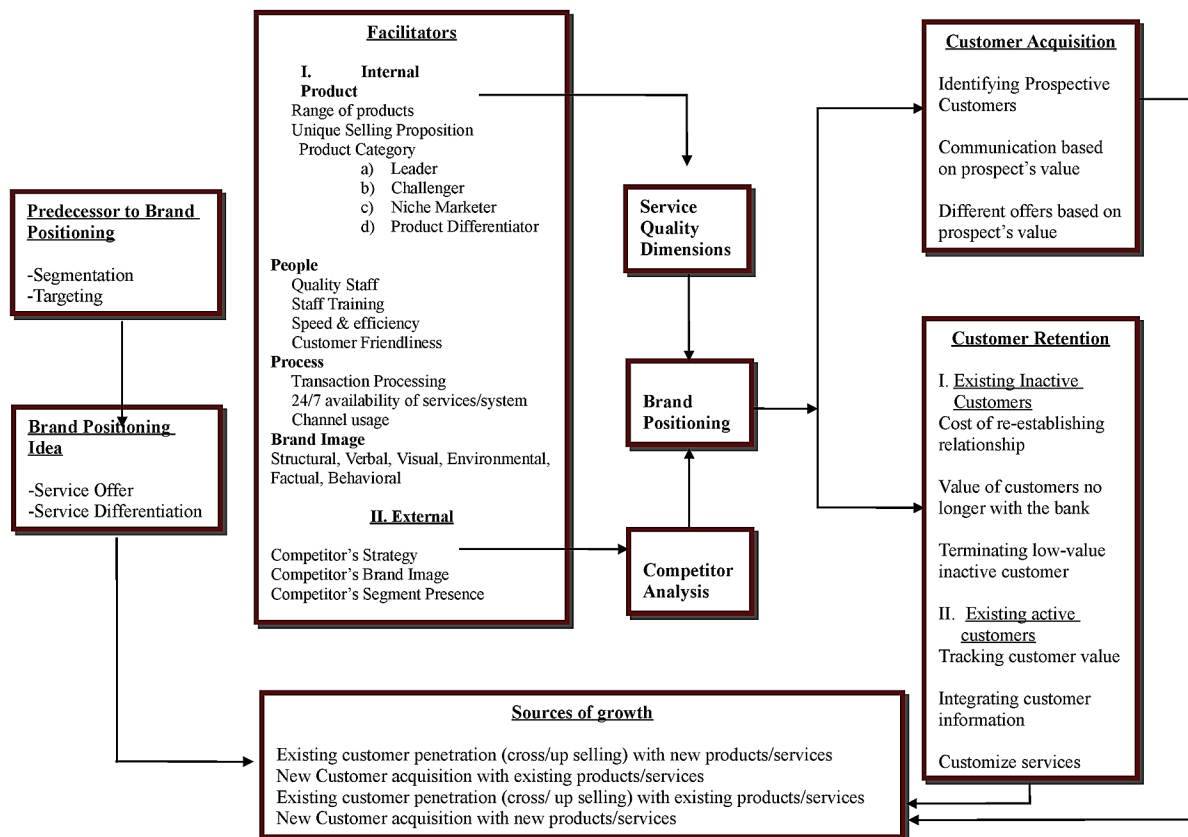
PROPOSED MODEL ON BRAND POSITIONING OF SERVICES:

The model that is proposed from the research is discussed below as follows:

Predecessor to Brand Positioning

Deciding on positioning requires the determination of a frame of reference- by identifying the target market and the nature of the competition- and the ideal points-of-parity and points-of-difference brand associations. To determine the proper competitive frame of reference, one must understand consumer behaviour and the considerations consumers use in making brand choices.

Figure 1.



Brand Positioning Idea

This particular model of service brand positioning concentrates on the facilitators-internal and external-that helps frame the brand positioning idea.

Internal Facilitators

These are divided into four categories a) the Product b) the People c) The Process and d) the Brand Image. Each of these is discussed as follows:

1. **The Product:** This is the offer that the service provider makes to the market, precisely to its target market. It includes a range of schemes/offers, for instance, a bank may offer a savings account, a home loan, mutual fund services, retirement plans etc. This would work as a facilitator when the products (service offers) are appropriate to the customer's needs. The concentration of this facilitator is on a unique selling proposition that attracts a customer to choose the bank and not a competitive one, for instance, convenient locations, schemes offered, promptness in service delivery competitive interest rates, use of technology etc.
2. **The People:** This facilitator includes attracting and retaining good quality staff, provision of training to front-end employees so that they are knowledgeable, have a professional yet friendly attitude. It also deals with the personal service parameters that determine customer satisfaction such as speed and efficiency in dealing with the customer requests.
3. **The Process:** This facilitator is very important in forming and changing the perceptions and attitudes of the customer. It includes timely and accurate transaction processing, availability of systems 24/7, implementation of end-to-end processing, integrating of platform across channels. It also deals with channel parameters that determine customer satisfaction such as a comprehensive branch, efficiency of ATM network, provision of automated telephone banking services and internet banking services.
4. **The Brand Image:** There are certain dimensions that have a strong position in the minds of the customers such as Visual, Verbal, Environmental, Factual and Behavioural. A detailed study of these dimensions is done in the second section of this paper.

External Facilitators

Brand positioning idea is strengthened not only by internal facilitators but also external factors such as:

1. Competitor's Strategy.
2. Competitor's Brand Image.
3. Competitor's Segment Presence.

The strategy could either be proactive, reactive or sometimes the competitors generate their own strategy. Bankers concentrate on the performance of their logo, media communications and differentiation and also the segment to which the bank caters such as retail banking, priority banking, etc.

The internal and the external facilitators lead to an insight of the service quality dimensions of the bank such as Reliability, Assurance, Tangibles, Empathy, Responsiveness, Competence, Courtesy and

Accessibility. The external facilitators lead to an insight into the competitor analysis. The internal and external facilitators contribute towards the brand positioning idea. This idea stems from the Service Offer, Service Differentiation and Service Delivery.

- **Service Offer:** The reference of Service Offer is with the products, services, schemes and offers that the bank provides to its current and potential customers for fulfilling their needs and wants related to banking services. This includes the schemes of the bank, information and awareness about the schemes like savings account, home loans, mutual funds, life insurance and other banking and non-banking activities that interest the customers. The perception of the customers towards the offer determines the level of satisfaction which in turn determines the profitability and feasibility of the offer.
- **Service Differentiation:** It is important for a service provider to distinguish his/her service from those offered by others in the market. The relevance of differentiation is more in case of banking industry where almost all banks offer the same range of products and services. The perception and positive attitude of the customers emerges from those factors that are unique to the bank and identifiable by the customers differently from those of the competitors. The service differentiation materializes from factors such as the position enjoyed by the bank in the minds of the consumers (comprising of structure of the bank, the visual appeal, the communication dynamics, the behavioural aspect, the factual and the environmental dimensions of the bank). It also is related to the service quality dimensions in terms of reliability of the service, assurance given by the bank, competence of the employees, accessibility of the service etc.). Therefore, a bank may differentiate its service from those of its competitors by focusing on the position that it has or wants to have in the minds of the consumer and the emphasis it gives to the service quality dimensions.
- **Service Delivery:** Not only should the service offer be designed keeping in mind the customer needs and wants but the service delivery should be appropriate and timely to add to the delight of the customers. The way the bank handles its day-to-day operations such as giving a new cheque book, giving the statement of accounts in person or via email, processing the demand draft, crediting a local cheque, outstation cheques drawn on Metros and non-Metros etc., determine the efficiency in service delivery. Similarly other transactions such as correctness of entries in the statement of account, informing the customer if a cheque is dishonoured, giving interest in case of delay in collection of cheque/drafts, returning to you within 24 hours a bounced cheque, attending just before close of business hours and the presence of the branch manager if need arises go to determine the service delivery. Apart from this other details include the channel of delivery, whether the bank prefers the customer to walk into the branch, facilitate home banking or anywhere banking, provision of ATM networks, online banking services, comprehensive branches, mobile banking, real-time gross settlement, money transfers etc., also determine the service delivery. Customers' perceptions towards these elements in service delivery determine the likelihood of them availing the service through a particular channel and also the effectiveness of the channel of service delivery.

When the brand identifies an appropriate position, it starts to derive its benefits in the form of customer acquisition and retention.

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1. **Customer Acquisition:** The customer acquisition initiatives include maintenance of a system for identifying potential customer, their potential value to the bank, a system that differentiates targeting of communication based on prospect's value and presenting different offers to prospects based on their economic value.
2. **Customer Retention:** Initiatives of retaining the customers include decisions related to
 - a. Existing inactive customers, and
 - b. Existing active customers.

Banks can adopt actions in relation to their existing inactive customers such as whether it wants to re-establish the relationship with the lost customer and/or inactive customer, assess the value of customers who are no longer with the bank, offer incentives to low-value customers for terminating their relationship with the bank. The actions that a bank may initiate in relation to the existing customers are customizing services based on the value of the customer, providing current customers with incentives for acquiring new customers, integrating customer information across contact points and tracking customer information to assess their value.

$$S_{hp} = \frac{\sum_{i=1}^n \frac{S_o \times S_{df} \times S_d}{3}}{A_o}$$

Where,

S_{bp} is Service Brand Positioning

n is number of observations

S_o is Service Offer

S_{df} is Service Differentiation

S_d is Service Delivery

A_o is the score computed from MAAM model

Table 10 validates the proposed model on Brand Positioning for Services. The model finally concentrated on how the brand positioning coupled with segmentation and targeting leads to bank's growth (service provider). The sources of growth are in the form of changes in channel and distribution expansion, existing customer penetration (cross selling and upselling) with new products/services, new customer acquisition with existing products/services, existing customer penetration (cross selling and upselling) with existing products/services and new customer acquisition with new products/services.

SUGGESTIONS

It is suggested that banks maintain and review their existing positioning platform to ensure that the core values and essence of your brand are maintained. The bank's brand should fit into the following key ingredients:

- **Ownable:** Unique to the brand
- **Leverageable:** Important and relevant to the target
- **Sustainable:** Relevant other categories in the future
- **Extendable:** Appropriate for marketing programs

Apart from the above mentioned key ingredients, banks should also focus on two major components to the brand positioning—strategic and creative—the first dealing with “developing the brand vision,” which includes where the brand is and what it should become tomorrow, as well as mapping out where to take the brand in the short and long term. While the creative component should be concentrating on “stretching the brand”, which includes learning and reviewing consumer insights with the goal of taking the brand where it should go.

- Cross-selling the products and services wherein the idea is to sell all kinds of financial services through one common channel e.g. selling a Demat account to a Saving’s Bank account holder. Banks can also bundle their services with non-finance companies.
- Under its non-price competitive moves, it can be suggested that banks can adopt active loyalty programs such as rewarding the customers with cash rebates, points to purchase merchandise, gift certificates or entry into draws and sweepstakes. Such programs can be a part of the bank’s efforts to customize and personalize the bank’s offerings.
- It is also suggested that those banks that have a call center can change its call center from a customer service point to a point of revenue creation. After rush hours, the bank can change the call center into sales point to increase its revenues.

SCOPE FOR FUTURE RESEARCH

The study has broad areas of research that can be undertaken in future. Some of these include analysing why a particular positioning approach fails and companies resort to Repositioning, thereby establishing the relationship between Positioning and Repositioning Strategies adopted by the companies. Yet other significant research prospect lies in studying the organisational culture and internalization of Positioning Strategy by the employees of the banks. Research can be done in how employees articulate the brand positioning and how to build a yielding internal brand position and what techniques are available to embed brand positioning within the organization. Scope also exists in exploring the possibilities of linking lead generation, both in sales and marketing with the positioning strategies adopted by companies. Study can be undertaken to find the effects of different brand positioning strategies on the effectiveness of a company’s actions to counter counterfeiting, in other words, whether branding positioning can help to stop counterfeiting, limit damage to firms and maintain brand reputation.

CONCLUSION

A product/service must secure a unique position in the consumers’ mind and it is accomplished through a right combination of promotional tools. In view of this, there is an ample scope for the consumers to get a lot of information about the products and services. In order to simplify the consumer buying decision,

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the marketers of a bank have to organize the products/services into categories and position the products/services in the minds of the consumers. The marketers of a bank should not leave their products/services position to chance. Instead they should plan the positions that will give their product/services the greatest competitive advantage. The initial positioning important, if the product/service is wrongly positioned due to any reason then the firm would have to take enormous efforts to reposition it. Positioning helps the bank and the consumer in several ways. This study has documented the positioning practices prevalent in the banking industry in India and proposed a model that could serve banks achieve a higher growth by appropriately positioning their products/services.

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KEY TERMS AND DEFINITIONS

Positioning: It is a process of implementing the chosen image and appeal of the product/service offered by the company to its chosen segment of customers.

Service Delivery: It is the act of offering consistent service experience to customers.

Service Differentiation: It is the development and incorporation of attributes such as quality, reliability etc., that a service’s intended customers perceives to be different and desirable.

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Service Offer: It is the extent and limit of customer services that a company offers to its customers.

Service Quality: The process of assessing how well a delivered service conforms to the expectations of the customers.

Targeting: Selecting which segment of customers to serve and channelizing a marketer's resources and efforts at them.

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APPENDIX

Acronyms

A_o – Score computed from MAAM model

FPVB – Foreign Private Bank

MAAM – Multi Attribute Attitude Model

PSB – Public Sector Bank

PVB – Private Bank

S_{bp} – Service Brand Positioning

S_d – Service Delivery

S_{df} – Service Differentiation

S_o – Service Offer

Tables

Table 1. Sample of customers under the study

S. No.	Bank	Number of Customers – Proposed	Number of Customers – Actual	Data Loss
1	Leader- PSB	400	394	06
2	Challenger- PSB	400	398	02
3	Leader- PVB	250	246	04
4	Challenger- PVB	250	248	02
5	Leader- FPVB	250	247	03
6	Challenger- FPVB	250	248	02
Total		1800	1781	19

(Source: Compiled by author)

Table 2. Reliability statistics

Cronbach's Alpha	N of Items
.887	80

(Source: Primary Data Analysis)

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Table 3. Mean values and ranks assigned to positioning dimensions

Positioning Dimension	Bank's Opinion				Customer's Opinion			
	N	Mean	Rank	Std. Dev.	N	Mean	Rank	Std. Dev.
Structural	60	3.05	3	1.3582716	1781	3.35	3	1.658535
Verbal	60	1.92	1	1.020136	1781	3.26	2	1.753335
Visual	60	3.216	4	1.462429	1781	2.64	1	1.362716
Environmental	60	4.933	6	0.899461	1781	3.51	4	1.696800
Factual	60	2.966	2	1.50667	1781	3.61	5	1.626899
Behavioural	60	4.933	5	1.52789	1781	4.60	6	1.502146

(Source: Primary Data Analysis)

Table 4. Test statistics for positioning dimensions

Bank	Statistics	Structural	Verbal	Visual	Environmental	Factual	Behavioural
Leader-PSB	N	396	396	396	396	396	396
	Mean	4.65	3.82	4.36	2.91	2.78	2.48
	Sum	1843	1511	1727	1151	1099	982
	Rank	6	4	5	3	2	1
Challenger-PSB	N	385	385	385	385	385	385
	Mean	2.15	2.03	2.34	4.50	4.59	5.37
	Sum	827	783	902	1733	1769	2067
	Rank	2	1	3	4	5	6
Leader- FPVB	N	250	250	250	250	250	250
	Mean	1.78	1.92	2.55	4.29	5.16	5.30
	Sum	446	479	637	1073	1289	1326
	Rank	1	2	3	4	5	6
Challenger- FPVB	N	250	250	250	250	250	250
	Mean	4.78	5.05	2.03	1.89	2.27	5.13
	Sum	1194	1262	507	472	567	1283
	Rank	4	5	3	1	2	6
Challenger- PVB	N	250	250	250	250	250	250
	Mean	1.79	4.88	1.96	5.20	2.24	4.92
	Sum	448	1220	491	1300	561	1229
	Rank	1	4	2	6	3	5
Leader- PVB	N	250	250	250	250	250	250
	Mean	4.90	2.27	1.76	2.12	4.62	5.28
	Sum	1226	567	441	531	1155	1320
	Rank	5	3	1	2	4	6

(Source: Primary Data Analysis)

Table 5. Frequencies on single positioning adopted by the banks

	Observed N	Expected N	Residual
Yes	35	30	5
No	25	30	-5
Total	60		

(Source: Primary Data Analysis)

Table 6. Test statistics for single positioning adopted by the banks

	Single Positioning
Chi- Square	1.667
df	1
Asymp. Sig	.197

(Source: Primary Data Analysis)

Table 7. Test statistic for adoption of a single positioning by the banks

Bank	Test Statistic	Result
Leader-PSB	0.000	Accept
Challenger-PSB	-	-
Leader-PVB	6.40	Reject
Challenger-PVB	1.60	Accept
Leader-FPVB	1.60	Accept
Challenger-FPVB	0.11	Accept

(Source: Primary Data Analysis)

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Table 8. Targeting method adopted by the banks

Bank		Targeting Method			Total	
			Individual Customer (I Degree Targeting)	Segmented Targeting (II Degree Targeting)		Self-Selection (III Degree Targeting)
	Challenger-PSB	Count	2	8	0	10
		% within bank	20	80	0	100
	Leader-FPVB	Count	10	0	0	10
		% within bank	100	0	0	100
	Challenger-PVB	Count	8	1	1	10
		% within bank	80	10	10	100
	Challenger-FPVB	Count	9	1	0	10
		% within bank	90	10	0	100
	Leader-PVB	Count	6	4	0	10
		% within bank	60	40	0	100
	Leader-PSB	Count	4	6	0	10
		% within bank	40	60	0	100
Total		Count	39	20	1	60
		% within bank	65	33.33	1.7	100

(Source: Primary Data Analysis)

Table 9. Martin Fishbein's Model as applied to all the banks under the study

	Weight	Leader-PSB	Challenger-PSB	Leader-PVB	Challenger-PVB	Leader-FPVB	Challenger-FPVB
Statistics/ Attributes	a_i	$b_i a_i$	$b_i a_i$	$b_i a_i$	$b_i a_i$	$b_i a_i$	$b_i a_i$
Complaint handling	14	40.04	39.34	39.06	40.46	39.34	42.56
Transaction within the bank	13	36.27	39.52	31.33	29.90	32.50	30.68
Transaction using the internet	12	33.48	35.40	28.68	28.20	30.24	28.68
Efficiency of banking instruments	11	29.70	31.13	25.74	24.64	27.83	26.84
Attending Urgencies	10	28.20	28.40	23.00	24.31	24.90	23.00
Non-banking services	9	25.65	24.75	20.25	19.62	22.32	20.52
Giving interest in delay	8	22.08	22.48	18.24	17.76	18.72	18.80
Attending before close hours	7	19.32	18.55	15.89	15.40	16.45	15.68
Attractiveness of the logo	6	15.42	16.20	13.44	13.50	14.10	14.58
Media communications/ design	5	12.75	13.20	11.00	10.35	11.45	11.50
Special promotional offers	4	9.12	9.96	8.72	8.60	9.60	9.04
Manager's presence	3	6.66	7.44	6.42	6.15	6.54	6.27
Cross selling/upselling	2	4.20	4.50	3.74	3.86	4.32	3.92
Correctness of entry in the account	1	1.85	1.87	1.78	1.86	1.99	1.82
$A_o = \sum b_i a_i$		284.74	292.74	247.29	244.61	260.30	253.89
Rank assigned based on A_o scores		II	I	V	VI	III	IV

(Source: Primary Data Analysis)

Table 10. Ranks assigned to banks under study based on proposed model

Bank	S_o	s_{dr}	S_d	$S_o s_{dr} s_d$	$S_o s_{dr} s_d / 3$	S_{bp}	Rank
Leader-PSB	411	56131	13985	1965432	655144	2300	I
Challenger-PSB	390	53319	14100	1849929	616643	2106	II
Leader-PVB	339	33298	7743	1348089	449363	1817	III
Challenger-PVB	306	34320	7564	1208108	402703	1646	IV
Leader-FPVB	262	33484	8209	1115441	371813	1428	VI
Challenger-FPVB	306	34016	7821	1201167	400389	1577	V

(Source: Computed and interpreted from the research work)

Chapter 15

Brand Experiences, Retail Scenarios, and Brand Images in the Fashion Industry

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ABSTRACT

Postmodern consumers experience fashion brands within numerous in-store and out-of-store contexts, and they tend to focus on their holistic experience with the brands across various retail scenarios. In a fashion brand context, the interaction of multiple retail environments greatly affects consumer behavior towards the brands. The objective of this chapter is to provide a review of the main issues related to brand management and customer experience management in a co-creation perspective. By overviewing the literature on brand management, retailing, and consumer behavior, the authors provide relevant insights for academics and practitioners to arrive at a more comprehensive understanding of the fashion brand experience and fashion brand image.

INTRODUCTION

Although creating superior customer experience seems to be one of the central objectives of today's retail environments, brand experience management has only emerged as a top management priority in the last decade (Interbrand, 2014; Meyer & Schwager, 2007; MSI, 2014-2016; Verhoef et al., 2009). A number of factors have contributed to this trend, but perhaps the most important one is the growing realization that one of the most valuable activities through which firms can enhance customer value is the coordination of multiple experiences across each point of contact between the customer and the brand. In a fashion brand context, where the shopping experience is a significant motivator for purchases, the interaction of multiple retail experiences greatly affects consumer behavior towards the brands (Kim, 2012). Accordingly, brand experiences are created at both ends of the marketing supply chain,

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namely brand manufacturers and retailers, that deal with diverse retail strategies and contexts. As will be outlined below, the consistency of fashion brand experiences across different retailers and within diverse retail settings can induce consumers to generate holistic responses and other positive shopping behaviors. Consequently, practitioners and academics have argued that the creation of compelling shopping experiences across multiple environments and along and beyond the entire path-to-purchase is a key challenge for maintaining and reinforcing a certain brand image (Ganesan et al., 2009; Shankar et al., 2011). Driven in part by this intense industry interest, academic researchers have developed fruitful areas for more comprehensive and holistic approaches to customer experience management, generating new perspectives on the integration between branding and retailing principles.

The purpose of this chapter is to review and provide some context for and interpretation of this endeavor. The goal is to highlight what has been learned, from an academic perspective, in the process of studying customer experience management and fashion brands, as well as what gaps still exist. Although emphasis is placed on research published in the last decade, previous noteworthy studies are discussed. More specifically, we concentrate on the interaction between shopping experiences, fashion brands, and contemporary retail scenarios, and we integrate the marketing and the consumer's perspective on consumption experiences. The objective of this chapter is to present an explanation of successful – and unsuccessful – fashion brand experiences across various brand contexts, and to enable brand manufacturers and retailers to view the experience process from a more holistic and harmonious perspective. The authors of the current work will conceptually explore the meaning of fashion brand experience in controlled and less-controlled retail settings and discuss consumer responses to brand and retail strategies from a co-creation viewpoint.

We begin by reviewing the fundamentals of experiential marketing in terms of some conceptual foundations and value co-creation issues. Next, we examine customer experience fundamentals and present the marketing perspective as well as the consumer's sphere of the experience. Third, we discuss branding and retailing challenges in today's business landscape and focus on consumer relationships with brands and the pivotal role of retailers. Fourth, we conceptualize the fashion brand image as well as the retail issues in the formation of fashion brand images. Fifth, we discuss the integration of the two perspectives and suggest how optimal brand strategies can emerge in the fashion industry. Then, we turn to a consideration of brands in the fashion and luxury industry. Finally, the chapter concludes by offering some summary observations and identifying relevant implications for academics and practitioners to form new perspectives on fashion brands in the challenging retail landscape.

EXPERIENTIAL MARKETING FOUNDATIONS

Before considering how brand experience has been conceptualized in the marketing literature, it is useful to first define what experiential marketing is. The experiential perspective of consumption experiences originates from Holbrook and Hirschmann (1982), who proposed the hedonic approach to consumer behavior. In their pioneering work, experiential consumption includes the flow of fantasies, feelings, and fun in which consumer's processes are sub-conscious and private in nature. That is, while consumers may frequently make rational choices during the decision-making process, they are just as frequently driven by emotions because consumption experiences involve contexts, aesthetics, emotions, and symbolic aspects.

A key contribution to experiential marketing comes from the work of Pine and Gilmore (1999) and Schmitt (1999). According to the former, experiential marketing is about taking the essence of a product

and amplifying it into a set of tangible, physical, and interactive experiences that reinforce the offer. This concept embraces what Pine and Gilmore (1998) call the emerging experience economy, where companies realize the full benefits of designing engaging experiences. The authors stress the challenges of the transition from selling services to selling experiences. Such a transition is a progression of economic value, where businesses upgrade their offerings to the next stage of what Pine and Gilmore identify as the four-stage experience model. In the emerging experience economy, companies shift from a level of undifferentiated competence and market price, where they “extract commodities,” progress to the stage of “making goods,” and “deliver services,” to reach a level of differentiated competition and premium price, where they “stage experiences.” The progression is not easier for companies to undertake, as they need to enter into the process of staging experiences, as in the fourth stage, “when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event” (Pine & Gilmore, 1998, p. 98). In this path of building processes to support the customer experience, the experience is not a nebulous and abstract construct; it is real as offering any service, good, or commodity. However, experiences are as distinct from services as services are from goods. Most importantly, while commodities, goods, and services remain outside the consumer’s control, experiences are inherently personal. Experiences occur “within any individual who has been engaged on an emotional, physical, intellectual, or even spiritual level” (Pine and Gilmore, 1999, p. 12). Thus, experiences are especially influential in marketing as they encompass the consumer’s emotional sphere in the economic processes of value.

Great importance on the foundations of experiential marketing has been placed in the work of Schmitt (1997, 1999). Arguing that consumers are rational and emotional human beings who are concerned with achieving pleasurable experiences, Schmitt discusses how experiential marketing differs from traditional marketing, which, in contrast, views consumers as rational decision-makers who care about functional features and benefits. Schmitt offers especially significant contributions to the brand experiential marketing approach by defining the superficial out of profundity (SOOP) model of branding of customer experiences (1997), and strategic experiential modules (SEMs) (1999). The SOOP model outlines three types of experiential brands – sense,” “feel,” and “think” brands – based on the primary type of appeal that they present and the type of experience they target. Schmitt argues that companies can strengthen the relationship between the brand and the consumer by enhancing sensory stimulation, emotional binds, or creative rewards. This approach recognizes four key ways in which experiential marketing differs from traditional marketing: “focusing on consumer experiences, treating consumption as a holistic experience, recognizing both the rational and emotional drivers of consumption, and using eclectic methodologies” (Schmitt, 1999, p. 60). Further, Schmitt proposes five types of sensory experiences (which he calls “SEMs”) that managers can use to create different types of customer experiences for their customers. Within these strategic experiential modules, the sense experience involves aesthetic and sensory perceptions, the feel experience comprises moods and emotions, the think experience comprises creative and cognitive thinking, the act experience refers to physical and behavioral actions, and the relate experience results from social experiences.

Experiential marketing essentially describes marketing initiatives that give consumers in-depth, tangible experiences in order to provide them with sufficient information to make a purchase decision, while providing concrete and emotional cues that affirm the nature of the experience. It should be acknowledged that in more recent years, experiential marketing has evolved to a more dynamic and co-creative approach, which involves consumers in the process of defining and creating value for the experience. This contemporary viewpoint looks at branding and brands through the lens of co-creation

and customer experiences (Payne et al., 2009). In co-creation processes, companies and customers come together in interactions and through experiences to create value in different spatial and temporal settings (Grönroos & Voima, 2013). One of the key foundational propositions of this approach is the customer as the “co-creator of value,” where the brand becomes the experience (Vargo & Lusch, 2004). That is, consumers actively participate and interact with companies and perceive their experience through holistic brand value. It is important to acknowledge that an increasing amount of research has embedded holistic approaches and re-focused attention on the customer perspective. With these new perspectives in mind, we turn to the topics of conceptualizing the customer experience.

CUSTOMER EXPERIENCE FUNDAMENTALS

The creation of coordinated and unique experiences across multiple retail contexts is a key issue in interactions with consumers (Ganesan et al., 2009; Ind et al., 2013; Payne et al., 2008). Specifically, consumers seek out a different experience when browsing Instagram, access e-commerce sites, or visiting a store, all the while aiming to find a consistent brand image along the entire path-to-purchase. For example, the two giants of shopping online, Amazon and eBay, have opened physical stores and pop-up stores with the aim of enhancing customers’ experiences and coordinating brand messages. The expansion from “clicks to bricks” and vice versa underscores the pivotal issue of creating successful brands through the consistency of brand images across various retail environments. A key way to reach consumers with consistent brand images is to provide unique and coherent customer experiences across the multiple touch points of the fashion brand. Retailers and brand manufacturers should aim at providing strong brand experiences within the overall in-store environment and the brand context, as consumers need to perceive the same brand image regardless of whether they are experiencing direct or indirect channels of consumption. Recent research on consumer behavior has argued that a key goal for both brand manufacturers and retailers is to leverage customer experiences during various stages of the consumer’s decision-making process (Puccinelli et al. 2009). To create a rich understanding of customer experience management and design innovative retail business models capable of leveraging customer experiences, it is fundamental to understand the conceptualization of the customer experience.

In the field of contemporary marketing, customer experience has been defined as a construct which “encompasses the total experience and may involve multiple retail channels” (Verhoef et al., 2009, p. 32). It includes the search, purchase, consumption, and after-sale phases of the experience. Other research views the customer experience as a strictly personal process, and discusses how the customer experience involves the customer “at different levels (rational, emotional, sensorial, physical, and spiritual)” (Gentile et al., 2007, p. 397). An important aspect of the customer experience design is the enhancement of consumer perceptions of value through the use of effective processes of total customer experience management (Berry et al., 2002). These processes comprehend companies’ need to understand how consistent stimuli can shape sensory, affective, intellectual, and behavioral experiences (Verhoef & Lemon, 2013). Following these arguments, retailers and brand manufacturers must develop consistent experiences and leverage brand-consumer relationships within physical retail environments as well across physical and digital channels. The ultimate goal is to enhance the entire shopping experience in today’s multichannel environment. Hence, in-store and off-store retail experiences with the brand must be congruent with the brand image communicated by brand manufacturers and retailers.

The Marketing Perspective

From a marketing perspective, consumers that develop deep emotional relationships with a brand tend to have a lot of positive and strong associations (Yoo et al., 2000), such as the perception of the brand uniqueness and inimitability, and loyalty to the brand. Gentile et al. (2007) highlighted that the construct of customer experience is holistic in nature and “originates from a set of interactions between a customer and a product, a company, or part of its organization, which provokes a reaction” (Gentile et al., 2007 p. 397). In other words, consistent with the co-creation approach, the customer experience embraces the relationship between the company and the consumer. Research has argued, similar to this conceptualization, customer experience concerns an “internal and subjective response that customers have to any direct or indirect contact with a company” (Meyer & Schwager, 2007, p.118). However, despite this narrow relationship between the customer experience and retail environments, researchers have yet to address the meaning of the interaction between customer experience, fashion brands, and retail environments. Fashion brands, which are experience products in nature, carry the challenge of conveying consistent and emotionally engaging experiences while communicating an image of quality, style, and authenticity (Atwal & Williams, 2009). More specifically, in a holistic brand perspective, the conceptualization of customer experience discloses the key role of brands in delivering the same brand image across each connection between the consumer and the brand. To design innovative brand strategies in the modern fashion business landscape, holistic approaches must embrace marketing and the consumer’s perspective.

The Consumer’s Perspective

Among the various characteristics of fashion brands, consumers are willing to pursue fashion products as these products provide psychological benefits rather than functional benefits (Kapferer, 1997). Consistent with recent research (McFerran et al., 2014), consumers associate fashion brands with style, quality, and pride. This suggests that strong experiences with fashion brands are derived when consumers perceive the authentic value of the brand, which consequently conveys a deep emotional bond with the brand (Grisaffe & Nguyen, 2011).

From a consumer’s perspective, consumers reach brand authenticity when they perceive both internal consistency, which focuses on maintaining the fashion brand standard and style, preserving its essence, and avoiding its exploitation; and external consistency, which pertains to the appearances and claims of the brand (Choi et al., 2014). Similarly, consumers tend to positively perceive the brand when the brand images are consistent with the internal and external brand authenticity. This conceptualization of authentic brand value aligns well with Holbrook and Hirschman’s (1982) notion of consumer response. In the experiential view, the principle of consistency and contiguity proposes that sensations, imagery, feelings, pleasures, and other symbolic or hedonic components are paired together to create a mutually evocative consumer response (Holbrook & Hirschmann, 1982). The role of emotions in understanding consumer behavior becomes a central issue in customer experience management. In a fashion brand context, coping with positive emotions involves savoring the experience with the brand and the retail environment. Consequently, companies should work to continue or increase the physical, intellectual, and sensorial activities associated with the fashion brand across various environments and coordinate the brand authenticity in monobrand direct channel and multibrand indirect retail settings. A brand that greatly succeeded in managing the total customer experience is Givenchy. The French brand, owned by luxury group LVMH, attempted to involve customers in a 360-degree experience, wherein consum-

ers were engaged with consistent brand messages within the monobrand stores and across multibrand retailers while feeling the uniqueness and authenticity of the different products of the brand. Similarly, Givenchy has increased its activity in fashion magazines, social media, and blogs, bridging the brand experience between online and offline channels.

Bringing together marketing and consumers' perspectives requires companies to build authentic and strong relationships between consumers and brands and to take into consideration the multisensorial sphere of these relationships. The coordination of multiple experiences is one of the most important elements of value creation, since strong customer experiences foster customer loyalty (Verhoef & Lemon, 2013). Especially in today's market, where total retail sales in the US topped \$4.53 trillion in 2013, amounting to about 27% of nominal US GDP (www.eMarketer.com), manufacturers and retailers are strictly connected each with other in the creation of value.

BRANDING AND RETAILING ISSUES IN THE CONTEMPORARY BUSINESS LANDSCAPE

Although marketing research has studied the relationship between consumers and brands since its very beginning, today's business environment has totally changed the dynamics of the interaction between brand manufacturers, retailers, and consumers. Empowered consumers and new technologies have strengthened the necessity of changes in traditional business models. Many companies have expanded their focus from selling products to engaging and empowering customers, with the ultimate goal of creating a rewarding customer experience (Sorescu et al., 2011). The most successful firms have balanced an innovative digital approach with an attractive experience-based in-store and off-store activity to add value to every interaction between consumers and brands. Uniqlo, for example, opened a summertime roller-skating rink and a pop-up shop next to Manhattan's High Line public park, while directing shoppers and participants to visit the city's two new flagships, the online website and the social media channels. The primary goal was to enhance the customer experience by generating excitement and consumer involvement through fun and unique experiences. Other retailers, such as Harrods, created a wonderful world of haute couture brands by launching a new "Superbrands" floor, home to major fashion manufacturers. The project aimed at having all the stores located in one place, with each mini-store strategically positioned in its own retail space and modeling the best of its collection. The objective of this endeavor was the integration of individual retail activities and processes into a coherent blueprint, where consumers can experience the fashion brands in an exciting retail context.

The above examples describe how companies have changed their strategies and reconfigured their traditional business models. Embracing its holistic approach, the business model concept concerns five main features: namely, firm's value proposition; markets and market segments; structure of value chain; mechanisms of value capture; and resources and capabilities (Foss & Saebi, 2015). In this conceptualization, business-model innovation occurs when a company adopts a novel approach to commercializing its underlying assets (Gambarella & McGahan, 2010). The most innovative companies in the fashion industry have found ways to enhance consumer value by completely rethinking brand activities and designing new interactions between consumers and brands across multiple retail settings (Ganesan et al., 2009; Shankar et al., 2011; Sorescu et al., 2011).

Consumer shopping patterns have simultaneously evolved toward a more comprehensive experience logic, where every interaction matters and every touch point of the brand is explored. In this form of logic,

consumers increase their power in the decision-making process by choosing how, when, and where to interact with brands (Grewal et al., 2009). A new critical capability involves aligning and, when needed, reconfiguring retail and brand strategies into a coherent and compelling shopping experience, which holistically incorporates the retail setting and the brand. From the experience perspective (Brodie et al., 2009, Frow & Pyane, 2007), the foundational proposition of branding is building processes to support the customer experience, rather than advertising and conventional brand-related activities. As such, the brand interactions among brand manufacturers and retailers are key points for developing strong relationships with consumers and creating greater value.

Consumer Relationship With Brands

Managerial research has underpinned the strategic role of brands in gathering multiple sources of information and creating involving shopping experiences across physical and cyber environments (Bergstrom, 2000). Brands involve consumers in a reciprocal, active, and interdependent relationship that evolves over time and encompasses several dimensions (Fournier, 1998). Accordingly, brand managers should develop and maintain a clear and consistent brand strategy across multiple channels so that brands can serve as stable references for consumers (Kapferer, 2008; Keller, 2010). This tendency has been explored in several studies that have demonstrated the central role of brand image in the consumer-buying process (Keller, 2009; Kwon & Lennon, 2009; Matthiesen & Phau, 2010). Exchange processes and relationships among market actors are becoming increasingly central to the value-creation approach (Silveira et al., 2013). The brand is a strategic platform (Urde et al., 2013) where consumers become active contributors of brand processes and brand building. Consumers relate to brands in every aspect of brand processes, from product design to product consumption, and they are actively involved in interactions with brand manufacturers and retailers via multiple channels (Payne et al., 2009).

The advent of new retail scenarios has generated multiple ways for brand manufacturers to engage with consumers through multiple in-store and off-store experiences (Shankar et al., 2011). Shopper marketing, which refers to the planning and execution of all marketing activities that influence a shopper along, and beyond, the entire path-to-purchase, has become a top marketing priority. Companies in the fashion industry are very much aware of the great impact of retail settings on the formation of a strong brand image and aim at understanding complete consumer behavior from the point at which the motivation to shop first emerges through purchase, consumption, repurchase, and recommendation. As such, brand manufacturers have increased their investments in brand experience activities to create entertaining, exciting, and emotionally engaging brand experiences. However, the greatest challenge for brand manufacturers is to connect with consumers across the complete shopping path and participate in the consumer co-creation process even in retail environments, where they have less control of the brand setting. Thus, although brand manufacturers suggest ways to retailers to exhibit the fashion brands and implement in-store activities, retailers organize the retail space according to their own design. Prior research on shopping environments has suggested that retailer's policies and practices greatly influence brand strategies within the store context (Brodie et al., 2009). As a result, consumers perceive value in their total relationship with the brand, which occurs in physical and cyber encounters with the brand, and comprehend the fashion brand contexts of brand manufacturers and retailers. In order to embrace a holistic perspective on fashion brand experiences, it is important to understand what a retail business model is and how fashion companies can adopt innovative approaches towards their system of activities.

The Pivotal Role of Retailers

A number of studies have argued that the business model represents the firm's distinctive logic for value creation and appropriation (Chesbrough, 2010; Teece, 2010; Zott & Amit, 2010), where value creation implicitly incorporates a firm's ability to deliver value to customers (Sorescu et al., 2011). Foss and Saebi (2015) outline a fundamental aspect of the business model that captures its simultaneous focus on value creation and value capture mechanisms. The retail business model articulates how a retailer creates value for its customer and appropriates value from the markets (Sorescu et al., 2011). The retail business model is conceptualized in terms of three core components that encompass the way in which retail activities are organized, the type of activities that are performed, and the level of the actors' engagement in performing these retail activities. In the modern fashion retail environment, this conceptualization has proven extremely relevant for understanding brand interdependencies that occur among the members of the supply chain. In an experiential view, the members that develop critical interdependencies are brand manufacturers and retailers. As Sorescu et al. (2011) show, the key challenge for innovative business retail models is the harmonic coordination of the retailing format, retail activities, and governance. Retailers assume a pivotal role in the enhancement of successful retail business models, as they engage in direct interactions with end customers unlike most brand manufacturers. As retailers primarily sell products manufactured by fashion brand owners, fashion retail business models should not only focus on *what* retailers sell but more importantly on *how* retailers sell. Previous research has also established the pivotal role of the retailer in interactions with consumers (Ailawadi & Keller 2004) and stressed the great opportunities available to retailers for developing co-creative interactions with consumers (Grönroos & Voima 2013). The results of retailer empowerment emphasize the importance of greater cooperation between brand manufacturers and retailers (Ganesan et al., 2011) and the focus on innovative retail business models to enhance customer experience (Grewal et al., 2009; Verhoef et al., 2009).

FASHION BRAND IMAGE

In a fashion brand context, where the essence of the brand image is created and implemented both in directly operated stores, monobrand points of sales fully controlled by the brand manufacturer, and in a large number of indirectly controlled multibrand retailers (Bonetti, 2014), it is important to coordinate each interaction between the consumer and fashion brand. With respect to the experiential view, marketers should utilize a holistic marketing approach to design and develop unique fashion brand images (Choi et al., 2014).

Whereas brand managers design most of the strategic implementations of the brand, retailers can increasingly give value to the brand via the creation of multisensory retail experiences (Spence et al., 2014). Fashion brands such as Chanel are continuously growing their retail presence by finding new ways to cultivate the image of the brand and create distinctive and engaging brand experiences. Despite the importance of these marketing issues, the academic perspective of the investigation of holistic brand images in contemporary fashion markets has been underdeveloped (Dolbec & Chebat, 2013; Verhoef et al., 2009).

Keller (1993) defined brand image as the overall perception of a brand as reflected by all the brand associations in the consumer's mind. That is, brand image encompasses consumers' understanding of the attributes and benefits of the brand and represents consumers' response to the total set of brand-related

activities engaged in along the entire purchase funnel. Relevant research on branding has argued that managing the brand image over time is a key objective of brand manufacturers and retailers (Ailawadi & Keller, 2004). In the process of value creation, the conceptualization of brand image suggests that brand manufacturers and retailers together need to provide fashion brands with symbolic and authentic meaning. However, consistent with today's business scenario, fashion brand images incorporate the images of the brand across multiple in-store and off-store contexts (Kwon & Lennon, 2009). Based on previous research on the interdependency between the shopping environment and consumer's perception (Baker et al., 2002; Donovan & Rossiter, 1982; Titus & Everett, 1995), it can be said that the in-store and off-store activities of brand manufacturers and retailers are pivotal aspects in creating powerful brand images in the fashion industry. Thus, with regard to brand image building, it is important that brand and retail managers blend information, entertainment, and experiences in integrated distribution activities (Keller, 2010).

Research has also shown the strategic importance of understanding the possible effects on fashion brand images of the inconsistency of multiple images of the same brand across various environments (Kwon & Lennon, 2009; van Birgelen et al., 2006). The main challenge for fashion brands is that an image can be formed separately for each retail environment according to the perceptions and benefits about the brand manufacturer or retailer in the corresponding environment (Kwon & Lennon, 2009). In other words, brand consistency across contexts is the key to building successful brand images in fashion markets. Regarding the notion of image consistency, past research (Matthiesen & Phau, 2010) portrayed the case of the brand Hugo Boss as an example of global brand image inconsistency. Hugo Boss was characterized by "offering the largest fashion diversity possible at a consistent and high quality standard for both men and women" (Matthiesen & Phau, 2010, p. 203). However, in Australia, Hugo Boss had the image of a producer of high-quality business wear for men. Although consumers positively perceived the brand, such inconsistency caused a greater switching behavior in favor of other brands.

The above example shows the importance of creating compelling and similar brand messages across various in-store and off-store touch points of the brand. Winning fashion brands will likely to be those that offer customers integrated shopping experiences that skillfully orchestrate images across direct and indirect retail environments and encompass physical and cyber contexts. As a critical success factor, fashion companies must not only face challenges posed by multichannel environments but must also adapt to the new business landscape (Keller, 2010; Sorescu et al., 2011).

BRANDS IN THE FASHION AND LUXURY INDUSTRY

A number of studies have, one way or the other, explored the various definitions and dimensions of brands in the fashion industry (Atwal & Williams, 2009; Fionda & Moore, 2009; Kim, 2012; Miller & Mills, 2012; Tynan et al., 2010). In these studies, fashion brands have been tightly connected to the dimension of the luxury brand, as in a postmodern society consumers have become fascinated by signs and images, which tend to be more important than what they stand for (Atwal & Williams, 2009). As Kim (2012) argues, the increasing affluence of postmodern consumers, known as the "wealth effect," is one of the most prominent aspects of fashion brand experiences. Accordingly, fashion brands have been described as uniquely experiential (Aaker, 1996), as they provide symbolic and social values to stimulate emotional responses (Hameide, 2011). Consumers coordinate all the brand cues generated from this symbolic meaning and create their own experience as a whole (Kendall, 2009). Similarly, the

conceptualization of luxury brands views luxury brands as highly visible and emotional appealing, which are representative elements that are influenced by our social environment and brand values (Gutsatz, 2001; Okonkwo, 2007). Further conceptualizations of luxury brands suggest that they hold considerable intangible worth, have an enduring positive brand image, and represent design, quality, status, and fashion (Phau & Prendergast, 2000a). However, despite the broad amount of literature on brands in the fashion industry, the boundary line between fashion brands and luxury brands remains elusive (Berthon et al., 2009). Researchers have concentrated slightly more effort on the definition, operationalization, and measurement of luxury brands and luxury fashion brands (Miller & Mills, 2012) than of fashion brands. Such greater interest among the academic literature in luxury brands may reflect a more precise mindset change on how luxury has transformed in value from a transactional relationship to a holistic experience. In other words, in a demand perspective, luxury brands that were once available only to upper-income consumers are now available to masses of affluent consumers (Kim et al., 2007b) who are experience seeking. From an iconoclastic viewpoint, these new luxury consumers have moved the luxury market from its traditional conspicuous consumption model toward totally new, individualistic attributes of consumption, where luxury is about the celebration of personal creativity, expressiveness, intelligence, meaning, and desire for experiences (Atwal & Williams, 2009; Dumoulin, 2007).

In light of the above, it is useful to briefly describe some core characteristics of fashion and luxury products. Recent research proposes that fashion is a “cross-sector concept” that encompasses several industries such as apparel, footwear, leather, jewelry, perfumes, and cosmetics (Brun et al., 2008). Fashion is a broad term that typically encompasses any product or market in which style is present and relevant (Christopher et al., 2006). In the contemporary fashion industry, one of the critical success factors is shaping different production and supply network configurations (Macchion et al., 2015). This suggests the necessity for fashion companies to create strong relationships within their distribution channel as well diversify their offerings in terms of fashion products. Currently, most apparel companies also sell shoes, perfumes, and even cosmetics, or they have diversified their production to jewelry. The aim is to search for new and appealing ways to expand the brand across fashion and luxury markets. For example, many fashion companies ranging from H&M to Dior offer their differentiated products in a broad variety of brand touch points and reach consumers through various store experiences. In such a complex and dynamic context, the greatest opportunity, and the biggest challenge, for any fashion company is to align its product, brand, and distribution channels with consumers’ needs and expectations (Brun et al., 2008; Matthiesen & Phau, 2010).

While research on fashion brands focuses much effort on product differentiation and supply chain issues, the brand luxury literature has provided many diverse facets of luxury brand conceptualization. Before considering these conceptualizations, it is useful to mention what the principal categories of luxury goods are. Following the categorization of Jackson (2004), luxury products cover fashion (couture, ready-to-wear, and accessories), perfumes and cosmetics, wines and spirits, and watches and luxury. More recently, the categories of luxury automobiles, hotels, tourism, private banking, home furnishing, and airlines have been added (Chavalier & Mazzalovo, 2008). The various definitions of luxury brands encompass different approaches based on marketing (Kapferer, 1997; Tynan et al., 2010), history (Berry, 1994), sociology (Belk, 1988), and economics perspectives (Nueno & Quelch, 1998). The co-creation approach suggests that luxury is at one end of the continuum with ordinary, so consumers judge luxury brands based on their subjective evaluation of at what point ordinary ends and luxury starts (Tynan et al., 2010). In this perspective, the luxury brand has a considerable experiential component, and the experience of the brand involves consumers in an interactive process. Whereas the debate is very intense

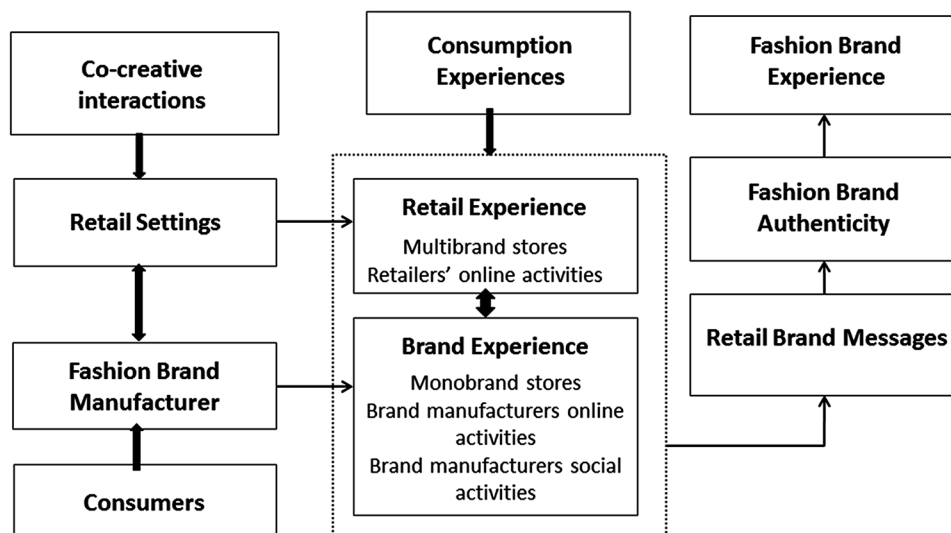
and disparate, researchers agree that luxury concerns the subjective sphere of consumers (Megehee & Spake, 2012). Another area of agreement in literature comprises the notion that the luxury brand is associated with intangible elements of the brand (Beverland, 2005; Miller & Mills, 2012). One of the most important intangible elements of the luxury brand is authenticity, which conveys brand consistency between symbolic meaning and quality. A greater challenge facing luxury brands is that most luxury brands market products that encompass the luxury but not the luxury dimension (Kapferer & Bastien, 2009; Vickers & Renand, 2003). As highlighted above, the new luxury differs from the traditional aspects of luxury by being more affordable and assessable and targeting new consumers (Truong et al., 2006). This new scenario also offers huge opportunities for luxury brand managers, who can regenerate them by balancing traditional and experiential aspects to obtain novel beauty and attractiveness. Companies such as Armani or Cavalli have extended their original core business by offering chocolates, wine, bars, and spas and adding memorable customer experiences to the brand.

Originally, fashion and luxury brands have been associated with style, exclusivity, tradition, and quality (Kapferer & Bastien, 2009). However, in today’s evolving marketplace, brands in the fashion industry are increasingly dealing with the new rules of consumption, wherein the experiential and interactional dimensions have become the key connection between consumers and luxury brands (Atwal & Williams, 2009; Megehee & Spake, 2012; Tynan et al., 2010). As a result of the contemporary scenario, managers in the fashion industry need to craft new synergies with supply chain members and develop engaging and interactional experiences with consumers. The ultimate goal is to create strong fashion brand experiences across various retail contexts.

FASHION BRAND EXPERIENCE IN MODERN RETAIL CONTEXTS

Returning to our initial conceptualization of the customer experience and keeping the notion of fashion brands in mind, we can conceptualize the fashion brand experience in today’s retail environment. Figure 1 presents the flow of brand experiences in a fashion context.

Figure 1. Flow of coordinated experiences in a fashion brand context



The integration between the marketing and consumer's perspectives suggests that fashion brands create and maintain powerful customer experiences wherein there is consistency between the authenticity of the brand and multiple retail brand messages. In the landscape of fashion brand management, the conceptualization of customer experience requires an understanding of how consumers respond to fashion brand stimuli. This investigation is particularly important when examining brand experiences emerging in the manufacturer's and retailer's physical environments, namely the monobrand and multibrand retail settings. The existing literature on brand experiences, retail atmospherics, and fashion brands still lacks comprehensive experience approaches. A number of studies have investigated the brand experience from a theoretical perspective (Brakus et al., 2009) or based on a case study analysis (Payne et al., 2009). Other studies have focused mainly on the direct relationship between the brand manufacturer and the consumer (Dolbec et al., 2013; Kim, 2012). Further, there is a limited amount of research that relates brand experience more closely to the contemporary retail landscape (Dennis et al., 2014; Khan and Rahman, 2015). For example, Dolbec et al. (2013) have studied how in-store brand experiences affect consumer response to flagships vs. brand stores and highlighted how their study suffers from not considering the continuity between current, previous, and future experiences.

In light of the above, while practitioners have realized the importance of multichannel brand experiences, literature on the interrelationships between brand experiences, retail environments, and multiple touch points of the brand remains elusive. In the last decade, academic research in marketing has explored the construct of brand experience (Brakus et al., 2009). The conceptualization of brand experience encloses a multi-dimensional construct that incorporates "sensations, feelings, cognitions, and behavioral responses evoked by brand related stimuli" (Brakus et al., 2009, p. 53). Such brand stimuli relate to the design, identity, packaging, and communications of the brand, as well to the environments where the brand operates. In other words, brand experiences arise from a context of brand activities, brand settings, and environmental images. Fashion brands, which are experience products in nature, carry the challenge of conveying consistent and emotionally engaging experiences while communicating an image of style, symbolic meaning, and authenticity (Atwal & Williams, 2009; Beverland, 2005). Specifically, the intrinsic concept of fashion brands as hedonic products with high symbolic value holistically incorporates manufacturers' and retailers' activities in fulfilling the various dimensions of brand experience. By assuring consistency across the brand manufacturer's and retailer's settings of the fashion brand, customer experiences evoke the authenticity of the brand. The coordination and harmonization of consumption experiences are essential aspects of the fashion brand experience. Thus, when consumers experience the fashion brand across multiple retail settings, it becomes challenging to market features. Important elements of the physical retail environment can greatly affect the brand experience. Specifically, the store environment evokes multisensory sensations, feelings, and emotions that influence the perception of fashion brands (Baker et al., 2002; Spence et al., 2014). This means that a consumer visiting a Gucci store brand and Gucci in Macy's should experience the same look and feel of the brand. A lot of research has stressed the great impact of negative consumption experiences, which can lead to complaining behaviors, customer loss, and bad word of mouth (Grewal et al., 2008; Hess et al., 2007; Richins, 1983). Accordingly, an issue worthy of attention is how a negative consumption experience impacts the image of the maker of the brand or the seller, namely the brand manufacturer and the retailer (Yoon, 2013). Whereas consumers usually think about Dolce & Gabbana as a luxury brand and expect to find the products of the brand in high-end retailers, encountering fragrances of the luxury brand in low-end retailers may provoke a negative reaction to the brand or the retailer. Consequently, effective experience management among various retail scenarios is vital for both brand manufacturers and retailers.

Marketing research has shown that consumers perceive the retail environment in different ways according to the explored purchase channel or mix of channels (Rigby, 2011; Shankar et al. 2011). In a holistic perspective, this suggests that an innovative business approach should integrate multiple channel experiences into a single seamless brand experience that encompasses the total experience of consumers' interaction with the brand. Thus, since brand manufacturers mainly rely on retailers to sell their products and focus on enhancing the retail experience of the brand, they should consider retailers as an amplifier of brand experiences. These further issues with the consumption experience provide relevant opportunities to design and manage the fashion brand experience as a flow of brand manufacturer's and retailer's activity. More specifically, the brand manufacturer can develop an in-store and off-store brand strategy that combines its retail activity with the strategy of the retailer. Following this path, monobrand and multibrand stores could provide integrated and coordinated fashion brand experiences. In a co-creation view, this holistic approach leads to harmoniously orchestrated multiple consumption experiences and magnifies the fashion brand experience across the direct and indirect touch points of the brand.

MANAGERIAL CONSIDERATIONS

Because practitioners have considerable interest in highlighting the relevance of properly managing multiple brand touch points (Interbrand, 2014), it is pertinent to have a better understanding of how managers can orchestrate interactions between consumers, fashion brands, and retail environments. The present review offers several avenues for fashion brand manufacturers and retailers and can help to address key issues in branding and retailing. Three major considerations of such issues are highlighted here.

Consumer-Consumer Amplifier in the Digital Era

The advent of new technologies has increased the active participation of consumers across the multiple touch points of the brand, which encompass the brand manufacturers' and retailers' spheres. Internet and new communication devices reach consumers anywhere at any time, regardless of space, time, or location. Along the entire shopping cycle, consumers can easily obtain, process, and comment on brand information. This new environment of consumer communication will increasingly weaken the grip that retailers and brand manufacturers have on the creation of coordinated brand experience across channels. Large-scale consumer-consumer interaction can have a disruptive impact on the fashion brand image and the overall connection between consumers and brands. As a result, consumers in the new marketing era wield the strong power of negative impact on multiple channel brand experiences. The famous US brand Abercrombie & Fitch has been attacked by consumers, who condemned the brand for lacking a "culture of respect." Digitally connected consumers have massively affected this reputation and widely expanded the power of negative word of mouth. Brand manufacturers need to employ continuous dialog in their interaction with consumers while providing retailers with in-store tools to benefit from consumers' increased participation. In physical environments, where retailers have an advantage in creating multisensory experiences, brand manufacturers should align their business models toward the activities of retailers. In the US, the beauty retailer Sephora recently partnered with the skincare brand Lancer to reach a new audience, counting on the niche customers of the brand. Lancer's CEO commented on this new adventure in the retail scenario, specifically mentioning Sephora's superior customer service, which ensures a highly educated and non-biased skincare consultation approach and allows customers to learn

about the Lancer philosophy. Conversely, in the channel and communication mix where retailers lack tools to stimulate the shopping experience, brand manufacturers must innovate their brand processes and strengthen overall communication through intensified retail activities. This brand holistic perspective enables the co-creation of coherent fashion brand experiences across in-store and off-store environments. Consumers involved in interconnected communication strategies can perceive the fashion brand image and use digital channels as an amplifier for their experiences. Moreover, brand manufacturers may transform contemporary retail challenges in well-designed business models and craft multichannel brand strategies with specific focus on the co-creation of winning solutions in consumer-consumer interactions within controlled and less-controlled retail environments. In summary, consumers' interaction plays a crucial role in the formation of fashion brand images, as information exchanged on brands and experiences grows in intensity and moves in multiple directions. Therefore, brand manufacturers should create a co-dynamic retail environment where retailers, brand manufacturers, and consumers can co-activate new value experiences by following a holistic approach.

Multisensory Experience

Academics and professionals have increasingly debated whether store atmospherics have a remarkable influence on shopper behavior (Biswas et al. 2014; Möller & Herm, 2013; Spence et al., 2014). This debate has suggested a revolution in sensory marketing techniques, wherein brand manufacturers and retailers seek to influence the consumer's sensory experience. Macy's CMO affirmed the importance of communicating the "Magic of Macy's" through a unique collection of multisensorial products that consumers can feel, smell, and touch. Spence et al. (2014) argued the necessity of developing multisensory store cues that should integrate design elements, the ambience aspects of the store, and social elements. As a result, companies have increased their expenditure on merchandise and communication at the point of sales. For example, 12% of a fragrance's price is devoted to marketing and packaging, since companies consider the role of offering fragrance samples in the store as a critical factor in enhancing the in-store experience. Within the physical store, consumers can feel, touch, try, and smell the products with the ultimate goal of experiencing and connecting with the brand. In the last few years, marketers have often manipulated sensory inputs of the brands to enhance the overall experience. Brand managers and retailers should consider how retail settings may shape customers' understanding of the brand. Recent research has shown that bodily experiences transfer metaphoric meaning to customer's perceptions of the brand (Möller & Herm, 2013). Thus, managers may consider retail settings to design multisensorial experience-related activities within the store environment and shape consumers interpretation and evaluation of the brand, as in-store bodily experiences transfer a metaphoric message to the brand. At a broader level, managers are increasingly focusing on the sensorial and experiential aspects of marketing. By creating successful retail experiences and structuring proper environmental cues, retailers can increase patronage behavior and achieve superior store loyalty, while brand manufacturers can enhance consumers' attachment to the fashion brand and build strong multisensory brand experiences.

Brand Alignment Across All the Touch Points of the Fashion Brand

The on-going discussion on the enhanced role of consumers in the processes of brand value creation clearly suggests the priority of companies to adopt a customer orientation view. However, given the rise of supply chain issues, managers should also focus on designing the brand as a resource and strategic

hub. Based on this new way of thinking, companies need to adopt a hybrid approach that combines inside-out and outside-in perspectives. While the first perspective considers the identity of the brand as a fundamental characteristic, the second one establishes brand image as the key to company activities. In a fashion brand context, brand managers should orchestrate brand activities in each encounter between the consumer and the brand, especially the ones across various retail settings. However, brand managers also need to incorporate retailing strategies and brand coordination activities to develop consolidated brand experiences across multiple retail environments. Adidas, for example, has developed the “Home Court” project, which transforms some of its stores into store-stadiums, where consumers can experience the essence of the brand and the atmosphere of a soccer game. The store-stadiums resemble an arena that customers walk up to in a tunnel while being cheered on by spectators, like real soccer players. When the brand manufacturer is effectively aligned with the retailer’s brand strategies, consumers will perceive a consistent brand image across all the touch points of the fashion brand. This consistency in all consumers’ touch points between the brand manufacturer and retailer may leverage optimal consumption experiences. Because hybrid and holistic approaches will increasingly become popular, managers should consider brand alignment across all touch points of the brand as a strategic priority.

SUMMARY OBSERVATIONS AND FUTURE PROSPECTS

Brand management and retailing have become an important management priority in the past decade or so. The academic research that was reviewed in this paper has covered a number of different topics and incorporated a number of different studies that have collectively advanced our understanding of brands in the fashion market. Before discussing future research avenues, it is worthwhile to take stock of the progress that has been made and the kinds of generalization that might be suggested by the research reviewed. In a postmodern consumption society, consumers connect with and experience brands across numerous physical and digital contexts and tend to focus on their holistic experience with the brands across these various retail scenarios. Companies – especially in the fashion industry, where multiple retail settings contribute to the formation of the brand image – invest considerable funds to create entertaining, exciting, and emotionally engaging experiences. The objective of this chapter was to provide an overview of the main issues related to brand management and customer experience management in the challenging fashion industry. As such, our review offers a framework that integrates insights from brand and retail literature.

Prior research has considerably demonstrated the power of brands and environments in the consumer decision-making process. The contemporary business landscape has seen the rise of significant changes that have led to profound transformation in the ways in which consumers relate to brands. One of the more salient aspects concerns the relationship between consumers and brands, which has become more dynamic and experiential. Specifically, the proliferation of consumer touch points and omnipresence of consumers in brand building phases has greatly influenced brand management and retailing activities.

Simultaneously, the retail landscape has dramatically changed the dynamics of consumer-brand interactions among multiple physical encounters with the brand. The main challenge of these interactions concerns the effective integration of multichannel brand experiences into a coherent, overwhelming, and unique brand experience. In the landscape of fashion brand management, the conceptualization of customer experience requires a deep understanding of consumer responses to fashion brand images, particularly those that are created across multiple brand contexts. As this chapter has discussed, a new

mechanism of innovative retail business models has emerged. The great challenge of innovative business models consists in designing integrated and holistic brand strategies that harmoniously enhance the multichannel brand experience. Moreover, in this holistic perspective, while consumers become the co-creators of brand experiences, they can significantly contribute to enhance fashion brand messages. With these scenarios in mind, our chapter integrated the marketing and consumer sphere into a flow of consumption experiences. By analyzing marketing and the customer's perspectives, we developed a more comprehensive understanding of fashion brand attributes and of how these attributes, in turn, influence the fashion brand experience.

Future Research

Although much progress has been made, especially in the last half decade or so, a number of important unexplored research areas exist, particularly with regard to holistic approaches. Holistic approaches will be a fertile area for research for years to come. The review of different areas highlights a number of specific research directions in the topics of brand management, retail management, and fashion brand management. In general, our understanding of fashion brand management and retailing will critically depend on three key areas: the development of new integrative conceptual models of brand retail experiences; the adoption of store atmospherics approaches to customer experiences; and the necessity of taking a strong co-creation viewpoint.

Important linkages between customer experiences, retail settings, and luxury brands have been investigated on a piecemeal basis in previous conceptual and empirical contexts. More integrative frameworks are needed to understand how a retailer's core characteristics can influence the formation of fashion brand images. There is still a need to develop more fully articulated models that consider the conceptualization of brand and customer experiences together. The interactive and experiential dimensions of fashion brands reflect how brands constantly engage consumers in experiences across the brand manufacturer's and retailer's environments. This calls for a concurrent examination of the marketing and consumer spheres. Research may also focus on utilizing a store atmospherics approach (Baker et al., 2002) to examine the interplay between consumer experiences and fashion brand cues in retail settings. Although prior studies have argued about the necessity of analyzing the phenomenon of customer experience and looking at the influence of cross-channel brand perceptions on the customer's retail experience (Levy & Weitz, 2009; Verhoef et al., 2009), academics have still not been empirically assessed the brand experience in a retailing context. However, recent research has taken environmental psychology literature into consideration and empirically tested the relationship among the store environment, customer experiences, and shopping values (Garaus et al., 2015), providing an opportunity for complementary perspectives. Moreover, while prior research on brand experience encompasses the subjective dimension of consumers, as well as multiple intangible elements that affect the multisensorial sphere (Brakus et al., 2009), it does not embrace the interaction of different retail settings on consumers' perceptions of the brand experience. Finally, while this chapter provides an overview of the conceptualization of fashion brands in a co-creation view, it argues that academics may need to analyze the brand and the environment as interdependent elements. Co-creation processes seem to be critical for examining the experiential and interactive dimensions of fashion brands.

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KEY TERMS AND DEFINITIONS

Brand Experience: The consumer response to the total interaction of the relationship between a consumer and brand in in-store and out-of-store environments. It incorporates sensations, feelings, cognitions, and behavioral response to the brand.

Brand Image: The overall perception of a brand, as reflected by all brand associations in the consumer's mind. It encompasses the understanding of consumers about the attributes and benefits of the brand.

Co-Creation of Value: A marketing perspective that considers value as a function of the reciprocal interaction between the provider's sphere (e.g., brand manufacturers and providers) and the consumer's sphere. The consumer is a co-creator of value where processes are expanded together with companies.

Customer Experience: The internal and subjective response that consumers have to any direct or indirect interaction with a company and its environment. It includes the search, purchase, consumption, and after-sale phases of the consumer in the consumption process.

Experiential Marketing: A modern approach to marketing that refers to consumers as rational and emotional human beings who are concerned with achieving pleasurable experiences. It differs from traditional marketing, which views consumers as rational decision-makers who care about functional features and benefits.

Fashion Brand: A brand with symbolic meaning and style that deeply incorporates the experiential and interactional dimensions. It requires great product differentiation and supply chain coordination.

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Luxury Brand: The highest level of brands encompassing several physical and psychological values. It is exclusive, unique, authentic, highly appealing and visible, and creative, and it has a premium price.

Multichannel Retailing: The set of activities involved in connecting, communicating, and selling merchandise or services to consumers through more than one channel or environment. It encompasses the design, development, and implementation of coordinated strategies to enhance consumer value.

Retail Business Model: The company's distinctive logic of creating value for consumers and generating value for itself. It concerns the organization of retail activities, focuses on the way in which the retailer sells, and engages in direct interactions with end consumers.

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Chapter 16

Importance and Role of Retail Brands in a Non-Food Market: A Case Study of DIY Retailing in Spain

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ABSTRACT

Non-food vendors struggle to reduce customers churn when these shop for consumer goods: From simple coupons to sophisticated big-data-based loyalty systems, modern merchants undertake a range of initiatives to maintain customer loyalty to their stores. At the same time, while consensus exists on the fact that retail brands have the ability to generate store loyalty, this fact has seldom been empirically corroborated. Probably due to this lack of certainty, many non-food retailers use “private label” product strategies as a way to preserve healthy business ratios, such as revenue, contribution margin, operating profit, etc., far from the idea of developing customer loyalty to the store. This constitutes the main objective of our work: To prove the existence of a statistic correlation between Consumers’ loyal attitudes and behaviors towards “private labels” and their loyalty towards The Store Brand Name that sponsors these brands.

INTRODUCTION

Usually, non-food distributors’ moves in the private label (PL) market focus exclusively on the short term, aiming to improve general business metrics such as sales volumes, total revenues, contribution margins, operating profits, etc. However, PLs also have potential to make brand names (those of the store) stand out, beyond mere price considerations, when consumers decide where to shop for any type of goods,

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including food, homecare, or personal and beauty care products (as the most typical consumer packaged goods categories). In fact, unlike the origins of traditional food and drug private labels, “younger” non-food PLs seldom focus on the lowest price segments. They are usually found in the middle part of the pyramid, in the confluence of “popular” (as opposed to low) prices, and medium perceived quality, offering a rational, positive value-for-money balance. It is also worth noting that in these (non-food) categories the product brand (PL) name rarely matches that of the store (retailer brand or store name), while in the classic food categories the opposite is usually the case.

The first question that arises here is what is a “non-food retailer”, and whether the term is used in scientific literature. This is because it is somewhat unusual to define something based on denial, or on “what it is not”: Saying “let us describe non-food retailing”, seems akin to saying something like “let us talk about animals that are not mammals”. While mammals account for only 4,381 of over 1.25 million species discovered (Llorente-Bousquets & Ocegueda, 2008) they appear to represent what most people would think of, if asked to name an animal. It is likely that the same is true for food and drug brands, if a consumer were asked to recall the name of any brand. Just as mammals are not the heart of biology, food and drugs are not the heart of retailing, nor of marketing.

Nevertheless, the opposite often seems to be the case; thus, this chapter starts with a literature review on the topic of non-food retailing, and discusses critical terms such as modern distribution, non-food retailing, category killers, and big-box retailers.

Subsequently, concepts such as “brand”, “brand equity” and finally, the specific “distributors’ brands” are analyzed. The main goal of the chapter is to highlight the importance of private labels in non-food retailing, so it is necessary to review these concepts within the specific field of non-food distribution. In addition, the importance of these private labels to their creators and owners goes hand in hand with their power to improve business results, not only through the short-term above-mentioned indicators, but also (and especially) through long-term real business developers such as customer loyalty. Thus, this part of the discussion ends with an overview of loyalty, and different approaches to a conceptual and operational definition of it, including frequent modern practices such as loyalty clubs, frequent shopper cards, discount coupons, etc.

A general model relating these three key elements – retailing, brand, and loyalty – is then presented. This aims to identify the mechanisms through which retailers’ brands (also known as Private Labels, or PL) can contribute to customer loyalty to one specific store or, more precisely (or, in fact, more widely), to a store name, regardless of the specific store at which it is sold.

Empirical research is then introduced in order to validate the above-described relational model. To do so, the Home Improvement product category retailing is used, resulting in 4 main limitations, which are later discussed:

- Sampling limitations.
- Geographic limitations.
- Time limitations.
- Market/Industry limitations.

While the first three can be considered inherent to any limited-resource academic research, the last was dealt with by focusing the empirical study on the two strongest PL, Dexter and Luxens, of the strongest (in its market) and oldest (overall) *category-killer* currently operating in Spain, Leroy Merlin:

a French-native DIY retailer that belongs to the Adeo Groupe, together with other DIY store names, altogether belonging to the Association Familial Mulliez.

Key competitors, such as the British group Kingfisher (through its store name, Brico-Depôt), and their PLs, including Magnusson and Colours, were also included in the survey. However, they were subject to minimal brand recognition by consumers (which led to invalid samples for further analysis on them). This seems to further confirm the idea that the primary way to develop awareness, knowledge, preference, purchase, and finally loyalty to PLs is through strong store names that attract customers to make an initial trial purchase.

PLs from other industries/markets, such as Kalenji (Decathlon's category-killer running apparel brand) were also researched, resulting in higher brand recognition indices, probably thanks to intensive TV advertising campaigns, and to greater category–relationship potential (sports, as opposed to DIY practices). The fact that the analyzed sub-sample was created using a DIY-proneness requirement (only DIY-prone consumers were let in the subsequent questionnaire content blocs) led to these brands being dropped from the study.

Excluding sports as an overall non-food representative product category makes sense since, while there are more than six recognizable store names for DIY retailers, there is only one for sports (namely Decathlon), which turns this retailer's brands into almost generic names, rather than being suitable brands/shopping options in the context of this study.

As the biggest retailer in the DIY category, with almost 60 stores across Spain, Leroy Merlin is also the oldest in the country, having been around for over 25 years, many times becoming a “role model”, and not only in the DIY category (but specially there, over Brico-Depôt, Aki, La Plataforma, Bricor, and local operators such as Ferrobox, BricoKing, Bricolaje Soriano, and others).

In conclusion, since the main purpose of this chapter is to highlight the importance of private labels in non-food retailing, as stated previously; and more specifically to prove private labels ability to build customer loyalty towards Big-Box Non-food retailers, we will need a comprehensive customer behavior model, which we will apply to an analysis of the DIY market, acting as role-model for all Non-food categories. The chapter starts with a conceptual review (BACKGROUND), covering such concepts as Retailing, DIY, Brands, National Brands and Private Labels (Retailers' Brands), and Loyalty in its different academic approaches. The next section (CUSTOMER LOYALTY TO RETAIL BRANDS AND STORE NAMES) presents the proposed model and applies it to a consumer survey-originated database. The results of this analysis are presented at the end of this section, leading to the last part (SOLUTIONS AND RECOMMENDATIONS) where practical applications of the key lessons are suggested. The chapter ends with a description of the study limitations.

BACKGROUND

General Concepts of Retailing and the DIY Distribution in Spain

Regardless of the considerations made in the Introduction, the term “non-food retailing” is commonly used in the literature to refer to the commercialization to final consumers of specific categories, in the field of modern distribution (Puelles & Manzano, 2009). These categories include the following (examples of store names from different nationalities are shown in brackets to illustrate each category):

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1. **Gardening** (e.g. Master Nursery, Wyevale, Truffaut, Verdecora, Fronda).
2. **Home Appliances** (e.g. Sears, Target, Media Markt, Boulanger, Worten, Urende).
3. **Automotive Aftermarket** (e.g. National Parts Depot, Autobacs, Feu Vert, Midas).
4. **Furniture and Home Equipment** (e.g. IKEA, American Warehouse Furniture, Conforama).
5. **Electronics and IT** (e.g. Fry's, Virgin, Croma, PC City).
6. **Toys and Games** (e.g. Toys"R"Us, US Toy Stores, Mister Toys Megastore).
7. **Sports** (e.g. Footlocker, Decathlon, Fitness Megastore).
8. **DIY** (e.g. Lowes, Home Depot, Leroy Merlin, Brico Dépôt, Conforama, Aki).
9. **Leisure and Culture** (e.g. Virgin, Barns & Noble, FNAC).

At this point, one realizes that a previous step should have probably been to define what "Modern Distribution" specifically stands for. Although a deep consideration of modern distribution is outside of the scope of this chapter, a brief definition is warranted. According to Casares (2005), the differentiating characteristics of modern distribution retailers include:

1. **Distribution Services:** These "basic" services include *spaces*, which are bigger; *product assortment*, which is wider and *product batches*, which are larger, than those of traditional retailers'. In addition, offering immediate delivery/*availability* is key, while the virtual inexistence of *sales personnel* leads to total or partial self-service (as opposed to aided sale, which is typical of traditional distribution channels).
2. **Trading Spaces:** These may be *virtual* or *physical*, and are usually bigger than in traditional distribution outlets.
3. **Trading Channels:** These maybe direct and/or indirect but are usually very short (from manufacturer straight to retailer).

Although not as relevant, two additional differentials can be considered:

1. **Distribution Agents:** These are mainly traders or dealers (who assume risk through the property of the goods sold).
2. **Traded Products:** These are irrelevant, as a source of difference (non-differential characteristic), when comparing modern and/or traditional distribution channels.

Casares (2005) also defines big-box non-food retailers within a specific segment of big stores called "emergent commercial formats". Puelles (2004) referred to these as medium and big-size non-food specialist stores, using the complex acronym "MyGSENAS" (for "Medianas y Grandes Superficies Especializadas No Alimentarias"), which we will refer to as BBNFRs ("Big-Box, Non-Food Retailers"), from now on.

A detailed list of characteristics of these BBNFRs is provided in Table 1, as per Vallet and Mollá's (2006) definition, together with a set of comments per each variable, according to other relevant sources mentioned.

The latest known definition of BBNFRs (Puelles, 2004, p.61) states that they are:

outlets that are specifically dedicated to non-food categories, with stores that are usually bigger than 1,500 m², in which a deep assortment of products is offered within one or a few closely related categories,

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Table 1. Characteristics of BBNF Retailers

Variable	Characteristics (Vallet & Mollá 2006)	Comments, According to the Other Authors and Texts in Sources
Name	- Category killer - Big non-food specialists	The terms “Big non-food specialist” and/or “medium and big non-food specialist” have commonly been replaced by “big-box non-food retailer”. (BBNFR)
Industries/ Markets	Home appliances, office supplies, books, furniture and decoration, toys and sports products	Puelles (2004) referred to “non-food categories”, avoiding being specific, resulting in higher accuracy. Vallet and Mollá’s (2006) list misses at least: Apparel, Consumer Electronics, DIY, Gardening, Music, and others.
Size/Area	5,000 to 10,000 m ²	Exceptions are becoming frequent (Leroy Merlin owns two stores of over 12,000 m ² , Decathlon has one of over 10,000 m ² , etc., while many brands own stores under 4,000 m ² , though they maintain the commercial concept and product offering). Puelles’ (2004 & 2006) definition only specifies size to be “over 1,500 m ² ”.
Width and Depth of the Product Assortment	A <i>half-narrow</i> , but very deep product selection: Maximize the choices, but within (only) one category.	In hard discount DIY stores, the depth of the product assortment is the bare minimum (top priority is to ensure availability). Puelles’ definition states a “wide assortment”, and is thus less specific than Vallet and Mollá (2006), but also lessens the error at the same time.
Assortment	National brands. Distributors’ brands.	Not part of the others’ definitions.
Location	Shopping parks.*	Puelles (2004) & Manzano (2009), affirm they majorly pertain to shopping parks, but they currently tend to expand by “ <i>opening new stores that project the same store concept into city centres, using smaller formats</i> ” (free translations). Examples of these developments are: - Decathlon Easy (Sport): first store opened in 2008 in Toledo city center; currently managing 10 stores, nationwide. - Bricor City is present in 50 Corte Inglés across Spain, starting in 2012. - Aki (DIY): first small-format (independent) store opened in Madrid in June 2015.
Price Positioning	Low prices and “bait-and-hook” offers	Once again, the original definition (Puelles, 2004) seems to be more accurate, by talking about “...perceived prices...”. Overall perception is based on “bait-and-hook” offers, while overall prices are really not lower than those at traditional stores, but these “bait and hook” strategies generate a biased perception of price policies at GSNAs.
Service Management	Self-service, with certain categories sold by specialist agents.	Puelles mentions “scarce but well trained personnel”. Only the scarcity of these sales agents sets a difference, though an important one, obviously, when one thinks of Customers’ perceived level of service and the cost of such service level.
Property Systems	Subsidiary (chain) stores.	Not included in the Puelles’ definition. Property systems, such as those related to management or growth/expansion, are diverse: Own stores, licensed, franchised, in owned or rented estate, etc.
Store Atmosphere	As in a Hypermarket or a discount store.	The rest of authors do not mention this fact. Nowadays GSNAs may not necessarily look or feel like Hypermarkets or Discount stores. “Shop in the shop” spaces tend to create warmer atmospheres and spaces with a higher intimacy level with customers. Sensorial merchandising (smell, sounds other than music, tactile exhibitions, etc.) is becoming normal and demanded by customers, as part of a richer shopping experience.
Information Systems and Store Management	Information technologies, to maximize rotation.	The rest of authors do not mention this fact. Modern technologies offer many advantages, not only in terms of rotation, but also customer relationship management (loyalty cards), cost reduction (electronic price tags in shelves and/or self-scan systems), etc.
Strategy	Attraction (frequent new product presentations and promotions); notoriety and credibility of the store name; IT/ high-tech image.	These facts are not mentioned by the other authors, while they do mention Stern’s (2001) reference to the importance of IT in retail distribution. It should also be noted, while being here, that Spain is bottom in the European list of IT/IS implementation countries (Fernández Nogales, Martínez & Rebollo, 2008).

* Note: A shopping park (*Parque Comercial*) is defined as a group of category killers (or GSNAs) that share a parking lot.

Source: Compiled by authors based on Vallet & Mollá, 2006; Manzano, 2009, Puelles, 2004, 2006; Puelles, Puelles & Gómez, 2011

and that were originally located on city outskirts, though they currently project smaller stores in city centers, where they create synergies with other similar outlets that might compete in the same product category. They are managed towards a low perceived-price policy, based on self-service, and offer scarce but well-trained personnel. (translated by the author)

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The first conclusion would be that non-food big-box retailers (BBNFRs) already are object of study in the scientific marketing literature. A second finding could be that if attention is drawn to the DIY industry in particular, within BBNFRs, a few relevant specificities are found. But, in order to do that, we must delimit “Do It Yourself”, as an activity, and as a product category, first.

According to Brogan and Cort (1997), “The DIY (do-it-yourself) home products industry encompasses products purchased by consumers in retail outlets for self-installation in any part of a residential structure”. So, we are referring to retailing, as the activity; and home products for self-installation in a residential structure, as the physical goods distributed through it. In further reference to the product categories encompassed within DIY, the authors describe “a very broad array of products”; while stating that “This discussion addresses the product categories that require or are used in installation”.

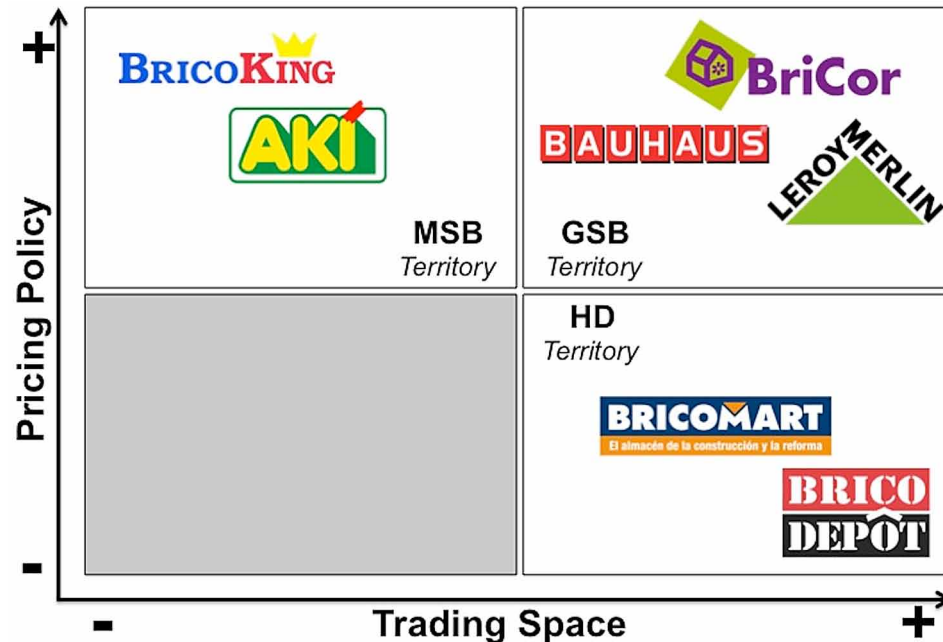
The differences found, thus, for this specific product categories exist in areas such as:

1. **Distribution Services:** Since they are obviously influenced by the product category, DIY retailers’ services typically diverge from other categories, such as sports, automotive, etc. Examples of these specific services may include:
 - a. **Tailor-Made Products:** Such as wooden cut-to-fit boards, glass and fiber-plastic cutting, furniture upholstery, made-to-measure blinds and curtain systems, etc.
 - b. **Home Delivery:** A must for the voluminous products found in gardening, construction, and carpentry departments.
 - c. **Installation:** Essential for certain categories, such as kitchens or bathroom solutions, where over 30% of revenues come from installed products.
 - d. **Financing:** While perhaps not truly a differential, is also a must for investment products such as flooring, windows, kitchens, etc.
2. **Trading Spaces:** These represent one of the two criteria used by practitioners, store dimensions, which, together with price positioning determine the three main operational strategies in this market, finding three possible ones:
 - a. **GSB** or DIY big surfaces (from the Spanish *gran superficie de bricolaje*, which comes directly from the French *grand surface bricolage*), with stores of over 4,000 m² and price policies that are less aggressive, focusing on value services such as those described above.
 - b. **MSB** or DIY medium surfaces (from the French *moyenne surface bricolage*), with stores between 1,500 m² (as per the definition of BBNFRs) and 4,000 m², also focusing on services rather than trying to compete on price, and emphasizing proximity as their main advantage.
 - c. **HD** or Hard discounts (also called *magasin dépôt* or warehouse shop in French), within which focus is on a “low prices everyday” policy. Usually requires bigger surfaces (over 4,000 m²) in order to guarantee product availability, as well as to facilitate bulk purchases that ensure lower prices. Assortment is, naturally, smaller in these players.

The three types of operators are shown in Figure 1, according to the defining variables. It seems unnecessary to explain that the cell in the matrix that is defined by low prices and small space defines a loosing business strategy, since low prices can only be achieved through volume, which requires necessarily bigger spaces. No operators are found, thus, in this theoretic market segment.

Figure 1. Positioning map of DIY big-box retail stores according to price policy and trading space dimensions

Source: Authors, using images from store websites



After analyzing the Distribution Services (1) and the Trading Spaces (2), we move on to

3. Trading Channels, and
4. Trading Agents.

While no relevant differences are found on these two, when comparing DIY BBNF Retailers to those of other categories (such as furniture and home equipment, toys and games, etc.), *Traded Products* (the fifth of Casares' retailers categorization variables) represent an important difference between DIY BBNF retailers and traditional merchants in this industry, as opposed to what happens in most modern distributors, in other product categories:

5. When discussing differences in the *Traded Products* of modern DIY retailers as opposed to traditional ones, the departments in most DIY superstores should be considered. These are usually as follows:
 - a. Construction,
 - b. Carpentry and wood products,
 - c. Plumbing,
 - d. Electricity and lighting,
 - e. Heating, air conditioning and home automation,
 - f. Storage and space organization,
 - g. Decoration,

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- h. Hardware products,
- i. Tools and power tools,
- j. Flooring (soft, as in carpets, etc. or hard, as in wooden or ceramic, etc.),
- k. Kitchen,
- l. Bathroom,
- m. Gardening.

There are clear differences between this wide assortment and the narrow selection of products in a traditional hardware store, where space is scarce and focus is put on professional hardware supplies, which traditionally belong to departments 3, 4, 6, 8 and 9, in the list.

National Brands vs. Retailer Brands in Modern Non-Food Distribution: Specific Traits of DIY Retailers

Now that the concept of modern retailing has been clearly stated and the differences between DIY retailers and players in other industries have been pointed out, understanding the importance of brands in these markets is key to unpacking the relevance and role of retailers' brands, and why these retailers have chosen to enter this complex arena.

Once again, different traits will be found among different markets due to the category mix and confusion that talking about "non-food" creates, but the threads of the different markets will be woven here to create a common fabric: The strategic reasons for the development of PLs in non-food markets.

When one analyzes the role of brands in different markets, one of the key variables to consider is the relevance of the brand in the overall purchase decision, which is a consequence of the number and importance of significant differences that each brand presents when compared to other products and brands in the choice set. These differences are mainly related to brand associations. Concepts of brand associations and brand image can be understood by referring to sources such as Aaker (1995) and Keller (1993). At this point, this chapter turns to Jara and Cliquet's (2012) evolution of Keller's Brand Equity Model, which is ideal for its strong consumer-focus, and can be simplified as presented in Figure 2.

According to this extension of Keller's (1993) model (specific version for private labels), there is a direct influence of store services (which would otherwise be considered a non-related factor) on the brand image (or brand associations) of the product's (retail) brand.

For instance, if one were to buy a jar of Kraft mayonnaise at Tesco, if the aisles were dirty, the service at the check-out poor, and/or no alternative brands were offered, this would not influence the image of

Figure 2. The components of retailer brand image in the decision process, and resulting behavior
Source: Compiled by the authors based on Keller, 1993 and Jara & Cliquet, 2012



the Kraft brand in the consumer's mind. On the other hand, if one were to buy this same product under the Carrefour brand (at a Carrefour hypermarket), the experience would influence the perception of the Carrefour product brand. This is not due to the fact that the product brand (private label) and the store share the name, but rather to ownership of the product brand. The same would happen with Mercadona's (current Spanish retail market leader) Hacendado-brand mayonnaise: An influence of the store name on the product brand is thus assumed when discussing private labels or PLs, regardless of whether this brand shares its name with that of the store.

This is the exact inverse relationship between brands to the one put to the test in this chapter, which could be worded as a question such as: *Can a Private Label influence consumer's perception of its owning store name?* Or, more specifically: *Can PLs generate loyalty to the store?* and, taken to the limit, *Can PLs generate loyalty to the store in the more specific area of non-food distribution?*

It appears clear, from the examples above, that private labels can be the same as store names, or can be differentiated brands. This may seem irrelevant in food and drug retailers, though it is not, since it conditions the PL overall strategy; but it is even more important when analyzing non-food retailers, due to their status as "specialists".

Another categorization of private labels worth mentioning here is according to their strategic role (Kumar & Steenkamp, 2007), with differentiation between:

- **Generic Private Labels:** The cheapest, least differentiated products one can find in basic commodities and functional products, always expecting a limited quality, and for prices that are 20 to 50% lower than those of the category leader.
 - As a retailer strategy, these private labels create an opportunity to increase the total volume of the category, by offering a low-price option to the lowest-tier consumers of the pyramid.
 - As an example of this, Figure 3 presents a picture of the paint section of Leroy Merlin Majadahonda (Madrid). Nothing but the price is communicated, through the clear message "The lowest price". Products are barely even labeled with the product name and function.
- **Copycat Private Labels:** Defined by a "me-too" (scarce) value proposition, but are priced lower than the leader's products by between 5 and 25%. They usually match the retailer store name, but can also be specific for the category (particularly in shopping and/or specialty goods). Copycats work well in big categories with strong leaders, whose quality is copied, but only to a limited extent (i.e. copycats can never be as good as the category leaders they imitate).
 - These brands increase retailers' negotiation power in the permanent power struggle between manufacturer and retailer, thereby increasing the retailer's share of total profits in the category.
 - Figure 4 presents the example of a Carrefour paint brand that copies the leader's packaging, format, and labeling aesthetics and is thus considered (in this case) a copycat brand. To the left of the leader brand (Bruger) in the middle, the copycat brand (Carrefour) appears, while to its right is the generic brand (Carrefour Discount). Prices for these three products are: €35.95, €45.00, and €6.95, respectively (the "Carrefour Discount" pack presented a very aggressive price promotion at that time, with strong in-store communication, heads of gondola, appearance in store leaflet, etc.).
- **Premium Private Labels:** Add value to the category overall. They are usually created for the retailer's key categories, where the retailer makes a concerted effort to develop top-quality products,

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Figure 3. Generic private label: “The lowest price” at Leroy Merlin Majadahonda, Madrid
Source: Photograph taken by the author



usually together with their manufacturing partner. Packaging and communication are unique, and a source of differentiation. They usually operate under the retailer’s store name, and a product sub-brand.

- The underlying strategy is to differentiate the store name to increase the total category sales, and/or to improve the operating margins of the category.
- Figure 5 presents “Estilo de Vida” (“Lifestyle”, literally), the premium brand offered by Bricorama, which also sells products under the store name for the majority of paint subcategories.
- **Innovative Private Labels:** Attempt to occupy the “best value for money” position in the market, usually offering an extended portfolio of product and even brand options, where the functional quality is similar to that of the leader, but eliminates superfluous “frills” and replaces them with real value-adding features.

*Figure 4. Copycat (right) stands out as “the reasonable option”, compared to Generic private label (left)
Source: Photograph taken by the author*

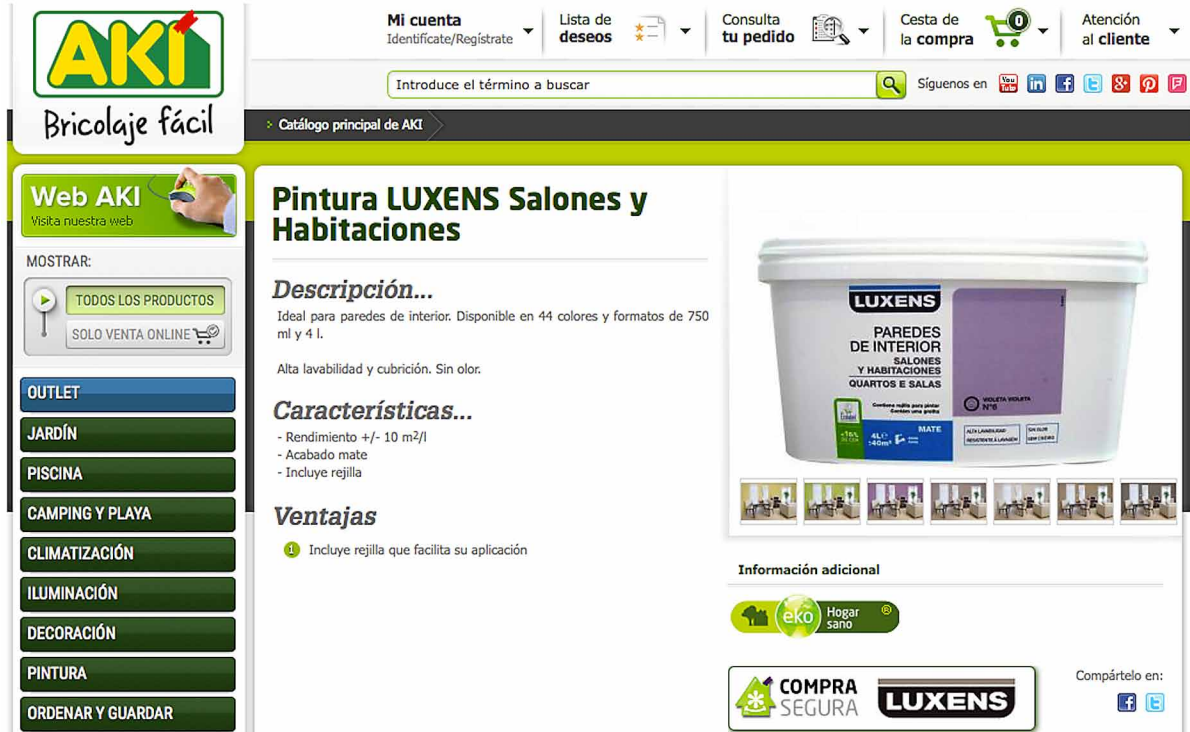


*Figure 5. Premium brand “Estilo de vida”, different from Bricorama’s main PL (named “Bricorama”)
Source: Photograph taken by the author*



- The strategy that these brands follow intends to provide customers with the best value, generate word-of-mouth awareness, and develop store loyalty.
- Figure 6 shows Luxens, the leading paint PL by Groupe Adeo (Leroy Merlin and Aki Stores), with its “no-frills” labeling but top-quality covering capacity (10m²/l), in 44 colors, and a packaging feature (“rejilla”) that eases use, thereby objectively increasing product value.

Figure 6. Luxens, Groupe Adeo's own brand for paint is an example of an Innovative private label
Source: <http://catalogo.aki.es/>























DIY big-box retailers often define themselves as “multispecialty distributors”. When analyzing other big-box retailers, this self-consideration varies from category to category, naturally. As stated above, in terms of the products traded, up to 13 different categories can be included within DIY, with more or less importance on the overall DIY category perception. In fact, the category is called “home improvement” by most practitioners when all 13 categories are considered together, which extends the overall category from simple DIY (traditional DIY stores look more like simple hardware stores, and do not include categories such as kitchen, bathroom, decoration, etc.).

Although comparable only to a certain extent, the sports category (in which Decathlon manages 20 own brands (see Figure 7): Aptonia, Artengo, B’ Twin, Caperlan, Domyos, Fouganza, Geologic, Geonaute, Inesis, Kalenji, Kipsta, Nabaiji, Newfeel, Orao, Oxelo, Quechua, Simond, Solognac, Tribord, and Wed’ze) also seems in need of specialization. Some may argue that “sports are just sports”; however, as an example, the average swimmer trust in a carbon bathing suit sold under the Adidas brand (known as the world leader for quality football shoes and apparel) will most likely not be as high as if the product were presented under the Arena brand, which, together with Turbo, are the world leading swimwear brands.

The same can be argued for virtually every non-food category: According to most marketing manuals, brands are important in specialty categories, which is the case of the categories being discussed here. To illustrate the preceding statement, Kotler and Armstrong (2013, p.241) define specialty products as *a consumer product with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort*. This can be directly applied to the non-food category: Customer buying behavior of these types of goods is defined by a “Strong brand preference and loyalty”;

Figure 7. Examples of Decathlon's private labels

Source: Decathlon (2015)

“a special purchase effort”; “little comparison of brands”; “low price sensitivity”. Prices are “high”, distribution is “exclusive in only one or few outlets per market area”, and promotion is “carefully targeted”. Some may claim that since sports items are not luxury products, they should be considered shopping goods rather than specialty; however, consumer efforts to make suitable purchase decisions, and the stress that arises from this, are considerable (e.g. consider the consequences of buying inappropriate running shoes: They may not be overly expensive, from a financial standpoint, but they are from the point of view of an achievement and self-actualization, because runners run under the expectation of overcoming their own limits, and the product chosen may play a key role in this challenge). Together, these facts make the role of the brand key, and this degree of importance of the brand is typical for specialty products.

Another sign of the key importance of brands in non-food markets is shown in Figures 8, 9, and 10, which present the brand boards shown at the entrance of Bricor Alcalá (Madrid) and at the exit of BricoMart Valladolid, as well as a picture of the leaflet with the title “The Fair of Brands” (this leaflet focus all promotions on well-known premium brands) created by Leroy Merlin as a promotional tool on a yearly basis. These three examples prove that having leading brands (national brands, in this case) in the portfolio of these stores can arguably help to build store name credibility. Their Private Label's images will, then, be based on this trustworthy store name.

At this point, it should also be borne in mind that while national brands help to create the retailer's store name credibility, the retailer may later use this as a basis on which to create its own product brands (Private Labels) that will compete, attack, and sometimes destroy those same national brands...

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Figure 8. Brand board at Bricomart Valladolid



Figure 9. Brand board at Bricor Alcalá



Figure 10. Feria de las Marcas (The Fair of Brands) online promotional leaflet by Leroy Merlin (2011)



Conceptual and Operational Definitions of Loyalty, and Types of Loyalty

Customer loyalty has been presented in this paper as an important goal for modern retailers. A look at the non-food market demonstrates the importance of customer loyalty to these players, in terms of the number of loyalty schemes (clubs, coupons, points programs, systems, etc.) offered across the market. Examples in Spain include Club Carrefour, Club VIPs, Club Cortefiel, Tarjeta Toys“R”Us, IKEA Family, Decathlon, and Club Leroy Merlin (formerly BricoClub) from the homonymous retailers, and others such as Bricard (by Bricor), Tarjeta SinFin (by Aki), and so on. However, this phenomenon is not exclusive to Spain: In 2012, more than 150 loyalty schemes were available in the UK alone (Turner & Robertson, 2012). In fact, although the cited examples are taken from the Spanish market, where our empirical research took place, most of the abovementioned retailers are international players, as are their loyalty programs. A reference to Humby’s (2004) article on Tesco’s loyalty plan is useful here, since it has been a guide and model for many authors on the topic of loyalty plans.

One of the key aspects of loyalty to be considered, according to the previously mentioned authors, and citing Dick and Basu (1994) is the difference between behavioral and attitudinal loyalty: Loyalty can be behavioral, as in a repeated behavior with no major psychological implications; or attitudinal, where a purchase behavior is repeated over time due to a clear preference for one (or more) specific brand(s). While the latter is considered “real” loyalty by most authors, the first is often called “spurious loyalty” (Dick & Basu, 1994; Day, 1969; Herrero, Rodríguez & Pérez, 2009), meaning that no positive or negative cognitive processes exist towards the brand and/or the branded experience, leading to brand churn the moment a more suitable offer is proposed by an alternative brand.

In a theoretical approach to brand loyalty, a reference to Jacoby’s definition (Jacoby, 1971) is required, since his contribution not only delimits the concept, but also operationalizes it. According to the later formulated operational definition (Jacoby & Kyner, 1973, p.2) Brand loyalty is the:

1. Biased (i.e., nonrandom),
2. Behavioral response (i.e., purchase),

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3. Expressed over time,
4. By some decision-making unit,
5. With respect to one or more alternative brands out of a set of such brands, and
6. Is a function of psychological (decision-making, evaluative) processes.

Delimiting these six components allowed the author to establish the basis for common metrics that most authors have followed since then. In fact, Jacoby and other authors' (e.g. Jacoby & Chestnut 1978) subsequent publications have contributed to the most commonly accepted concept of brand loyalty utilized by most modern authors, including the abovementioned differentiation of behavioral and attitudinal loyalties.

Among other followers of Jacoby's brand loyalty concept, we find Ruiz-Molina (2009), who introduced a model that shows a strong parallelism with Jara and Cliquet's (2012) adaptation of Keller's Brand Equity Model, although it is specifically adapted to describe store loyalty and not brand loyalty: By merging Sweeney and Soutar's (2001) PERVAL model (which establishes the sources of customers' perceived value of retail services) and Dick and Basu's (1994) attitudinal loyalty model, Ruiz-Molina creates a basis for our comprehensive model, which will establish the above mentioned parallelism between brand and store loyalties. Figure 11 illustrates Ruiz-Molina's compilation (2009).

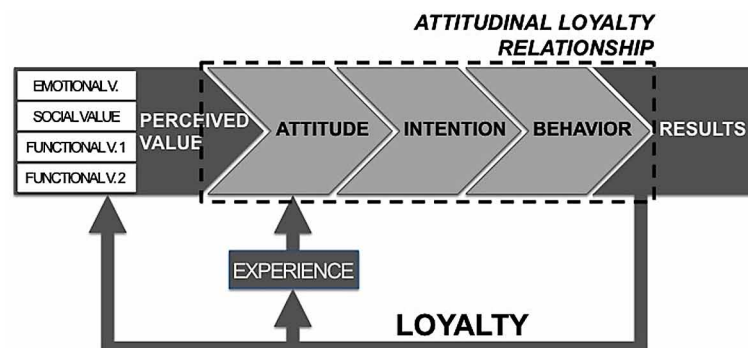
The main virtue of this model seems to be that it considers the thought processes that represent the influence of psychology over behavior. In other words, it considers attitudinal loyalty as the source of decision making, rather than just measuring behavioral loyalty. According to this, customer loyalty to a store name follows similar paths to those for product brand loyalty in Jara and Cliquet's (2012) model. In fact, as stated by the latter authors, store services are part of the private label image; thus, a relationship between the two processes has already been established by the literature, although on a purely theoretical basis, with no empirical demonstration.

CUSTOMER LOYALTY TO RETAIL BRANDS AND STORE NAMES

Three key marketing concepts have been discussed thus far in relation to the established objective of highlighting the strategic importance of private labels in non-food retailing. These are:

Figure 11. Comprehensive loyalty model adapted to the retail industry

Source: Compiled by the authors based on Dick & Basu, 1994; Sweeney & Soutar, 2001; and Ruiz-Molina, 2009



- **Retailing:** Together with related concepts such as modern distribution, BBNF retailers, and the key term for practitioners, “multispecialty”. Special attention has been paid to the specific DIY and home improvement categories, which are used as the main field for the current empirical research.
- **Retail Brands:** Starting from the general brand and brand equity concepts, and down to the main types and taxonomies, using specific non-food private label examples, mainly from the same abovementioned DIY categories, but also from sports and other categories.
- **Loyalty:** From the conceptual definition to its operational view, and different approaches to it, such as attitudinal (“real”) and behavioral (“spurious”) loyalty, as well as a contemporary and real market approach through the observation of common loyalty schemes in different specialized categories of the Spanish distribution (fast moving consumer goods, of course, but also apparel, toys, DIY products, restaurants, leisure and convenience stores, etc.).

The next objective is to introduce a comprehensive model to represent the main concepts of private label loyalty and store name loyalty, while putting both in a mutual relationship and making this relationship measurable, so as to not only validate the model itself, but to measure differences between product categories and among diverse types of consumers.

Should it be proven that the model has the capacity to accurately represent the reality of customers’ motivation and behavior towards store names based on their perception and evaluation of private labels, this would mean that private labels have, in fact, the potential to generate loyalty to the store. This would be sufficient reason to consider them of strategic importance to non-food retailers.

Modeling the Relationship Between Product Retail Brand and Customer Loyalty to the Store Brand Name

Figure 12 illustrates the comprehensive model proposed to establish a relationship between a preference and loyalty towards private labels and store names. The model has been simplified by considering the sequence of components of private label preference already to be validated, since Keller’s (1993) model (on which this one is based) has been sufficiently proven and is commonly accepted in the literature.

However, if doubts arise in terms of the validity of the private label sequence of components, the full version of the model would be required. This full version establishes separate, independent relationships between each component of the private label evaluation (image, attitude, intention and behavior) and each of the following components of the store name (same variables, but in the inferior sequence, in the figure). Instead of proving the model via four tests, this would require up to 10 (relating each variable to each subsequent one would mean $4+3+2+1$ possible correlations).

Testing the Model’s Validity in the Specific Field of Spanish DIY Retail Brands

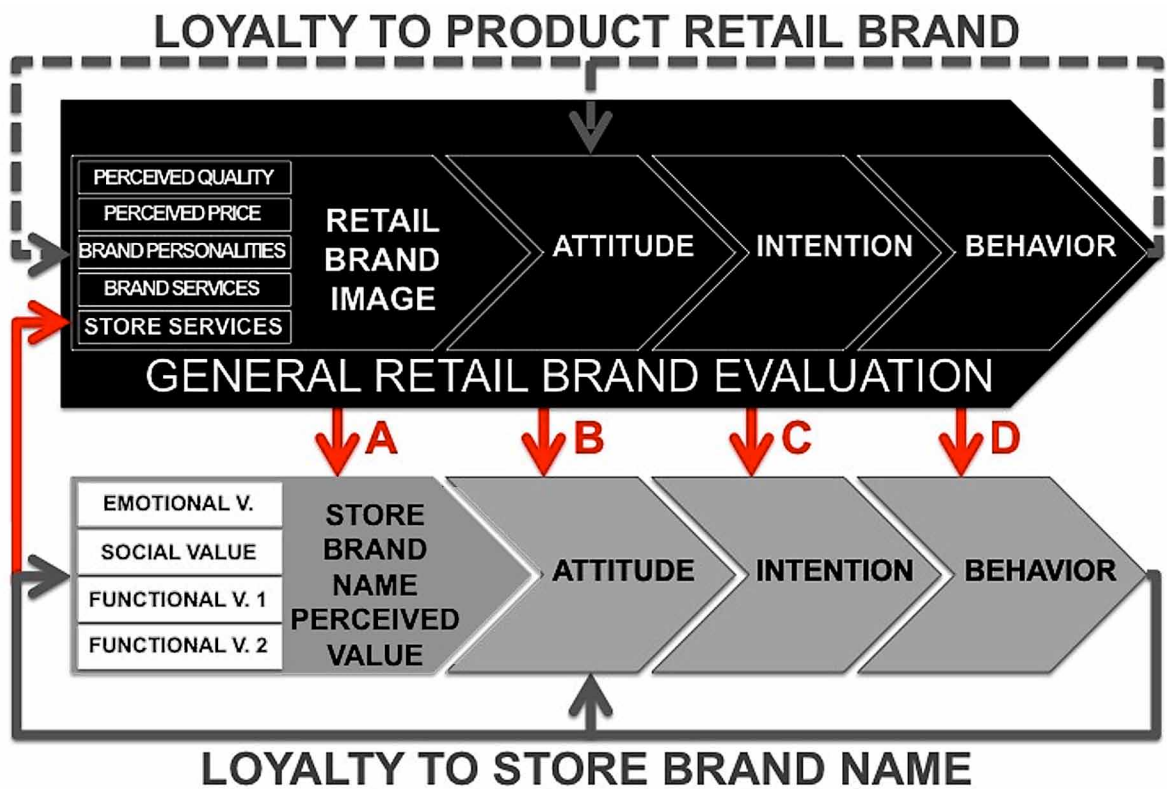
The empirical research to validate the model (Moreno, 2015) started with qualitative research, which pursued as its main objectives:

- Delimiting the concept of DIY in the consumer’s mind.
- Identifying significant consumer segments, according to:
 - Personal variables:

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Figure 12. Simplified comprehensive model for PL loyalty influence on store name loyalty

Source: Authors, based on partial models by Keller, 1993, Jara & Cliquet, 2012, Dick & Basu, 1994, Sweeney & Soutar, 2001, and Ruiz-Molina, 2009



- Intrinsic (personal) loyalty,
- Importance of product quality,
- Price sensitivity,
- Proneness to promotional offers,
- Hedonic enjoyment of shopping.
- Relationship with the category and the product:
 - Familiarity with the category (DIY products),
- Enjoyment,
- Performance.
 - Retail brand proneness:
 - Personal affinity and proneness towards PLs,
 - Expenditure on PL products.
- Pointing out the main store names, product categories, and private labels to be studied.
- Selecting the most relevant attributes of the previously selected store names and private labels, to build a consistent questionnaire for the quantitative phase.

To do this, a set of three in-depth interviews were conducted, with the main goal of generating the moderator's guides and agendas for three subsequent focus groups, which gathered three different consumer segments identified for the occasion:

1. DIY-prone, expert, disloyal customers.
2. DIY-prone, advanced, loyal customers.
3. Inexpert DIY practitioners and/or DIY non-practitioners.

The results of this phase led to a carefully constructed quantitative survey comprising a sample of more than 700 online interviews, distributed to a non-random snowball-sampled group of consumers, using the "Survey Monkey" online tool. The resulting data were analyzed using several statistical tools, such as Excel, Stata, R, and specially Dyane v4, for its convenient interface and sufficient computing power.

Results

Some important assumptions were confirmed by the first phase of the empirical research. For example, the focus groups seemed to confirm the generally accepted idea that PLs are positioned in the "popular" middle-quality segment (with different price positioning, depending on the brand) of each category, at least for the DIY categories researched. In addition, "DIY brands" (those for non-professional home-improvement activities) and their owner companies (store names) are recognized as "medium quality" and are not expected to be "professional", unlike higher-quality brands.

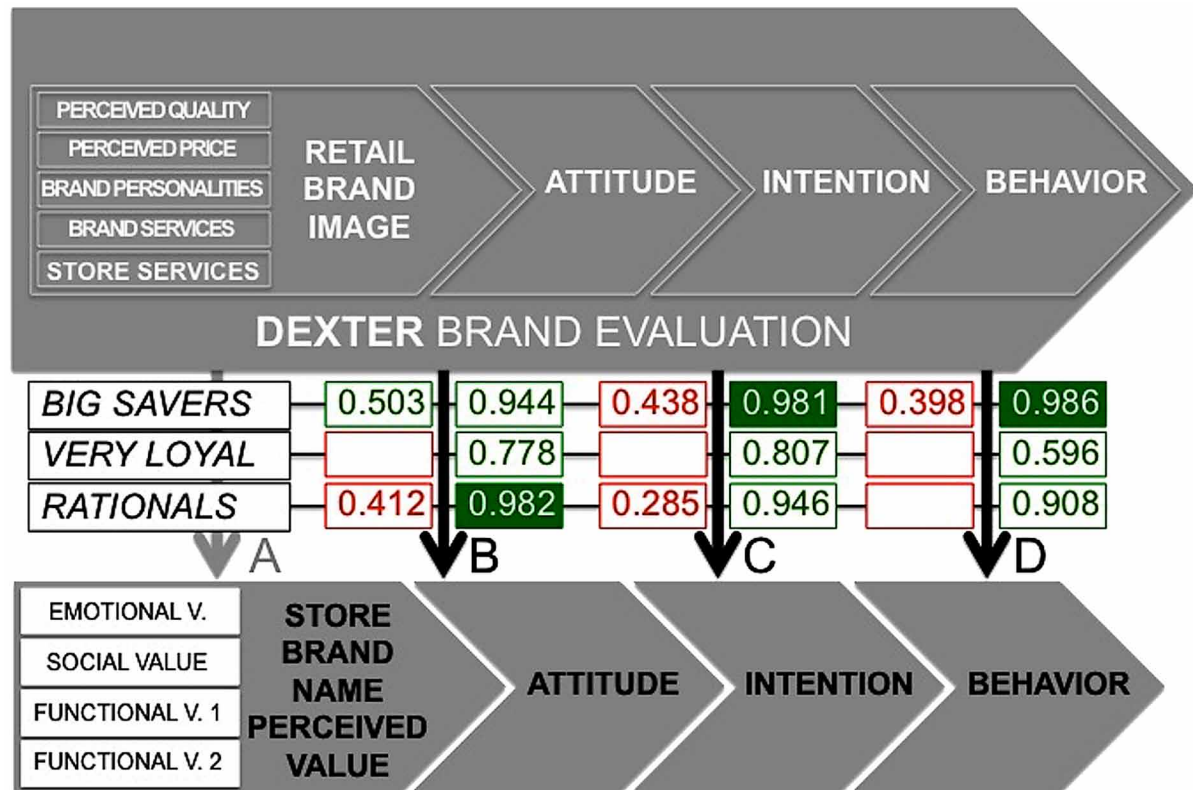
It also came out clear that while concerted effort has been made on the side of retailers to promote their PLs, little rigor seems to have been put into the task, resulting in extremely low brand recognition levels, and naturally even lower knowledge, liking, and preference (development of positive attitudes). At the same time, while these companies do not hide ownership of their home brands, they do not emphasize the fact, either. Frequently, it is not until the potential customer visits the store and asks for the vendor's advice that the customer realizes the endorsed brand actually belongs to the retailer.

On the other hand, the quantitative phase resulted in several variations of the correlation indices shown in Figures 13 and 14, which reflect the final results of the empirical research (for the three target groups that will be later described: big savers, very loyal and rational), along with the limitations and different conditions considered.

Before presenting the conclusions of the research, it is worth mentioning that the tests confirm the existence of a statistical correlation between both constructs – private label loyalty and store name loyalty. In other words, we can assert that PLs play a significant role in customers' loyalty to the store and the store name. Furthermore, although it is not the goal of this text to detail all of the intricacies of the research process, some important facts are worth considering before outlining the final conclusions and recommendations of this chapter:

- Luxens (paint) and Dexter (power tools) private labels were used to represent the overall DIY category, since these were considered most relevant to represent the utilitarian and decorative segments of home improvement (and/or DIY). The qualitative phase proved the ability of these categories to represent the overall activities of utilitarian activities, such as those pertaining to electricity, plumbing, furniture restoration, etc., as well as decorative ones, such as painting walls

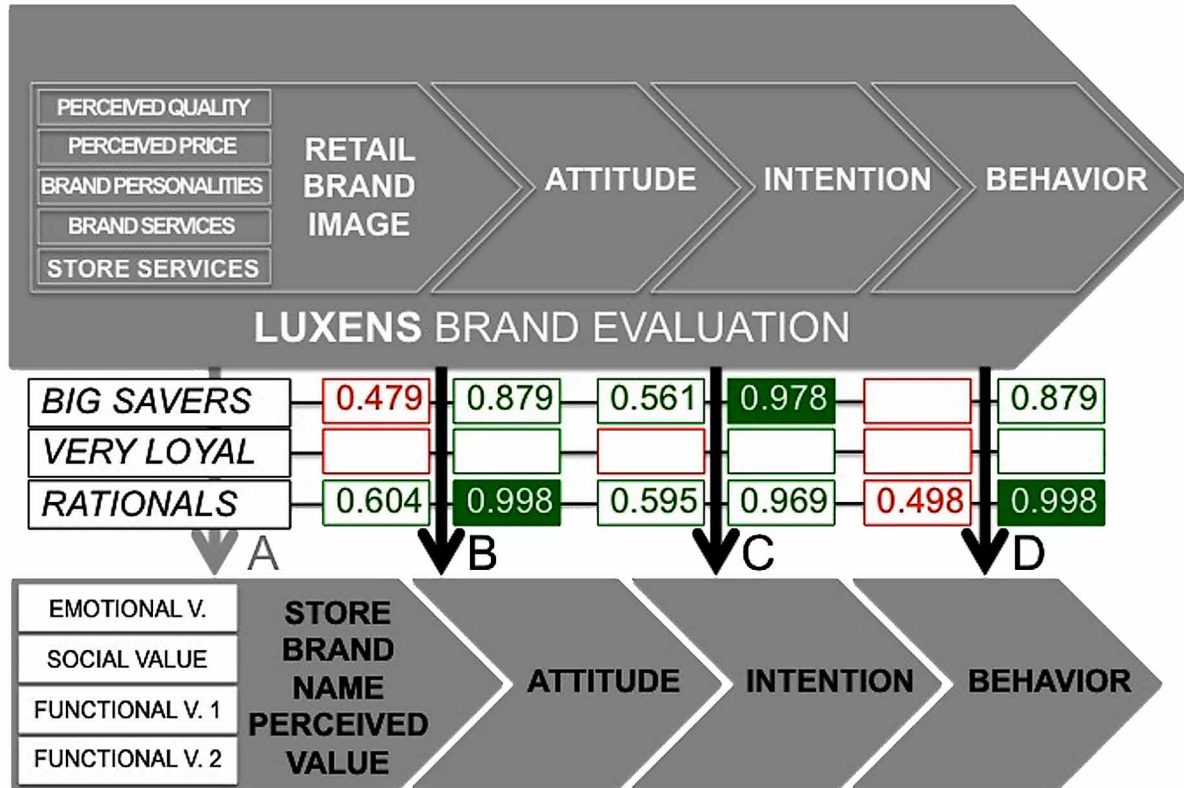
Figure 13. Results of the statistical analysis for Dexter: Spearman's rank correlation between variables
Source: Moreno, 2015



and objects, upholstery, etc. Thus, Figures 13 and 14 are presented separately, with each representing one of the brands measured.

- As stated in the objectives, conclusions should differ from one product category to another, without the model losing validity.
- The results were also expected to vary from one customer segment to another, from the beginning, depending on the described personal variables. A cluster analysis based on the personal variables, relationship to the category, and proneness to private label purchase and usage determined three clearly differentiated consumer segments that were named as follows:
 - **Big Savers:** A group of 124 individuals that represented the lowest in brand loyalty and importance attributed to product quality. At the same time, they had the highest preference for PLs and, unsurprisingly, had low interest and were poor DIY performers, resulting in a poor relationship with the product. Thus, these consumers do not care about the DIY activity, and will always buy the cheapest brand, regardless of its type.
 - **Very Loyal:** A group of 93 consumers that can be defined as the exact opposite of the big savers. The most significant characteristic of this group is they do not like, nor buy or use, private labels (they yielded the highest punctuations of all variables and in all of the groups in the test).

Figure 14. Results of the statistical analysis for Luxens: Spearman's rank correlation between variables
Source: Moreno, 2015



- **Rationals:** A group of 145 consumers that had the highest interest in, and were expert-level performers of, DIY activity, which confirms a strong relationship with the product category. They naturally cared about product quality, but were also as price conscious as the savvy consumers they are, when shopping for DIY products. This group finds pleasure in shopping for these products, and sometimes buys private labels, although they do not have a specific preference for them.
- The sample sizes sometimes suffered low brand awareness, as found during the qualitative phase, resulting in the empty boxes that appear for certain consumer segments in specific variables in Figures 13 and 14. These boxes, which were supposed to contain the correlation index between those variables for those consumer segments, were left empty whenever the significance level for the test (p-value) surpassed 0.05, to avoid confusing the reader.
- It should be borne in mind that a signified (positive or negative) perception of the analyzed retailer brand (existence of an attitude, and not just brand awareness or knowledge) proved to be a key factor for the correlation between variables to exist. This means that a correlation between the perception of the brand and loyalty to its owner-store name (e.g. Leroy Merlin) only exists when consumers show an attitude (positive or negative) towards the retailer brand (e.g. Luxens).
- As opposed to the previous statement, the existence (or not) of an attitude towards the store name did not cause any significant variation in the correlation between loyalty to that store name and

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evaluation of its private label. This may lead to considerations regarding the sense of the correlation between variables: one could think of a causal relationship between them, which could rationally be expected to be the one represented in the model. It is the loyalty to the PL that causes loyalty to the store, and not vice versa. This last statement is just a cautious proposition and an invitation to further research, as it is lacking empirical support at present.

FUTURE RESEARCH DIRECTIONS

One main future research direction is to extend this study to further categories, working on the “relationship with the product category” personal variable. This future research avenue is key for the survival of the proposed framework, since non-food markets are seldom considered as a whole, and there is thus a risk of each category developing different models, thereby losing an interesting opportunity to build a common source of knowledge and “transversal” exchange of information and data.

Outside of the DIY field, any other category could provide an opportunity to improve the model, though some may result in higher payoff than others. Priority may be set on:

1. Gardening, which is a small, stable market. It partially competes with DIY, so as a second step it may work well.
2. Leisure and culture, especially if online distributors are included, since these are leading in the cultural (books and music) arena.
3. Furniture and home equipment, if the predominance of IKEA can be put aside in order to level the playing field to consider minor local players.
4. Toys and games, provided, as in the above point, Toys“R”Us can be omitted.
5. Sports, excluding Decathlon. The advantage of this industry is that there are many very well-known manufacturers’ brands, which may put private label proneness to the test and thus develop interesting conclusions on the consumer relationship with the category.

The following areas, while deemed by the authors to be less important, may also be considered in future:

1. Automotive aftermarket, which is still a young market at the national level.
2. Home appliances, which have gone through a tumultuous period over the last five to 10 years, with many multinational entries and exits. Apart from specific small appliances (juice makers, electric kettles, toasters, etc.), where FMCGs compete fiercely, few private labels exist due to the common practice of developing exclusive models of national brands for each retailer, especially in large kitchen appliances.
3. Electronics and IT, which has minimal representation in the Spanish market since the collapse of PC City, and has categories that overlap with home appliances in operators such as Worten, MH or Media Markt.

Limitations arising from this research are discussed next, along with reasonable arguments for acceptance of the overall study. The limitations are as follows:

- **Sampling:** The empirical analysis was based on an online questionnaire using a snowball-originated sample. The survey was promoted through social media, and resulted in a final sample of 716 valid interviews. Thus, the related limitations include the following:
 - Online questionnaire completion implies a systemic bias per se, due to the fact that it requires respondents to have at least some technical skills and access to the Internet, though this bias is becoming less of a worry over time (De Marchis, 2012).
 - Snowball sampling is, in essence, a non-random technique, and is thus questionable. However, the fact that the study is related to the specific product category of DIY makes this sampling technique valid for this specific research, since it is assumed that DIY practitioners frequently relate to each other in or through online community sites such as El Rincón del Bricolaje, Hogarmanía; or others, which may be sponsored by brands, retailers and/or manufacturers, like Comunidad de Bricolaje, Leroy Merlin, or Aki.es/Comunidad, etc. And not only in Spain, where these examples are from, but also worldwide. This “social aspect” of DIY (or home improvement) was most relevant to us, when deciding the sampling technique.
 - The size of the final sample is fairly large; nevertheless, although utilizing the original number of over 700 interviewees would have minimized the sampling error in all conditions, when researching very specific issues the creation of smaller sub-samples (such as in terms of their “relationship with the product”) was considered suitable. Thus, doubts about representativeness may arise, since:
 - 659 respondents had performed some type of purchase (for any product category) in the last year.
 - 586 had completed the specific “searched benefits” questions section. This meant that the respondents answered a specific set of questions in order to reveal their relationship with PLs, depending on the consumer benefits the brands were perceived to provide (such as low prices or value for money).
 - 548 knew the meaning of the phrases “retail brands” and “private labels”.
 - 362 practiced DIY activities of some sort.
 - 320 were familiar with the store name “Leroy Merlin”, which is the market leader and considered the best-known store name, as well as having the best-known PLs for the categories analyzed (paint and power tools).
- **Geographic:** Since the research took place exclusively in Spain, all foreign answers collected were discarded; thus, the results may not be valid for other geographic areas.
- **Time:** The fieldwork was carried out in June 2014, so it is possible that different market situations would lead to different results and conclusions due, for instance, to changes in consumers’ proneness to buying PLs, which, for instance, varies with economic cycles.
- **Market/Industry:** To present universal (trans-category) valid results in a market defined as non-food, the researcher should repeat the exercise as many times as needed to cover and separately analyze every existing non-food product category. However, this is an unrealistic and unworkable objective; thus, selection should be made from a category or group of categories in such a way as to maximize the validity of the research outcomes and conclusions. It is therefore key to consider aspects such as:
 - How old the category is; in other words, how used to its existence consumers are.
 - How many competitors exist.

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- How many and what types of brands (namely national vs. retailer brands) compete in this market.
- Consumer trends, specifically related to purchase behavior, and brand and store loyalty.

Many of these factors obviously relate to the product life cycle stage, and the degree of market maturity. These factors were considered when proposing the future research directions.

CONCLUSION

In this chapter, the existence of a co-dependent relationship between loyalty to PLs and loyalty to their owner retailers has been statistically proven and measured through the constructs of brand image, attitude, intention, behavior, and loyalty. At the same time, evidence was found that it is the private label image, attitude, intention, and behavior that influence loyalty to the store name (through its image, attitude, intention, and behavior), and not the other way around.

It is strongly recommended that when developing PLs other than *generic* ones, marketers think of the long-term implications for the parent brand, the store name, and the equity of these brands. At the same time, private labels must be analyzed and defined at the highest level of the organization, not by assistant product managers, as practitioners declare to be often the case.

The five individual variables that are commonly accepted in the literature (intrinsic loyalty; customer sensitivity to price; quality; promotion; and enjoyment of the shopping experience) have been proven to be significant when segmenting consumer attitudes towards non-food private labels. Thus, retail marketers must define a clear consumer target group for their private labels, especially in multi-brand retail contexts, when many consumer segments may be attracted and satisfied by a single distributor through different brands (e.g. generic, copycat, and value private labels in the same retailer, under the same store name).

The correlation between enjoyment and performance level of DIY activities has also been corroborated in this chapter, while it was demonstrated that these variables (representing the relationship with the product category) are significant when segmenting consumers through clusters analysis. It is not only average-quality/average-price private labels that can be successful. Smaller consumer segments may bring opportunities, such as high-end, high-margin varieties of the same product and improving the profit and loss account's bottom line, and not just increasing revenues.

Finally, the cluster analysis provides evidence of the different types of relationships individuals maintain with PLs, and the implications of these relationships when making purchase decisions. Maintaining and reinforcing product quality may end up attracting even the most skeptical consumers; thus, a focus on the overall private label quality is also recommended.

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KEY TERMS AND DEFINITIONS

Attitudinal Loyalty: The form of customer loyalty that is based on psychological processes, resulting in repeatedly preferring one object (whether it is a product, a brand, or a retailer, etc.), to other substitutive ones.

Behavioral Loyalty: The form of customer loyalty that consists in the mere repetition of a purchase behavior, without any mental and/or psychological considerations justifying such behavior, and no clear preference for the purchased object.

Big-Box Retailer: A specialist (sells one single or few product categories) retailer (*business involved in selling goods or services directly to final consumers for their personal, non-business use* (Kotler & Armstrong, 2013)) that operates in shops sized over 4000 Sq. meters (43000 Sq. feet), most usually placed in the outskirts of big, populated cities.

Brand: The name, term, or symbol that identifies the products of one seller, and differentiates them from those of competitors.

Category Killer: Another (rather obsolete) term to refer to a Big-Box Retailer.

D.I.Y.: Acronym of “Do It Yourself”, identifying the non-for-profit activity that results in the improvement of ones own house, through the performance of actions involving electricity, plumbing, carpentry, building, etc.

Loyalty: The commitment a consumer assumes with a brand, generated by a positive attitude towards it and/or previous need satisfaction achieved with its purchase; which is observable in the systematic purchase repetition of that brand.

Private Label: Another term to refer to a Retailer Brand or Retail Brand.

Retail Brand: A Brand that is owned and marketed by a retailer (*business involved in selling goods or services directly to final consumers for their personal, non-business use* (Armstrong & Kotler, 2013)).

Retailer: A business involved in selling goods or services directly to final consumers, for their personal use, most usually in a shop, which may be virtual or physical (“brick-and-mortar”).

Store Name: The name, term, or symbol that identifies the space and retailing services of one seller, and differentiates them from those of competitors.

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Chapter 17

Managing Brand Portfolio in a Crisis: The Case of a Pharmaceutical Company in Egypt

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ABSTRACT

Branding in pharmaceutical markets is more challenging than any other market due to the enormous regulations and restrictions from governmental bodies like MOH, Ministry of Health. This case tackles a real challenge that one of the leading pharmaceutical companies in Egypt is facing. Since the company has a well-established brand that has been in the market for more than 30 years, this brand has strong brand equity and is well known by consumers, end users. In the past 5 years with the devaluation of the Egyptian currency, the price of the active ingredients increased. Accordingly, the gross margin of the brand was highly affected, to the extent that it reflects losses in the net operating income. In any other market, it might be an option to increase the price and enhance the gross margin, but in the pharmaceutical industry, companies are price takers and only MOH has the right to set the price.

DEFINITION

A serious situation, a mega brand that has been the cash cow for the company is turning into a failure brand in terms of profitability. Yet, still this brand is ranking 3rd in its market, pain market, which is the 2nd biggest market in the country, and has strong brand equity that the company cannot afford to lose. Now the company needs to take crucial decision regarding the brand as it will not be an option to continue with negative net operating income for long time besides it is not an option to lose a mega brand in a large market.

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In the Marketing Manager's office, Amr Shawky, the marketing manager is thinking about the business case that he needs to present to the vice president of the company in few days. Suddenly the door knocks and the sales manager of Sonalfen brand, Tamer Hakim, came in holding his laptop and seems worried.

"Hi Tamer, I am thinking about Sonalfen business case. I am extremely worried about Sonalfen's future. This brand is a legacy in the company, and we cannot afford stopping it. As you know, the net operating income is now negative. We have request price increase from Ministry of Health, yet it was refused. We need to think of alternatives to get out of this situation with minimal losses." Said Amr.

"Yes stopping Sonalfen without clear direction will be disaster. It is one of our biggest brands with high sales turnover, in addition it is well known by consumers, and requested by name among 150 other brands in the market. I cannot imagine that we can simply sacrifice this brand equity that took us years to build, I am sure we will find a solution" Says Tamer.

Amr replied "Of course, I have been working in this company for more than 10 years. Sonalfen has been our cash generator till 2004, when we suffered from devaluation of the Egyptian pound. However, the brand remained profitable, but not at the same level. Then in 2011 with the raw material price increase and the devaluation of our currency after the revolution, Sonalfen became a brand that negatively affects our net operating income. We need to study all the pros and cons of possible courses of action to present a solid business case to the VP."

The pharmaceutical industry develops, produces and markets drugs licensed for use as medication. There are different categories of medicine like:

- **OTC Pharmaceuticals and Prescription Drugs:** Over the Counter (OTC) pharmaceuticals can be taken with no need to a prescription in contrast to prescription drugs.
- **Patented and Generic Medicine:** Patented medicine is the original one that is firstly produced and generic medicine is the copy of the original medicine. Patents form the major percentage of the value of drug demand. On the other hand, generic medicine represented 60.2% of the value of the pharmaceutical sector in 2008.
- **Biologics and Biosimilars:** Biological medicines are produced using biological processes and biosimilar medicines are copies of original biological medicines.

BONDET COMPANY¹

Bondet Co. is one of the top 5 pharmaceutical companies worldwide. Present in more than 120 countries, has more than 100 industrial sites. Bondet Turnover reached US\$40 Billion in 2013 coming from diversified portfolio. Bondet Co. has strong brands in several disease area including chronic, acute and rare diseases, animal health in addition to human vaccines. The company has a strong research and development hub, which keeps its pipeline filled with new innovative drugs. Bondet Co. has strong presence in Egypt. It has a huge factory, and the number of employees exceeds 1500.

GLOBAL PHARMA MARKET

Global pharmaceutical market turnover is around US\$ 300 billion. One third of this market is dominated by the top 10 players. Ranking and competition between the top players differs in each country. In local

markets there are sometimes serious competitions from strong local players. For example, in Japan, there is a huge local player that is considered a major threat on multinationals. Research and development plays an important role in supporting the pipeline of any company with new drugs. Innovative drugs pass by several phases and approvals before and might take 10-15 years before they enter the market in addition to huge investment as from each 10 new drugs, only 1 drug succeeds to fulfill all the tests and criteria required by regulatory bodies to enter the market. However, an innovative drug usually has a premium pricing and has a quite high profit margin. Regulatory bodies understand the cost that it takes to produce a new drug, and thus a 10-15 years patency is granted to the company producing the new drug. Patency secures that no other company is allowed to produce the same drug for this period of time and thus companies are encouraged to spend on new innovations for their high profitability. When the patency ends, other companies can produce the same drug under different names and they are called generics. The global market can be divided into well developed markets like USA, Europe, Japan and emerging markets. 17 Pharma-emerging markets are being considered as the fastest growing markets and they are divided in 3 tiers. China comes in tier one. Brazil, India and Russia in tier 2 and finally 13 countries; Venezuela, Poland, Argentina, Turkey, Mexico, Vietnam, South Africa, Thailand, Indonesia, Romania, Ukraine, Pakistan and Egypt in tier 3. Since 2010, large companies have started to focus on the emerging markets. Acquiring local brands or even local companies in these emerging markets is a new profitable strategy and it is called branded generics.

PHARMACEUTICAL MARKET IN EGYPT

The pharmaceutical sector in Egypt is one of the oldest strategic sectors in the country, founded in 1939 with the establishment of the Misr Company for Pharmaceutical Industries. The Egyptian pharmaceuticals and cosmetics sector is considered the largest in the region with regards to growth capacity and expansion during the coming five years compared to similar sectors in neighboring countries.

The industry has enjoyed a period of considerable development in recent years. There is a strong domestic production sector and, while the majority is destined for the domestic market and imports play an important role, Egypt has emerged as a leading exporter of pharmaceuticals to Arab, Asian and Eastern European markets. Public production, represented by the state-owned holding company HOLDIPHARMA, accounts for around one-tenth of sales by value and nearly two-tenths by volume.

Large multinationals, including GlaxoSmithKline (GSK), Sanofi-Aventis and Novartis are among the top manufacturers of pharmaceuticals in the domestic market. Other leading multinational companies active here include Pfizer, Bristol-Myers Squibb, Servier, Eli Lilly, AstraZeneca and Otsuka.

Foreign participation in the local production of under-license pharmaceuticals is of major importance to both the Egyptian economy and local consumers, supplying a significant portion of domestic demand at a fraction of the import cost. Locally owned Egyptian companies producing generic products also play a key role in the domestic market with the Egyptian International Pharmaceutical Industries Company (EIPICO) being ranked as the leading manufacturer in the domestic market and the largest Arab pharmaceutical company overall. A top company on the Cairo and Alexandria Stock Exchange (CASE), EIPICO is also one of Egypt's 100 largest exporters.

Pharmaceutical prices in Egypt are based on a cost-plus formula, allowing for a profit margin of 15% on essential drugs, 25% on non-essential drugs and 40% or more on over-the-counter products.

The formula, managed by the Ministry of Health and Population, guarantees positive returns for all companies operating in Egypt.

Providing the political situation stabilizes and the economy continues to perform well, the Egyptian pharmaceutical market at retail prices is expected to rise by a double-digit CAGR in US dollar terms between 2011 and 2016.

Espicom1 estimates that the market increased by nearly five times between 1995 and 2010. And went from EGP 18.23 billion in 2011 to EGP 20.33 billion in 2012; a +11.5% in local currency terms. The country's pharmaceuticals market is ranked 13th in BMI's proprietary Risk/Reward Ratings (RRRs) for the region.

Egypt is one of the booming pharmaceutical markets that large multinational companies look at. Total number of companies operating in Egypt is over 700. Top 10 companies contribute to 50% of the total turnover of the market. 5 companies of the top 10 are local companies. The market split is 60% chronic and 40% acute. Chronic diseases are type of diseases that patients have to live with, for the rest of their life, like diabetes and hypertension. More than half of the population suffers from these chronic diseases. While acute market, which is the diseases that occurs for short term period, like headache, heart burn, cough, cold and sore throat The market could be categorized as well by brand nature into OTC, over the counter, which means that any consumer can enter a pharmacy and ask for a medicine without prescription, or RX, prescribed brands, which means that a prescription should be present to be able to get the medicine from the pharmacy. Accordingly, for OTC, consumers have more influence in brand selection rather than RX. Yet due to low level of education, majority of consumers ask pharmacist to recommend a brand for their acute signs and symptoms. Examples of OTC markets are pain killers (analgesics), heart burn, cough & cold, allergy, feminine hygiene, skin and hair care products. While examples of RX diseases are hypertension, diabetes, oncology, psychic products, and usually physicians have the ultimate power in brand selection. Generally, in OTC the role of pharmacist in brand selection surpass the role of physician. Yet from pharmacists' behavior research, it was shown that pharmacists gain confidence in certain brand when they see several prescriptions for this brand. So even in acute market in order to launch a new brand properly, the cycle usually starts by the physician prescribing a certain brand passing the confidence to pharmacist to recommend and dispense this brand then finally by usage the consumer starts to request the brand by name and this would be the ultimate success point of a certain brand as it gained consumer equity (ESPICOM, 2011).

In Egypt there is no clear definition of the OTC market versus the RX market accordingly all brands can be dispensed without prescription. In Acute market, Pharmaceutical companies compete in different therapeutic classes or disease areas, for example, Allergy market; with a range of therapeutic classes like nasal drops & oral antihistamine, Pain market; oral, topical & parenteral analgesics, steroidal or non-

Table 1. Projected pharmaceutical market, 2011-2015

	2011	2012	2013	2014	2015
Value USD billion	4.7	5.4	6.2	7	8
% GDP	2	2	1.9	2	2
% Health Expenditure	31	31	30.8	31.6	32.3
Per Capita (USD)	54	61	69	77	86

Source: (ESPICOM, 2011).

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steroidal analgesics, cough and cold market ext... In Egypt pain market is considered the biggest market with 18.5% MS of total Acute market, more than 50 companies are competing in the pain market with more than 150 brands. Pain market is highly fragmented where the top 3 brands has 30% of the market while 70% is distributed among the rest of the brands.

The Top 3 markets are Pain killers (analgesics) and Gastro category (antiulcer ants & antacids) brands, used in treatment of heart burns and peptic ulcers, and Cold preparations market. Accordingly, for any company, in order to have strong presence in the acute market and in order to compete in the overall market, it should have strong existence in at least one or two of these 3 mega markets which contributes to 35% of the total acute market.

In pharmaceutical market, regulatory bodies like MOH, Ministry of Health, plays an important role in regulating the market in terms of setting prices, so companies are price takers. MOH regulates as well all the promotional materials, brands' claims communicated by each company to physicians or pharmacists. It is forbidden to communicate any message including brand names direct to consumers. For consumers, Pharmaceutical companies are only allowed to communicate educational materials about diseases i.e disease awareness yet without any brand names. Accordingly, if a brand reached a phase were it gained equity at consumer level then this brand has made great success.

SWOT ANALYSIS

Strengths

- The new efficient system for new medicine.
- The increasing size of the local market due to increase in the country's population.
- The rising health awareness.
- The improvement in the economic performance and the enhancement in individual's purchasing power.
- The entrance of multinational companies to the local market with their massive financial abilities and their introduction to new technologies.
- The recent Ministry of health's decision of limiting the number of companies that manufacture pharmaceuticals for other companies to 32 instead of 120, seeking more adoption of the international quality standards in pharmaceuticals production in Egypt.

Weakness

- Limited research and development expenditure.
- Depending on imported raw materials.
- The absence of strong allies in the local market similar to successful international merges between Glaxo Wellcome and Smithkline or Pfizer and Warner Lambert with more abilities to fund researches and invading new markets.
- Fake or expired medicine sold in pharmacies.
- Very low GDP per capita and also the low per capita consumption.

- Lack of effective patent legislation.
- Difficult access to new markets like administrative and transportation problem in some African countries.

Opportunities

- The government's plan to introduce a basic health insurance that will extend its benefits to more Egyptian's.
- The growing health and pharmaceutical expenditure.
- The ability to open new markets in Africa through bi or multi-lateral agreements like COMESA or Egyptian medicine.

Threats

- The application of the trips would increase the medicine prices because of the need to get the permission from the original inventor to produce the medicine locally.
- Disputes about the pricing policy especially after the administrative court decision to stop the ministry of Health new decision.
- Wrong ideas about the superiority of patented and international medicine over generic and locally produced ones although they undergo the same evaluating processes.
- The difficult access to imported raw materials after the advent of China and India as large for them.

MARKET STRUCTURE

Pharmaceutical companies operating in Egypt fall into three categories: public sector companies (12 companies are affiliates of Holdipharma previously known as Drug Holding Company D.H.C), private sector Egyptian companies and multinational companies.

Before 1990s, the sector was dominated by state-owned companies but this has changed with the introduction of privatization program that has made the private sector take the highest share of the production in the domestic market.

The number of pharmaceutical companies that have been established in the period between 1970 and 2009 is 291 companies including 212 Egyptian companies, 61 companies launched by a partnership between Egyptians and foreigners and 18 international companies.

CONSUMPTION

Egypt is the largest consumer of pharmaceuticals in the MENA region with an annual increasing pharmaceutical spending reaching about US \$ 2.48bn, by the end of 2009, and experts forecast to continue rising to reach about US \$ 4.24 bn. by 2014 at a compound annual growth rate (CAGR) of 11.4%, although Egypt's pharmaceutical expenditure per capita is still one of the lowest in the region.

PRODUCTION

Annual production is recorded to be LE 15 bn. in 2009 with capital expenditure of LE 6 bn. In 2010, the market size has reached US \$ 4.1 bn. at retail prices or US \$ 48 per capita which represents 1.9% of GDP and 30.6% of health expenditure. Egypt has the largest drug –manufacturing base in the MENA region accounting for around 30% of the regional market. Local production covers around 93% of the market with 7% made up of highly specialized pharmaceuticals not produced locally. Multinational corporations account for about 30% of local sales through domestic manufacturing, and about 35% through licensing agreements, while the remaining ratio represents generic medicines produced by local companies.

This industry has a good potential for the future with investments keep increasing. The number of pharmaceutical factories has increased from 90 factories in 2006 to 120 factories in 2010 with other 70 plants that are under construction (Innovic, 2013).

COMPETITIVE STRENGTHS AND CAPABILITIES

- **Highly Effective Workforce:** Egypt produces more doctors and pharmacists than any other country in the Middle East. Egypt’s workforce is the largest in the Arab world and the second largest in the MENA region, after Iran. Egypt’s pharmaceutical workforce offers the highest quality of performance standards and simultaneously promotes cost efficiency in the form of low labor costs and a large pool of highly trained professionals. The industry currently employs a total of 39,500 professional staff and production workers.
- **Increase in Investment Appeal:** Egypt is looking to further solidify its stronghold by increasing investment in the sector and expanding production capacity. Pharmaceutical production increased in 2009, reaching EGP3.5 billion. The Ministry of Investment announced plans to build 76 new pharmaceutical plants, bringing the national total to 180, in order to help meet its target of USD1billion in exports by 2015. Investments in Egypt’s pharmaceutical industry currently stand at EGP 26 billion.
- **Largest Drug-Manufacturing Base in the MENA:** Egypt has the largest drug-manufacturing base in the Middle East and North Africa (MENA), accounting for 30% of the regional market. With a 75% market share, the private sector dominates pharmaceutical production. The total value of the Egyptian pharmaceutical market is USD 1 billion annually. Local manufacturers of generic drugs supply 52% of the market, while research-based multi-national companies account for the balance, either through “under licensing” local manufacturing or direct imports.

OPPORTUNITIES

1. The government’s plans to introduce a basic health insurance that will extend its benefits to more Egyptians.
2. The growing health and pharmaceutical expenditure.
3. The ability to open new markets in Africa through bi or multi-lateral agreements like the COMESA for Egyptian medicine.

It's expected that the industry will witness an increase in its value through the coming three years to reach USD 8 billion in 2015 with an average CAGR of 14.3%. However, it will keep a consistent percentage of the GDP ranging from 1.9 - 2.0%. This increase is accompanied with the increase in health expenditure to form 32.3% of the market value in 2015. Moreover, per capita share is anticipated to increase to be USD 86 in the same year.

The Pharmaceutical industry in Egypt is rising, stimulated by many factors like the increasing size of the market and the entrance of new investors to the market. The government seeks more liberalization for the industry with less control over prices and more privatization for the sector. This industry faces many challenges like the rising competition with international producers and poor healthcare system in Egypt. However, many specialists have positive expectations that Egypt would become one of the leading countries in that field.

OUTLOOK

Rapid population growth and expansion in healthcare coverage and expenditures are key growth drivers, as are an increasing awareness of health issues and the modernization of the healthcare industry.

Egypt's exports of pharmaceuticals have grown steadily in recent years, topping USD 270 million in FY 2011/2012 compared to USD 238 million in FY 2006/2007.

In April 2008, Novartis became the first multinational drug producer operating in Egypt to add its local facility to its global supply chain. In addition to making 123 products for local consumption, Novartis Egypt will now supply the company's global operations with treatments for ocular and hormonal conditions.

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Annual production is recorded to be EGP 15 billion in 2009. In 2010, the market size has reached USD 4.1 billion at retail prices or USD 48 per capita which represents 1.9% of GDP and 30.6% of health expenditure.

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This industry has a good potential for the future with investments keep increasing. The number of pharmaceutical factories has increased from 90 factories in 2006 to 120 factories in 2010 with other 70 plants that are under construction.

Large multinationals as GlaxoSmithKline (GSK) is the leading company in the Egyptian market with 9% of the market share. Sanofi-Aventis and Novartis are also among the top multinational manufacturers in the market. Furthermore, multinationals like Pfizer, Servier, and Bristol- Myers are active players in the pharmaceutical industry in Egypt.

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Holdipharma, the state owned producer, contributes with 1700 types of medicine, 42.1% of them are sold in cheap prices, with LE 1.3 billion as new investments every three years, bearing LE 0.5 bn. annual losses because of its low prices. The total capital of Holdipharma and its affiliates is about LE 2 billion, with a cumulative growth rate over the last five years 50% (Innovic, 2013).

PRICING

Before September 2009, the Pricing Committee in the Ministry of Health was determining the profit margin ceiling for different types of medicine through the “cost plus system”. The profit margin ceiling was 15% for essential drugs, 25% for non-essential drugs and 40% for over-the-counter drugs. According to its new vision, the Ministry of Health has declared the decision 373 for the year 2009 that sets up two new pricing systems for the registration of new medicines in the market, one for branded pharmaceuticals and the other for generic drugs. The first system determines the price of branded drugs to be 10% lower than the cheapest retail price of the medicine in 36 countries in which the drug is available; however, this does not mean that the drug should be registered in all the 36 countries.

Second, the price of generic drugs will be decreased by a fixed percentage of branded drugs price, and therefore is expected to increase compared to its previous prices that were cheaper by 80% and 90% than branded drugs as follows:

- The price of generic drugs produced by companies licensed by the Ministry of Health and certified by international agencies would be decreased by 30%.
- The price of generic drugs produced by companies licensed by only the Ministry of Health, the license validity lasts till 2020 which is the due date to get international quality certifications for all plants, would be decreased by 40%.
- The price of generic drugs produced by companies do not possess plants but using other plants would be decreased by 60%.

However the court of administrative justice has stopped the implementation of the new decision on 27th of April 2010 enforcing the Ministry of Health to re-implement the cost plus system in pricing, and the Supreme Administrative Court will discuss the decision on 6th of December, 2010.

STRONG POLICY GUIDELINES

The Egyptian Drug Authority (EDA) is the pharmaceutical regulatory body of the Egyptian Ministry of Health (MOH) and it is committed to supporting initiatives which help promote its goals of protecting people’s health by regulating safety and quality of pharmaceutical products, regulation & legislation of pharmacy practice, availability of high quality medicines at affordable prices, strategic planning & policy making for the sector, setting standards of pharmaceutical services for both hospital & community, cooperation with relevant international organizations (such as the WHO) in order to improve standards of pharmaceutical products and practices.

In January 2012 the Egyptian Ministry of Health and EDA announced the launch of new Pharmacovigilance (PV) guidelines for Marketing Authorization Holders (MHAs). These laws make the reporting of adverse drug effects compulsory for firms and are part of a wider increase in focus on regulatory activity in the field of PV in Africa, which help combating soaring rates of drug counterfeiting.

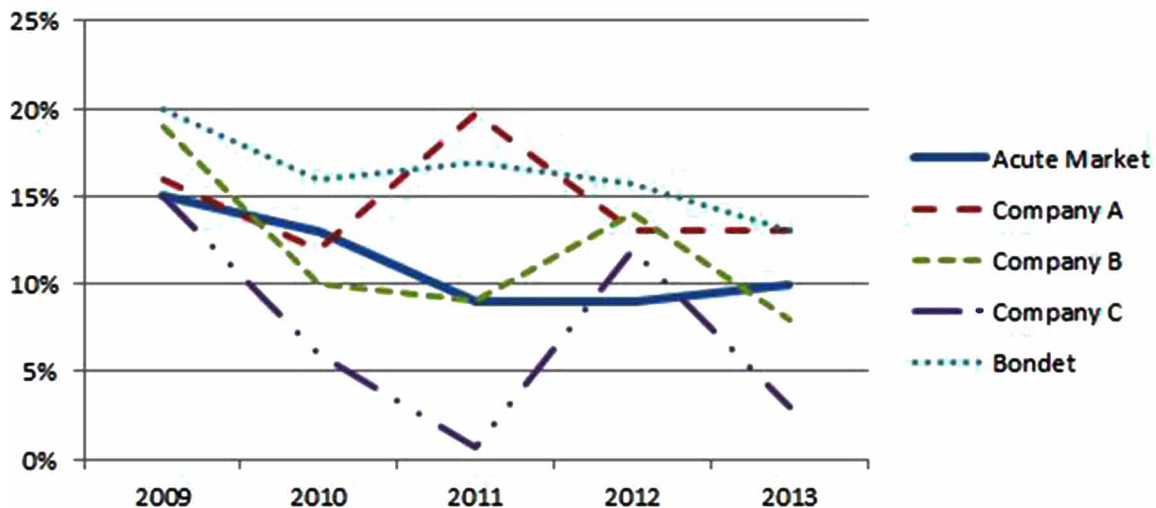
BONDET CO. IN EGYPT

Bondet Company is a leading multinational company that has been operating in Egypt for more than 70 years. Currently, Bondet is ranking 3rd in the pharmaceutical market with MS 9% representing 250\$ sales turnover, it has a huge factory for medical products' manufacturing with labor force slightly above 1000 employee, in addition Bondet Co. imports brands that are difficult to be produced in Egypt. It is well known for its quality brands and diversified portfolio in different disease areas. Bondet is dominating the chronic market, ranking first while they are lagging behind, 7th rank, in the acute market. So in order to grow, the company's strategy is to keep dominating the chronic market while expanding and penetrating the acute market.

The Company's vision is to be No.1 health care provider in the Egyptian Market by 2020, with a mission aiming at enhancing the health of the population through providing quality brands that helps treat different diseases. Bondet has been taking very good steps during the past 5 years towards achieving the ultimate vision of leading the pharmaceutical market in Egypt. It has been growing with double digit growth year after year surpassing the market growth and gaining market share resulting in rank improvement from 5th to 3rd in 2013 (see Figure 1).

Bondet Company wants to secure and increase its presence in the acute market through existence in the major categories where pain is one of them. It has been present in pain category for 30 years capturing MS 9% with 2 Brands.

Figure 1. Total market performance



SONALFEN AND SONAGEN BRANDS²

Sonalfen, contributes with 8% MS, has been in the market for 30 years and has strong brand equity at consumer and pharmacist level and ranks 3rd in the market. While Sonagen has been launched 3 years back and has 1% MS. The issue is that Sonalfen is currently hurting the income statement bottom line due to increase in the cost of goods while the price hasn't changed since it was launched, 30 years back. On the other hand, Sonagen, does not have the strong brand equity nor the heritage of the old brand, it has not been gaining adequate market share despite the various marketing initiatives executed by Bondet targeting physicians and pharmacists using POS materials in pharmacies, flyers, samples and face to face detailing with physicians.

Sonalfen has huge volume turnover in order to reflect the value turnover and this is due to the low price of this brand. The volume turnover is mainly coming from the rural areas; Delta and Upper Egypt. It has been known in such places by its unique pill shape and is being dispensed mainly in these low SEC by pill not by pack. Consumers can recognize the pill and ask the pharmacist about the "fast pill" reflecting its fast pain relief. More than 80% of turnover comes from these classes where the role of physician is minimal while pharmacist role is almost 40%, and 55% is consumers' request. Bondet Co. cannot maintain Sonalfen as it has -ve business operating income and not expected to improve to the extent that all A&P (advertising and promotion) and Personal promotions to physicians has been completely stopped on this brand to try to decrease expenses and improve the BOI – Business operating income – yet it remains -ve (see Table 2).

The good thing is that without promotion Sonalfen kept growing relying on its equity, heritage and commercial advantage that has been offered to distributors and accordingly to pharmacists. However, it is extremely risky decision to discontinue the production of this brand and any replacement might not be as fast and effective as this brand so consumers might not accept it.

Loosing high turnover and high presence in the pain market is at stake and actually jeopardizing the company's vision in penetrating and expanding in the acute market. Competitors will be taking over specially the top 2 strong competitors who has strong heritage as well, so switching to competitors brands is more liable than switching from Sonalfen to Sonagen, which is still new, still building its image at physicians and pharmacists level and almost not known to consumers, especially for these SEC. Sonagen is a different pain killer that has been proven effective in relieving pain yet not with the same strength as Sonalfen so it is positioned towards mild and moderate pain, it was priced relatively low so when Bondet launched Sonagen it had this plan in mind to switch users from Sonalfen to Sonagen, and that's why they choose the name of the new brand to be so close to the old brand. But considering the MOH regulations, that companies cannot communicate brand names to consumers, Bondet Co. couldn't communicate the link between both brands to consumers and the only open channel was pharmacists, distributors and physicians. In 2010, Bondet launched Sonagen with Pharmacists first and then a year later started to promote the brand to physicians however the brand remained anonymous with low turnover in the crowded pain market.

The distribution cycle in Bondet Co. is from the company factory to wholesales (distributors) and from distributors to pharmacies. In Egypt There are 7 big wholesalers and up to 60,000 pharmacies. Companies can communicate promotional offers by utilizing the distributor's telesales who call pharmacies and inform them about new brands launched, availability of certain brands or offers on existing brands. Bondet Co. has a sales team who covers around 5000 pharmacies especially those in premium places their role is to educate pharmacists about brands and communicate any commercial offers for brands.

Table 2. Business operating income (2009-2013)

Description	Y9	Y10	Y11	Y12	Y13
Catalogue turnover	119.1%	119.6%	118.9%	118.9%	118.9%
Sales return	0.0%	0.0%	0.0%	0.0%	0.0%
Customer discounts	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial advantages	-19.1%	-19.6%	-18.9%	-18.9%	-18.9%
Net Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Royalties received	0.0%	0.0%	0.0%	0.0%	0.0%
Royalties paid	0.0%	0.0%	0.0%	0.0%	0.0%
ISC	-92.0%	-92.0%	-96.0%	-104.0%	-105.0%
Cost of Sales	-92.0%	-92.0%	-96.0%	-104.0%	-105.0%
Gross Margin	8.0%	8.0%	4.0%	-4.0%	-5.0%
Medical management	0.0%	0.0%	0.0%	0.0%	0.0%
Local clinical studies	0.0%	0.0%	0.0%	0.0%	0.0%
Research and Development	0.0%	0.0%	0.0%	0.0%	0.0%
Sales force	0.0%	0.0%	0.0%	0.0%	0.0%
Medical material advert	0.0%	0.0%	0.0%	0.0%	0.0%
Samples	0.0%	0.0%	0.0%	0.0%	0.0%
Upstream margin Marco	0.0%	0.0%	0.0%	0.0%	0.0%
Press / advertising expenses	0.0%	0.0%	0.0%	0.0%	0.0%
Specialised scientific information	0.0%	0.0%	0.0%	0.0%	0.0%
Advertising and Promotion	0.0%	0.0%	0.0%	0.0%	0.0%
Doubtful debts	0.0%	0.0%	0.0%	0.0%	0.0%
Cost of transferring receivable	0.0%	0.0%	0.0%	0.0%	0.0%
Pharma contrib	0.0%	0.0%	0.0%	0.0%	0.0%
Pharma Contrib/Bad Debt	0.0%	0.0%	0.0%	0.0%	0.0%
Marketing	0.0%	0.0%	0.0%	0.0%	0.0%
General exp	0.0%	0.0%	0.0%	0.0%	0.0%
Marketing and General Expenses	0.0%	0.0%	0.0%	0.0%	0.0%
Opex	0.0%	0.0%	0.0%	0.0%	0.0%
Other operating income	0.0%	0.0%	0.0%	0.0%	0.0%
Other minority interests	0.0%	0.0%	0.0%	0.0%	0.0%
BMS minority interests	0.0%	0.0%	0.0%	0.0%	0.0%
Total BMS Minority Interests	0.0%	0.0%	0.0%	0.0%	0.0%
Business Operating Income	8.0%	8.0%	4.0%	-4.0%	-5.0%

Competition in this market is very aggressive as all companies understand the worth of this growing market which is growing by double digit growth +15% 3 years CAGR (compound average growth rate). Still dominating the acute market which is growing by CAGR 3 years ++9% and thus remains the most appealing market with the most aggressive competition and crowded brands. The major competitors have

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strong brand equity for their brands at consumer, pharmacist and physician level and they have allocated huge investment to support their brands and sustain their growth in this market to the extent that some brands have above the line advertising that is being aired from the gulf and of course have a very good spill over in Egypt. See Figure 2 for brands performance in acute market.

SUCCESS STORIES

VACSERA

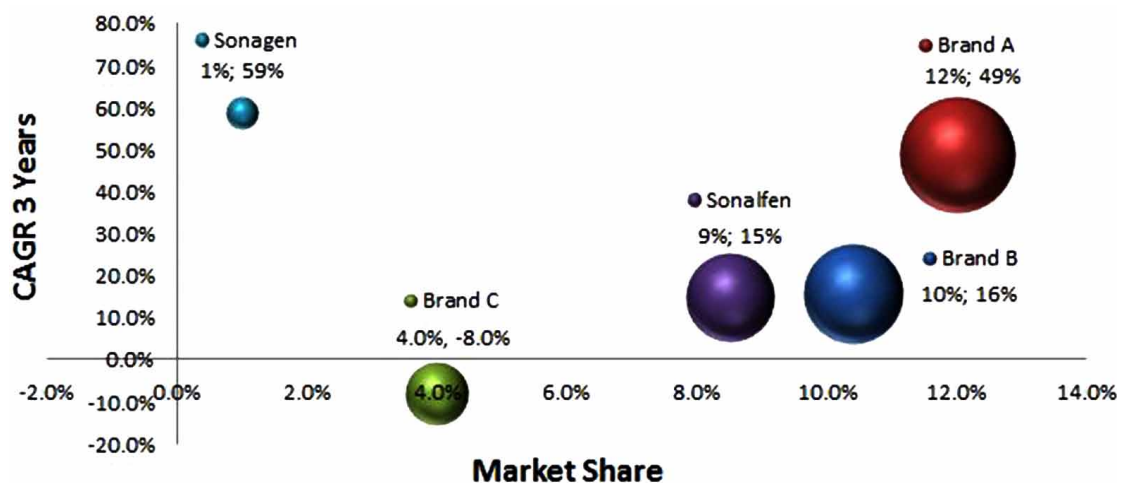
VACSERA (Holding Company for Biological Products & Vaccines) is a vaccine producer, comprising five subsidiaries, and manufactures blood and biotech treatments as well as being the sole local producer of a variety of vaccines. The company also has a solid R&D infrastructure. BMI estimates its annual revenue to be in the region of USD 45-65 million (Vacsera, 2014).

Misr Pharmaceuticals

Originally established in 1939 as the first pharmaceuticals company in Egypt, Misr Pharmaceutical Industries is one of the government-owned pharmaceutical firms in Egypt, and part of Holdipharma. Misr exports to a number of countries in the region, as well as in Africa and Romania in Europe. The company employs around 1,750 individuals.

Misr is engaged in production and wholesale trade in pharmaceuticals, as well as some research and development of new drugs. The company mostly produces medicines in a powder, syrup, ampoule and tablet forms, although some of its output is generated as creams and vials. Most sales are in the human medicines segment, with animal health representing the remainder. In FY08/09, Misr posted EGP155.9 million in net revenue (Wahba, 2014).

Figure 2. Brands' performance



Amoun Pharmaceutical Company (APC)

APC is one of the leading domestic drug makers in Egypt, with five branches in the country manufacturing human and veterinary pharmaceuticals products and nutritional supplements. Following the sale of two factories to GSK Egypt in the 1990s, Amoun was the first Egyptian drug firm to gain ISO 9001 certification, and now operates a large modern plant in El-Obour City. It was also the first private drug company founded in the country to import and distribute drugs.

APC was established as a drug import and distribution firm in 1976 and currently operates three facilities, which produce cardiovascular drugs, analgesics, vitamins, antihistamines, antirheumatics, gastrointestinal drugs and antipyretics, as well as food supplements. APC exports to 19 countries in Africa, Europe and the Middle East, and has sister companies in the US, Romania, Russia and Kenya. Amoun works as a contract manufacturer for German Merck and Rowa, and French Leurquin, as well as for Sanofi-Aventis (for some veterinary products) (Amoun, 2014).

Egyptian International Pharmaceutical Industries Co. (EIPICO)

EIPICO started production in 1985 and now claims to be the largest domestic drug manufacturer in Egypt, with a 10-12% total drug market share by volume and nine manufacturing plants in the country. It exports medicines around the world, accounting for 20% of Egypt's total pharmaceuticals exports. The company also owns majority shares in Egyptian International Ampoules Company (EIACO), which produces some 800mn units annually.

Additionally, EIPICO holds a 30% share in the Saudi Arabia-based 'Universal for Pharmaceutical Production', having invested EGP27.7 million. EIPICO has its own R&D laboratories, which are included under its 'Quality Sector' category of activities. This category also includes its chemical control and Biotechnology Centre. The Biotechnology Centre was inaugurated in 2001 to produce raw materials, extract useful compounds from natural sources, and to conduct preclinical and clinical trials for drug efficacy and bioequivalence as well as other detailed research using pharmacology. This centre is considered as separate to the operations of the main body of EIPICO, and has its own budget and staff. The drug production facilities are GMP certified, which adds respectability to the company's standing as an exporter to the EU.

EIPICO's 2010 financial results show revenue increasing from EGP1.0 billion (USD 180 million) in 2009 to EGP1.1bn (USD195 million) in 2010. In 2010 net income rose 14% to EGP326 million (USD 55 million). After the re-opening of the Egyptian stock market in March 2011, EIPICO's share price slumped to EGP33.24, though it has since recovered to EGP37.21 (EIPICO, 2014).

South Egyptian Drug Industries (SEDICO)

SEDICO started production in 1990 and its facilities are GMP certified. The company manufactures a variety of insulins, in addition to the non-traditional dosage forms such as the soft gelatin capsules, lyophilized products, gels, sprays and effervescent tablets. Products launched in the first quarter of 2007 include magnabiotic injections (amoxicillin and clavulanic), bromurex and ultracillin vials. The company focuses on generics, but also has three patented medicines – all skin treatments containing Jojoba oil as the active ingredient. The 24% share of SEDICO is owned by Akzo-Nobel's Organon, one

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of the companies for which SEDICO provides contract manufacturing services. SEDICO is engaged in the production of some biotechnology products, in partnership with foreign players. In 2009, the company posted EGP345.7 million in sales, as a result of higher production levels (which reached a record EGP398.8mn). Income before tax came in at EGP65.7million, with income after tax reaching EGP51.1 million. Exports were worth EGP15.2 million (SEDICO, 2014).

Medical Union Pharmaceuticals (MUP)

First established in 1984 through the cooperation of the medical professionals syndicates union data, MUP was listed on the Egyptian stock exchange in April 1997 and has since gone on to become one of the largest domestic drug makers in the country with a market share of 4.4% of the domestic market in value terms in 2010. It is believed to produce 60 million units of drugs in various pharmaceuticals forms.

The company predominantly produces generic and licensed drugs with its most important partners listed as Schering Plough and Kline Smith Beecham, although both of these two companies have since merged and no longer exist under these names. According to its 2010 annual report the company's biggest shareholder is the Arab Company for Drug Industries and Medical Devices (ACDIMA) which holds 40% of the company's shares. The next biggest shareholder is the Industrial Investment Company which holds around 10% of the company's equity.

MUP's sales grew from EGP456.5 million (USD 77.4 million) in 2005 to EGP780.9 million (USD 131.5 million) in 2010 at a CAGR of 11.3% in local currency terms. In the same time period, net profit doubled from EGP84.2 million (USD 14.3 million) to EGP167.1 million (USD 28.1 million). However, the company issued a sales guidance note in September 2010 that forecast sales of EGP700 million for 2011, down 10% on the previous year. The Egyptian financial year runs from July 1 to June 30 so the latter half of FY 2011 is also likely to have been impacted by the effects of the revolution (MUPEG, 2014).

GlaxoSmithKline (GSK)

GSK operates in Egypt through its 91%-owned subsidiary GSK Egypt, which employs around 1,500 staff. The subsidiary, established in 1990, principally manufactures ethical drugs, but also markets and distributes other pharmaceuticals products and toiletries. GSK was listed in Egypt in 1985 and has a market capitalization of EGP1.55 billion (USD 266.45 million).

The company has more than USD 100 million of investments in Egypt. According to IMS Health data for September 2009 MAT, GSK ranked first in Egypt, with an 8.7% value share of the market. GSK's main activities in Egypt are manufacturing, packaging, marketing, selling and distributing GSK products. GSK Egypt also imports and distributes a range of its parent company's products that are not manufactured in Egypt. In addition, GSK Egypt manufactures a range of products under license from other pharmaceuticals manufacturers. GSK's production capacity in Egypt equates to approximately 107 million medicine units per year. The factory, laboratories, warehouse and head office are in El-Salam City, Cairo. GSK Egypt also has scientific and sales offices in Mohandessin, Nasr City, Alexandria, Tanta, Mansoura and Souhag. Company officials claim that about 90% of the subsidiary's production is sold in Egypt, with the remaining 10% being exported to other MENA markets. This indicates the retention of a significant share of the local Egyptian market, despite profit slides suffered by the firm, resulting from turbulent market conditions, relating to currency devaluation and tight price controls.

During Q4 2008, GSK acquired BMS's mature products business in Egypt for USD 210 million, giving it a 9% market share in the country. The strategic move consolidated GSK's ambitions to increase its portfolio and presence in emerging markets such as Egypt. With GSK reporting revenue for its emerging markets division of US\$4.2bn in 2008, the acquisition of a high-value portfolio from BMS will boost future sales.

In 2009, the proportion of its 'white pill/Western markets' sales to total sales fell from 36% to 30%, as the company aims to diversify its presence. Emerging markets represented GBP 66 million, or some 14% of the company's total sales in 2009 (GlaxoSmithKline, 2014).

Sanofi-Aventis

Sanofi-Aventis is among the five largest pharmaceuticals companies in Egypt. It operates in Egypt through its affiliate, Sanofi-Aventis Egypt, which operates a plant and four offices in the country, employing more than 800 people. The company's manufacturing capacity is 50 million boxes and 20 million packs per annum. The company markets the following medicines in Egypt: Plavix, Aprovel (irbesartan), Tritace (ramipril), Actonel (risedronate), Depakine (sodium valproate), Amaryl (glimepiride), Lantus, Eloxatin (oxaliplatin), and Taxotere (docetaxel), among a number of other products. Sanofi-Aventis has also provided the vaccines used in mass polio immunization programmes in the country. In 2009, the company posted EUR 29.31 billion in global sales, up by 6.3% y-o-y. Markets other than those in Europe and the US accounted for around 26.7% of the company's total sales (Sanofi, 2014).

Pfizer

Pfizer, the world's largest pharmaceuticals company, operates in Egypt through its 100% owned subsidiary Pfizer Egypt. The company was established in 1961 and was one of the first foreign-owned companies to commence operations in Egypt. It now employs around 800 people. The company specializes in manufacturing and distributing chemicals, pharmaceuticals and animal health products. Its main pharmaceuticals product areas are antibiotics, cardiovascular preparations, anti-allergy treatments and anti-infectives. Pfizer recently acquired compatriot Wyeth, which also has operations in Egypt. The company deals in prescription and consumer health products (Pfizer, 2014).

Novartis

Novartis operates in Egypt through its subsidiary Novartis Pharma, established in 1962. It is based in Cairo and manufactures, markets and sells patented pharmaceuticals, OTCs, generics and animal health-care products. Leading product areas are analgesics, cardiovascular treatments and ear, nose and throat preparations. Novartis employs approximately 1,120 individuals.

In 2009, Novartis posted USD 44.3 billion in global net sales, up from USD 41.5 billion achieved in the previous year. Sales of Voltaren (excluding OTC sales) reached USD 797 million, up by 1% y-o-y in local currency, driven by solid performance in emerging markets, including those in Africa. In 2009, net sales in Asia/Africa/Australasia rose to USD 8.09 billion, thus representing 18% of the total, up from 17% in the previous year (or USD 7.14 billion) (Novartis, 2014).

THE DILEMMA

Currently the company has decided to stop the production of Sonalfen on a medium term plan. However, there is no clear strategy what to do next, whether to focus on Sonagen and start building a new brand from scratch, or try to create the name resonance between the two brands as per the initial plan or may be maintain both brands and try to build a family or may be some other approach would be the optimum to secure profitability and minimize brand equity loss. Several pros and cons for each strategic decision yet an action should be taken.

“What alternatives do you have in mind?” said Tamer

“Three years ago we launched Sonagen which has the same prefix as Sonalfen to create name resonance between the two brands and appeal to consumers. It wasn’t a great success as Sonalfen consumers are of low socioeconomic class and we cannot communicate brand name change directly with them as per MOH regulations. Pharmacists responds to consumers request but we thought they would have influence on consumers choice so we need to think about pharmacists as gate keepers to start dispensing sonagen instead of Sonalfen. Still we cannot have a proper coverage for pharmacists in Egypt. I am thinking of a switching 360 campaign across the four stakeholders; physician, pharmacists, distributors and consumers. I believe we need to work in parallel on these four stakeholders and not in series as we did earlier.” Amr replied.

Tamer looked back with passion and said “I will leave you to think about all alternatives and we can set meeting in presence of board members to discuss and challenge your plan to adopt the best strategic direction.”

“Great, see you in the meeting then.” Amr answered.

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KEY TERMS AND DEFINITIONS

Biologics and Biosimilars: Biological medicines are produced using biological processes and biosimilar medicines are copies of original biological medicines.

Generics: When the patency period is over, companies can start producing the same active ingredient and thus called generics to the parent original brand.

MOH: Ministry of health is concerned with all the legalization for drug industry and health care system.

OTC: Over the counter, OTC products are those products that can be dispensed without a prescription.

Patency: A privilege given to new innovation from the FDA to secure a high return from this innovation before any other entity can copy it. Usually it is 10 years.

Pharma-Emerging Markets: 20 emerging markets in the pharmaceutical industry that have high growth rate and high potential in terms of size of the market.

RX: Products that need a prescription.

ENDNOTES

¹ This is not the real name of the company.

² Brand names are not real.

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Chapter 18

An Empirical Study to Find the Road-Map for Understanding Online Buying Practices of Indian Youths

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ABSTRACT

The growing importance & popularity of online buying is very much substantial and quite evident in India these days. In this present study, there is a truthful attempt to identify the component which are having connections with online retail brand association and studying the process to construct brand association with the effects of the different influencers pertaining to online buying. The present study also focuses in explaining how that brand association converts into buying intentions of Indian youth customer. The research is based on empirical data. The outcomes of this current research will be helpful for the online marketers, online store developers, online store promotion managers and consultants to take a deeper look into what best can be done with the online retail brands to generate a high level of connectivity with the Indian youth market.

1. INTRODUCTION

The current scenario of the digital world is presenting great opportunities for the marketers to reach the more number of consumer at a faster way with improved economic benefits. Digital marketing has proved to be a boom for the E-retailing companies, the reason being more user friendliness of business, the space for innovation and the scope for better interaction between the seller and the customer. The market scenario is changing at a fast rate, the result of which is that the new age customers are more inclined towards the online buying rather than shopping in the brick and mortar stores. According to

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UCLA Centre for Communication Policy (2001), online shopping is the fourth most popular activity on Internet, right after e-mail usage or instant messaging activity, web search and getting online news. If we consider the case of Amazon.com, then it can be observed that it has sold 36.8 million items in 2013 which is significantly 38.9% higher than the previous year, with a record-breaking achievement of about 426 products sold per second during Christmas 2013. As per the statistics revealed by TRAI (Telecom regulatory Authority of India, Report, March 2013), internet users in India has crossed 164.8 million in the year 2013 which is presently the third-largest in the world; the growth being 31% over a year's time.

The advantage of online buying is that there is a wide scope for a customer to choose amongst the different variety of products that can be seen and compared with other products in the category. Buying patterns of the modern consumers has changed massively in the era of internet (Varadarajan and Yadav, 2002). In Indian context, online buying is a newer trend as compared to the countries in the west and thus the growth of online shoppers is tremendous. The growing importance & popularity of online buying is very much substantial & quite evident in India these days. The concept of online buying has put the variety of products on a single platform, thus creating a virtual hypermarket where an online user can choose and buy the products at that very instant without any hassles.

2. RELEVANCE OF THE RESEARCH AND ITS CONTRIBUTION

As per the Internetworldstats.com more than 3,035 million people across the globe (42.3% of the global population) are connected with internet. For having the substantial knowledge about the emergence of new markets, studies in shopping orientation are becoming significant. Similar researches on non-store retail shopping behaviours of customers have contributed well for the better understanding of today's emerging online markets across the globe (Brown et al., 2001; Shim et al., 2001a, b; Ling et al., 2010). Hi-tech and internet oriented business environment has created the significant platform for the global retail innovation, growth and its optimisation, that could expand faster in delivering better shopping experiences for the new-age customers. Huge numbers of enterprises have adopted the online selling practices because they have realised online retailing can bridge the geographical gap (Cognizant, 2012; Nielsen, 2014). In India, the numbers of online retail consumers are increasing day by day (Kumar & Barani, 2012). In 8th BRICS Summit (2016) Government of India has been publicised an interesting information that by the year 2018 total of Indian E-commerce sales or the online revenue will grow to US\$ 55 billion as compare to US\$ 14 billion in 2015, this has all been supported by India Brand Equity Foundation that online consumers' market is likely to reach to US\$ 102 billion by 2020. One of the research by Forrester (a leading global research and advisory firm), has published that the e-commerce market in India is set to grow at an alarming speed within the Asia-Pacific Region, estimated CAGR(compound annual growth rate) being over 57% between 2012-16. The report has also revealed that there is a huge potential of increasing the number of online buyers and the per capita online spending in the days to come. This market is gaining more popularity in modern times; the global brands are also looking at this market's growth and also trying to be benefitted from the long-term potential of online retailing. The study has also indicated that India will be the fastest growing E-Commerce Market in Asia-Pacific region with an expected growth of US\$ 8.8 Billion by 2016. According to "Centre for Social Media School of Communication American University (March, 2004), the youth is very much

active on the internet and are having an impact on social networking in their lives. Internet has become the pivotal element for online buying which has become a very interesting activity for the present day youth. Another published article by McKinsey & company (2013) named “iConsumers: Life online” (A Report on Telecommunication Media and Technology) has revealed that the youth segment is one of the growing & potential segments for online buying and their preferences lie in buying books, electronic items, computer accessories, apparels, etc. That is why online buying behaviour as a research topic is becoming very relevant and significant in modern times. Buying intention is the ultimate behavioural outcome that is guided by a number of influences in online shopping situations (Ling et al., 2010). In the Western context, shopping orientations have revealed substantial effects on purchase behaviour (Brown et al., 2001; Seock, 2003; Gehrt et al., 2007) and that has also been tested in other developed online retail marketplaces like Malaysia, Middle East, North Africa and Pakistan (Ling et al., 2010; IORMA, 2012). Trust is having the predominant impact on customers’ purchase intention at online retail marketplaces (Jarvenpaa and Tractinsky, 1999; Pavlou, 2003). Prior researches have illustrated that online buying experiences have a significant impact on purchase intention and final brand choice in the Western context (Shim and Drake, 1990; Shim et al., 2001a, b). Despite these aforesaid outcomes, the significance of these findings in Indian online retail marketplaces remains a debatable issue.

Indian online retail marketplace is different from the other online retail marketplaces which have been covered in the present studies. There are significant reasons for saying that the Indian online retail marketplace is different. Scholarly researches have tried to explore the role of different factors on Indians’ online purchase intentions. Therefore, in this paper, we attempt to explore the influences of trust and social networking and brand awareness on the aspects of online brand acceptance of youth customer at online platform in the Indian context.

In this present study there is a truthful attempt to identify the component which are having connections with online retail brand association and studying the process to construct brand association with the effects of the different influencers pertaining to online buying. The present study also focuses in explaining how that brand association converts into buying intentions of Indian youth customer.

The paper is organized as follows. First an overview of online buying pattern of the Indian youth consumer. Then the study of the existing literature with regards to online consumer behaviour & branding aspect, followed by the objective of the study. There after the research methods and data analysis. Finally, the outcomes, discussions, managerial implications & scope of the future research are discussed.

3. LITERATURE REVIEW AND RELATED WORK

Online shopping is a transaction or exchange which is remote based (Comegys, Hannula, & Väisänen, 2009; Hsu, Lai, & Chen, 2007; Poddar, Mosteller, & Ellen, 2009). Consumers who buy the products online cannot consume the products at the same time as the products are required to be delivered, which takes a stipulated amount of time (Ryan & Valverde, 2005). Online consumer experiences (OCEs) are linked with the psychological and emotional framework of all consumers when there is an interaction with specific online products and brands (Li, Daugherty, & Biocca, 2001). The studies which have been conducted earlier recommended that OCEs may have positive coaxing effects (Nambisan et al., 2011; Rose et al., 2011)

3.1. Trust as a Vital Component in Online Retail

Considerable research has focused on the role of the trust, which plays a very important role in the success or failure of transactions and retailing that happen online (Mayer et al. 1995; McKnight et al. 1998), trust and trustworthiness (Bélanger et al. 2002; Keeney 1999; Nielsen 2000 Patterson et al. 1997; Torkezadeh and Dhillon 2002) plays a critical role in fostering an online retail brand. The trust factor in online marketing has been elucidated differently but some benchmarks are common as those of online reviews (Chatterjee, 2001; Whinston et al., 2008; Liu, 2006; Chen, 2004; Chen et al., 2004). Support of the consumer is one of the most useful tools to enhance the trust and positive experience of the consumer (Nambisan et al., 2011).

3.2. Online Retail Brand Awareness at Digitised Environment

Brand awareness means the ability of a consumer can recognize and recall a brand in different situations (Aaker, 1996). Brand awareness consists of brand recall and brand recognition. Moreover, Hoeffler & Keller (2002) indicated that brand awareness is distinguishable from depth and width. Brand name is considered the most vital element in brand awareness (Davis, Golicic & Marquardt, 2008). A brand name provides a symbol that can help consumers to identify providers of service and to forecast the results for service (Herbig & Milewicz, 1993; Janiszewski & Van Osselaer, 2000; Turley & Moore, 1995). Brand awareness plays a critical role on purchase intention as consumers tend to buy a product of which they are acquainted with (Keller, 1993; Macdonald & Sharp, 2000). Brand awareness can help consumers to consider a brand from a category of product and make purchase decision (Percy & Rossiter, 1992). Brand awareness has a great influence on selections and can be a preliminary consideration base in a category of product (Hoyer & Brown, 1990). Brand awareness also acts as a key factor in the purchase intention by a consumer, and few brands will gather in consumers' mind as "consideration set" which would influence the decision of purchase. A product with a high level of brand awareness will receive higher preferences by a consumer because its market share and quality evaluation is higher (Dodds et al., 1991; Grewal et al., 1998). In the current scenario of e-tailing, this brand awareness plays a critical role, Cuthbertson and Bridson (2006) stated that online brand communities are important platforms of online brand construction. Creation of online retail brand awareness (Barreda et al., 2015; Kim et al., 2008; Neelotpaul, 2010; Rowley, 2009) has become one of the emerging area of research in the field of online retail marketing. Various studies have validated that the intentions and behaviours of a consumer are directly linked to online suggestions and digital WOM (e.g., Chang & Chin, 2010; Lin et al., 2009; Park & Lee, 2009; Senecal & Nantel, 2004; Vimaladevi & Dhanabkaym, 2012; Yali & Bayram, 2012). According to David C. Edelman (2010) digital touch points are becoming very compelling in the current business environment. Brand Attachment and brand connection or association are vital elements in formation of intensified consumer-brand relationship (Keller, 1998; Park et al.2010).

3.3. Influence of Social Network on Online Retailing

Various studies have demonstrated that human behaviour is highly influenced by peers, in both network space and in time (e.g., Christakis and Fowler 2007, Crandall et al. 2008, Aral and Van Alstyne 2009). Blackwell et al. (2001) opinion leaders are the individuals who administer in influencing others choices or judgements. According to Burt (1999) opinion leaders are the people whose dialogues make innova-

tions transmissible for the people with whom they talk. Social network has become a dynamic platform (Duan et al. 2008, Kiss and Bichler, 2008) which acts as an opinion leader in vitalizing and encouraging the thought process of the consumers in community bounded by the social network. Purchase intention has been discussed in quite a many number of researches (Yoon, 2002; Andreassen and Lindestad, 1997; Gurviez and Korchia, 2002; Delgado-Ballester and Munuera-Aleman, 2001). This purchase intention is the final outcome which further leads to sale of a product. The more the symbiotic relation in between the brand and the online customer through positive value, the more is a consumers' purchase intention (Bhattacharya, 1998).

From the literature review it can be argued that online marketing is becoming very interesting area of research because it is having a lot to do with the analysis of consumer psychology & buying behaviour. Online marketing is a growing phenomenon in Indian market, even though less research has been undertaken in analysing the behaviour of the Indian youth consumer relating to online retail brand trust, opinion leadership, brand association and purchase. The researches undertaken so far have been able to bring out the different components associated with online buying behaviour in an unintegrated manner. Few of the recent studies (Sahney,2008; Nayyar et al., 2011; Shrivastava et al.,2011; Nagra et al., 2013; Sahney et al.,2013; Thamizhvanan et al.,2013) have tried to explore the various dimensions relating to buying behaviour of the Indian online shopper but they have restricted their study within the economic value and functional advantages. However there have been very few evidences of possible framework for the integration of online buying behavioural components with how the online retail brand engagement can be created for Indian youth online market. In this present research, we attempted to explore the linkages among economic value, social linkages and emotional linkages in creation of online retail brand engagement. Literature in area of online retail brand engagement through Social Linkage and Emotional Linkages in Indian context remains scarce.

Although the aforesaid studies have tried to investigate the different aspect of online buying & consumer behaviour, yet majority of the researchers have focused on the different dimensions of the functional, behavioural, psychological and social aspect of online buying in less integrated manner. There are less evidences of research which focuses on online retail brand connotation and buying intention in a collective manner. This gap has inspired us to develop the objectives of the research:

- To identify the factor which are having direct and indirect influences on online retail brand association and also study the brand association formation process in the domain of online marketing and retailing.
- To analyse the process how to shape up the final brand selection & purchase intention in a collective manner in online market place.

In the current research, a set of different dimensions of online retailing have been taken from the past researches. The dimensions that are being discussed here are brand trust, brand awareness, brand association, opinion that a social network group forms and brand purchase intention.

3.4. Hypothesis

H1: Opinion leadership of the social networking and the trust on online retail brand are positively related.

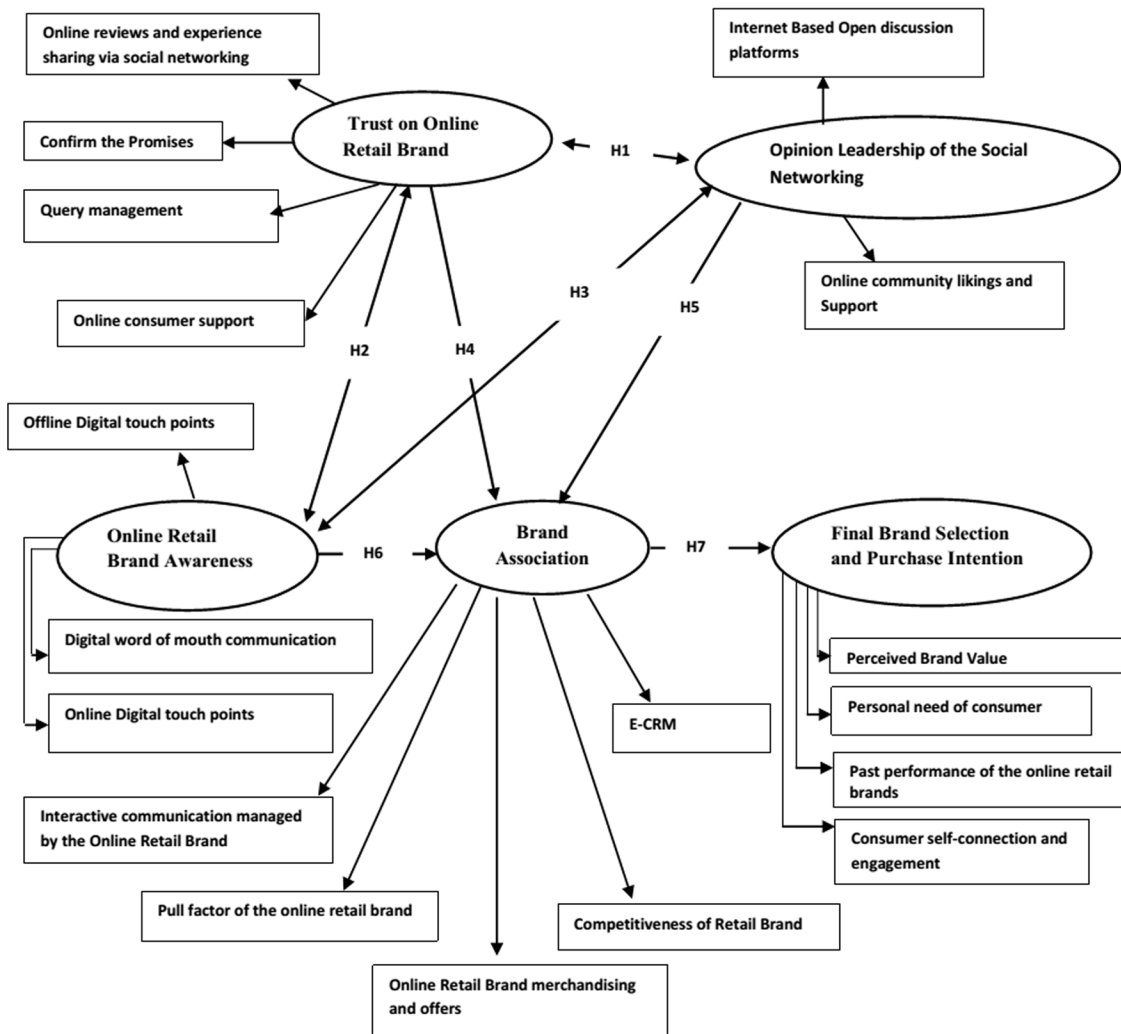
H2: Online retail brand awareness and the trust on online retail brand are positively associated.

H3: Opinion leadership of the social networking and online retail brand awareness are positively linked.

- H4:** Trust on online retail brand will have a positive impact on brand association.
- H5:** Opinion leadership of the social networking will have a positive influence on brand association.
- H6:** Online retail brand awareness will have a positive effect on brand association.
- H7:** Brand association will have a positive influence on brand purchase intention.

In Figure 1 we have attempted to develop a conceptual framework by combining the above stated hypothesis to examine the linkages between economic value, social linkages and emotional linkages in formation of online retail brand association and final purchase intention.

Figure 1. Hypotheses-based Model



4. METHODOLOGY

The present research is based on exhaustive literature review in finding the components directly and indirectly related to the proposed hypothetical model. The population is composed of all Indian buyers of age more than 22 years and who shop from online stores. Sample responses were collected from the internet survey using a list-based sampling frame (Couper, 2000; Dominelli, 2003), which is very common and popular method in online retailing research (Couper, 2000). The sample frame consists of residents from the 3 metropolitan cities of India namely Bangalore, Kolkata & Delhi. In this present study, we have gathered the basic consumer contacts related data from the major three (name is not disclosed because of some administrative issue) online retailer in India, which has helped us to create a sizeable database of 2573 Indian youth online buyers. Then 600 potential online buyers were randomly selected from our harvested online youth buyers' database by using random number. Sample responses were collected using effective Web survey design (Couper et al., 2001; Dillman et al., 2001; Dillman et al., 1998; Dillman, 2000) by using a list-based sampling frame (Couper, 2000; Dominelli, 2003). A structured online questionnaire (as prescribed by Dillman et al., 2000; Torangeau et al., 2003) has been used as the tools of data collection. The entire data were collected in between November 10th, 2015 to February 23rd, 2016. The responses were recorded using five-point Likert (1- fully disagree, 5 -fully agree). Total of 382 (out of 600 email communication) responses were received in online survey but due to the data insufficiency only 374 responses have used in the current research. The other items consisted of demographic profiles (mean age = 27.4 years, female =31.7 percent, graduate = 53.6 percent, post-graduate = 39.2 percent, mean monthly household income = INR 76,800). Next, for extracting the vital underlying dimensions in a more controllable manner, a series of exploratory factor analyses with principal components analysis (varimax rotation) was executed (Netemeyer et al., 2003; Spector, 1992; Briggs and Cheek, 1986). During the factor analysis the items that loaded on more than one factor along with low factor loadings (< 0.60) were eliminated (Kline, 2005; Anderson and Gerbing, 1988). After the exploratory factor analyses we have conducted confirmatory factor analysis (Hair et al., 2008) using AMOS (version 20) to recheck the output of exploratory factor analysis along the testing of hypotheses-based model. Before proceeding with the analysis of structural equation modeling, multivariate normality test is done (Hair et al., 2008) to identify the robustness of the analysis. The results of confirmatory factor analysis have demonstrated the data fit related to the proposed model of the current research (covariance within constructs: e.g. Hair et al., 2008). All factor loadings were having higher value than 0.50 (Hair et al., 2008) and are significant at the 0.001 level indicating convergent validity (Kline, 2005; Anderson and Gerbing, 1988).

5. DATA ANALYSIS AND FINDINGS

5.1. Structural Equation Modeling Procedures

Structural model comprises of set of dependence associations involving the constructs in the proposed model. In one hand, hypothesized model projected the direct impacts of economic value, functional qualities and emotional linkages on online retail store brand identity, on the other hand proposed model is trying to analyse the impact of retail store brand identity on Online retail store brand equity. Present research has tried to validate the proposed model strongly with CFA outcomes, we have considered 18 independent variables or items. The sample size of present study falls within the suggested number

of 150-400, which is basic minimum criteria of conducting Structural equation modeling (Hair et al., 2008). The proposed structural equation modeling was tested (with AMOS, version – 20) using covariance matrix of the relevant indicators as input with maximum likelihood estimation method. All item loadings were having were greater than 0.60 (Nunnally, 1978, Hair et al., 2008) and are significant at the 0.001 level indicating convergent validity (Kline, 2005; Anderson and Gerbing, 1988). In the current research testing of significant impact has been done through t-test and p-values. The tested hypothesis of the current research has been methodically demonstrated in Figure 2. The proposed model (Figure 1) has been verified with the statistical results, which have revealed significant positive impacts parting to the proposed model (Please see Table 2 and Table 3). Statistical outcomes have demonstrated that Brand Trust and Opinion Leadership of the Social Networking are having significant positive connection (Path Coefficient =0.789, $t = 3.927$, $p\text{-value} < 0.01$), Brand Trust and the Brand Awareness are having significant positive association (Path Coefficient = 0.889, $t = 4.802$, $p\text{-value} < 0.01$). Opinion Leadership of the Social Networking and the Brand Awareness are having significant positive association (Path Coefficient = 0.745, $t = 3.586$, $p\text{-value} < 0.01$). The result has demonstrated that Trust on Online Retail Brand is having positive impact on Brand Association (Path Coefficient =0.823, $t = 6.843$, $p\text{-value} < 0.01$), Opinion Leadership of the Social Networking is having positive influence on Brand Association (Path Coefficient =0.747, $t = 5.140$, $p\text{-value} < 0.01$), Online Retail Brand Awareness is having positive effect Brand Association (Path Coefficient =0.725, $t = 4.589$, $p\text{-value} < 0.05$). Finally, the outcome of the current research has established that the Online Retail Brand Association has a strong positive influence on Final Brand Selection & Purchase Intention (Path Coefficient =0.874, $t = 7.109$, $p\text{-value} < 0.00$). Squared Multiple Correlations (R^2) for Brand Association and Final Brand Selection & Purchase Intention were 0.852 and 0.917 respectively, which also shows the goodness - of-fit relating to the Structural equation modeling of the current research.

5.2. Normality and Reliability Analysis

Multivariate normality was assessed using AMOS (version 20). Multivariate normality was also assessed using Mardia's coefficient (Mardia, 1970), as a rule of thumb, should be within the range of even +/- 2.0 (Schumacker and Lomax, 2004). However, Mardia's coefficient suggested that the data did not follow multivariate normality (Mardia's coefficient = 48.352; critical ratio = 15.2). To overcome this specific problem in structural equation modeling in the current study arising from failure to achieve multivariate normality were sincerely mitigated by the use of maximum likelihood estimation (Ladhari, 2007) which is claimed to be robust to non-normality (Ladhari, 2007; Joreskog and Sorbom, 1993) situations. From Table 1 it is evident all item loadings were having higher value greater than 0.60 (Nunnally, 1978, Hair et al., 2008) and are significant at the 0.001 level indicating convergent validity (Kline, 2005; Anderson et al., 1988). From Table 1 it is also evident that all the Cronbach's α coefficients of the scale dimensions are 0.727, 0.720, 0.726, 0.696 and 0.723 for Trust on Online Retail Brand, Online Retail Brand awareness, Opinion Leadership of the Social Networking, Brand Association and Final Brand Selection & Purchase Intention, respectively. The Cronbach's α coefficients met the minimum level of 0.70 (Hair et al., 2008;) which is confirming the reliability of the model dimensions.

5.3. Construct Validity

Out of 18 items, 12 variables indicated factor loadings greater than 0.70 and others are greater than 0.06, as a good rule of thumb, the factor loadings should be 0.50 or higher, and ideally 0.70 or higher (Hair et al., 2008). All loadings are significant (p-value < 0.00) and thus confirmed convergent validity of constructs. From Table 1 it is evident that all composite reliability values are meeting the minimum standard (with values 0.70 and above, Hair et al., 2008) which approve the internal consistency of the model constructs. The Composite Reliability (CR) of all factors or dimensions are: Trust on Online Retail Brand (0.802), Online Retail Brand awareness (0.755), Opinion Leadership of the Social Networking (0.770), Brand Association (0.836) and Final Brand Selection & Purchase Intention (0.818)

The Average Variance Extracted (AVE) of all construct are: Trust on Online Retail Brand (0.513), Online Retail Brand awareness (0.530), Opinion Leadership of the Social Networking (0.596), Brand Association (0.505) and Final Brand Selection & Purchase Intention (0.524). All different dimensions maintained the minimum criteria of convergent (AVE = 0.50, Hair et al., 2008).

Table 1. Measurement Construct Wise Model Fit Indices

Scale Items or Variables	Item Loading	Dimensions	Cronbach's Alpha	Average Variance Extracted (AVE)	Composite Reliability (CR)
Online reviews and experience sharing via social networking	0.685	Trust on Online Retail Brand	0.727	0.513	0.802
Query management	0.736				
Confirm the Promises	0.766				
Online consumer support	0.675				
Past performance of the online retail brands	0.768	Final Brand Selection & Purchase Intention	0.723	0.524	0.818
Consumer self-connection and engagement	0.729				
Perceived Brand Value	0.683				
Personal need of consumer	0.726				
Digital word of mouth communication	0.783	Online Retail Brand awareness	0.720	0.530	0.770
Online Digital touch points	0.760				
Offline Digital touch points	0.632				
Online community likings and Support	0.651	Opinion Leadership of the Social Networking	0.726	0.596	.742
Internet Based Open discussion platforms	0.876				
E-CRM	0.718	Brand Association	0.696	0.505	0.836
Interactive communication managed by the Online Retail Brand	0.703				
Online Retail Brand merchandising and offers	0.682				
Pull factor of the Online retail brand	0.719				
Competitiveness of Retail Brand	0.727				

5.4. Goodness-of-Fit Indexes for Measurement Model

The model fit indices also provide a reasonable model fit for the structural model. Chi-square statistic is 523.00 (Probability level=.000), $\chi^2 / d. f.$ is 2.52, The Normed fit Index (NFI), Relative Fit index (RFI), Comparative Fit index (CFI), Tucker Lewis Index (TLI) and PCLOSE are 946, 0.914, 0.963, 0.9380, 0.00 respectively. Root Mean Square Error of Approximation (RMSEA) is 0.067. Hence it is concluded that the proposed research model fits the data reasonably (Bentler, 1990; Crowley and Fan, 1997; Mac-Callum et al, 1996; Kline, 2005; Hair et al., 2008; Byrne, 2010).

6. RESULTS AND DISCUSSION

The first objective of the present study was to recognise the factor which are having direct and indirect effects on online retail brand association and also to explore the process involved in formation of online retail brand association. The statistical outcomes of the present research have critically explained that online retail brand association is the combined impact of the Trust on Online Retail Brand, Online Retail Brand Awareness and Opinion Leadership of the Social Networking. From the aforesaid statistical analysis (refer Table 2 and Table 3) it can be observed that the online brand trust is positively related with brand awareness; on the other hand brand trust is positively associated with opinion of the social network group. Opinion leadership of the social networking is also positively connected with online retail brand awareness. Online retail brand association is positively influenced by major three factors or dimensions, those are online brand trust, opinion of the social network group, as well as brand awareness. Final purchase intention is formed with the positive impact of consumer brand association. In the

Table 2. Testing of Hypotheses (measurement of coefficients)

Hypothesis	standardized Path coefficients	S.E.	t-value	Result
H1: Opinion Leadership of The Social Networking <--> Trust on Online Retail Brand	0.789**	0.061	3.927	Acceptable
H2: Online Retail Brand Awareness <--> Trust on Online Retail Brand	0.889**	0.069	4.802	Acceptable
H3: Opinion Leadership of the Social Networking <--> Online retail brand awareness	0.745**	0.058	3.586	Acceptable

(*: p < 0.05; **: p < 0.01)

Table 3. Testing of Hypotheses (measurement of path coefficients)

Hypothesis	standardized Path coefficients	S.E.	t-value	Result
H4: Trust on Online Retail Brand → Brand Association	.823**	0.144	6.843	Acceptable
H5: Opinion Leadership of the Social Networking → Brand Association	.747**	0.132	5.140	Acceptable
H6: Online Retail Brand Awareness → Brand Association	.725*	0.120	4.589	Acceptable
H7: Brand Association → Final Brand Selection & Purchase Intention	.874**	0.162	7.109	Acceptable

(*: p < 0.05; **: p < 0.01)

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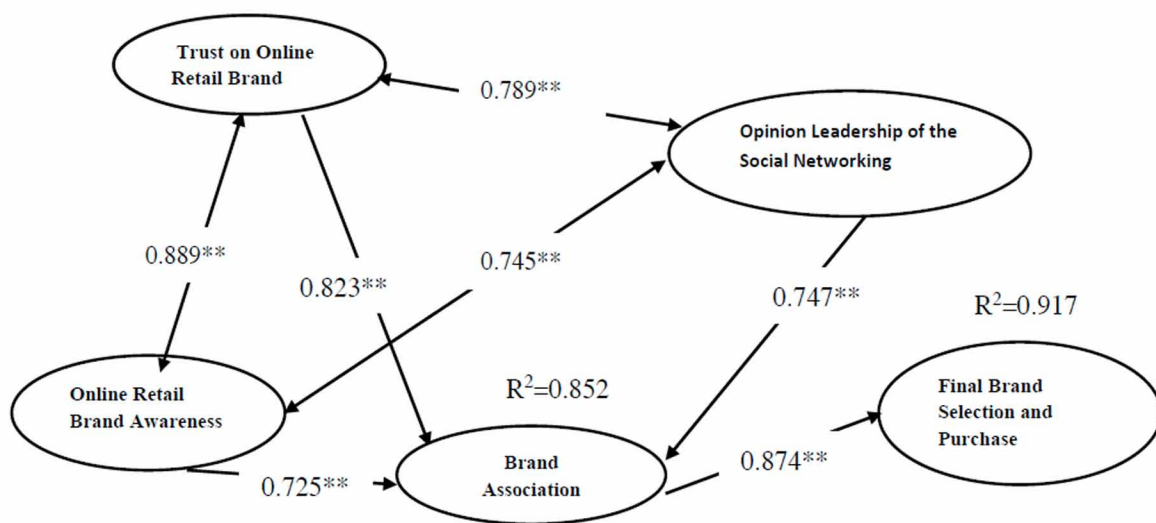
current research an interesting outcome has come up with the tested model that shows the clear picture about online shopping behaviour of Indian youth pertaining to the selection of the online retail brand.

It is noticeable from statistical outcome of the present research that Trust on Online Retail Brand, Online Retail Brand Awareness and Opinion Leadership of the Social Networking are strongly correlated to each other that helps in understanding that online brand trust, brand awareness and opinion leadership of the social groups moves together, when the people trust on the online brand it directly helps in spreading the information about the online retail brand across the different consumers' communities. Brand awareness and opinion leadership support the consumer brand trust at online marketplace.

The second objective of the present research article was to examine the process how to shape up the final brand selection & purchase intention in a collective manner in online market place. From the Table 3 and Figure 2 it is clear that Trust on Online Retail Brand, Online Retail Brand Awareness and Opinion Leadership of the Social Networking jointly influence the Brand Association at online marketing environment which in turn boost the Final Brand Selection and Purchase Intention of the potential online buyers. The R² of 0.917 highly signifies goodness of the regression effect and the power of regression model.

The online marketplace is very competitive and puzzling for the online retail brands. In this context, brand trust as well as brand-social linkages can create a better platform to increase the brand attachment amongst the prospective customers. In creation of enhanced brand attachment, brand trust plays a vital role followed by trust on online retail brand opinion leadership of the social networking communities. From the Table 1 it can also be concluded that some impertinent components like internet based open discussion platforms, digital word of mouth communication, online reviews and experience sharing via social networking (E-word of mouth), query management, confirm the promises by online retail brand merchandisers and offers are crucial for enhancing the brand – consumer connection at online marketplace.

Figure 2. Standardized Model with Path Coefficients (**: $p < 0.01$; *: $p < 0.05$)



7. CONCLUSION AND MANAGERIAL IMPLICATION

This study has several meaningful managerial implications. In recent times, researchers have tried to explore the different functional, economical and behavioural components associated with online buying behaviour in an unintegrated manner, where the researchers have discussed the different components of online buying behaviour unconnectedly. Few of the recent studies (Sahney,2008; Nayyar et al.,2011; Khare et al.,2012; Mahapatra et al., 2012; Sahney et al., 2013) have analysed the various components of Indian online buying behaviour in an unintegrated, but they have restricted their study within the economic value and functional advantages. There have been no such evidences of possible framework, illustrating how Brand Awareness, Trust, Opinion Leadership effect Online Retail Brand Association & Purchase intention in the context of Indian youth online market. Our present study can be seen as the first empirical evidence in this regard.

The finding of the current study is illustrating an integrated structure composed of online retail branding and marketing components. The model critically demonstrates that “trust”, “online retail brand awareness” and “E-word of mouth supported by social community opinion” plays a significant role in the whole process of online retail brand selection by Indian youth. Final Brand Selection & Purchase Intention is the ultimate outcome of the aforesaid model which is positively influenced and supported by consumer-brand association. Therefore, to create an enhanced consumer-brand association, digital marketer or online retailer must lay emphasis on the “trust building activities” as well as “awareness building activities.” This can be done through proper one to one customised communication and E-word of mouth that will help in gathering the support of Indian youth online consumer. The digital marketers must create the proper linkages with the social network communities to optimise the competitive advantage at online marketplace.

The outcome of this present study will provide significant support in creating a successful online retail platform with enhanced brand value. The result of this current research should also enable the online marketers, online store developers, online store promotion managers and consultants to take a deeper look into what best can be done with the online retail brands to generate a high level of connectivity with the Indian youth market.

8. LIMITATIONS

The study is limited to Indian youth segment who buys online. This research is restricted within 3 metropolitan cities of India, namely Bangalore, Calcutta and Delhi. Further investigation is required before any generalisation of these results can be undertaken. So the future study can replicate the present study in various dimension of online marketing by integrating the components namely; Trust on Online Retail Brand, Online Retail Brand awareness, Opinion Leadership of the Social Networking, Brand Association and Final Brand Selection & Purchase Intention, respectively. The overall model in this current research stands right but with the different sample size, statistical outcomes might change. We also recommend replicating the study in context of other country related effects to compare how the results differ from the present study. The factor that has been taken into account is not exhaustive. So future research can investigate how different set of extended and additional components can add value to the discussed model in the current research.

8.1. Conflict of Interests

The author declares that there is no conflict of interests regarding the publication of this article.

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Section 4

Brand Preference and Buying Behavior

Chapter 19

Consumer Acculturation and Implications for Brand Preferences

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ABSTRACT

This research investigates whether established theories of acculturation are applicable to British Indians and what impact acculturation has on their consumer behaviour. After classifying British Indians according to the acculturation framework devised by Berry (1980), the chapter considers whether membership of these acculturation categories has a bearing on British Indians' consumer behaviour, as indicated by their brand preferences for a range of host and ethnic products and services. The findings reveal that separated consumers prefer ethnic brands more than host brands, assimilated consumers prefer host brands more than ethnic brands and integrated consumers have brand preferences falling between these two. Acculturation category thus has POTENTIAL for use as a segmentation variable. Demographic factors have also been shown to influence patterns of acculturation (Berry 1997). This study therefore also examines the relationships between different acculturation categories, demographic variables and preferences for a range of ethnic and host brands. Overall, this research provides some interesting insights about buying preferences of Indian diaspora (a developing country) in the UK and is particularly relevant from an International marketing perspective.

INTRODUCTION

Acculturation is an ancient and probably universal human experience. Inscriptions dating from 2370 BC show that the Sumerian rulers of Mesopotamia established written codes of law in order to protect traditional cultural practices from acculturative change and to establish fixed rules for commerce with foreigners (Rudmin, 2003, p. 9).

War and economic disparities between countries have historically been the cause of considerable migration. This has enabled the contact of two different cultures making acculturation an important phenomenon.

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The movement of workforces across the world has accelerated with the advent of technologies that are 'shrinking' the globe. Information technology is making it easier for cultures across time zones to be in touch with each other. Moreover, the extent to which organisations recruit skilled people from across the world is also leading to a greater migration of populations. Consequently, there are implications both for the individuals who migrate and their culture, as well as for the culture of the host nation.

During the last 60 years, an influx of people from former British colonies and elsewhere has altered Britain's demographic profile (Burton, 2002; Rudmin, 2003). Immigration of this kind leads to cultural interpenetration (Andreasen, 1990), as immigrants become acculturated and adopt cultural traits that differ from those with which they grew up (Emslie et al., 2007).

Redfield, Linton and Herskovits (1936, 149) define acculturation as "those phenomena which result when groups of individuals having different cultures come into continuous first-hand contact, with subsequent changes in the original culture patterns of either or both groups".

The changes in the cultural traits can influence immigrants' consumer behaviour (Engel et al., 1973; Hair & Anderson, 1972), resulting in product preferences and consumption patterns reflecting the acculturation status of these individuals (Maldonado & Tansuhaj, 2002; Rajagopalan & Heitmeyer, 2005; Takhar et al. 2010). Although the need to better understand subcultures is acknowledged (Burton 2002; Emslie et al., 2007; Nwankwo & Lindridge, 1998), there has been relatively little research examining the impact of acculturation on brand preference. What studies there are tend to focus on the process of acculturation itself, with less attention devoted to the relationship between the outcomes of consumption and cultural values (Lindridge 2001; Pankhania et al., 2007; Sekhon 2007). Consequently there are calls for more work examining broad acculturation outcomes and their influence on consumer behaviour (Odgen et al., 2004), and of the implications for targeting ethnic audiences (Sekhon & Szmigin, 2009).

Moreover, demographics, as well as being consumer characteristics, also influence consumers' lifestyles, which in turn have a bearing on patterns of acculturation (Maldonado & Tansuhaj, 2002). Various demographic factors have been mentioned in the literature as having a relationship with acculturation, including age, gender, income, education, religion, length of stay in the host country, generational status, profession, and nationality.

This research examines the outcomes of acculturation and the implications for consumption. British Indians, the largest ethnic minority population in the UK, are the focus here. The upward social mobility of British Indians is reflected in their emergence as one of Britain's wealthiest ethnic groups. The chapter investigates whether established theories of acculturation are applicable to British Indians, using this theoretical backdrop to understand what impact acculturation has on their consumer behaviour. The research also investigates how a range of demographic factors are associated with membership of particular acculturation categories

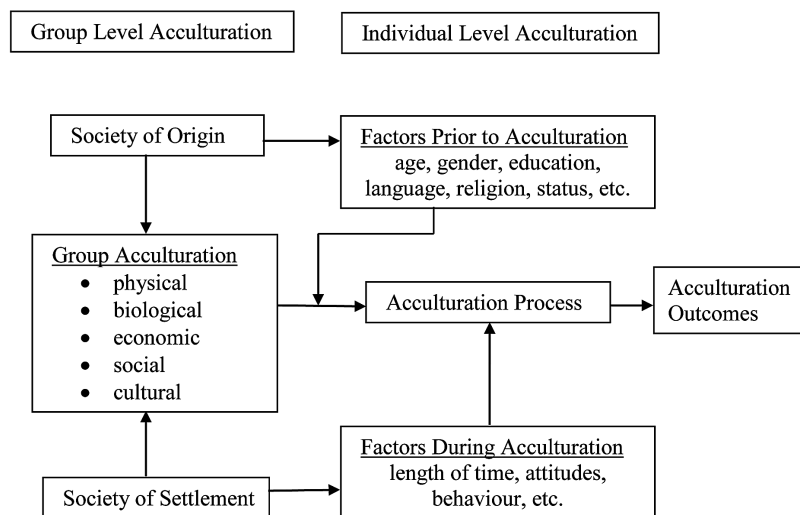
Several contributions to knowledge will be made in this book chapter. Firstly, the relevance to British Indians of established methods for assessing acculturation levels of immigrants are considered. Secondly, there is a contribution to what is known about the links between acculturation categories and consumption outcomes as well as considering the influence of demographic factors. Finally, there are implications for the strategy and tactics practitioners need to use to market their products and services to ethnic minorities in the UK.

MODELS OF ACCULTURATION

The process of acculturation can be argued to be applicable to any context wherever there is likely to be an interaction between varied cultures. At a population level, acculturation can result in changes in the political organisation and social structure of a country. At an individual level, there can be changes in the psychological characteristics of human beings as a result of being in touch with different cultures and due to participation in the process of acculturation that the cultural group is undergoing. Such a change in psychological characteristics can bring about changes in individual identity, behaviours, attitudes and values (Berry, 1990; see Figure 1).

In the evolutionary times, the acculturation phenomenon has become better understood, largely through North American studies of Hispanics and Native Americans. Two distinct streams of thought regarding the process of acculturation have emerged. The first views acculturation as a uni-dimensional process, with the immigrant population positioned on a spectrum ranging from un-acculturated to fully acculturated (Gans, 1979; Gordon, 1964; Hair & Anderson, 1972). Proponents of this view refer to a continuum of acculturation, with the ethnic minority and the host cultures at either end of the scale. The uni-dimensional model assumes that with the passage of time, members of ethnic minorities gradually lose aspects of their original culture and move closer to the host culture (Gans, 1979; Gordon, 1964). Taken to its extreme, the ethnic group becomes absorbed into the mainstream culture, its identity as a separate entity disappears, and its distinctive values evaporate (Gordon, 1964). Thus Hair and Anderson (1972) describe an acculturation range from the “un-acculturated extreme” where ethnic cultural patterns prevail, to the “acculturated extreme”, where the behaviour patterns of the host culture are fully adopted. Eventually, the ethnic minority is considered to merge into the host population, relinquishing its traditional values, customs, beliefs and behaviours (Garcia and Lega, 1979). When an immigrant fully adopts mainstream values and gives up their cultural heritage, they are said to have “assimilated” (Odgen et al., 2004).

Figure 1. A framework for studying acculturation
 Source: adapted from Berry, J. W. (1997), p. 15.

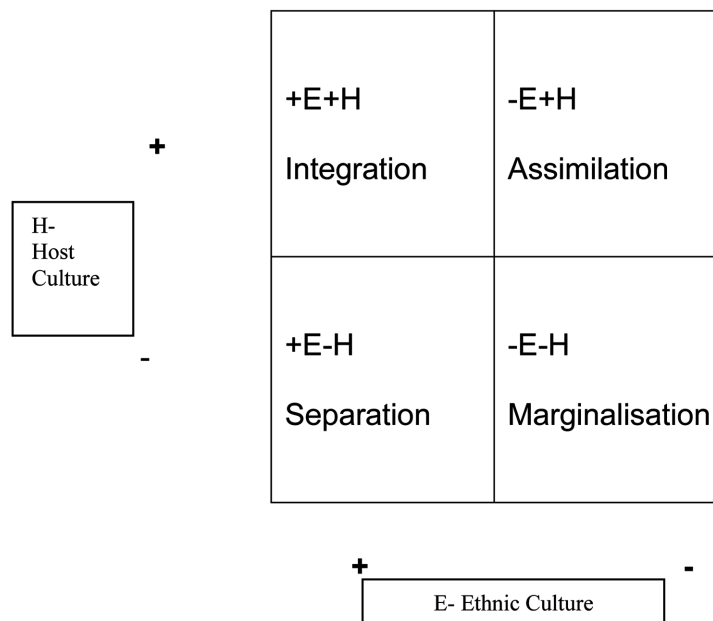


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The bi-dimensional model of acculturation is the second and more widely-held view (Berry; 1980, 1997). This approach considers ethnic identification levels amongst acculturating immigrants in conjunction with their degree of participation in the host culture. A number of different acculturation outcomes result, with immigrants positioned at either end of the acculturation spectrum or integrated between the two. While uni-dimensional models focus on the degree of immersion into an alternate culture, bi-dimensional models look at levels of immersion into both the host and the ethnic cultures. A study comparing the two models across different ethnic minority groups found the bi-dimensional view provided a more valid and information-rich framework. The detailed insights provided by this framework enabled acculturation to be better understood. Advocates of the bi-dimensional approach argue that it better reflects the changes in an individual’s self-identity as they strive to accommodate the old and new cultures. Following this approach, individuals can be categorized according to their levels of acculturation. Thus Berry (1980) proposes a four-fold taxonomy of acculturation based on immigrants’ levels of cultural identification and their degree of participation in the host culture. Under this scheme, individuals are grouped into one of four acculturation categories: separation, integration, assimilation or marginalisation.

Berry’s (1980) framework argues that acculturation can be represented by a bi-dimensional model leading to four acculturation outcomes (see Figure 2). The model acknowledges that individuals identify with more than one culture and alternate between two cultures at different junctures. According to Berry’s taxonomy, individuals in the separation category tend to have a high ethnic identity and their participation in host cultural behaviours is low. Individuals in the integration category, while having a high ethnic identity, value participation in both ethnic and host cultural behaviours. The framework also includes the assimilation outcome, which reflects the ultimate state under the uni-dimensional view of acculturation. Individuals in the assimilation category tend to have low ethnic identity, do not wish to maintain their cultural heritage and seek interactions with the host culture. Those in the marginalisation category are characterised as having low ethnic identity and little interest in having relationships with either group.

Figure 2. Berry’s framework—four varieties of acculturation
 Source: Adapted from Berry, John W. (1997), p. 10.



CONSUMER ACCULTURATION AND BRAND PREFERENCE

Consumer acculturation concerns the application of general acculturation ideas to the consumption process, what Penaloza (1994, 33) describes as “the general process of movement and adaptation, to the consumer cultural environment in one country by persons from another country”. Rajagopalan and Heitmeyer (2005, 85) propose that “consumer acculturation is a process by which an individual raised in one culture acquires thorough first-hand experience the consumption related values, behaviour, and customs of a foreign country”. Consumer acculturation relates to the learning of the attitudes and behaviours of the host culture by the consumer. This then has implications for the consumption behaviour of these individuals.

Consumption values arising from an individual’s culture are difficult to directly measure. Material goods can be a vehicle for carrying cultural meaning, making it possible to record consumption outcomes based on culture. For example, because brands are symbolically important to consumers, consumption outcomes are manifested in those which are preferred. The relationship between a consumer’s self-image and a brand’s perceived image is important. Consumers prefer brands that have images that are compatible with their perceptions of themselves. The more comparable the individual’s self-image is with the brand image, the more positively they will assess that brand. Thus consumers buy brands which are perceived to be similar to their own self-concept. This leads to the so-called self-image product-image congruence. More importantly, consumers are known to use products to express their self-concepts to themselves. Therefore, acculturating minorities are likely also to express their cultural identity through their consumption patterns.

Previous studies have shown that the consumption patterns of ethnic consumers vary according to the extent of their acculturation. This is because in endeavouring to adapt to new circumstances, ethnic consumers often try to modify their lifestyles and consumption behaviour, which includes their preferences for particular brands (Maldonado & Tansuhaj, 2002; Rajagopalan & Heitmeyer, 2005; Takhar et al., 2010; Vijaygopal & Dibb, 2012). Furthermore, consumers prefer brands that are used by others they perceive as similar to themselves (Watchravesringkan, 2011), such as those within their acculturation category.

Jun, Ball and Gentry (1993), in their study of Korean Americans, suggest that consumers seeking to identify with their traditional culture may have different product preferences to those wishing to associate with the host culture. In the former case, a traditionally ethnic consumption pattern may be seen, with consumers showing strong attachment to possessions which provide cultural meaning and which may reflect their past. In contrast, the consumption patterns and preferences of consumers who wish to identify and blend with the host culture may feature products from the host society.

Maldonado and Tansuhaj (2002), for example, find that assimilated individuals choose host brands more often than separated consumers who prefer ethnic brands; while Takhar et al. (2010) argue that acculturated British Indians re-negotiate their ethnic identity through the consumption of ethnic brands such as “Bollywood” films. The notion of integrated individuals negotiating between both cultures (Chattaraman et al., 2010; Lindridge et al., 2004) suggests that they are comfortable with brands from both cultures (Gbadamosi, 2012; Lee, 1993; Shim & Chen, 1996).

Another concept referred to as ‘ethnocentrism’ is the preference of the in-group over the out-group (Sumner, 1906). Acculturation has been linked to ‘ethnocentrism’ because it develops when an individual or group of individuals have contact with a society other than their native one; and more so if the two societies are dissimilar. Individuals who score highly on ethnocentrism have a relatively higher

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acceptance of generally preferred groups, and a relatively lower acceptance of generally less preferred groups. It also extends to consumer behaviour, in that consumers display pride towards objects which portray the symbols and values of their ethnic or home culture group, the 'in-group'; and show contempt for those objects which portray the symbols and values of the other group i.e. host culture group, the 'out-group' (Levine & Campbell, 1972). When ethnocentrism is used in the study of an individual's consumer behaviour, it is referred to as consumer ethnocentrism. Therefore, consumers who are more open to alternate cultures are expected to be less ethnocentric; so assimilated consumers would display lower levels of consumer ethnocentrism and thus show greater preference for host culture brands. Greater host brand preference would be one way of seeking liberation from the now less desired home culture.

Of the British population of 60 million, over one million are people of Indian origin, making them the largest ethnic minority subgroup (2.5% of the total population) in the UK (ONS, 2011). There have been two major waves of immigration of persons of Indian origin to the UK. The first started in the late 1940s as a consequence of partition of British-ruled India, into India and Pakistan. The violence and social turbulence caused by this event led to a wave of immigration into the UK. The next wave happened in the late 1960s and 1970s, and as a consequence of the expulsion of persons of Indian origin from certain African countries, especially Uganda, due to increased Black African Nationalism. These Indians in the UK have, over the years, tended to experience upward mobility from the working to the middle class (Lindridge and Dibb, 2003), leading to suggestions that this socio-economic change may have an impact on their consumption and buyer behaviour.

Several researchers, such as Maldonado and Tansuhaj (2002), Padilla (1980), Quester and Chong (2001) amongst others, explain that immigrants with a better income and socio-economic status generally display a greater degree of acculturation. It is also clear that the extent of acculturation is likely to influence the consumption patterns of ethnic consumers (Kang & Kim, 1998; Kara & Kara, 1996; O'Guinn et al., 1986; Shim & Chen, 1996). Thus it also seems plausible that this upward mobility of British Indians may impact upon their degree of acculturation, which in turn results in a change in their consumption behaviour. Furthermore, in recent times, global free-trade and the advent of information technology have facilitated the recruitment of skilled personnel from across the world (Rudmin, 2003). As a result of this phenomenon, the fields of medicine, pharmacy, and law and information technology have seen an influx into the UK of people of Indian origin. The decision to focus this research on Indians living in the UK can therefore be justified by the increasing significance of this group to the UK economy, their upsurge in buying power, and their upward mobility; all of which have affected their acculturation levels and consumption patterns.

For the purpose of this study, 'Indians living in the UK' will be referred to as 'British Indians'. British Indians can originate from anywhere in the world, such as India or East Africa, but they all have one thing in common and that is an Indian ancestry. Therefore, 'British Indians' are defined as: 'Individuals born in or migrated to Britain and living in Britain, but with a common ancestry from India'. Even within India, there are numerous languages spoken and therefore the 'Indian language' is defined as: 'any language (other than English) spoken in India such as Hindi, Gujarati, Punjabi etc.'

British Indian individuals exist in cultural terms between Indian and British cultures; living and intermingling between the two cultures and drawing on both sets of cultural values to varying degrees. British Indians follow Berry's (1980) bi-dimensional model of acculturation, since they are known to co-exist between Indian and British cultures to varying degrees. The current research ratifies this stance by showing a significant relationship between categories of acculturation and preferences for host and ethnic brands for British Indians

This research examined the brand preferences expressed by British Indians, focusing on a range of ethnic and host brands, in order to establish whether the three acculturation categories exhibit different patterns of preference. Using Berry's (1980) taxonomy, this research considered British Indians from an *acculturation perspective*, focusing on acculturation "outcomes." The main hypotheses are as follows:

Hypothesis H1-1a: British Indian consumers in the Assimilation category prefer host brands more often and ethnic brands less often than consumers in the other categories.

Hypothesis H1-1b: British Indian consumers in the Integration category prefer host brands more often and ethnic brands less often than consumers in the Separation category; and prefer host brands less often and ethnic brands more often than consumers in the Assimilation category.

Hypothesis H1-1c: British Indian consumers in the Separation category prefer ethnic brands more often and host brands less often than consumers in the other categories.

DEMOGRAPHIC FACTORS AND ACCULTURATION

Demographic factors such as age, gender, occupation, income, religion, nationality and education (Armstrong & Kotler, 2007; Dibb et al., 2006; Hawkins et al., 2004) impact upon the consumer decision making process and shape behaviour during its different stages. Demographic factors, as well as reflecting consumer characteristics, also play a role in determining their lifestyles. Lifestyles in turn have a bearing on the acculturation patterns of consumers (Maldonado & Tansuhaj, 2002).

For example, based on their study of Latino consumers in the US, Maldonado and Tansuhaj (2002) found that individuals in the separation category of acculturation had lower levels of education compared to those in the integration and assimilation categories. Quester and Chong's (2001) study of Australian Chinese consumers found higher income levels to be associated with higher levels of acculturation, while Maldonado and Tansuhaj's (2002) research involving US Latinos found that consumers in the separation category had lower household incomes than those in the integration or assimilation categories. In addition to the common demographic factors, a number of acculturation specific demographic factors are of specific interest too. These are: length of stay in the host country; generational difference; contact with the host culture through job status and profession; and nationality. It was thus hypothesised that there would be a significant relationship between the acculturation categories and the demographic characteristics.

Hypothesis H1-2: The demographics of British Indians (age, gender, total household income, education, religious affiliation, length of stay in the UK, generation, job type, nationality) are significantly associated with their acculturation category.

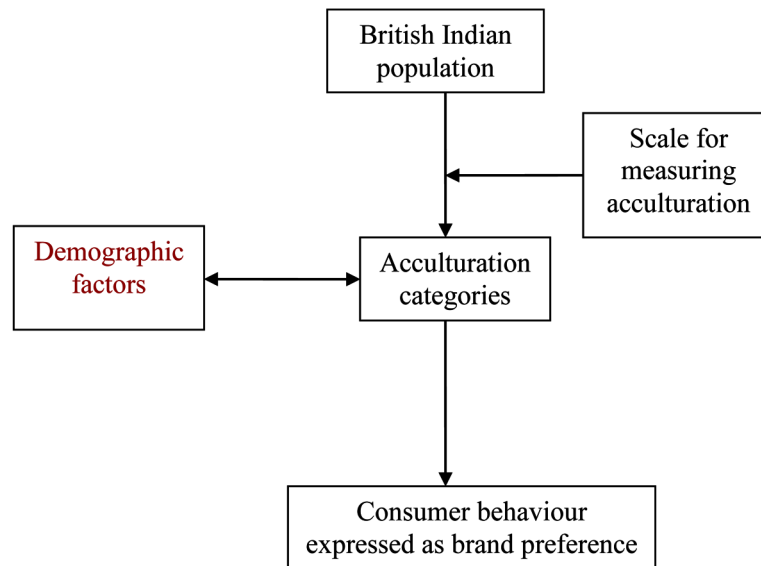
A research framework derived from the literature review and capturing the hypotheses is presented in Figure 3.

MEASUREMENT OF ACCULTURATION CATEGORIES

A tool or scale is required to measure acculturation in order for Berry's taxonomy to be used to classify an acculturating population. Some scales have been designed for specific ethnic groups, such as

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Figure 3. A research framework



for Cubans (Szapocznik et al. 1978), Chicanos (Olmedo et al, 1978) and Mexican Americans (Cuellar et al, 1980). Many acculturation scales emphasise the behavioural dimensions of acculturation, often focusing on language questions (Marin & Gamba 1996); while others emphasise the attitudinal dimensions (Sanchez & Fernandez 1993).

One problem associated with many of these scales is that they either incorporate a single measure, such as language, or use a cluster of highly correlated variables, which are neither grounded in theory nor rigorously tested (Lerman et al., 2009). The use of socio-demographic characteristics, such as age, gender and generation as acculturation measurement variables, rather than as correlates of acculturation, can be an added problem. Such an approach is problematic since these socio-demographic factors do not have one-to-one correspondence with the process of cultural change. Furthermore, when a validation criterion like “generation” is included in the instrument, it tends to produce abnormally high correlations between the criterion and the scale (Marin et al., 1987). Therefore, a scale is needed that is based on indicators of cultural customs, with socio-demographic characteristics being used to support the external validity of the instrument (Mendoza, 1989). Some authors (Jun et al., 1993) have suggested including both attitudinal and behavioural dimensions of acculturation in the instrument. Others such as Kumar et al. (2009) emphasise the importance of attitude towards purchase intention of a host or a home brand. Together, these dimensions provide the necessary information about the extent of an individual’s acculturation (Maldonado & Tansuhaj, 2002). The Cultural Lifestyle Inventory (CLSI), a scale designed by Mendoza (1989) and inspired by Berry’s (1980) framework, addresses many of the concerns about measuring acculturation. The CLSI differs from scales that measure levels of assimilation; instead measuring categories of acculturation.

Although Mendoza (1989) uses different terminology, the acculturation categories he uses reflect those described by Berry (see Figure 2). Mendoza’s CLSI proposes three acculturation patterns that match Berry’s framework: (i) cultural resistance, (ii) cultural shift, and (iii) cultural incorporation. Cultural resistance is similar to Berry’s separation category, with individuals in this category against the

acquisition of alternate cultural norms, while upholding ethnic customs. Mendoza's cultural incorporation is equivalent to Berry's integration category, which involves an adaptation of customs from both ethnic and alternate cultures. The cultural shift acculturation type considers a deliberate substitution of alternate cultural norms for ethnic customs which can be compared with Berry's assimilation category.

The value of including the marginalisation outcome in acculturation studies has often been questioned. Berry and Kim (1988) suggest that marginalised individuals lose vital elements of their original culture but that these are not replaced by aspects from the mainstream society. Similarly, Maldonado and Tansuhaj (2002) explain that marginalised individuals are unlikely to be contactable through mailing lists or reachable by telephone. Furthermore, these individuals tend to resist the pulls of both the mainstream and the ethnic culture (Penaloza, 1994), making it difficult to interpret much from their preferences for brands. In keeping with previous researchers using Berry's (1980) model (Maldonado and Tansuhaj, 2002; Mendoza, 1989), it is important to acknowledge that not including the marginalised individuals may not be a problem for a consumer behaviour study based on survey technique. This is because the individuals in the marginalisation category are largely inaccessible and therefore unlikely to be part of marketing sample frames (Maldonado & Tansuhaj, 2002).

METHOD

The research design involved a qualitative phase during which the research instrument was developed, followed by a quantitative online survey. The qualitative phase, which comprised three focus groups and three dyad interviews with members of the target population, was also used to classify a series of product and service brands into "ethnic" and "host" groups. These brand groups were referred to in the subsequent quantitative phase. The qualitative phase also provided feedback on other aspects of the research, such as assessing participants' openness to an e-mail questionnaire format.

The CLSI (Mendoza 1989) was used in conjunction with Berry's framework (see Figure 2) to categorise respondents to both the qualitative and quantitative phases of the research. As explained above, CLSI proposes three acculturation patterns that match Berry's framework: (i) cultural resistance is similar to Berry's separation category (ii) cultural shift is similar to Berry's assimilation category and (iii) cultural incorporation relates to Berry's integration category. Moreover, the scale is able to readily measure the dynamic complexities of acculturation, such as the fact that ethnic minority consumers may move from separated to assimilated positions according to their context and situation (Jamal & Chapman 2000). Thus individuals can show cultural shift on one set of behaviours, while displaying cultural resistance in relation to another (Stayman & Deshpande 1989) and thus the final acculturation outcome classification of an individual has indeed considered the sum total of all their responses to all the questions (relating to all three acculturation categories).

The CLSI categorises respondents into three acculturation categories using 29 questions (see Table 1). The instrument includes response alternatives corresponding to the three acculturation categories. For example, the question "What language do you use when you speak with your parents?" has response options of "(a) only or (b) mostly in Indian" for the separation category; "(c) mostly or (d) only in English" for the assimilation category; and "(e) both in Indian and English about equally" for the integration category. Individuals are allocated to acculturation categories on the basis of their highest numbers of answers in a particular response category. For example, a respondent who answered (a) or (b) seventeen times, (e) five times and (c) or (d) seven times is categorised in the separation category. The CLSI used

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Table 1. The CLSI questions

1	What language do you use when you speak with your <i>grandparents</i> ?
2	What language do you use when you speak with your <i>parents</i> ?
3	What language do you use when you speak with your <i>brothers</i> and <i>sisters</i> ?
4	What language do you use when you speak with your <i>spouse</i> or <i>person you live with</i> ?
5	What language do you use when you speak with your <i>children</i> ?
6	What language do you use when you speak with your <i>closest friends</i> ?
7	What kind of <i>records, tapes, or compact discs</i> (CDs) do you own?
8	What kind of <i>radio</i> stations do you listen to?
9	What kind of <i>television</i> stations do you watch?
10	What kind of <i>newspapers</i> and <i>magazines</i> do you read?
11	In what language do you <i>pray</i> ?
12	In what language are the <i>jokes</i> with which you are familiar?
13	What kind of <i>foods</i> do you typically eat <i>at home</i> ?
14	At what kind of <i>restaurants</i> do you typically eat?
15	What is the ethnic background of your <i>closest friends</i> ?
16	What is the ethnic background of the people you have <i>dated</i> ?
17	When you go to <i>social functions</i> such as parties, dances, picnics or sports events, what is the ethnic background of the people (including your family members) that you typically go with?
18	What is the ethnic makeup of the <i>neighborhood</i> where you live?
19	Which <i>national anthem</i> do you know the words to?
20	Which <i>national or cultural heritage</i> do you feel <i>most proud of</i> ?
21	What types of national or cultural holidays do you typically celebrate?
22	What is the ethnic background of the <i>movie stars</i> and <i>popular singers</i> that you <i>most admire</i> ?
23	If you had a choice, what is the ethnic background of the person that you would <i>marry</i> ?
24	If you had <i>children</i> , what types of <i>names</i> would you give them?
25	If you had children, in what language would you <i>teach</i> them to <i>read, write</i> and <i>speak</i> ?
26	Which culture and way of life do you believe is <i>responsible</i> for the <i>social problems</i> (such as poverty, teenage pregnancies and gangs) found in some British-Indian communities in the UK?
27	At what kinds of <i>stores</i> do you typically <i>shop</i> ?
28	How do you prefer to be <i>identified</i> ?
29	Which culture and way of life would you say has had the <i>most positive influence</i> on your life?

Source: Adapted from Mendoza, R. H. (1989), p. 377

in the online survey phase was adapted for British Indians based on inputs from the focus groups and dyad interviews and then pretested on 50 individuals. Cronbach alpha values were calculated to assess the reliability of the CLSI, yielding alpha coefficients of 0.797 for the 21 behavioural questions and of 0.700 for the 8 attitudinal questions. These values are within the acceptable range indicating good scale reliability.

Central to the research design was the notion that respondents' acculturation category might be reflected in their preferences for host or ethnic brands. While each pair of brands (ethnic and host) within

each product type, aims to satisfy the same basic needs, the cultural meanings and level of importance associated with these options are likely to be markedly different for the ethnic and the host populations. The differences in the lifestyles of various cultural groups, which in the current study relate to the acculturation categories, are reflected in the level of importance that each group attach to the brand names. This implies it is appropriate to use brand pairs containing ethnic and host options to study differing preferences between acculturation categories.

A series of brand pairs from a range of product and service categories was needed; each containing one ethnic and one host brand. Several options for developing these pairs were considered. One option was to use the “manufactured in” (country of origin) label to identify whether the brands to be included were host or ethnic. This approach was, however, deemed unreliable since the group interviews conducted during qualitative phase revealed that country of origin did not necessary reflect whether a brand was viewed as host or ethnic. The way in which the focus groups participants categorized brands as ‘host’ and ‘ethnic’ was not strictly on the basis of country of origin. For example, Anchor butter, a product made in New Zealand, was seen as ‘ethnic’ by these individuals whereas they considered Flora to be a host brand. In order to better reflect British Indians’ perceptions about the brands, the qualitative phase was used to identify which brands were deemed ethnic and which were seen as host by the participants. This was dependent on how these brands were actually culturally constituted in the minds of the British Indians rather than the researcher defining them as ethnic or host. Moreover, the brand pairs chosen were also those where the participants perceived a real demarcation between ethnic and host dimensions. Table 2 presents the results.

As can be seen from Table 2, the categories of products or services identified by the participants and the researcher that were included are travel and tourism, airlines, fast moving consumer goods, entertainment and cosmetics. The wide range of categories that were narrowed addressed the calls for papers to include beyond one product/service category in consumer acculturation studies.

During the quantitative phase an online questionnaire was applied. The research instrument was derived from the literature as well as from insights gained during the qualitative phase. The questionnaire

Table 2. List of brands

Ethnic Brands	Host Brands
Jet Airways	British Airways
Bollywood	Hollywood
ICICI Bank	Barclays Bank
KTC Cooking Oil	Flora Cooking Oil
Zee TV	ITV
Star Tours	Thompson Travels
Parle-G Biscuits	McVities Biscuits
Mysore Sandal Soap	Dove Soap
Rubicon Juice	Ribena Juice
Shana Frozen Food	Bird’s Eye Frozen Food
Pride Olive Oil	Filipo Berio Olive Oil
Tilda Rice	Uncle Ben’s Rice

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was pre-tested by relevant experts and potential respondents; with online suitability being assessed by an expert in online data collection. The questionnaire comprised three sections: the first included the CLSI acculturation measurement scale, the second explored brand preferences while the last captured respondents' demographic details. The respondents were asked to choose one brand for each option that they would consistently prefer to buy. They were told to assume that the two brands under each case were similar in price, packaging and availability, thus controlling these extraneous variables within the method. The sample was made up of British Indian consumers, who form the largest ethnic minority subgroup in the UK (ONS, 2011) and are one of Britain's wealthiest ethnic groups (Lindridge, 2001). This group can legitimately be studied using a bi-dimensional model of acculturation since they co-exist between Indian and British cultures to varying degrees (Lindridge, 2001). Furthermore, it has been found that the consumer decision making process of Indians living in Britain have similarities with, and are influenced by, the cultural values of both Asian Indians and British Whites (Lindridge et al., 2014) suggesting that cultural adaptation occurs.

An online database comprising of 2505 British Indian names was obtained from a leading commercial manufacturer of consumer food products. This database was selected because this is one of the largest databases of British Indian consumers covering a wide geographical area (confirmed by geographical mapping exercise using ArcGis software), and the sampling frame was finite. Given the high market share and penetration enjoyed by this corporate brand, its consumer base is quite diverse too. Also this sample mirrored the census on demographic factors.

Individuals identifying themselves with the definition of British Indians were deemed eligible to complete the online survey. For the purpose of this study, 'British Indians' are defined as: 'Individuals born in or migrated to Britain and living in Britain, but with a common ancestry from India'. A pilot study targeting 222 individuals yielded a 10% response rate. The main survey of 2505 questionnaires produced a similar response rate, with 255 responses returned.

The majority of respondents were between 25 and 64 years old (94.5%), had a total household income between £20,001 and £100,000 per annum (74.2%) and described themselves as Hindu or Sikh (86.4%). While 55.3% were males, the percentage of females was 44.7%. Nearly half of the respondents (54.5%) had lived in the UK for up to 20 years. The majority of respondents were first generation in the UK (78.4%), with about 61.6% holding British nationality. Overall, the percentages for age, gender, religious affiliation etc. of the sample were similar to the corresponding figures seen in the Census data.

RESULTS

The data were analysed in three stages. First, respondents were grouped by acculturation category using the CLSI instrument. As explained above, this involved allocating individuals on the basis of their highest numbers of answers in a particular response category. Second, one-way ANOVA was used to examine the brand preferences of individuals across the acculturation categories. Third, the data were subjected to cluster analysis to establish whether the same three acculturation categories emerged. Using this approach to replicate the categories enabled their robustness to be checked.

The grouping by acculturation category resulted in 59.2% of respondents being allocated to the separation category, 25.1% to the integration category and 15.7% to the assimilation category.

The analysis of brand preferences shows significant differences ($p < 0.05$) in the mean scores across the three acculturation categories. Respondents in the separation category prefer ethnic brands 59.6%

Table 3. Brand preference across acculturation categories

	Host Brand Preference	Ethnic Brand Preference
F	19.347	19.347
P	0.00	0.00
Separation %	40.4*	59.6*
Integration %	62.5*	37.5*
Assimilation %	90.0*	10.0*

* Mean difference is significant at the 0.05 level.

of the time compared with 37.5% and 10.0% in the integration and assimilation categories respectively, the Post Hoc Tukey-HSD test being statistically significant ($p < 0.05$). Respondents in the integration category prefer host brands 62.5% of the time compared with 40.4% and 90.0% in the separation and assimilation categories respectively and ethnic brands 37.5% of the time compared to 59.6% and 10.0% in the separation and assimilation categories respectively. The Post Hoc Tukey-HSD test shows integrated individuals are significantly different ($p < 0.05$) from both the assimilation and the separation categories. Furthermore, respondents in the assimilation category prefer host brands 90.0% of the time compared with 62.5% and 40.4% in the integration and separation categories respectively, with the Post Hoc Tukey-HSD test being significantly different ($p < 0.05$) from both the integration and the separation categories. Thus all three hypotheses are supported.

Furthermore, hierarchical cluster analysis was applied to the data in order to identify the number of clusters that existed. Although the cluster solution revealed a number of small naturally occurring clusters, three large clusters were considered optimum since they accounted for 87.5% of the sample. Having established the optimum number of clusters using hierarchical clustering, a K-Means clustering method was applied to the data since the distance measure used was well-suited for a large data file. The corresponding chart builder (see Figure 4) reveals that the means of these three clusters correspond to the separation, integration and assimilation acculturation categories, supporting the validity of the findings. Both the CLSI and the cluster analyses generated the same number of acculturation categories and contained similar numbers of individuals. This addresses concerns expressed by Rudmin (2003) who said that the “a priori” determination of acculturation categories is less accurate than empirically-derived solutions which do not predetermine the number of acculturation categories.

Cluster analysis reveals three clusters of respondents with means corresponding to the three acculturation categories, namely; separation, integration and assimilation of Berry’s (1980) taxonomy supporting the validity of the findings. Both the CLSI and cluster analysis both generated the same number of acculturation categories, containing similar numbers of individuals.

A correlation analysis was used to identify whether demographics are associated with acculturation, and cross tabulations to study the relationship between demographics and acculturation in more detail. Table 4 presents the results of the Spearman Rank order correlation analysis.

The demographic variable ‘education’ is the only variable to be negatively correlated with the acculturation categories. Having established that age, gender, income, education, religious affiliation, length of stay in the host country; generational difference; and nationality or residency are all associated with the acculturation categories, cross tabulations using a chi-square test for independence were used to study the relationship between these demographic factors and the acculturation categories.

Figure 4. Profiles of the three clusters

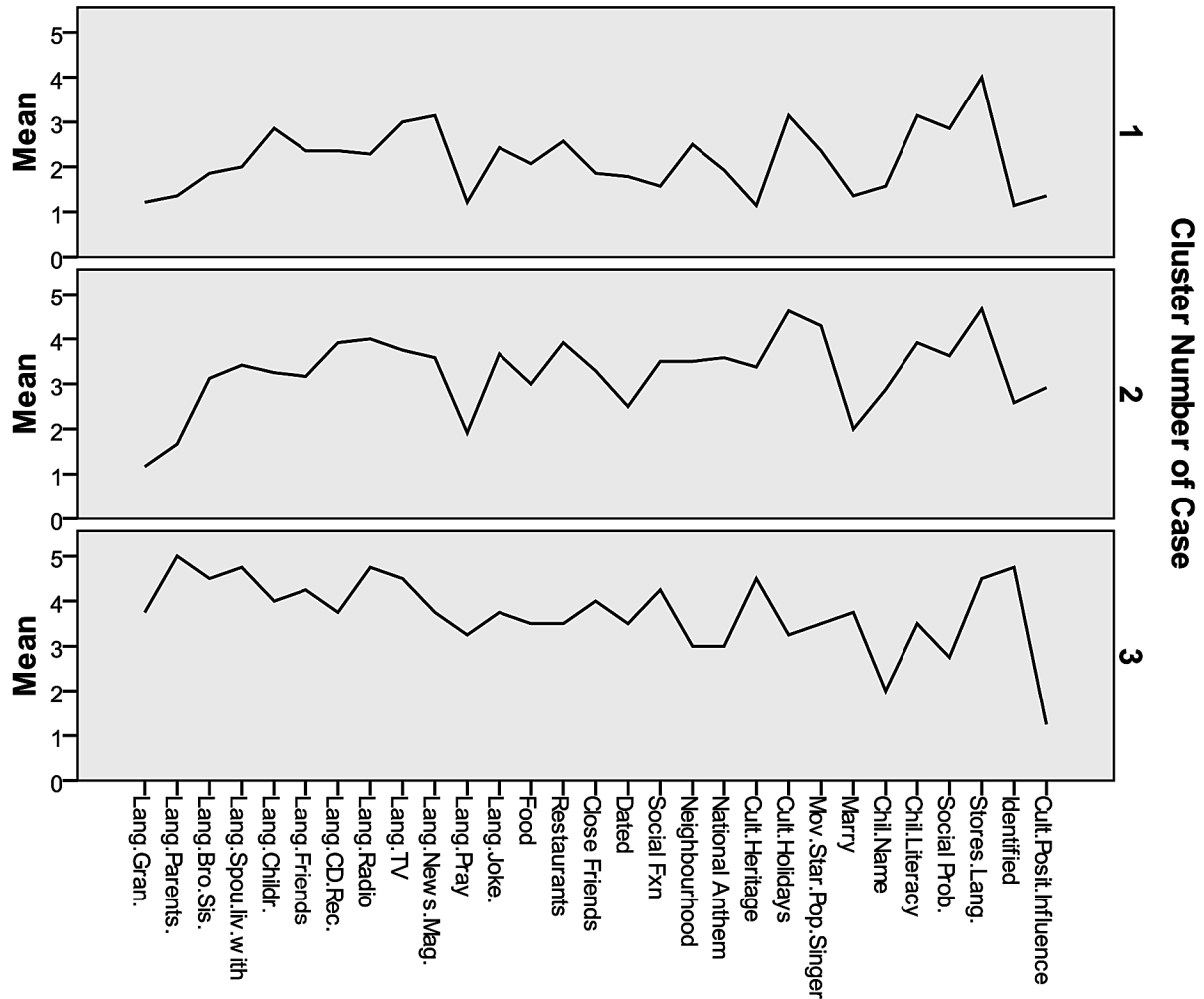


Table 4 results illustrated that significant associations between acculturation and all of the demographic factors existed except for job type and Table 5 shows that there are significant differences among the three acculturation categories on eight demographic variables, namely, age, gender, total household income, education, religious affiliation, length of stay in the host country, generational status and nationality. Several interesting findings were obtained. For example, a larger percentage (49.7%) of separated individuals fall into the age group of 34 years and below compared to 18.8% younger individuals in the integrated category and 22.5% younger individuals in the assimilated category. Further analysis of the reasons for these observations show that a larger percentage (67.2%) of those who have lived in the UK for 0-5 years are 34 years old or younger. This indicates that a large percentage of separated individuals are from the younger age group and have lived for a short time in the UK. Therefore, it is important to consider the demographic factors in an integrated manner rather than consider them on their own. Moreover, a two-way ANOVA test showed that the demographic factors did not significantly moderate the relationship between the acculturation categories and the brand preferences.

Table 4. Correlation analysis: Spearman's Rho

Demographics	Results	Acculturation Category
Age group	Correlation Coefficient Sig. (2-tailed)	.245** .000
Gender	Correlation Coefficient Sig. (2-tailed)	.156* .013
Total household income	Correlation Coefficient Sig. (2-tailed)	.164** .009
Education	Correlation Coefficient Sig. (2-tailed)	-.323** .000
Religious affiliation	Correlation Coefficient Sig. (2-tailed)	.189** .002
Length of stay in the UK	Correlation Coefficient Sig. (2-tailed)	.176** .005
Generation	Correlation Coefficient Sig. (2-tailed)	.261** .000
Job type	Correlation Coefficient Sig. (2-tailed)	.116 .064
Nationality	Correlation Coefficient Sig. (2-tailed)	.394** .000

* Correlation is significant at the 0.05 level (2-tailed).** Correlation is significant at the 0.01 level (2-tailed).

Results from these analyses establish that a relationship exists between acculturation categories and brand preference; and between demographics and acculturation categories. As a means of exploring which of these two variables; acculturation categories or demographic variables, yield the greatest difference to the brand preference outcome, it was hypothesised that acculturation categories are stronger differentiators of brand preference than demographic factors (Hypothesis H1- 3).

CHAID analysis examined the relationships between demographics and acculturation categories (independent variables); and brand preferences (dependent variable). Without forcing, the CHAID analysis used acculturation category as the first node of split ($p = .000$), revealing distinct separation, integration and assimilation categories. This confirms that acculturation categories differentiate brand preference more strongly than demographic variables, which are secondary differentiators. Both split sample and cross validation show overall accuracy with a minimal risk estimate, thus hypothesis 3 was supported too.

IMPLICATIONS AND RECOMMENDATIONS

As well as highlighting the importance of acculturation category as legitimate reference group, this consumer acculturation research suggests that such groupings warrant attention in consumer studies in their own right. Research provides evidence that the consumption behaviour of ethnic consumers varies according to their acculturation category. Separated consumers were found to be more ethnocentric and to prefer ethnic brands such as Zee TV and Bollywood more than host brands such as ITV and Hollywood. Integrated consumers have a preference for host brands more often and ethnic brands less often than those in the separation category; and prefer host brands less often and ethnic brands more often than those in the assimilation category. This finding corroborates the view that integrated individuals

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Table 5. Relationship between demographics and acculturation categories

Acculturation Categories				
	Separation	Integration	Assimilation	
Age Group¹				
34 years and below	49.7%	18.8%	22.5%	
35-54 years	40.4%	64.1%	70.0%	
55 years and above	9.9%	17.2%	7.5%	
Gender²				
Male	60.3%	57.8%	32.5%	
Female	39.7%	42.2%	67.5%	
Total Household Income (in £ per Annum)³				
40,000 and less	47.7%	40.6%	22.5%	
40,000-80,000	34.4%	43.8%	42.5%	
80,001 and above	17.9%	15.6%	35.0%	
Education⁴				
A-level and below	8.6%	28.1%	17.5%	
Diploma/University graduate	33.8%	45.3%	60.0%	
Post-graduate/Masters/Doctors	57.6%	26.6%	22.5%	
Religious affiliation⁵				
Hindus	84.1%	64.1%	80.0%	
Christians	2.0%	4.7%	7.5%	
Others	13.9%	31.3%	12.5%	
Length of stay in the UK⁶				
Born in the UK	10.6%	12.5%	30.0%	
0-5 years	31.1%	12.5%	7.5%	
6-20 years	39.1%	28.1%	10.0%	
21 years and above	19.2%	46.9%	52.5%	
Generational status in the UK⁷				
First generation	85.4%	78.1%	50.0%	
Second generation	14.6%	21.9%	50.0%	
Nationality⁸				
British	46.4%	76.6%	95.0%	
Indian	53.6%	23.4%	5.0%	
Length of Stay in the UK				
	Born in the UK	0-5 Years	6-20 Years	21 Years and Above
Age Group⁹				
34 years and below	47.2%	67.2%	42.0%	7.5%
35-54 years	52.8%	29.3%	55.6%	61.3%
55 years and above	0.0%	3.4%	2.5%	31.3%
Gender¹⁰				
Male	30.6%	65.5%	63.0%	46.2%
Female	69.4%	34.5%	37.0%	53.8%
Education¹¹				
A-level and below	27.8%	5.2%	8.6%	22.5%
Diploma/University graduate	55.6%	31.0%	28.4%	53.8%
Post-graduate/Masters/Doctors	16.7%	63.8%	63.0%	23.8%

continued on following page

Table 5. Continued

	Generational Status			
	First Generation	Second Generation		
Education¹²				
A-level and below	11.5%	14.7%		
Diploma/University graduate	36.0%	77.5%		
Post graduate/Masters/Doctors	52.5%	7.8%		
	Nationality			Other
	British	Indian		
Education¹³				
A-level and below	20.8%	2.0%	62.5%	
Diploma/University graduate	52.3%	24.5%	25.0%	
Post graduate/Masters/Doctors	26.8%	73.5%	12.5%	

Significance levels (p): 1=0.000, 2= 0.006, 3=0.021, 4=0.000, 5=0.008, 6=0.000, 7=0.000, 8=0.000, 9=0.000, 10=0.009, 11=0.000, 12=0.000, and 13=0.000

negotiate between the two cultures according to context, and suggests they are comfortable with brands from both cultures. Finally, assimilated consumers were found to prefer host brands such as McVities biscuits and Ribena juice more often than ethnic equivalents, such as Parle-G biscuits and Rubicon juice. This group was characterised by lower levels of consumer ethnocentrism, probably as a result of greater participation in the host culture.

These findings add further support for the use of bi-dimensional acculturation measures, confirming the existence of sizeable ‘separated’ and ‘assimilated’ consumers whose behaviour is distinct and different from the ‘integrated’ group. The fact that these British Indian sub-groups have distinct and different consumption outcomes adds weight to the notion that ethnic minorities from a common ancestral country should not be treated as a single homogeneous group.

Furthermore, previous studies have tended to focus on single products or brands (Podoshen, 2006; Rajagopalan & Heitmeyer, 2005) or consider culturally loaded items such as food or clothing. Since some product categories such as “food” are more culturally loaded than others which could affect the consumer behaviour outcomes, different product types have been included in the current study in order to address this limitation and to increase confidence in the results, while also answering the various calls for such a research study (Burton 2000; Laroche et al., 1997; Omar et al., 2004).

Turning to the practical implications, considerable potential is indicated for practitioners to adapt their marketing and targeting strategies on the basis of acculturation categories. For example, by specifically targeting separated consumers who are relatively unacculturated and who prefer ethnic over host brands, host brand manufacturers could enjoy first-mover advantage by establishing their brands and potentially creating brand loyalty amongst this group. Because consumption patterns adopted in the separation stage may be habit forming in the longer run, such strategies may provide the basis for future competitive advantage. Alternatively, brands designed to cater for separated consumers could reach out to the integrated and assimilated consumers by offering brand extensions that meet the requirements of the other two categories. For example, one of the brands used in this research, Shana, is preferred by separated consumers for the range of frozen foods that it offers. Possible strategies for reaching out to assimilated consumers could include extending the brand into a chilled, fresh product range with short

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shelf-life. Since assimilated consumers are unlikely to live in the same geographical areas as separated individuals, this product extension could be supported with an online retail format to be able to reach them. Finally, understanding the consumer behaviour of integrated individuals could help marketers to release the untapped potential of consumers whose preferences swing between host and ethnic brands. Thus marketing programmes could be significantly modified for different acculturation groups and there is potential for targeting products and services both within acculturation categories as well as between them.

Although most of the demographic factors included in the research have a relationship with acculturation in line with what was observed in prior studies, some factors such as age, gender and education did not follow the previously observed patterns, amongst British Indians. Also, job type did not show a significant association with acculturation categories. This shows that it may not be appropriate to use just demographic factors as proxies to estimate the extent of acculturation of British Indians. For example, previous studies indicate that more educated individuals would have been classified as assimilated. However, as has been seen in this research, this is not necessarily true, and the relationship between education level and acculturation categories is not so straightforward. A larger percentage of separated British Indians had higher levels of education when compared with the integrated and assimilated individuals. Further investigation indicated that many of these highly educated separated British Indians had lived for only a short length of time in the UK, were first generation, and held Indian nationality. It is therefore likely that those in the separated category who were highly educated had not received their schooling in the UK. However, a large majority of the assimilated British Indians who were graduates or diploma holders had been born in the UK and also held British nationality. This suggests that the fact that these individuals had been schooled in the UK may have impacted upon their level of acculturation. Overall, this shows that education level on its own does not distinguish between the extents of acculturation, but where that education took place does have an impact.

A more appropriate approach would be to use an instrument like the CLSI to classify individuals into different acculturation categories. This highlights the complexity of studying acculturation and emphasises the need to understand the intricacies of acculturation patterns of different ethnic minority groups.

In general, the relationships found follow those seen in other acculturation studies. However, there are also some interesting anomalies with other acculturation studies. For example, while Quester and Chong (2001) and Szapocznik et al. (1978) found that younger immigrants acculturate more rapidly than older ones; this research has shown that this is not necessarily true for British Indians. A large percentage of individuals in the 25-34 years age group were 'separated' due to the fact that they were newer immigrants. Interestingly, a large percentage of integrated individuals were British Indians who were 55 years or older. This may be because they were probably able to relinquish some of their attachment to their ethnic culture, having lived longer in the UK. Those in the middle aged group were either born in the UK or have lived here for a long time, making them more assimilated.

Several previous studies (e.g. Padilla, 1980), have indicated that with subsequent generations, individuals become more acculturated. However, this research indicates this may not necessarily so. The findings from this research indicate that a large percentage of separated individuals are first generation and a large percentage of assimilated individuals are from the second generation. This makes sense when seen in the light of the association between the length of stay in the UK and acculturation of British Indians. As seen earlier, a large percentage of assimilated British Indians have either been born in the UK or have lived here for a long time compared to the separated individuals. This makes many of them second generation immigrants to the UK, while separated individuals having arrived recently in the UK makes

them first generation. However, many of the first generation individuals who were 55 years and over actually belonged to integrated category indicating that here the length of stay in the UK along with the increased possibility of interacting with the host culture together determined their acculturation outcome.

In this research, the acculturation category of the British Indians had no significant relationship with their job type. This is unlike what has been observed in previous studies and was a surprise. Given that contact with host culture plays an important role in acculturation, job type was expected to have significant relationship with acculturation. In this research, the classification of job type was broadly based on the census and modified based on insights gained in the qualitative phase of the research. However, this job type classification probably did not adequately differentiate respondents on the basis of their exposure to the host culture.

Subsequently, based on the results from CHAID analysis, acculturation categories are shown to be the primary differentiators of host and ethnic brand preference, with demographic factors revealed as secondary differentiators. Thus “acculturation category” may give greater insight into the consumer behaviour of ethnic minorities than other more commonly used demographic variables, such as age or generational status. For example, the assumption that younger consumers are more acculturated than those who are older (Quester & Chong, 2001) may not always be true. Age must be considered in conjunction with the length of exposure to host culture to fully appreciate the level of consumer acculturation.

Based on what has been found about the effect of acculturation on brand preference and on the types of individuals within the acculturation categories, the section will be concluded with pen portraits of separated, integrated and assimilated individuals.

Separated British Indians

Newer immigrants make up over two-thirds of this category. With shorter lengths of stay in the UK than those in the other categories, separated British Indians are overwhelmingly first generation, with over half holding Indian nationality. The educational attainment of this group is impressive, with over half having postgraduate qualifications. However, these qualifications are likely to have been obtained overseas and it is therefore their shorter length of stay in the country that is associated with their belonging to the separated category. This shorter length of stay and their transitional status in terms of nationality may partly explain why almost half of this group have an annual household income of less than £40,000 per annum.

Close to half of the separated category are below 34 years of age and nearly two-thirds are male. When taken in conjunction with length of stay, this suggests that a large percentage of this separated group is made up of economic migrants. Overall, separated British Indians were more likely to prefer ethnic brands over host brands than those in the integrated or assimilated categories, reinforcing their closer physical and emotional ties with India.

Integrated British Indians

This category falls between the separated and the assimilated categories in some aspects of its demographic make-up. Members of this group have lived longer in the UK compared with the separated British Indians, with around half having spent over 21 years in the country. Despite this, unlike the assimilated British Indians, only one fifth of this category is second generation. A greater percentage fall into the 55

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years and above age group compared with those in the other two acculturation categories. The majority of the integrated individuals hold British nationality. The male–female ratio in this category was a fit with the total population surveyed and nearly half of the group had total annual household incomes in the £40,000–£80,000 band. While for most types of products and services the integrated individuals showed brand preference patterns between those of the separated and assimilated individuals, they oscillated closer to the separated individuals on ‘high involvement’ brands such as ‘entertainment’ brands, and were closer to the assimilated individuals in relation to the ‘financial services’ brands. This indicates that when the integrated consumers are rational in their approach to a product or service type, they prefer host brands more often, and when they are emotional in their approach, they prefer ethnic brands more often.

Assimilated British Indians

The key defining characteristic of assimilated British Indians is their length of stay in the UK. The overwhelming majority were born in the UK or had migrated to the country at an early age. More than two-thirds are between 35 and 54 years of age, with half being second generation immigrants. Having been born or lived in the UK for over 21 years, not surprisingly almost all of these individuals hold British nationality. Being well settled in the UK, they are leading economically successful lives, with almost four-fifths living in households with an annual income in excess of £40,000.

Women make up two-thirds of this category. In terms of their overall brand preferences, the assimilated British Indians are more likely to prefer host brands over ethnic brands than those in the separated or integrated categories.

LIMITATIONS

This study did not capture individuals in the marginalisation category because consumers in the marginalised category either fail to appear in or may be difficult to identify on mailing lists or databases. These individuals resist the pulls of both cultures and their brands, making it difficult to interpret much from their brand preferences. For these reasons, most previous acculturation research has not included this category. The current study would not have been able to identify marginalised individuals in the database that was used. Future research embracing a critical ethnographic enquiry could potentially seek to understand the acculturation of the marginalised category of British Indians and their consumer behaviour. This is because an ethnographic approach is able to offer direct, first-hand observation and daily participation in the lives of the marginalised individuals. By spending sufficient time with them during the field work, researchers could gain access to their otherwise closed world and help them to reveal more about their lives.

The cross-sectional design of the study, as well as the categorical nature of the demographic variables, limits the causal inferences that could otherwise have been derived from the results. The results are only able to infer whether a relationship exists between demographic variables and acculturation categories. Although evidence from previous research in some instances, suggest a direct causal influence of demographic variables on acculturation categories, notwithstanding this, future studies that are longitudinal in nature may help explore questions about causality allowing further interrogation of these relationships.

FUTURE RESEARCH DIRECTIONS

The current research results have established that Berry's (1980) three acculturation categories exist amongst British Indians. It would be interesting to extend this to other populations around the world to reflect a more general relationship between subcultural group membership, acculturation and consumer behaviour. Also, whilst a broad range of host and ethnic brands was included, this was not all-inclusive. Future research could expand the study to other product and service types too, such as clothing, watches, information technology and jewellery. This could further extend understanding of role of those product types where meaningful home culture brand options may not be available, such as cars and consumer durables, examining how separated, integrated and assimilated consumers differ in their brand preferences for such products. While this study has focused on brand preference, future research might also reflect upon other aspects of consumer behaviour such as shopping orientations, media preferences, consumer satisfaction, brand loyalty, the consumer decision-making process and customer service expectations.

Having understood the brand preference patterns for the three acculturation categories, future research could examine Aaker's (1997) brand personality dimensions of sincerity, excitement, competence, sophistication, ruggedness etc. to study their effect on shaping these preferences. Such a large-scale quantitative research could identify the most important brand personality dimensions for each of these three acculturation categories. This would help in determining how to differentiate a brand with respect to a particular product or service type. Conversely, it could highlight those brand personality dimensions that are stable and those which are not across the three acculturation categories. The motivational differences behind any observed brand preference patterns could also be studied.

CONCLUSION

The chapter has considered the value of the British Indian consumer acculturation research results for academicians and practitioners. The research strongly supports the view that acculturation affects consumer behaviour and yields interesting insights into the demographic variables which are associated with the acculturation categories of British Indians. The chapter also suggests numerous future research areas which would build on the findings presented here and stimulate further discussion in a complex but nevertheless interesting field of consumer acculturation research.

Economic recession and political compulsions might lead to changes of stance on immigration policies in Britain. This could result in the influx of highly skilled individuals in the future, not just from India but also from other countries. Also, with the increasing economic growth and resulting increase in consumer purchasing power in India, Indian consumers who come to the UK in the future may exhibit different consumption patterns from those who have done so in the past. Thus ongoing research is needed to capture forthcoming developments in the field of acculturation and the consequences for the consumer behaviour of British Indians and other ethnic minority consumers. It is hoped that this study will provide the basis and inspiration for further research on this important subject.

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KEY TERMS AND DEFINITIONS

Acculturation: Refers to the changes that occur in an individual as a result of continuous contact with a new and different culture.

Brand Preference: Refers to the degree to which the consumer prefers one brand over the other.

British Indians: Individuals born in or migrated to Britain and living in Britain, but with a common ancestry from India.

Consumer Behaviour: The buying behaviour of consumers - those who purchase products or consume services.

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Demographic Factors: Socioeconomic characteristics of a population.

Ethnic Brands: Refer to the home country brands as determined by the British Indians.

Host Brands: Refer to the host country brands as determined by the British Indians.

Segmentation: The process of dividing a market into clearly identifiable sub-segments with similar needs or wants.

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Chapter 20

Sales Promotional Strategies and Buying Behavior in an Emerging Market at the Post Recession Period

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ABSTRACT

The aim of this study is to investigate the influence of sales promotional tools on consumer buying behavior in an emerging market at the post-recession period. This study assesses consumers' proneness to sales promotions and examines the effectiveness of four promotional tools that are premium offers, coupons, buy and get promotions, and price discounts on buying behavior in terms of brand switching, stockpiling, purchase acceleration, and product trial. The findings reveal that consumers are more prone to price discount and buy and get promotions, respectively. Among the four promotional tools, price discount is the most effective to influence product acceleration, brand switching, stockpiling, and product trial behavior respectively. However, there is no statistically significance difference between the effectiveness of premium offer and buy and get deals with regard to brand switching behavior, product acceleration, and product trail responses. In contrast, coupons are the least ineffective promotional tool in terms of generating all types of consumer response.

INTRODUCTION

The recession in 2008 has influenced shopping behavior and it continues to put stress on consumers. In response to the recession, consumers are changing their definition of value and purchasing patterns. Nielsen report indicates that with the recession, consumers are trying to rebalance their family budget, becoming more value conscious, showing a new norm of purchasing behavior, and they are using promo-

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tional offers to their advantage (Nielsen, 2012). Even in a tough economy, consumers around the world favor value over price when choosing where to shop. The key findings of Nielsen's 2011 Global Online Survey of more than 25,000 Internet respondents across 51 countries show that consumers around the world continue to spend a lot of efforts to save money when shopping for consumer-packaged goods. 61% of global online consumers rated "getting a good value for the money" over "low price" (58%) as the most influential reason to choose where to shop. Since offering great sales and promotions (55%) is also among the highly influential factors that influence the global online consumers' decision to shop, retailers who offer good values through sales promotions or via larger-sized economy packaging stand to gain the most from consumers in a tough economy (Nielsen, 2011).

According to the key findings of Acosta (2012) research consumers are clearly looking for ways to save on their everyday groceries and 59% of consumers indicate that over half of their shopping basket is filled with items that are on deal (Acosta, 2012). As manufacturers and retailers increase promotional levels in recent years, consumers have become accustomed to buying products on promotion. Consumers know that if a product is not on promotion this week, it likely will be next week and 65% of shoppers indicate that they "expect certain products to be on sale and, if they are not, they will wait until they are on sale to purchase" (Acosta, 2012). Given the recent economic realities, the "value-conscious" shopper becomes more visible trend than ever before and this trend is expected to continue. To increase the value of the offering, either the retailer may provide more benefits or reduced the costs of the offering. Reducing the cost of the customer to purchase a product involves activities such as lowering the actual price, increasing the convenience of the purchase etc. (Ravald & Grönroos, 1996). On the other hand, increasing the benefits of the offering involves adding something to the core product that the consumer perceives important, beneficial and unique. Sales promotions play an important role in creating value for consumers. For instance, premiums and loyalty programs can be used to increase the value of the offering through providing more benefits; whereas price packs, coupons, and discounts can be used to reduce the cost of acquiring the offering. Thus, retailers need to adopt new strategies to cope with the new "value-conscious" shopping behavior.

In today's business world, companies need to communicate the value of their offer in order to maintain sustainable and profitable sales. As Laroche et al. (2003) indicates that sales promotion is usually designed with the purpose of achieving immediate increase in product sales and sales promotion is one of the most effective tool to influence short-term consumption behaviour in marketing mix. Companies use sales promotional strategies to attract customers by influencing their buying behavior. Sales promotional strategies do not allow just companies to increase their sales but also help companies in developing brand loyalty, encouraging repeat purchase, motivating customers to try the product or service, destocking, gaining market share from competitors, and defending market share in the context of heavy competition (Sunday & Bayode, 2011). Statista statistics investigate the brand-customer relationship building measures that are important for consumers in 2014. The findings of this statistics reveal that 72% of US, 65% of UK, 92% of Brazilian, and 71% of Chinese consumers expected to receive rewards from brands in order to build their relationship with the brand and become loyal to the brand (Statista, 2014). Since the cost of sales promotion is relatively lower than advertising, companies prefer to offer more sales promotion activities in order to achieve their marketing goals as well as boost short term sales with lower costs (Cuizon, 2009). Due to the benefits of sales promotional strategies, companies allocate significant budget for the sales promotion activities in order to offer consumers more attractive and valuable offerings.

A panel survey that was conducted by AMG Strategic Consultants in February 2012 indicates the U.S. consumers' share of received promotion types in CPG and findings show that U.S. customers have mostly taken advantage of buy one get one free (93%), price discounts (cents or dollars off) (79%), get one item 50% off (74%), and buy one item get a different item free (51%). The results of this survey also reveal that 17.7% of respondents prefer promotions that give money discounts (Statista, 2012). According to the survey that was conducted in 2013 with UK consumers, 58% of consumers used mostly reward or loyalty schemes as a promotion tool in the last 12 months (Statista, 2013b). Forrester report on Trade Promotion Management shows that consumer packaged goods (CPG) brands spend more than \$500 billion on trade promotions annually and a third of these trade promotions spending generates negative returns (Lawrie, Kisker, & Ephraim, 2015). An understanding of how consumers respond to sales promotions is important in developing effective strategies for sales promotions. Thus, this paper aims to understand how the post-recession shapes the consumers response to sales promotions in emerging markets.

Emerging markets seen as the major driver for the global growth. Forbes (2011) considers emerging markets as great investment and indicates that approximately 70% of world growth over the next few years will come from emerging markets, with China and India accounting for 40% of that growth. Emerging economies are expected to grow two to three times faster than developed nations like the US. Morgan Stanley's Emerging Markets Index consists of Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, Turkey and Venezuela (Forbes, 2011). According to the United Nations (2006), the global population will be 9 billion by 2050 and 98% of this growth will be in emerging markets. Although US consumers still manage to account for 25% of the world's spending, individual purchasing power of the people in emerging markets have been increasing steadily. International companies focus their efforts on emerging markets because of expected long term consumer growth in emerging markets. Over the next 10 years, consumer spending in emerging markets is expected to grow three times faster than consumer spending in developed nations, reaching a total of \$6 trillion by 2020 (Severin et al., 2011). Since emerging markets will represent close to 50 percent of total consumer spending by 2020; dynamic emerging markets deserve particular attention from global players. Therefore, companies need to understand and address changing patterns and growth in consumer spending in emerging markets.

McKinsey report on consumer and shopper insights indicates that between 2013 and 2017, Turkey's total personal disposable income is expected to rise from \$652 billion to \$906 billion (Gehaney & Bigan, 2014). This report underlines that by 2016, 23 percent of Turkish households will have annual incomes of \$50,000 or more, up from 17 percent in 2011. Population of Turkey is becoming increasingly educated, urbanized, and young. Roughly 60 percent of citizens are under the age of 35. These shifts have created a change in the financial profiles of Turkish consumers and significant portion of them are now able to afford luxury goods (Gehaney & Bigan, 2014). BRIC refer to countries that offer excellent opportunity for long-term economic growth and development. These countries are Brazil, Russia, India and China. Within emerging markets, Turkey is ranked second among the next 10 countries after BRIC that will also drive significant growth in the consumer spending.. Moreover, Istanbul is at the eight rank among the emerging top 300 cities that will experience the highest growth in the consumer spending over the next 10 years (Severin et al., 2011). Since Turkish market is growing continuously with fierce competition, it is worthwhile to analyze the Turkish consumers' response to various forms of sales promotions.

As a result of recession, companies face with a fundamental change in consumer buying behavior (Bohlen, Carlotti, & Mihas, 2010), and understanding this challenging shift in consumer behavior is

necessary for companies to survive. Thus, this paper aims to investigate the influence of sales promotional tools on buying behaviour in Turkey, which is an emerging market, at the post-recession period. Within the context of this study the influence of premiums, coupons, buy & get promotions, and price discounts on buying behavior in terms of brand switching, stockpiling, product trial, and purchase acceleration are analyzed. Understanding the effectiveness of the promotional tools are significant for retailers in determining the promotional tools and timing. This paper aims to show out which sales promotion tools can motivate consumers for purchasing fast-moving consumer goods; so that companies will be aware of to use best tool to achieve their marketing goals.

CONSUMER BUYING BEHAVIOUR IN RECESSION

There are various studies that analyse the impact of economic crisis on consumer buying behavior in the recession and post-recession period. All of these studies underline the emergence of new types of consumers whose attitudes, aspirations and purchasing patterns are different from those existing in the past (Voinea & Filip, 2011). The findings of these studies also show that recession has a strong economic and social impact on consumers. The recession in 2008 that has caused two consecutive years of per capita consumption decline in the U.S, has reinforced changes in consumer spending and behavior. A survey of 2,000 U.S. consumers that is conducted by Booz & Co. (2009) reveals that frugality has become the dominant mind-set among consumers in the United States. A new frugality that is characterized by a strong value consciousness is becoming entrenched among U.S. consumers and reshaping their consumption patterns in ways that will continue even as the economy starts to recover. Thus, frugal behaviors, such as reducing or deferring consumption, trading down to lower price points, purchasing private label brands, and shopping at discount outlets are turning into habits. The findings of this survey indicates that two-thirds of American shoppers are cutting coupons more frequently, buying low price over convenience, and emphasizing saving over spending. As consumers persist in more frugal behaviors, companies need to understand and address the new frugality among consumers and reassess their marketing strategies (Booz & Co., 2009). Findings of McKinsey research also support the fact that recession has fundamentally altered the behavior of many US consumers, who are now learning to live without expensive products (Bohlen et al, 2010). McKinsey survey with 2672 US consumers and this research reveals that an average of 18% of consumer of packaged-goods bought lower-priced brands due to the recession, and 46% of those consumers, who switched cheaper products, indicated that these cheaper products performed better than expected. Moreover, 34% of the switchers said they no longer preferred higher-priced products. As a result of recession, companies face with a fundamental change in consumer buying behavior (Bohlen et al, 2010).

Another study focuses on the impact of recession on the buying behavior of Indian consumers during recessionary times. The findings of this study show that hypermarkets and supermarkets witnessed a greater change in shopping behavior, Indian consumers changed their frequency of shopping, the number of people visiting the malls have decreased, Indian consumers cut their expenses on luxury items, consumers who shop frequently are more likely to respond to discounts, retailers who cut down prices boost up their sales and consumers switched from their regular brands to others brands that cost them less (Sharma, 2011). Mansoor and Jalal (2010) study the impact of the global business crisis on Bahraini consumers, investigate their perception of global crisis and whether their consumption behaviour has changed as a result. They find out that recession cause change in consumer buying behavior in Kingdom

of Bahrain and the findings of this study reveal that 74% of the respondents are aware of the global financial crisis, 64% of them believed that it has affected their consumption, 58% of the respondents switched from buying expensive goods to inexpensive substitute goods, and 58% of them are buying small quantities rather than huge quantities (Mansoor & Jalal, 2010). Voinea and Filip (2011) analyze the results of some research that are conducted in different countries in the recession period in order to find out the main changes occurred in the new consumer buying behavior and to draw a portrait of new consumers after the economic crisis. As Voinea and Filip (2011) mention, with the recession consumers become more economical, more responsible and more demanding. Flatters and Willmott (2009) focus on understanding the post-recession consumer and they argue that a new thriftiness and desire for simplicity will shape buying behavior. In this study, authors identify that with the recession demand for simplicity, need for ethical business governance, desire to economize, and tendency to flit from one offering to another are being accelerated as four key trends. On the other hand, they indicate that green consumption, decline in respect for authority, ethical consumption, and extreme-experience seeking as the four trends that are slowing down (Flatters & Willmott, 2009). Lodes and Buff (2009) investigate the brand loyalty behavior of Millennial (Generation Y) consumers and try to understand the buying behavior of Millennials in an economic recession. They find out that Millennials' purchase behavior has not been greatly affected by the economic recession (Lodes & Buff, 2009). In another study, Bondy and Talwar (2011) examine the effects of recessionary economic conditions on fair trade consumers' purchasing behaviour. They conducted an online survey with 306 fair trade consumers from Canada, the United Kingdom and the United States of America. This study reveals that consumers that purchase fair trade on an occasional basis decrease their purchases of fair trade products and become significantly more price aware. Whereas, respondents who actively consume fair trade generally remained loyal to their purchase. In addition, Canadian and U.S fair trade consumers significantly decreased their consumption of fair trade with the recession, but the UK consumers did not (Bondy & Talwar, 2011).

The findings from the Nielsen's Q4 2012 Global Survey of Consumer Confidence and Spending Intentions Report reveal that concerns about global recessionary conditions diminished slightly in the fourth quarter of 2012, but negative sentiment about the economy remains considerable for a majority of consumers around the world. More than half of global online respondents (59%) said they were in an economic recession in the fourth quarter of 2012. 71% of North Americans believed they were in a recession in the fourth quarter of 2012, that number represents a 15% point drop from Q4 2011, which representing the biggest recessionary mind-set improvement among all regions (Nielsen, 2013). Moreover, according to the Global Consumer Confidence Report of Nielsen (2014), global consumer confidence returned to pre-recession levels with an index score of 96 in the first quarter of 2014, which is the highest score since first quarter of 2007. Across the world's six biggest economies, overall confidence increased eight points in France (59), six points in the U.S. (100), four points in Germany (99), three points in the U.K. (87), one point in Japan (81) and remained flat in China (111). Regionally, recessionary sentiment improved most in North America. Besides, more than two-thirds of markets measured by Nielsen reported an improved recessionary sentiment compared to Q4 2013. The findings of this report also indicate that U.S. discretionary spending intentions increased across new technology and out-of-home entertainment categories (Nielsen, 2014). Briefly, statistics illustrate that there is an improvement in recessionary mind-set among all regions and global consumer confidence returned to pre-recession levels. Therefore, the timing is meaningful to examine post-recession period attitudes of consumers towards various sales promotion tools and influence of these tools on consumer buying behaviour.

THE IMPACT OF SALES PROMOTIONS ON CONSUMER BUYING BEHAVIOR

According to the Statista statistics, in 2013, the percentage of household products sold on some kind of deal or promotion was 56.8 in UK, 22 in France, 18 in Germany, 19 in Spain, 31.8 in Italy, and 17.5 in Netherlands (Statista, 2013a). Sales promotion is an essential marketing tool for manufacturers as well as for retailers. Chandon (1995) categorizes the sales promotions as retail, consumer, and trade promotions. Manufacturers use sales promotions to increase sales to retailers and this type of promotion is called trade promotions. Manufacturers also direct their sales promotions to consumers in order to motivate them to buy and this type of promotion is called consumer promotions. On the other hand, retailers' promotions are used by retailers in order to increase sales to consumers (Chandon, 1995).

Retailers may use different promotion instruments and Gedenk, Neslin, and Ailawadi (2006) categorize the promotional tools as price promotions and non-price promotions. Temporary price reductions, promotion packs (e.g., "buy three for x" or "buy two get one free), loyalty discounts, coupons, and rebate are among the price promotion tools. Temporary price reduction is among the most often used price promotion instruments. Retailers can also use coupons or rebates as price promotion strategies. With coupons, consumers have to bring the coupon to the store in order to get a discount. With rebates, consumers pay the full price, but they can then send in their receipt to get a discount (Gedenk et al., 2006).

On the other hand, Gedenk et al. (2006) categorize non-price promotion tools as supportive non-price promotions and true non-price promotions. Retailer can use promotion communication (e.g., features, point of sale advertising, advertising in other media), displays, point of sale materials, and promotion packaging as supportive non-price promotion tools. Retailers use supportive non-price promotion to alert the consumer to the product or to other promotion instruments. Supportive non-price promotion can be used to draw attention to price promotions. However, supportive non-price promotion can also be used without a price promotion. They can be also used to inform about a new feature or a new product. For the true non-price promotions, the focus is on the brand, not on price cut. Manufacturers mostly use sampling, premiums, sweepstakes, and contests as true non-price promotion tools (Gedenk et al., 2006).

Previous studies on sales promotion have analysed the impact of sales promotion on consumer behavior from different perspectives. Consumers' reactions to sales promotions (D'Astous & Landreville, 2003; Hamlin, Lindsay, & Insch, 2012); deal proneness (Palazon & Ballester, 2011); impact of sales promotion on brand (Dawes, 2004; Alvarez & Casielles, 2005; Palazon & Ballester, 2005; Yi & Yoo, 2011; Valette-Florence, Guizani, & Merunka, 2011); the relationship between promotions and product category (Nijs et al., 2001; Dawes, 2004; Banerjee, 2009); effectiveness of sales promotion types (Gupta, 1988; Chandon, Wansink, & Laurent, 2000; Gilbert & Jackaria, 2002); comparison of price and non-price promotion effectiveness (Chandon et al., 2000; Yi & Yoo, 2011; Dahl & Johnsson, 2015); marketers' attitude toward sales promotions (Huff, Alden, & Tietje, 1999; Huff & Alden, 2000); and impact of demographic factors on sales promotion responses (Carpenter & Moore, 2008; Boland, Connell, & Erickson, 2012; Jamal, Peattie, & Peattie, 2012; Yoon Kin Tong, Piew Lai, & Fa Tong, 2012; McNeill, Fam, & Chung, 2014) are among the topics that are studied in the literature.

Some of the studies compare the effectiveness of price and non-price promotions, and try to highlight the impact of price reductions on the brand image as well as quality perceptions. Price promotions have been criticized for several reasons. It is argued that price reductions may lower the reference price effect (Sinha & Smith, 2000), damage the brand image, and downgrade the quality perceptions of the product (Yoo, Donthu, & Lee, 2000; Darke & Chung, 2005; Banerjee, 2009; Yi & Yoo, 2011).

In one of the study, the effectiveness of monetary and non-monetary sales promotions is evaluated in terms of hedonic and utilitarian benefits; and results show that non-monetary promotions provide more hedonic benefits and fewer utilitarian benefits than monetary promotions. Besides, monetary promotions are found to be more effective for utilitarian products than for hedonic products, and non-monetary promotions are relatively more effective for hedonic products than for utilitarian products (Chandon et al, 2000). Madan and Suri (2001) analyze price discounts and fixed price offers in terms of their comparative impact on consumer valuation of products. Authors use a model of consumer valuation and explore the interaction between the negative quality effect and the positive monetary sacrifice effect associated with price discounts. Results suggest that intermediate levels of price discounts will be more desirable than a fixed price offer. However, a fixed price offer may be more desirable than both high and low levels of price discount (Madan & Suri, 2001). Darke and Chung (2005) also analyze the effects of pricing and promotion on consumer perceptions. This research shows that negative quality inferences moderate discount framing effects and undermine deal value, especially when no assurance of product quality is provided. Every-day-low-price offers are also vulnerable to negative quality inferences, while free gift frames maintains quality perceptions and increases deal value (Darke & Chung, 2005).

The influence of sales promotions on brand attitude across promotion types over time is also analyzed, and the findings show that the long-term effects of sales promotions on brand attitude vary across deal types (Yi & Yoo, 2011). Non-monetary promotions seem to work better in producing favorable brand attitude than monetary promotions over time. Although monetary promotions may stimulate more negative effects than non-monetary promotions, these effects are weaker for high deal-prone consumers than for low deal-prone consumers (Yi & Yoo, 2011). In another study, the role of sales promotions in brand equity creation is examined, and the findings reveal that monetary promotions such as price discounts have negative effects on perceived quality, and non-monetary promotions such as gifts have a positive and significant influence on perceived quality as well as brand associations (Valette-Florence et al., 2011). Dahl and Johnsson (2015) study the relationship between the use of sales promotions and brand knowledge, and findings indicate that monetary promotions have impact on brand awareness as well as brand image; however non-monetary promotions have only impact of brand image. Koksal and Spahiu (2014) reveal that the efficiency of monetary sales promotions on brand preference is significantly higher than non-monetary ones in the GSM industry, even though non-monetary sales promotions appeal to customers.

Nijs et al. (2001) investigate the main effects of price promotions on category demand in the short and the long run across 560 consumer product categories over a 4-year period. Category demand is found to be predominantly stationary. Although the total net short-term effects of price promotions are generally strong, their effects dispel over a time and their long-term impact is essentially zero. By contrast, the successful introduction of new products into a category is more frequently associated with a permanent category-demand increase. The findings of this study also indicate that short-run category-demand effectiveness of price promotions is lower in categories experiencing major new-product introductions, and both the short- and long-run price promotion effectiveness is higher in perishable product categories (Nijs et al., 2001). The study of Dawes (2004) find out that price promotion that is successfully executed has no identifiable positive or negative longer term effect on the volume for the brand, temporarily expand the category during the promotion, and have a longer term negative impact on category sales because the promotion causes purchase acceleration or stockpiling by consumers. A recent study studies the effect of product category on promotional choice and compares the effectiveness of discounts and freebies. The findings of this study illustrate that promotion type is product category dependent and promotional

offerings which can be converted into monetary terms are more preferred to freebies but in the long-run, they can affect the overall value of the product (Banerjee, 2009).

Huff et al. (1999) investigate the brand managers' response to sales promotions and findings show that brand managers of packaged convenience goods use trade as well as consumer sales promotions more extensively, but they do not consider sales promotions to be more effective in meeting objectives. U.S. brand managers heavily favor price-oriented over non-price promotions and managerial use of sales promotions is influenced primarily by competition and short-term pressures (Huff et al., 1999). In another study, theory of planned behavior is used to explain marketing managers' attitudes toward and use of consumer sales promotions. Results show that short-term objectives, past results, and competitor use are more important determinants of manager attitude toward sales promotions than long-term objectives or perceived customer attitudes, regardless of promotional type or marketing environment (Huff & Alden, 2000).

Lichtenstein, Netemeyer, and Burton (1995) study the deal proneness and argue that deal proneness have to be assessed as a domain specific construct (deal specific level). In another study, they assess the consumers' proneness to eight different types of sales promotion and segment consumers based on their deal proneness (Lichtenstein, Burton, & Netemeyer, 1997). Affective dimensions of promotion is also studied in the literature and, Honea and Dahl (2005) propose a 28-item scale instrument, the Promotion Affect Scale (PAS), which measures affective response to promotion. The 28-item PAS is an effective measurement tool that is used in understanding of the consumer affect resulting from promotional purchase. The influence of pre-purchase goals on consumers' perceptions of price promotions is examined and the findings reveal that consumers, who have pre-purchase goal, are more likely to interest in promotions than those without a goal. In addition, consumers with a pre-purchase goal are more prone to promotions emphasizing reduced losses; while those without a goal respond more favourably toward promotions emphasizing gains (Xia & Monroe, 2009).

BEHAVIORAL RESPONSE TO SALES PROMOTION TOOLS

Sales promotion allows the brand to increase its sales through attracting new customers who normally do not use the product category, and persuading customers to switch brand or product category. Sales promotion also leads to purchase acceleration; which in return increase sales. With the sales promotion, consumers purchase earlier or they purchase more than they would buy. When consumers' purchase involvement is low, sales promotion tools have the ability to stimulate consumers for purchasing, purchase acceleration, product trial and spending larger amounts (Obeid, 2014). Sales promotion literature handles the behavioral responses to sales promotions in terms of switching behavior (e.g. store, brand, and product category) (Grover & Srinivasan, 1992; Sun, Neslin, & Srinivasan, 2003; Van Heerde, Gupta, & Wittink, 2003); loyalty (Grover & Srinivasan, 1992; Laroche et al. 2003; DelVecchio, Henard, & Freling, 2006; Nagar, 2009), stockpiling (Mela, Jedidi, & Bowman, 1998; Ong, 1999; Shi, Cheung, & Prendergast, 2005; Ailawadi et al., 2007; Su, 2010; Gangwar, Kumar, & Rao, 2013), product acceleration (Neslin, Henderson, & Quelch, 1985; Ailawadi & Neslin, 1998; Bell, Chiang, & Padmanabhan, 1999; Gilbert & Jackaria, 2002; Aggarwal & Vaidyanathan, 2003; Shi, Cheung, & Prendergast, 2005; Mittal & Sethi, 2011; Obeid, 2014), and product trial (McGuinness, Gendall, & Mathew, 1992; Gilbert & Jackaria, 2002; Darke & Chung, 2005; Ndubisi & Moi, 2005; Shi, Cheung, & Prendergast, 2005; Romito & Saxton, 2014).

Behavioral response to monetary sales promotions such as price discounts (Smith & Sinha, 2000; Gilbert & Jackaria, 2002; Dawes, 2004; Kumar, Madan, & Srinivasan, 2004), coupons (Gilbert & Jackaria, 2002; Laroche et al., 2003; Kumar, et al., 2004) and buy & get promotion (Ong, 1999; Smith & Sinha, 2000; Gilbert & Jackaria, 2002; Laroche et al., 2003; Raghurir, 2005; Ailawadi et al., 2006; Li, Sun & Wang, 2007; Thomas & Chrystal, 2013), and non-monetary sales promotions such as premiums (free gifts) (D'Astous & Jacob, 2002; Arora & Henderson, 2007; Banerjee, 2009; Palazon & Ballester, 2009; Raghurir, 2004; Raghurir & Celly, 2011; Montaner, de Chernatony, & Buil, 2011) are analysed in the literature.

Offering a free-gift with the product is one of the most common non-monetary promotion tool. Free gifts are given to consumers without extra-charge even though they are having a monetary value. Although, promotional offerings which can be converted into monetary terms such as discounts are more preferred to free gifts, hedonic free gifts have a higher perceived value (Banerjee, 2009). Free gift promotions maintain quality perceptions and increase deal value (Darke & Chung, 2005). The effect of the visual size of a gift in a free gift promotion on consumer judgments are examined and results show that promotional offers that highlight the free gift rather than the product are less effective than those that highlight the product to be purchased. Increasing the visual size of the free gift leads to perceptions of poorer product quality and has unfavorable consequences for purchase intentions of the offer (Raghurir & Celly, 2011).

Consumer reactions to premium-based promotional offers is also analysed in the literature. D'Astous and Jacob (2002) try to understand consumer reactions to premium-based promotional offers. Their results reveal that consumer appreciation of premium-based promotional offers is more positive when the premium is direct than when it is delayed, when there is a relatively lower quantity of product to purchase, when the value of the premium is mentioned, when brand attitude is positive, when interest in the premium is great, and when consumers are characterized by deal-proneness and compulsive buying tendencies (D'Astous & Jacob, 2002). Palazon and Ballester (2009) investigate the effectiveness of price discounts and premium promotions and their interaction effect between promotional benefit levels. They find out that premiums are more effective than price discounts when the promotional benefit offered is low. In contrast, when the promotional benefit is high, price discounts are more effective than premiums because they are valued more and generate higher buying intentions (Palazon & Ballester, 2009). In another study Palazon and Ballester (2013) investigate the effectiveness of hedonic and utilitarian premium promotion and argue that hedonic premiums are preferable to utilitarian ones in a promotional context when other characteristics of the premium such as premium attractiveness being equal.

Gupta (1988) focuses on understanding the impact of sales promotions on consumer decisions of when, what, and how much to buy. Gupta (1988) argues that sales increases due to brand switching, purchase time acceleration, and stockpiling during promotion period. The results indicate that more than 84% of the sales increase due to promotion comes from brand switching, purchase acceleration during promotion time accounts for less than 14% of the sales increase, whereas stockpiling due to promotion is a negligible phenomenon accounting for less than 2% of the sales increase (Gupta, 1988).

Consumer response to various promotional deals is studied in the literature. The study of Gilbert and Jackaria (2002) investigate consumer response to the four different promotional deals that are most commonly used in UK supermarkets: coupons, price discounts, samples and buy-one-get-one-free. The findings indicate that price discount promotions are statistically significant on consumer's reported buying behaviour. Purchase acceleration and product trial are the two most influential variables related

to a discount. For buy-one-get-one-free promotions, brand switching and purchase acceleration are statistically significant.

Shi et al. (2005) examine the impact of five different sales promotion tools that are price discounts, in-store demonstrations, coupons, sweepstakes and games, and buy one get one free on brand switching, purchase acceleration, stockpiling, product trial, and spending more. The findings of this study reveal that price discounts and buy-one-get-one-free offers are most effective promotional tools for stimulating purchase acceleration, stockpiling and spending more. They find out that in-store demonstrations are mainly effective in encouraging product trial; whereas, coupons are considered effective mainly in generating stockpiling and purchase acceleration responses. In contrast, sweepstakes and games are relatively ineffective in terms of generating all types of consumer response (Shi et al., 2005).

The moderating role of price consciousness on the effectiveness of two promotional tools that are price discounts and premium promotions is studied and the results indicate that at moderate benefit level, price discounts and premiums are equally effective for high price conscious consumers. However, price discounts are more effective than premiums for low price conscious consumers. At high benefit level price discounts are more effective than premiums, and this effect is more apparent for high price conscious consumers (Palazon & Delgado, 2009).

The findings of another study indicate that there is no significant relationship between free samples, coupons and buying behavior. On the other hand price discount and buy-one-get-one-free have a significant relationship with buying behavior (Rizwan et al; 2013). Nagadeepa, Selvi, and Pushpa (2015) study the impact of five sales promotion techniques, that are rebate & discount offers, coupons, price packs, loyalty programs, and contests on impulse buying behaviour and they try to identify the most effective sales promotion technique that influences the customers' impulse purchase decision. Authors find out that among the five promotional tools, rebates & discount offers and loyalty programs have a significant influence on the customer's impulse buying decision (Nagadeepa et al., 2015).

It is evident that there are different findings about consumer responses towards promotion tools. Sales promotion creates price-consciousness and because of this price-consciousness consumers are easily convinced to buy products because there will be more value for the consumers without extra cost (Sinha & Smith, 2000). However beside the positive outcomes of sales promotion, there might be negative outcomes too. When the consumers are aware of prospect sales promotions and sales promotions are not suitable with the features of the product, the impact of the sales promotion might not be seen on the sales or this sales promotion might harm the brand image tool (Alvarez & Casielles, 2005). The aim of this study is to investigate the influence of sales promotional tools on consumer buying behaviour in an emerging market at the post-recession period. This study evaluates consumers' attitudes towards sales promotions and examines the effectiveness of four promotional tools that are premium offers, coupons, buy & get promotions, and price discounts on buying behavior in terms of brand switching, stockpiling, purchase acceleration, and product trial. The results of this research may help marketers to understand the best kind of promotion tool that significantly affect buying behavior of consumers in emerging markets. Therefore marketers can develop their promotional plan more effectively.

RESEARCH METHODOLOGY

The aim of this study is to examine the consumers' promotion proneness for fast-moving consumer goods; as well as the influence of sales promotional tools on consumer buying behaviour in an emerging

market at the post-recession period. To achieve this aim, this study investigates behavioural responses to four promotional tools (premium offers, coupons, buy & get promotions, and price discounts), which are most commonly used by Turkish retailers. Behavioral responses (brand switching, stockpiling, purchase acceleration, and product trial) to the four promotional tools are measured with a four-item, seven-point Likert-type scale (1= “strongly disagree” to 7= “strongly agree”), which is adapted from the study of Gilbert and Jackaria (2002). On the other hand, promotion proneness of consumers towards these four promotional tools are measured with a five-item, seven-point Likert-type scale (1= “strongly disagree” to 7= “strongly agree”), which is adapted from the studies of Chandon et al. (2000), Lichtenstein, Netemeyer, and Burton (1990), Lichtenstein et al. (1995), and Lichtenstein et al. (1997). An online structured questionnaire was used for this study and the data collection process was conducted among social media users who are the members of various shopping groups. The main advantage of conducting the survey with the members of shopping groups is to reach consumers who are really interested in shopping. With this sampling method the survey was conducted only with consumers who have access to social media and this can be considered as a limitation. However, it is important to note that overall, 52 percent of the population are active social media users in Turkey as of fourth quarter 2014, and the most popular social network is Facebook with a 26 percent penetration rate (Statista, 2015). Since, Turkey has a total population of 77.7 million, with approximately 25 percent of that under the age of 14 (Tuik, 2015), it can be argued that active social media users can be representative of the Turkish shoppers. The survey link was shared with the members of social media groups that are related with shopping. A total of 393 usable responses was gathered and demographic characteristics of the respondents are presented as frequencies and percentages in Table 1.

The distribution of gender groups are quite fairly distributed. Among the 393 respondents, 215 were female; while 178 were male. 50.3% of the respondents were between the ages of 25-44, 15% of them between the ages of 45-64 and finally 1.5% of them were above the age of 65. Most of the respondents were single (63.6%), 22.1% of them were married with children, 9.7% of them were married without children, and 4.6% of them were single with children. Regarding their occupations, 58.3% of them were

Table 1. Demographic profile of respondents

		N	%			N	%	
Gender	Male	178	45.3	Marital Status	Single	250	63.6	
	Female	215	54.7		Single with kid	18	4.6	
Age	18-25	130	33.1		Married without kid	38	9.7	
	25-34	120	30.5		Married with kid	87	22.1	
	35-44	78	19.8					
	45-54	47	11.7					
	55-64	13	3.3					
	65 or older	6	1.5					
Education	Less than high school degree	54	13.7		Occupation	Employed	229	58.3
	High school degree	172	43.8			Unemployed	31	7.9
	Bachelor degree	152	38.7	Student		124	31.6	
	Graduate degree	15	3.8	Housewife		9	2.3	

working, while 31.6% of them were students. The majority of the respondents (43.8%) have high school, 38.7% have bachelor degree, 13.7% have less than high school degree, and just 3.8% have graduate degree.

The Statistical Package for Social Science (SPSS) version 21.0 was used to analyze data. The reliability of the scales that measure premium offer, coupon, buy & get deal proneness, and price discounts are 0.82, 0.89, 0.88, and 0.84 respectively. Furthermore, the reliability for the scales that measure behavioral responses (brand switching, stockpiling, purchase acceleration, and product trial) towards premium offers, coupon, buy& get promotions, and price discounts were 0.82, 0.88, 0.81, and 0.83, respectively. As it can be seen from the Table 2, all of the scales achieved acceptable reliability.

FINDINGS OF THE STUDY

Proneness of Consumers to Promotional Tools

Descriptive statistics about the proneness of consumers to four promotional tools (premium offers, coupon, buy&get, and price discount) can be seen in the Table 3. Among the four promotional tools, consumers have more tendency to buy products that come with price discount ($\mu = 4.61$). Consumers believe that with price discounts they save money ($\mu = 4.91$) and they feel that they are getting a good deal ($\mu = 4.86$). Although when consumers have favourite brands, most of the time they can buy a brand that offers price discount ($\mu = 4.30$). After price discounts, consumers have also tendency to buy&get deals ($\mu = 3.90$). They believe that buy&get promotions allow consumers save money ($\mu = 4.06$) and when the products come with buy&get promotions, they feel that they are getting a good buy ($\mu = 4.05$). On the other hand, coupon is the least preferred promotional tool among these four promotional tools ($\mu = 3.21$). When consumers have favourite brands, they do not usually buy a brand that offers coupon ($\mu = 2.90$).

The Effect of Sales Promotion Tools on Behavioral Responses

Descriptive statistics about the behavioral responses (brand switching, stockpiling, purchase acceleration, and product trial) to the four promotional tools are illustrated in the Table 4. Use of price discount in Turkish retail context led consumers to buy the product earlier than planned ($\mu = 4.55$), buy another

Table 2. Reliability statistics for the scales

Scale	Cronbach's Alpha	N of Items
Premium Offer Proneness	.821	5
Coupon Proneness	.886	5
Buy & Get Proneness	.881	5
Price Discount Proneness	.835	5
Behavioral Responses towards Premium Offers	.816	4
Behavioral Responses towards Coupons	.875	4
Behavioral Responses towards Buy&Get	.808	4
Behavioral Responses towards Price Discounts	.828	4

Table 3. Descriptive statistics for promotion proneness

	N	Min.	Max.	Mean	Std. Deviation
Premium Offer Proneness				3.692	
I enjoy buying products that come with premium offer	393	1.0	7.0	4.285	1.9140
When I buy a brand that offers premium offer, I feel that I am getting a good deal a good buy	393	1.0	7.0	3.967	2.0420
I believe that premium offers save you much money	393	1.0	7.0	3.588	2.1196
I enjoy buying brand that that comes with a premium offer, regardless of the amount I save by doing so	393	1.0	7.0	3.438	2.1097
I have favorite brands, but most of the time I buy a brand that offers premium offer	393	1.0	7.0	3.183	1.9370
Coupon Proneness				3.208	
I believe that coupons save you much money	393	1.0	7.0	3.547	2.0735
I enjoy buying products that come with coupon	393	1.0	7.0	3.384	2.0572
When I buy a brand that offers coupon, I feel that I am getting a good deal a good buy	393	1.0	7.0	3.369	1.9920
I have favorite brands, but most of the time I buy a brand that offers coupon	393	1.0	7.0	2.898	1.9678
I enjoy buying brand that that comes with a coupon, regardless of the amount I save by doing so	393	1.0	7.0	2.842	1.8859
Buy&Get Promotion Proneness				3.895	
I enjoy buying products that come with buy&get promotions	393	1.0	7.0	4.125	1.9839
I believe that buy&get promotions save you much money	393	1.0	7.0	4.056	2.0030
When I buy a brand that offers buy&get promotions, I feel that I am getting a good deal a good buy	393	1.0	7.0	4.046	2.0324
I have favorite brands, but most of the time I buy a brand that offers buy&get promotions	393	1.0	7.0	3.669	1.9490
I enjoy buying brand that that comes with a buy&get promotion, regardless of the amount I save by doing so	393	1.0	7.0	3.580	1.9297
Price Discount Proneness				4.615	
I believe that price discounts save you much money	393	1.0	7.0	4.906	1.9454
When I buy a brand that offers price discount, I feel that I am getting a good deal a good buy	393	1.0	7.0	4.863	1.9500
I enjoy buying products that come with price discount	393	1.0	7.0	4.850	1.9899
I have favorite brands, but most of the time I buy a brand that offers price discount	393	1.0	7.0	4.303	1.9437
I enjoy buying brand that that comes with a price discount, regardless of the amount I save by doing so	393	1.0	7.0	4.153	2.0183

brand which they do not regularly buy ($\mu = 4.33$), buy more quantities of the same product ($\mu = 4.28$), and buy a product which they have never tried before ($\mu = 4.25$). Price discount has more effect on product acceleration compare to brand switching, stockpiling, and product trial. On the other hand, the use of buy&get promotional tool has more influence on brand switching ($\mu = 3.73$) compare to product trial ($\mu = 3.68$), stockpiling ($\mu = 3.64$), and product acceleration ($\mu = 3.59$). The mean value for the

Sales Promotional Strategies and Buying Behavior in an Emerging Market

use of premium offer promotional tool for the product trial, brand switching, product acceleration, and stockpiling are respectively, 3.71, 3.65, 3.54, and 3.25. Providing premium offer has maximum influence on product trial and minimum influence on stockpiling behavior. However use of coupon as a promotional tool led consumers to buy another brand which they do not regularly buy ($\mu = 3.22$), buy a product which they have never tried before ($\mu = 3.15$), buy the product earlier than planned ($\mu = 2.99$), and buy more quantities of the same product ($\mu = 2.89$). As buy&get promotion tool, coupon has more impact on brand switching as well as product trial behavior.

The effectiveness of each promotional tool on brand switching, product acceleration, stockpiling, and product trial was measured by the Wilk's Lambda statistics. The results indicate there is significant differences among four sales promotional tool with regard to brand switching, product acceleration, stockpiling, and product trial behavior (Wilk's Lambda = 0.000, $p < 0.05$).

Bonferroni multiple comparison test was carried out to compare the effectiveness of four different tools in response to brand switching behaviour, product acceleration, stockpiling, and product trial.

Table 4. Descriptive statistics for behavioral responses to sales promotion tools

Behavioral Responses to Sales Promotion Tools	N	Min.	Max.	Mean	Std. Deviation
Brand Switching					
... led me to buy another brand which do not I regularly buy					
Brand Switching (Price Discount)	393	1.0	7.0	4.331	2.0108
Brand Switching (Buy & Get)	393	1.0	7.0	3.725	2.0015
Brand Switching (Premium Offer)	393	1.0	7.0	3.656	1.9915
Brand Switching (Coupon)	393	1.0	7.0	3.221	1.9455
Product Acceleration					
... led me to buy the product earlier than planned					
Product Acceleration (Price Discount)	393	1.0	7.0	4.545	2.0111
Product Acceleration (Buy & Get)	393	1.0	7.0	3.588	1.9373
Product Acceleration (Premium Offer)	393	1.0	7.0	3.537	2.0302
Product Acceleration (Coupon)	393	1.0	7.0	2.995	1.9206
Stockpiling					
... led me to buy more quantities of the same product					
Stockpiling (Price Discount)	393	1.0	7.0	4.282	2.0302
Stockpiling (Buy & Get)	393	1.0	7.0	3.644	2.0542
Stockpiling (Premium Offer)	393	1.0	7.0	3.254	2.0791
Stockpiling (Coupon)	393	1.0	7.0	2.898	1.9522
Product Trial					
... led me to buy a product which I have never tried before					
Product Trial (Price Discount)	393	1.0	7.0	4.254	1.9811
Product Trial (Premium Offer)	393	1.0	7.0	3.710	2.0070
Product Trial (Buy & Get)	393	1.0	7.0	3.684	1.9423
Product Trial (Coupon)	393	1.0	7.0	3.153	2.0334

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Among the four promotional tools, price discount is the most effective to influence product acceleration, brand switching, stockpiling, and product trial behavior respectively. Price discount is the most effective promotional tool that led consumers to buy the product earlier than planned. As it is stated in the Table 5, there is no statistically significance difference between the effectiveness of premium offer and buy & get deals with regard to brand switching behaviour, product acceleration, and product trail. Although price discount is the most influential promotional tool to encourage stockpiling, buy&get promotions are significantly more effective in generating stockpiling behavior compare to premium offers. Coupons are the least ineffective promotional tool in terms of generating all types of consumer response.

Table 5. Bonferroni multiple comparison test

(I) Brand Switching	(J) Brand Switching	Mean Difference (I-J)	Std. Error	Sig. ^b	95% Confidence Interval for Difference ^b	
					Lower Bound	Upper Bound
Premium Offer	Coupon	.435*	.109	.000	.147	.723
	Buy&Get	-.069	.109	1.000	-.358	.221
	Price Discount	-.674*	.108	.000	-.961	-.388
Coupon	Premium Offer	-.435*	.109	.000	-.723	-.147
	Buy&Get	-.504*	.110	.000	-.795	-.213
	Price Discount	-1.109*	.115	.000	-1.414	-.804
Buy&Get	Premium Offer	.069	.109	1.000	-.221	.358
	Coupon	.504*	.110	.000	.213	.795
	Price Discount	-.606*	.110	.000	-.899	-.313
Price Discount	Premium Offer	.674*	.108	.000	.388	.961
	Coupon	1.109*	.115	.000	.804	1.414
	Buy&Get	.606*	.110	.000	.313	.899
(I) Product Acceleration	(J) Product Acceleration					
Premium Offer	Coupon	.542*	.111	.000	.247	.837
	Buy&Get	-.051	.112	1.000	-.349	.247
	Price Discount	-1.008*	.109	.000	-1.296	-.719
Coupon	Premium Offer	-.542*	.111	.000	-.837	-.247
	Buy&Get	-.593*	.101	.000	-.861	-.325
	Price Discount	-1.550*	.118	.000	-1.861	-1.238
Buy&Get	Premium Offer	.051	.112	1.000	-.247	.349
	Coupon	.593*	.101	.000	.325	.861
	Price Discount	-.957*	.111	.000	-1.252	-.662
Price Discount	Premium Offer	1.008*	.109	.000	.719	1.296
	Coupon	1.550*	.118	.000	1.238	1.861
	Buy&Get	.957*	.111	.000	.662	1.252

continued on following page

Sales Promotional Strategies and Buying Behavior in an Emerging Market

Table 5. Continued

(I) Brand Switching	(J) Brand Switching	Mean Difference (I-J)	Std. Error	Sig. ^b	95% Confidence Interval for Difference ^b	
					Lower Bound	Upper Bound
(I) Stockpiling	(J) Stockpiling					
Premium Offer	Coupon	.356*	.103	.004	.082	.630
	Buy&Get	-.389*	.113	.004	-.688	-.091
	Price Discount	-1.028*	.115	.000	-1.334	-.722
Coupon	Premium Offer	-.356*	.103	.004	-.630	-.082
	Buy&Get	-.746*	.113	.000	-1.045	-.446
	Price Discount	-1.384*	.120	.000	-1.703	-1.065
Buy&Get	Premium Offer	.389*	.113	.004	.091	.688
	Coupon	.746*	.113	.000	.446	1.045
	Price Discount	-.639*	.111	.000	-.934	-.344
Price Discount	Premium Offer	1.028*	.115	.000	.722	1.334
	Coupon	1.384*	.120	.000	1.065	1.703
	Buy&Get	.639*	.111	.000	.344	.934
(I) Product Trial	(J) Product Trial					
Premium Offer	Coupon	.557*	.101	.000	.289	.826
	Buy&Get	.025	.110	1.000	-.267	.317
	Price Discount	-.545*	.112	.000	-.840	-.249
Coupon	Premium Offer	-.557*	.101	.000	-.826	-.289
	Buy&Get	-.532*	.100	.000	-.798	-.265
	Price Discount	-1.102*	.120	.000	-1.421	-.783
Buy&Get	Premium Offer	-.025	.110	1.000	-.317	.267
	Coupon	.532*	.100	.000	.265	.798
	Price Discount	-.570*	.111	.000	-.863	-.277
Price Discount	Premium Offer	.545*	.112	.000	.249	.840
	Coupon	1.102*	.120	.000	.783	1.421
	Buy&Get	.570*	.111	.000	.277	.863

Based on estimated marginal means

*. The mean difference is significant at the .05 level.

b. Adjustment for multiple comparisons: Bonferroni.

CONCLUSION

Sales promotion tools are essential in today’s competitive markets; because retailers use these tools with the purpose of attracting new customers, increasing their sales, gaining market share from competitors, defending their market share, developing brand loyalty, encouraging repeat purchase, and motivating customers to try the product or service. The aim of this study is to assess consumers’ proneness to sales

promotions and examine the effectiveness of premium offers, coupons, buy & get promotions, and price discounts on buying behavior in terms of brand switching, stockpiling, purchase acceleration, and product trial in an emerging market at the post-recession period.

A total of 393 Turkish consumers were surveyed by using structured questionnaire. From the perspective of emerging country, it clear that consumers are more prone to price discounts and buy&get promotions, respectively in the post-recession period. However, among the four promotional tools, consumers enjoy buying product that come with price discount and premium offers, respectively. Consumers feel that they are getting good deal and saving money with price discounts and buy&get promotions compare to premium offers and coupons. On the other hand, proneness of consumers to coupon is minimum among these four promotional tools.

Price discount is more effective in influencing product acceleration, brand switching, stockpiling, and product trial behavior compare to buy&get deals, premium offers, and coupons. Price discount is most influential promotional tool for stimulating purchase acceleration. Whereas, coupons might be considered as a non-effective tool in stimulating stockpiling, product accelaraiton, product trial, and brand switching behavior compared to other promotional tools. While price discount is the most effective tool to influence product acceleration, brand switching, stockpiling, and product trial behavior of consumers, premium offers and buy & get deals create similar influence on the brand switching behaviour, product acceleration, and product trail responses.

However, the results showed that the impact of each promotional tool on stockpiling behavior is significantly different and price discount has more impact on stockpiling. Although price discount is the most influential promotional tool to encourage stockpiling, buy&get promotions are significantly more effective in generating stockpiling behavior compare to premium offers. Therefore, retailers that want to sell more quantities of the same product can prefer to use price discount as a promotional tool. Buy&get deals can be the second option for retailers that want to decrease their stocks. Even though price discount is the most influential promotional tool to encourage consumers to buy another brand which they do not regularly buy and buy a product which they never tried before; retailers may also use buy&get deals and premium offers mostly to encourage brand switching as well as product trial behavior. Since consumers feel that they are getting good deal and saving money with price discounts and buy&get promotions compare to premium offers, retailers who desire to attract competitors' consumers and encourage consumers to buy products earlier than planned may use price discount as well as buy&get deals. On the other hand, since consumers enjoy buying product that come with price discount and premium offers, retailers may use price discount and premium offers to stimulate product trial.

Understanding the effectiveness of each promotional tool on buying behavior is significant for marketers in determining the best promotional tool to achieve their marketing goals in emerging markets. Thus, this study is quite important for marketers in order to get maximum profit over sales promotion tools.

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KEY TERMS AND DEFINITIONS

Buy and Get Promotions: It is a sales promotion, and it has some various forms such as buy one get one free, buy one get one half price, three for the price of two, and buy two get one half price.

Consumer Promotions: Manufacturers also direct their sales promotions to consumers in order to motivate them to buy and this type of promotion is called consumer promotions.

Price Promotions: Temporary price reductions, promotion packs, loyalty discounts, coupons, and rebate are among the price promotion tools.

Purchase Acceleration: Sales promotion leads to purchase acceleration; and with the sales promotion, consumers purchase earlier than they would buy.

Stockpiling: Sales promotions encourage consumers to buy more quantities of the same product; thus consumer stockpiling is a fundamental consequence of sales promotion.

Supportive Non-Price Promotion: Retailer can use promotion communication, displays, point of sale materials, and promotion packaging as supportive non-price promotion tools.

Trade Promotions: Manufacturers use sales promotions to increase sales to retailers and this type of promotion is called trade promotions.

True Non-Price Promotion: Manufacturers mostly use sampling, premiums, sweepstakes, and contests as true non-price promotion tools.

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Chapter 21

Factors Influencing the Buying Behavior of Female Consumers With Reference to Top Three Brands of Make-Up Cosmetics in Pune City

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ABSTRACT

Customers are the end beneficiary of all the marketing activities. No matter what type of cosmetics a company is making (natural or chemical), what type of company it is (national or international), it has to satisfy the needs of the customers. No marketer can ever be successful until and unless it is able to understand the buying behavior of the end users. Hence, the current study addresses issues, such as, 'what factors are influencing the buying behavior of female consumers with reference to make-up cosmetics?' Has there been a relationship existing between the demographical factors and other influencing factors? How female consumers make decisions for buying a particular brand of make-up cosmetics and what factors affect the decision?

INTRODUCTION

The global cosmetic industry has been fascinated by India in a mesmerizing way—the world's second most populous country has seen a massive growth in the cosmetics industry. India's retail beauty and cosmetics industry, currently estimated at \$950 million, is likely to almost treble to \$2.68 billion by 2020 (TOI, 2013). The industry has been growing at an annual rate of almost 15-20 per cent in the coming years, which is twice as fast as that of the United States or Europe. The Indian cosmetic industry has witnessed robust growth in the past decade and has been ranked 5th largest in Asia (TOI, 2013).

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Factors Influencing the Buying Behavior of Female Consumers

The Associated Chambers of Commerce and Industry of India (ASSOCHAM, 2013) has published a survey which stated that 65% of the teenagers claimed that their expenditure on branded cosmetics had increased 75% in the past 10 years. In India, the target range for cosmetics is from 30 plus age group as against the western countries, where 55 plus age category is the target group.

The increasing disposable income of the urban Indian youth is encouraging them opt for better choices, especially in terms of grooming. Furthermore, people are now spending lavishly owing to the changing mindset. The changing face of the Indian cosmetic industry has certainly worked both for the country and its investors, and it undoubtedly looks ready to amaze.

LITERATURE REVIEW

Marketing Mix Factors

According to Kotler & Armstrong (1989), marketing mix and personal characteristics play important role in influencing the purchase behavior of consumers. Most of the studies have shown that the marketing mix factors have a strong impact on the purchasing behavior of the consumer. The study by Gupta (1988) shows that marketing mix have a strong relationship with consumers buying patterns, brand choices and incidences of purchase. Hence the relationship with brand and the marketing mix factors can be analyzed.

Product

The product characteristics such as package, durability, and quality of a make-up product play a significant role. The attributes are evaluated by the consumer based on his/her own values, beliefs, past experience (Peter & Olson, 1990). The product attribute of make-up product may include attractive packaging, color, ease to handle, variety and many more expected by the consumers.

Price

The price of the product may differ based on the economic conditions and consumer perceptions. It could influence the perceived value of a brand. Many consumers use price as an indication of the quality of the brand which is an important factor in purchasing decision (Nilson, 1998; Kotler & Armstrong, 1989).

Place

Place or the distribution channel is a combination of institutions through, which a seller markets product to user or ultimate consumer (Peter & Donnelly, 1992). Many companies take the advantage of a strong distribution channel to keep the brand in a strong position. They use different places such as super markets, high end groceries and retails to sell the brand. These selling points are also categorized based on the scale of the operation and the ultimate objective of the shareholders.

Promotion

Promotion is communicating information about the product between a seller and a buyer in order to create brand values and brand profile (McCarthy & Pereault, 1984). The four main elements of promotion mix are advertising, sales promotion, public relations and personal selling. The major objective of advertising can be inform, persuade, or remind through the mass media. The advertising includes television, radio, billboards, POSM, etc. In a first purchase situation, consumers will have to rely on advertising in order to decide whether to buy or not (Peter & Olson, 1990; Nilson, 1998). Sales promotions include sampling operations, free banded issues, money-offs and games among consumers, etc. These activities will uplift the sales volumes. Successful sales promotion has to be consistent with the brand values and be consistent with all other aspects of the brand (Peter & Olson, 1990; Nilson, 1998).

Demographical Factors

The impact on demographical factors also plays a significant role in consumers buying behavior. Age group is an attribute which has a direct impact on person's attitude towards a brand. In the make-up product categories age group is used to define the targeted market segment. Based on the maturity the preference for make-up or any other product may vary. The education level of a person also influence in the decision making process. A well educated person may analyze the ingredients in particular cosmetic brand but less educated person may not, due to lack of knowledge.

Income level of a person has a direct impact on the purchasing of a product. When the income levels rises naturally people tend to buy more luxury/premium products. The income affects the type of goods that consumers are likely to buy (McConnell & Brue, 1999). Since the demographical factors help to identify the target groups, the relationship between brand and the demographical factors can be analyzed.

Age

Age is a factor which plays a vital role in purchasing behavior of cosmetic, because it is considered as a criterion in the segmenting process. As an example some cosmetics are targeted to females' age between 16-24 years and some other brands are targeted to age between 16-45 years. Therefore each brand has its own targeted market. The purchasing behavior in age categories may be similar and or vice versa.

Marital Status and Years in Marriage

Consumers buy products over their lifetime. Buying behavior will be shaped by the family life cycle, which defines the marital status and life time as young single, young married, middle-aged single, middle aged divorced, older married, and so on (Onkvisit & Shaw, 1994). For an example unmarried consumer may have been using brand "A", but after that consumer got married she may be using brand "B" because of the enhanced level of income or influence of her husband/daughter etc.

Education

Based on the education level of a person buying behavior could vary. A well educated consumer may read the ingredients of cosmetics before the buying decision is made. At the same time consumer with

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a lesser education level may decide to buy the product due to the attractiveness of the package. Hence analysis of the relationship of education level and the brand is very important.

Employment Status/Occupation

The occupation of a consumer could vary during the life cycle or else may be occupied in the same occupation until retired, besides field of occupation also may be different during the life cycle. It enables the consumer to build up different types of reference groups around. Moreover it has a relationship with the income level, attitude, interest and life style of the consumer. Hence above factors results in various buying patterns (Guiltinan & Joseph, 1991).

Income Level

Income implies the purchasing power of a consumer. Because purchasing of a lower grade or a highly premium brand is decided based on the income level of the consumer. Even though there is a requirement to purchase a premium brand the income level of a consumer may not support it. Hence income and consumption are positively related. Generally when the income rises, consumers increase their purchases & consumption. But this is not applicable for inferior goods. Further more income also affects the type of goods that consumers are likely to buy (McConnell & Brue, 1999; Onkvisit & Shaw, 1994).

Other Factors

Apart from above mentioned factors, there are some other factors that have been found responsible for the purchase of a particular brand of cosmetics over the other. They are discussed below.

Skin Type

Since make-up is applied directly to the skin, brand selection may occur due to the nature of the skin. Because some brands may be harmful to different skin types depending on the ingredients included. Therefore consumer may pay an especial attention to the skin type, when the brand is purchased. Skin types can be categorized as oily, dry, mixed, normal and sensitive.

Social Factors

The social factors refer to the influences made by the consumer's reference groups such as the family and friends. The weight and powerfulness of the influence may vary depending on the significance of the relationship between the consumer and the reference group. Reference groups can influence the beliefs, attitudes and behavior of a consumer in different circumstances. As result of that purchasing behavior and brand preference could get changed of a consumer. Consumers are more likely to be influenced by word-of-mouth information from members of reference groups than advertisements or sales people (Stanton et al, 1991), in terms of benefit, selecting or changing brands.

Friends/Colleagues and Others

The influence of friends/colleagues and other parties such a presenter/sales person also plays a vital role in the purchasing behavior of consumers. These friendship groups are classified as informal groups since they are with lack of authority levels. The options and preferences of friends are an important influence in determining the products or brands selecting, especially to a single person, who live alone (Schiffman & Kanuk, 2000). Hence friends and other interacting parties can be considered as influences to a consumer when a product is purchased.

Brand Preference

A brand can be a label of ownership, name, term, design, or symbol. Further brand can be product, service or concept. Brand preference is measure of brand loyalty in which consumers will choose a particular brand in presence of competing brands (<http://www.businessdictionary.com/definition/brand-preference.html>). Also it can be defined that the degree to which consumers prefer one brand over another (<http://www.answers.com/topic/brand-preference>). A greater brand loyalty among consumers leads to greater sales of the brand (Howard & Sheth, 1969). Brand loyalty leads to certain marketing advantages such as reduced marketing costs, more new customers and greater trade leverage (Aaker, 1991). Quality and personal habits thus influence this situation because consumers prefer risk reduction in familiar products not as in a trial (Nilson, 1998). Hence analyzing the brand preference of consumers is an interesting area for the marketers to develop the marketing strategies for their brands.

OBJECTIVES OF THE STUDY

Based on the Literature Review and the gap found, following objectives have been framed:

1. To know factors influencing the buying behavior of female consumers with reference to top three brands of make-up cosmetics.
2. To know the relationship between marketing mix factors and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
3. To know the relationship existing between the demographical factors and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
4. To know the relationship existing between the other factors (e.g. skin type, social factors) and the brand preference of female consumers with reference to top three brands of make-up cosmetics.

RESEARCH METHODOLOGY

- **Sample Design:** The present study is based on the primary data. The primary data were collected from 66 sample respondents. These 66 respondents were selected by using convenience sampling technique.
- **Data Collection:** The present study is purely based on the primary data. Questionnaire method was used to collect data. The questionnaires were mailed through e-mails.

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- **Area and Period of the Study:** This study is confined to Pune city (Maharashtra, India). The study was conducted during the months of October-December 2013.
- **Framework and Tools for Analysis:** Data collected through questionnaire were presented in a master table and required sub-tables were prepared. For analyzing the data, Chi-square test and Percentage Analysis were applied. Statistical calculations and computations were done through IBM SPSS statistical package (version 19.0).

DATA ANALYSIS AND INTERPRETATION

- **Null Hypothesis:** There is no relationship between respondent category and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between respondent category and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 1:

- Out of 66 respondents, 32 are students, 26 are working women and 8 are housewives.
- Out of 32 students, 16 prefer Lakme, 10 prefer Revlon and 6 prefer L'Oreal.
- Out of 26 working women, 10 prefer Lakme, 8 prefer Revlon and 8 prefer L'Oreal.
- Out of 8 housewives, 5 prefer Lakme, 3 prefer Revlon and none of them prefer L'Oreal.

Table 1. Respondent category * brand preference cross-tabulation

			Brand			Total
			Lakme	Revlon	L'Oreal	
Respondents category	student	Count	16	10	6	32
		Expected Count	15.0	10.2	6.8	32.0
		% within respondents category	50.0%	31.2%	18.8%	100.0%
	working women	Count	10	8	8	26
		Expected Count	12.2	8.3	5.5	26.0
		% within respondents category	38.5%	30.8%	30.8%	100.0%
	housewife	Count	5	3	0	8
		Expected Count	3.8	2.5	1.7	8.0
		% within respondents category	62.5%	37.5%	0.0%	100.0%
Total	Count	31	21	14	66	
	Expected Count	31.0	21.0	14.0	66.0	
	% within respondents category	47.0%	31.8%	21.2%	100.0%	

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From Table 2:

- The Pearson Chi-square is 3.875.
- Degree of Freedom = 4.
- P value = 0.423 which is more than level of significance 0.05. Therefore the null is accepted.
- **Null Hypothesis:** There is no relationship between age and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between age and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 3:

- Out of 66 respondents, 43 are between the age of 15-25 years, 17 are between 25-35 years, 4 of them are between 35-45 years, and only 2 are between 45-55 years.
- Out of 43 respondents who are between the age of 15-25 years, 19 prefer Lakme, 15 prefer Revlon and 9 prefer L'Oreal.
- Out of 17 respondents who are between the age of 25-35 years, 10 prefer Lakme, 3 prefer Revlon and 4 prefer L'Oreal.
- Out of 4 respondents who are between the age of 35-45 years, none prefer Lakme, 3 prefer Revlon and only 1 respondent prefers L'Oreal.
- Both the respondents who are between the age of 45-55 years prefer Lakme only.

Table 2. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	3.875	4	.423
Likelihood Ratio	5.420	4	.247
Linear-by-Linear Association	.071	1	.789
N of Valid Cases	66		

*Table 3. Age * brand preference cross-tabulation*

		Brand			Total
		Lakme	Revlon	L'Oreal	
Age	15-25	19	15	9	43
	25-35	10	3	4	17
	35-45	0	3	1	4
	45-55	2	0	0	2
Total		31	21	14	66

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From Table 4:

- The Pearson Chi-square is 8.332.
- Degree of Freedom = 6.
- P value = 0.215 which is more than level of significance 0.05. Therefore the null is accepted.
- **Null Hypothesis:** There is no relationship between marital status and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between marital status and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 5:

- Out of 66 respondents, 20 are married, 44 are unmarried and 2 are widows.
- Out of 20 married respondents, 11 prefer Lakme, 7 prefer Revlon, and 2 prefer L’Oreal.
- Out of 44 unmarried respondents, 18 prefer Lakme, 14 prefer Revlon and 12 prefer L’Oreal.
- Both widow respondents prefer Lakme.

From Table 6:

- The Pearson Chi-square is 4.888.
- Degree of Freedom = 4.
- P value = 0.299 which is more than level of significance 0.05. Therefore the null is accepted.

Table 4. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	8.332	6	.215
Likelihood Ratio	10.486	6	.106
Linear-by-Linear Association	.178	1	.673
N of Valid Cases	66		

*Table 5. Marital status * brand preference cross-tabulation*

		Brand			Total
		Lakme	Revlon	L’Oreal	
Marital Status	Married	11	7	2	20
	Unmarried	18	14	12	44
	Widow	2	0	0	2
Total		31	21	14	66

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Table 6. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	4.888	4	.299
Likelihood Ratio	5.879	4	.208
Linear-by-Linear Association	.051	1	.821
N of Valid Cases	66		

- **Null Hypothesis:** There is no relationship between number of years of marriage and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between number of years of marriage and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 7:

- Out of 20 married respondents, 4 are married since less than one year, 9 are married since 1-5 years, 3 are married since 5-10 years and 4 are married since 10-20 years.
- All the 4 respondents who are married since less than one year prefer Lakme.
- Out of 9 respondents who are married since 1-5 years, 4 prefer Lakme, 4 prefer Revlon and only 1 respondent prefers L'Oreal.
- All the 3 respondents who are married since 5-10 years prefer Lakme.
- Out of 4 respondents who are married since 10-20 years, none prefer Lakme, 3 prefer Revlon and only 1 respondent prefers L'Oreal.

From Table 8:

- The Pearson Chi-square is 11.079.
- Degree of Freedom = 6.

*Table 7. Number of years in marriage * brand preference cross-tabulation*

		Brand			Total
		Lakme	Revlon	L'Oreal	
No. of Years in Marriage	<1year	4	0	0	4
	1-5	4	4	1	9
	5-10	3	0	0	3
	10-20	0	3	1	4
Total		11	7	2	20

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Table 8. Chi-square tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.079	6	.086
Likelihood Ratio	15.192	6	.019
Linear-by-Linear Association	3.907	1	.048
N of Valid Cases	20		

- P value = 0.086 which is slightly more than the level of significance 0.05. Therefore we can say that there is partially significant relationship between number of years of marriage and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Null Hypothesis:** There is no relationship between number of children and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between number of children and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 9:

- Out of 22 respondents (20 married and 2 widows), 4 respondents do not have any child and the remaining 18 respondents have 1-2 kids.
- All the 4 respondents who do not have any child prefer Lakme.
- Out of 18 respondents who have 1-2 kids, 9 prefer Lakme, 7 prefer Revlon and 2 prefer L'Oreal.

From Table 10:

- The Pearson Chi-square is 3.385.
- Degree of Freedom = 2.
- P value = 0.184 which is more than level of significance 0.05. Therefore the null is accepted.
- **Null Hypothesis:** There is no relationship between employment and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between employment and the brand preference of female consumers with reference to top three brands of make-up cosmetics.

Table 9. Number of kids * brand preference cross-tabulation

		Brand			Total
		Lakme	Revlon	L'Oreal	
No. of kids	Nil	4	0	0	4
	1-2	9	7	2	18
Total		13	7	2	22

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Table 10. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	3.385	2	.184
Likelihood Ratio	4.814	2	.090
Linear-by-Linear Association	2.702	1	.100
N of Valid Cases	22		

- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 11:

- Out of 66 respondents, 35 are unemployed, 3 are self-employed and 28 are private employee.
- Out of 35 unemployed respondents, 19 prefer Lakme, 12 prefer Revlon and 4 prefer L’Oreal.
- Out of 3 Self-employed respondents, none prefer Lakme, 1 prefers Revlon and 2 prefer L’Oreal.
- Out of 28 private employee respondents, 12 prefer Lakme, 8 prefer Revlon and 8 prefer L’Oreal.

From Table 12:

- The Pearson Chi-square is 7.287.
- Degree of Freedom = 4.
- P value = 0.121 which is more than level of significance 0.05. Therefore the null is accepted.

*Table 11. Employment * brand preference cross-tabulation*

		Brand			Total
		Lakme	Revlon	L’Oreal	
Employment	Unemployed	19	12	4	35
	Self-employed	0	1	2	3
	Private employee	12	8	8	28
Total		31	21	14	66

Table 12. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	7.287	4	.121
Likelihood Ratio	7.863	4	.097
Linear-by-Linear Association	2.174	1	.140
N of Valid Cases	66		

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- **Null Hypothesis:** There is no relationship between annual family income and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between annual family income and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 13:

- Out of 66 respondents, 12 have annual family income less than Rs. 1Lac, 42 have income between Rs. 1Lac –Rs. 10Lac and 12 have income more than Rs.10Lac.
- Out of 12 respondents who have annual family income less than Rs. 1Lac, 10 prefer Lakme 2 prefer Revlon and none prefer L'Oreal.
- Out of 42 respondents who have annual family income between Rs. 1Lac –Rs. 10Lac, 19 prefer Lakme 15 prefer Revlon and 8 prefer L'Oreal.
- Out of 12 respondents who have annual family income more than Rs.10Lac, 2 prefer Lakme 4 prefer Revlon and 6 prefer L'Oreal.

From Table 14:

- The Pearson Chi-square is 14.153.
- Degree of Freedom = 4.
- P value = 0.007 which is less than level of significance 0.05. Therefore the null is rejected.
- **Null Hypothesis:** There is no relationship between educational qualification and the brand preference of female consumers with reference to top three brands of make-up cosmetics.

Table 13. Annual family income * brand preference cross-tabulation

		Brand			Total
		Lakme	Revlon	L'Oreal	
Ann. Family Income	< Rs. 1 lac	10	2	0	12
	Rs.1lac-Rs.10 lac	19	15	8	42
	>Rs.10 lac	2	4	6	12
Total		31	21	14	66

Table 14. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	14.153	4	.007
Likelihood Ratio	15.714	4	.003
Linear-by-Linear Association	13.068	1	.000
N of Valid Cases	66		

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- **Alternative Hypothesis:** There is significant relationship between educational qualification and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 15:

- Out of 66 respondents, 25 are Graduate, 38 are Post Graduate and 3 are Doctorate.
- Out of 25 Graduate respondents, 12 prefer Lakme, 10 prefer Revlon and 3 prefer L’Oreal.
- Out of 38 Post Graduate respondents, 16 prefer Lakme, 11 prefer Revlon and 11 prefer L’Oreal.
- All the 3 Doctorate respondents prefer Lakme.

From Table 16:

- The Pearson Chi-square is 6.281.
- Degree of Freedom = 4.
- P value = 0.179 which is more than level of significance 0.05. Therefore the null is accepted.
- **Null Hypothesis:** There is no relationship between skin type and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between skin type and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

*Table 15. Educational qualification * brand preference cross-tabulation*

		Brand			Total
		Lakme	Revlon	L’Oreal	
Educational Qualification	Graduate	12	10	3	25
	Post Graduate	16	11	11	38
	Doctorate	3	0	0	3
Total		31	21	14	66

Table 16. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	6.281	4	.179
Likelihood Ratio	7.475	4	.113
Linear-by-Linear Association	.009	1	.926
N of Valid Cases	66		

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From Table 17:

- Out of 66 respondents, 15 have oily skin, 7 have dry skin, 11 have mixed skin, 21 have normal skin and 12 have sensitive skin.
- Out of 15 respondents who have oily skin, 10 prefer Lakme, 2 prefer Revlon and 3 prefer L’Oreal.
- Out of 7 respondents who have dry skin, 3 prefer Lakme, 4 prefer Revlon and none prefer L’Oreal.
- Out of 11 respondents who have mixed skin, 2 prefer Lakme, 4 prefer Revlon and 5 prefer L’Oreal.
- Out of 21 respondents who have normal skin, 11 prefer Lakme, 5 prefer Revlon and 5 prefer L’Oreal.
- Out of 12 respondents who have sensitive skin, 5 prefer Lakme, 6 prefer Revlon and 1 prefers L’Oreal.

From Table 18:

- The Pearson Chi-square is 13.719.
- Degree of Freedom = 8.
- P value = 0.089 which is slightly more than level of significance 0.05. Therefore we can say that there is partially significant relationship between skin type and the brand preference of female consumers with reference to top three brands of make-up cosmetics.

*Table 17. Skin type * brand preference cross-tabulation*

			Brand			Total
			Lakme	Revlon	L’Oreal	
skin type	oily	Count	10	2	3	15
		Expected Count	7.0	4.8	3.2	15.0
		% within skin type	66.7%	13.3%	20.0%	100.0%
	dry	Count	3	4	0	7
		Expected Count	3.3	2.2	1.5	7.0
		% within skin type	42.9%	57.1%	0.0%	100.0%
	mixed	Count	2	4	5	11
		Expected Count	5.2	3.5	2.3	11.0
		% within skin type	18.2%	36.4%	45.5%	100.0%
	normal	Count	11	5	5	21
		Expected Count	9.9	6.7	4.5	21.0
		% within skin type	52.4%	23.8%	23.8%	100.0%
	sensitive	Count	5	6	1	12
		Expected Count	5.6	3.8	2.5	12.0
		% within skin type	41.7%	50.0%	8.3%	100.0%
Total	Count	31	21	14	66	
	Expected Count	31.0	21.0	14.0	66.0	
	% within skin type	47.0%	31.8%	21.2%	100.0%	

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Table 18. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	13.719	8	.089
Likelihood Ratio	15.211	8	.055
Linear-by-Linear Association	.303	1	.582
N of Valid Cases	66		

- **Null Hypothesis:** There is no relationship between number of years of use of cosmetics and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between number of years of use of cosmetics and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 19:

*Table 19. Years of use of make-up cosmetics * brand preference cross-tabulation*

			Brand			Total
			Lakme	Revlon	L'Oreal	
Years of use of make-up cosmetics	less than 5 yrs	Count	19	12	11	42
		Expected Count	19.7	13.4	8.9	42.0
		% within years of use of make-up cosmetics	45.2%	28.6%	26.2%	100.0%
	5-10 yrs	Count	5	5	3	13
		Expected Count	6.1	4.1	2.8	13.0
		% within years of use of make-up cosmetics	38.5%	38.5%	23.1%	100.0%
	10-15 yrs	Count	5	1	0	6
		Expected Count	2.8	1.9	1.3	6.0
		% within years of use of make-up cosmetics	83.3%	16.7%	0.0%	100.0%
	15-20 yrs	Count	0	3	0	3
		Expected Count	1.4	1.0	.6	3.0
		% within years of use of make-up cosmetics	0.0%	100.0%	0.0%	100.0%
	25-30	Count	2	0	0	2
		Expected Count	.9	.6	.4	2.0
		% within years of use of make-up cosmetics	100.0%	0.0%	0.0%	100.0%
Total	Count	31	21	14	66	
	Expected Count	31.0	21.0	14.0	66.0	
	% within years of use of make-up cosmetics	47.0%	31.8%	21.2%	100.0%	

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- Out of 66 respondents, 42 respondents are using cosmetics since less than 5 years, 13 are using since 5-10 years, 6 are using since 10-15 years, 3 are using since 15-20 years, and 2 are using since 25-30 years.
- Out of 42 respondents who are using cosmetics since less than 5 years, 19 prefer Lakme, 12 prefer Revlon and 11 prefer L'Oreal.
- Out of 13 respondents who are using cosmetics since 5-10 years, 5 prefer Lakme, 5 prefer Revlon and 3 prefer L'Oreal.
- Out of 6 respondents who are using cosmetics since 10-15 years, 5 prefer Lakme, 1 prefer Revlon and none prefer L'Oreal.
- All the 3 respondents who are using cosmetics since 15-20 years prefer Revlon.
- Both the respondents who are using cosmetics since 25-30 years prefer Lakme.

From Table 20:

- The Pearson Chi-square is 13.140.
- Degree of Freedom = 8.
- P value = 0.107 which is more than level of significance 0.05. Therefore the null is accepted.
- **Null Hypothesis:** There is no relationship between number of cosmetics used per day and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between number of cosmetics used per day and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 21:

- Out of 66 respondents, 48 respondents are using less than 4 cosmetics per day, 15 are using 4-8 cosmetics per day, 2 are using 8-12 cosmetics per day and 1 respondent is using 16-20 cosmetics per day.
- Out of 48 respondents who are using less than 4 cosmetics per day, 24 prefer Lakme, 12 prefer Revlon and 12 prefer L'Oreal.
- Out of 15 respondents who are using are using 4-8 cosmetics per day, 5 prefer Lakme, 8 prefer Revlon and 2 prefer L'Oreal.

Table 20. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	13.140	8	.107
Likelihood Ratio	15.365	8	.052
Linear-by-Linear Association	2.150	1	.143
N of Valid Cases	66		

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*Table 21. Number of cosmetics used per day * brand preference cross-tabulation*

			Brand			Total
			Lakme	Revlon	L'Oreal	
no of cosmetics	less than 4	Count	24	12	12	48
		Expected Count	22.5	15.3	10.2	48.0
		% within no of cosmetics	50.0%	25.0%	25.0%	100.0%
	4-8	Count	5	8	2	15
		Expected Count	7.0	4.8	3.2	15.0
		% within no of cosmetics	33.3%	53.3%	13.3%	100.0%
	8-12	Count	2	0	0	2
		Expected Count	.9	.6	.4	2.0
		% within no of cosmetics	100.0%	0.0%	0.0%	100.0%
	16-20	Count	0	1	0	1
		Expected Count	.5	.3	.2	1.0
		% within no of cosmetics	0.0%	100.0%	0.0%	100.0%
Total	Count	31	21	14	66	
	Expected Count	31.0	21.0	14.0	66.0	
	% within no of cosmetics	47.0%	31.8%	21.2%	100.0%	

- Both the respondents who use 8-12 cosmetics per day prefer Lakme.
- The respondent who uses 16-20 cosmetics per day prefer Revlon.

From Table 22:

- The Pearson Chi-square is 8.736.
- Degree of Freedom = 6.
- P value = 0.189 which is more than level of significance 0.05. Therefore the null is accepted.
- **Null Hypothesis:** There is no relationship between frequency of purchase of cosmetics and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between frequency of purchase of cosmetics and the brand preference of female consumers with reference to top three brands of make-up cosmetics.

Table 22. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	8.736	6	.189
Likelihood Ratio	9.447	6	.150
Linear-by-Linear Association	.060	1	.807
N of Valid Cases	66		

Factors Influencing the Buying Behavior of Female Consumers

- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 23:

- Out of 66 respondents, 15 respondents purchase cosmetics more than once a month, 16 respondents purchase cosmetics about once a month, 16 respondents purchase cosmetics once every 3 months, 7 respondents purchase cosmetics once every 6 months, 6 respondents purchase cosmetics once in a year and 6 respondents purchase cosmetics anytime.
- Out of 15 respondents who purchase cosmetics more than once a month, 8 prefer Lakme, 5 prefer Revlon and 2 prefer L’Oreal.
- Out of 16 respondents who purchase cosmetics about once a month, 3 prefer Lakme, 8 prefer Revlon and 5 prefer L’Oreal.
- Out of 16 respondents who purchase cosmetics once every 3 months, 7 prefer Lakme, 6 prefer Revlon and 3 prefer L’Oreal.
- Out of 7 respondents who purchase cosmetics once every 6 months, 5 prefer Lakme, none prefer Revlon and 2 prefer L’Oreal.

*Table 23. Frequency of purchase * brand preference cross-tabulation*

			Brand			Total
			Lakme	Revlon	L’Oreal	
frequency of purchase	more than once a month	Count	8	5	2	15
		Expected Count	7.0	4.8	3.2	15.0
		% within frequency of purchase	53.3%	33.3%	13.3%	100.0%
	about once a month	Count	3	8	5	16
		Expected Count	7.5	5.1	3.4	16.0
		% within frequency of purchase	18.8%	50.0%	31.2%	100.0%
	once every 3 months	Count	7	6	3	16
		Expected Count	7.5	5.1	3.4	16.0
		% within frequency of purchase	43.8%	37.5%	18.8%	100.0%
	once every six months	Count	5	0	2	7
		Expected Count	3.3	2.2	1.5	7.0
		% within frequency of purchase	71.4%	0.0%	28.6%	100.0%
	once a year	Count	4	1	1	6
		Expected Count	2.8	1.9	1.3	6.0
		% within frequency of purchase	66.7%	16.7%	16.7%	100.0%
anytime	Count	4	1	1	6	
	Expected Count	2.8	1.9	1.3	6.0	
	% within frequency of purchase	66.7%	16.7%	16.7%	100.0%	
Total	Count	31	21	14	66	
	Expected Count	31.0	21.0	14.0	66.0	
	% within frequency of purchase	47.0%	31.8%	21.2%	100.0%	

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- Out of 6 respondents who purchase cosmetics once in a year, 4 prefer Lakme, 1 prefers Revlon and 1 prefers L'Oreal.
- Out of 6 respondents who purchase cosmetics anytime, 4 prefer Lakme, 1 prefers Revlon and 1 prefers L'Oreal.

From Table 24:

- The Pearson Chi-square is 11.229.
- Degree of Freedom = 10.
- P value = 0.340 which is more than level of significance 0.05. Therefore the null is accepted.
- **Null Hypothesis:** There is no relationship between monthly expenditure on cosmetics and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between monthly expenditure on cosmetics and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 25:

- Out of 66 respondents, 46 respondents spend less than Rs. 500 a month on cosmetics purchase, 18 respondents spend Rs. 500-Rs. 1000 a month on cosmetics purchase and 2 respondents spend more than Rs. 1000 a month on cosmetics purchase.
- Out of 46 respondents who spend less than Rs. 500 a month on cosmetics purchase, 24 prefer Lakme, 11 prefer Revlon and 11 prefer L'Oreal.
- Out of 18 respondents who spend Rs. 500-Rs. 1000 a month on cosmetics purchase, 6 prefer Lakme, 9 prefer Revlon and 3 prefer L'Oreal.
- Out of 2 respondents who spend more than Rs. 1000 a month on cosmetics purchase, 1 prefer Lakme, 1 prefer Revlon and none prefer L'Oreal.

From Table 26:

- The Pearson Chi-square is 4.721.
- Degree of Freedom = 4.
- P value = 0.317 which is more than level of significance 0.05. Therefore the null is accepted.

Table 24. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	11.229	10	.340
Likelihood Ratio	13.910	10	.177
Linear-by-Linear Association	1.066	1	.302
N of Valid Cases	66		

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Table 25. Monthly expenses on cosmetics * brand preference cross-tabulation

			Brand			Total
			Lakme	Revlon	L'Oreal	
monthly expense on cosmetics	less than 500	Count	24	11	11	46
		Expected Count	21.6	14.6	9.8	46.0
		% within monthly expense on cosmetics	52.2%	23.9%	23.9%	100.0%
	500-1000	Count	6	9	3	18
		Expected Count	8.5	5.7	3.8	18.0
		% within monthly expense on cosmetics	33.3%	50.0%	16.7%	100.0%
	more than 1000	Count	1	1	0	2
		Expected Count	.9	.6	.4	2.0
		% within monthly expense on cosmetics	50.0%	50.0%	0.0%	100.0%
Total	Count	31	21	14	66	
	Expected Count	31.0	21.0	14.0	66.0	
	% within monthly expense on cosmetics	47.0%	31.8%	21.2%	100.0%	

Table 26. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	4.721	4	.317
Likelihood Ratio	4.999	4	.287
Linear-by-Linear Association	.038	1	.845
N of Valid Cases	66		

- **Null Hypothesis:** There is no relationship between importance of product feel in cosmetics purchase and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between importance of product feel in cosmetics purchase and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance=** 0.05.

From Table 27:

- Out of 66 respondents, for 37 respondents product feel is very important factor in cosmetics purchase, for 23 respondents product feel is fairly important factor in cosmetics purchase and 6 of the respondents are not sure about the same.

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*Table 27. Importance of Product feel * brand preference cross-tabulation*

			Brand			Total
			Lakme	Revlon	L'Oreal	
importance of product feel	very important	Count	17	10	10	37
		Expected Count	17.4	11.8	7.8	37.0
		% within importance of product feel	45.9%	27.0%	27.0%	100.0%
	fairly important	Count	12	8	3	23
		Expected Count	10.8	7.3	4.9	23.0
		% within importance of product feel	52.2%	34.8%	13.0%	100.0%
	I don't know	Count	2	3	1	6
		Expected Count	2.8	1.9	1.3	6.0
		% within importance of product feel	33.3%	50.0%	16.7%	100.0%
Total		Count	31	21	14	66
		Expected Count	31.0	21.0	14.0	66.0
		% within importance of product feel	47.0%	31.8%	21.2%	100.0%

- Out of 37 respondents for whom product feel is very important factor in cosmetics purchase, 17 prefer Lakme, 10 prefer Revlon and 10 prefer L'Oreal.
- Out of 23 respondents for whom product feel is fairly important factor in cosmetics purchase, 12 prefer Lakme, 8 prefer Revlon and 3 prefer L'Oreal.
- Out of 6 respondents who are not sure about the importance of product feel in cosmetics purchase, 2 prefer Lakme, 3 prefer Revlon and 1 prefer L'Oreal.

From Table 28:

- The Pearson Chi-square is 2.704.
- Degree of Freedom = 4.
- P value = 0.609 which is more than level of significance 0.05. Therefore the null is accepted.
- **Null Hypothesis:** There is no relationship between purchase of cosmetics based on tester and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between purchase of cosmetics based on tester and the brand preference of female consumers with reference to top three brands of make-up cosmetics.

Table 28. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	2.704	4	.609
Likelihood Ratio	2.719	4	.606
Linear-by-Linear Association	.222	1	.638
N of Valid Cases	66		

Factors Influencing the Buying Behavior of Female Consumers

- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 29:

- Out of 66 respondents, 50 respondents said that they purchase cosmetics based on tester, and 16 respondents said that they do not purchase cosmetics based on tester.
- Out of 50 respondents who purchase cosmetics based on tester, 24 prefer Lakme, 15 prefer Revlon and 11 prefer L’Oreal.
- Out of 16 respondents who do not purchase cosmetics based on tester, 7 prefer Lakme, 6 prefer Revlon and 3 prefer L’Oreal.

From Table 30:

- The Pearson Chi-square is 0.795.
- Degree of Freedom = 2.
- P value = 0.672 which is more than level of significance 0.05. Therefore the null is accepted.

*Table 29. Purchase of cosmetics based on tester * brand preference cross-tabulation*

			Brand			Total
			Lakme	Revlon	L’Oreal	
Have you purchase make-up based on tester?	yes	Count	24	15	11	50
		Expected Count	23.8	16.2	10.0	50.0
		% within have you purchase make-up based on tester	48.0%	30.0%	22.0%	100.0%
	no	Count	7	6	3	16
		Expected Count	7.2	4.8	4.0	16.0
		% within have you purchase make-up based on tester	46.7%	40.0%	13.3%	100.0%
Total	Count	31	21	14	66	
	Expected Count	31.0	21.0	14.0	66.0	
	% within have you purchase make-up based on tester	47.7%	32.3%	20.0%	100.0%	

Table 30. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	.795	2	.672
Likelihood Ratio	.819	2	.664
Linear-by-Linear Association	.102	1	.750
N of Valid Cases	65		

Factors Influencing the Buying Behavior of Female Consumers

- **Null Hypothesis:** There is no relationship between purchase of other products from the same brand of cosmetics and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between purchase of other products from the same brand of cosmetics and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 31:

- Out of 66 respondents, 61 respondents said that they purchase other products of the same cosmetic brand, and 5 respondents said that they do not purchase other products of the same brand.
- Out of 61 respondents who purchase other products of the same cosmetic brand, 26 prefer Lakme, 21 prefer Revlon and 14 prefer L'Oreal.
- All the 5 respondents who do not purchase other products of the same cosmetic brand prefer Lakme.

From Table 32:

- The Pearson Chi-square is 6.108.
- Degree of Freedom = 2.
- P value = 0.047 which is less than level of significance 0.05. Therefore the null is rejected.
- **Null Hypothesis:** There is no relationship between opinion of friends and the brand preference of female consumers with reference to top three brands of make-up cosmetics.

*Table 31. Purchase of other products from the same brand * brand preference cross-tabulation*

			Brand			Total
			Lakme	Revlon	L'Oreal	
Purchase of other products from the same brand	yes	Count	26	21	14	61
		Expected Count	28.7	19.4	12.9	61.0
		% within purchase of other products from the same brand	42.6%	34.4%	23.0%	100.0%
	no	Count	5	0	0	5
		Expected Count	2.3	1.6	1.1	5.0
		% within purchase of other products from the same brand	100.0%	0.0%	0.0%	100.0%
Total	Count	31	21	14	66	
	Expected Count	31.0	21.0	14.0	66.0	
	% within purchase of other products from the same brand	47.0%	31.8%	21.2%	100.0%	

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Table 32. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	6.108	2	.047
Likelihood Ratio	8.022	2	.018
Linear-by-Linear Association	4.771	1	.029
N of Valid Cases	66		

- **Alternative Hypothesis:** There is significant relationship between opinion of friends and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance=** 0.05.

From Table 33:

- Out of 66 respondents, 9 respondents said that they seek the opinion of their friends very often, 16 respondents said that they often seek the opinion of their friends, 31 respondents said that they sometimes seek the opinion of their friends, 5 respondents said that they seek the opinion of their

*Table 33. Opinion of friends * brand preference cross-tabulation*

			Brand			Total
			Lakme	Revlon	Loreal	
opinion of friends	very often	Count	5	3	1	9
		Expected Count	4.2	2.9	1.9	9.0
		% within opinion of friends	55.6%	33.3%	11.1%	100.0%
	often	Count	5	5	6	16
		Expected Count	7.5	5.1	3.4	16.0
		% within opinion of friends	31.2%	31.2%	37.5%	100.0%
	sometimes	Count	18	9	4	31
		Expected Count	14.6	9.9	6.6	31.0
		% within opinion of friends	58.1%	29.0%	12.9%	100.0%
	very rarely	Count	3	1	1	5
		Expected Count	2.3	1.6	1.1	5.0
		% within opinion of friends	60.0%	20.0%	20.0%	100.0%
	never	Count	0	3	2	5
		Expected Count	2.3	1.6	1.1	5.0
		% within opinion of friends	0.0%	60.0%	40.0%	100.0%
Total	Count	31	21	14	66	
	Expected Count	31.0	21.0	14.0	66.0	
	% within opinion of friends	47.0%	31.8%	21.2%	100.0%	

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friends very rarely and 5 respondents said that they never seek the opinion of their friends while purchasing cosmetics.

- Out of 9 respondents who seek the opinion of their friends very often, 5 prefer Lakme, 3 prefer Revlon and 1 prefers L'Oreal.
- Out of 16 respondents who often seek the opinion of their friends, 5 prefer Lakme, 5 prefer Revlon and 6 prefer L'Oreal.
- Out of 31 respondents who sometimes seek the opinion of their friends, 18 prefer Lakme, 9 prefer Revlon and 4 prefer L'Oreal.
- Out of 5 respondents who seek the opinion of their friends very rarely, 3 prefer Lakme, 1 prefers Revlon and 1 prefers L'Oreal.
- Out of 5 respondents who never seek the opinion of their friends, none prefer Lakme, 3 prefer Revlon and 2 prefer L'Oreal.

From Table 34:

- The Pearson Chi-square is 10.154.
- Degree of Freedom = 8.
- P value = 0.254 which is more than level of significance 0.05. Therefore the null is accepted.
- **Null Hypothesis:** There is no relationship between recommendation of sales personnel and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between recommendation of sales personnel and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance** = 0.05.

From Table 35:

- Out of 66 respondents, 1 respondent said that she purchase cosmetics based on recommendation of sales personnel very often, 10 respondents said that they often purchase cosmetics based on recommendation of sales personnel, 25 respondents said that they sometimes purchase cosmetics based on recommendation of sales personnel, 22 respondents said that they purchase cosmetics based on recommendation of sales personnel very rarely and 8 respondents said that they never purchase cosmetics based on recommendation of sales personnel.

Table 34. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	10.154	8	.254
Likelihood Ratio	12.020	8	.150
Linear-by-Linear Association	.377	1	.539
N of Valid Cases	66		

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*Table 35. Recommendation of sales personnel * brand preference cross-tabulation*

			Brand			Total
			Lakme	Revlon	L'Oreal	
recommendation of sales personnel	very often	Count	1	0	0	1
		Expected Count	.5	.3	.2	1.0
		% within recommendation of sales personnel	100%	0.0%	0.0%	100%
	often	Count	6	4	0	10
		Expected Count	4.7	3.2	2.1	10.0
		% within recommendation of sales personnel	60.0%	40.0%	0.0%	100%
	sometimes	Count	14	5	6	25
		Expected Count	11.7	8.0	5.3	25.0
		% within recommendation of sales personnel	56.0%	20.0%	24.0%	100%
	very rarely	Count	9	9	4	22
		Expected Count	10.3	7.0	4.7	22.0
		% within recommendation of sales personnel	40.9%	40.9%	18.2%	100%
	never	Count	1	3	4	8
		Expected Count	3.8	2.5	1.7	8.0
		% within recommendation of sales personnel	12.5%	37.5%	50.0%	100%
Total	Count	31	21	14	66	
	Expected Count	31.0	21.0	14.0	66.0	
	% within recommendation of sales personnel	47.0%	31.8%	21.2%	100%	

- The respondent, who purchases cosmetics based on recommendation of sales personnel very often, prefers Lakme.
- Out of 10 respondents who often purchase cosmetics based on recommendation of sales personnel, 6 prefer Lakme, 4 prefer Revlon and none prefer L'Oreal.
- Out of 25 respondents who sometimes purchase cosmetics based on recommendation of sales personnel, 14 prefer Lakme, 5 prefer Revlon and 6 prefer L'Oreal.
- Out of 22 respondents who purchase cosmetics based on recommendation of sales personnel very rarely, 9 prefer Lakme, 9 prefer Revlon and 4 prefer L'Oreal.
- Out of 8 respondents who never purchase cosmetics based on recommendation of sales personnel, 1 prefers Lakme, 3 prefer Revlon and 4 prefer L'Oreal.

From Table 36:

- The Pearson Chi-square is 11.514.
- Degree of Freedom = 8.

Table 36. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	11.514	8	.174
Likelihood Ratio	14.044	8	.081
Linear-by-Linear Association	6.826	1	.009
N of Valid Cases	66		

- P value = 0.174 which is more than level of significance 0.05. Therefore the null is accepted.
- **Null Hypothesis:** There is no relationship between reading reviews and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between reading reviews and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 37:

- Out of 66 respondents, 13 respondents said that they very often read reviews about the cosmetics before purchasing them, 23 respondents said that they often read reviews about the cosmetics before purchasing them, 12 respondents said that they sometimes read reviews about the cosmetics before purchasing them, 12 respondents said that they very rarely read reviews about the cosmetics before purchasing them and 6 respondents said that they never read reviews about the cosmetics before purchasing them.
- Out of 13 respondents who very often read reviews about the cosmetics before purchasing them, 5 prefer Lakme, 3 prefer Revlon and 5 prefer L'Oreal.
- Out of 23 respondents who often read reviews about the cosmetics before purchasing them, 7 prefer Lakme, 10 prefer Revlon and 6 prefer L'Oreal.
- Out of 12 respondents who sometimes read reviews about the cosmetics before purchasing them, 5 prefer Lakme, 5 prefer Revlon and 2 prefer L'Oreal.
- Out of 12 respondents who very rarely read reviews about the cosmetics before purchasing them, 8 prefer Lakme, 3 prefer Revlon and 1 prefers L'Oreal.
- All the 6 respondents who never read reviews about the cosmetics before purchasing them prefer Lakme.

From Table 38:

- The Pearson Chi-square is 14.349.
- Degree of Freedom = 8.
- P value = 0.073 which is slightly more than level of significance 0.05. Therefore we can say that there is partially significant relationship between reading reviews and the brand preference of female consumers with reference to top three brands of make-up cosmetics.

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*Table 37. Read reviews of cosmetics before purchase * brand preference cross-tabulation*

			Brand			Total
			Lakme	Revlon	L'Oreal	
read reviews of cosmetics before purchase	very often	Count	5	3	5	13
		Expected Count	6.1	4.1	2.8	13.0
		% within read reviews of cosmetics before purchase	38.5%	23.1%	38.5%	100.0%
	often	Count	7	10	6	23
		Expected Count	10.8	7.3	4.9	23.0
		% within read reviews of cosmetics before purchase	30.4%	43.5%	26.1%	100.0%
	sometimes	Count	5	5	2	12
		Expected Count	5.6	3.8	2.5	12.0
		% within read reviews of cosmetics before purchase	41.7%	41.7%	16.7%	100.0%
	very rarely	Count	8	3	1	12
		Expected Count	5.6	3.8	2.5	12.0
		% within read reviews of cosmetics before purchase	66.7%	25.0%	8.3%	100.0%
	never	Count	6	0	0	6
		Expected Count	2.8	1.9	1.3	6.0
		% within read reviews of cosmetics before purchase	100.0%	0.0%	0.0%	100.0%
Total	Count	31	21	14	66	
	Expected Count	31.0	21.0	14.0	66.0	
	% within read reviews of cosmetics before purchase	47.0%	31.8%	21.2%	100.0%	

Table 38. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	14.349	8	.073
Likelihood Ratio	16.567	8	.035
Linear-by-Linear Association	9.413	1	.002
N of Valid Cases	66		

- **Null Hypothesis:** There is no relationship between impulse purchase of cosmetics and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between impulse purchase of cosmetics and the brand preference of female consumers with reference to top three brands of make-up cosmetics.

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- **Statistical Test:** Chi-square test.
- **Level of Significance** = 0.05.

From Table 39:

- Out of 66 respondents, 1 respondent said that she very often purchase cosmetics based on impulse, 3 respondents said that they often purchase cosmetics based on impulse, 24 respondents said that they sometimes purchase cosmetics based on impulse, 33 respondents said that they very rarely purchase cosmetics based on impulse and 5 respondents said that they never purchase cosmetics based on impulse.
- The respondent who very often purchases cosmetics based on impulse prefers Lakme.
- All the 3 respondents who often purchase cosmetics based on impulse prefer Revlon.
- Out of 24 respondents who sometimes purchase cosmetics based on impulse, 10 prefer Lakme, 7 prefer Revlon and 7 prefer L’Oreal.
- Out of 33 respondents who very rarely purchase cosmetics based on impulse, 19 prefer Lakme, 8 prefer Revlon and 6 prefer L’Oreal.
- Out of 5 respondents who never purchase cosmetics based on impulse, 1 prefers Lakme, 3 prefer Revlon and 1 prefers L’Oreal.

*Table 39. Purchase based on impulse * brand preference cross-tabulation*

			Brand			Total
			Lakme	Revlon	L’Oreal	
purchase based on impulse	very often	Count	1	0	0	1
		Expected Count	.5	.3	.2	1.0
		% within purchase based on impulse	100.0%	0.0%	0.0%	100%
	often	Count	0	3	0	3
		Expected Count	1.4	1.0	.6	3.0
		% within purchase based on impulse	0.0%	100%	0.0%	100%
	sometimes	Count	10	7	7	24
		Expected Count	11.3	7.6	5.1	24.0
		% within purchase based on impulse	41.7%	29.2%	29.2%	100%
	very rarely	Count	19	8	6	33
		Expected Count	15.5	10.5	7.0	33.0
		% within purchase based on impulse	57.6%	24.2%	18.2%	100%
	never	Count	1	3	1	5
		Expected Count	2.3	1.6	1.1	5.0
		% within purchase based on impulse	20.0%	60.0%	20.0%	100%
Total	Count	31	21	14	66	
	Expected Count	31.0	21.0	14.0	66.0	
	% within purchase based on impulse	47.0%	31.8%	21.2%	100%	

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From Table 40:

- The Pearson Chi-square is 12.024.
- Degree of Freedom = 8.
- P value = 0.150 which is more than level of significance 0.05. Therefore the null is accepted.
- **Null Hypothesis:** There is no relationship between purchase of cosmetics based on commercial and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between purchase of cosmetics based on commercial and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 41:

- Out of 66 respondents, 42 respondents said that they purchase cosmetics based on commercial while 24 respondents said that they do not purchase cosmetics based on commercial.
- Out of 42 respondents who purchase cosmetics based on commercial, 25 prefer Lakme, 12 prefer Revlon and 5 prefer L'Oreal.

Table 40. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	12.024	8	.150
Likelihood Ratio	12.743	8	.121
Linear-by-Linear Association	.062	1	.804
N of Valid Cases	66		

Table 41. Purchase of cosmetics based on commercial * brand preference cross-tabulation

			Brand			Total
			Lakme	Revlon	L'Oreal	
Do you purchase make-up cosmetics based on commercial?	yes	Count	25	12	5	42
		Expected Count	19.7	13.4	8.9	42.0
		% within purchase of cosmetics based on commercial	59.5%	28.6%	11.9%	100.0%
	no	Count	6	9	9	24
		Expected Count	11.3	7.6	5.1	24.0
		% within purchase of cosmetics based on commercial	25.0%	37.5%	37.5%	100.0%
Total	Count	31	21	14	66	
	Expected Count	31.0	21.0	14.0	66.0	
	% within purchase of cosmetics based on commercial	47.0%	31.8%	21.2%	100.0%	

- Out of 24 respondents who do not purchase cosmetics based on commercial, 6 prefer Lakme, 9 prefer Revlon and 9 prefer L'Oreal.

From Table 42:

- The Pearson Chi-square is 8.975.
- Degree of Freedom = 2.
- P value = 0.011 which is less than level of significance 0.05. Therefore the null is rejected.

Time of Purchase

Table 43 shows multiple responses for the variable time of purchase.

Out of total 81 yes responses, 38 were for when cosmetics run out of stock, 12 for whenever I see some ad about some new product, 21 for whenever I go for shopping and 10 were for whenever I see some attractive offer or sale.

Influencing Factors (Product) for the Purchase of Cosmetics

From Table 44:

- None of the respondents have ranked attractive packaging, color & ease to handle as their most influencing product feature for the purchase of cosmetics, while 3 respondents have ranked attractive packaging and 2 have ranked ease to handle as second most influencing factor and 10 have

Table 42. Chi-square tests

	Value	df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	8.975 ^a	2	.011
Likelihood Ratio	9.130	2	.010
Linear-by-Linear Association	8.833	1	.003
N of Valid Cases	66		

Table 43. Time of purchase frequencies

		Responses		Percent of Cases
		N	Percent	
Time of purchase	when they run out of stock	38	46.9%	57.6%
	whenever I see some ad about some new product	12	14.8%	18.2%
	whenever I go for shopping	21	25.9%	31.8%
	whenever I see some attractive offer or sale	10	12.3%	15.2%
Total		81	100.0%	122.7%

Factors Influencing the Buying Behavior of Female Consumers

Table 44. Influencing factors (product) for the purchase of cosmetics

Promotional Factors	Rank I	Rank II	Rank III
Attractive Packaging	0	3	10
Color	0	0	0
Design & Shape	6	8	2
Quality	41	6	2
Ease to handle	0	2	2
Durability	9	23	13
Variety	5	6	10
Brand Name	4	15	18
Features	1	3	9
Warranties	0	0	0

ranked attractive packaging and only 2 respondents have ranked ease to handle as the third most influencing product feature for the purchase of cosmetics.

- Quality has been ranked as the most influencing factor by maximum respondents (41). 6 respondents have ranked it as the second most and 2 respondents have ranked it as the third most influencing product feature for the purchase of cosmetics.
- 6 respondents have ranked design as most influencing factor, 8 as second most and 2 have ranked it as the third most influencing product feature for the purchase of cosmetics.
- 9 respondents have ranked durability as most influencing factor, 23 as second most and 13 have ranked it as the third most influencing product feature for the purchase of cosmetics.
- 5 respondents have ranked variety as most influencing factor, 6 as second most and 10 have ranked it as the third most influencing product feature for the purchase of cosmetics.
- 4 respondents have ranked brand name as most influencing factor, 15 as second most and 18 have ranked it as the third most influencing product feature for the purchase of cosmetics.
- 1 respondent has ranked features as most influencing factor, 3 as second most and 9 have ranked it as the third most influencing product feature for the purchase of cosmetics.
- **Null Hypothesis:** There is no relationship between price and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Alternative Hypothesis:** There is significant relationship between price and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- **Statistical Test:** Chi-square test.
- **Level of Significance = 0.05.**

From Table 45:

- Out of 66 respondents, 2 respondents said that the price of their preferred brands is low while 53 respondents said it is medium and 11 respondents said that the price is high.
- Out of 2 respondents who said that the price of their preferred brands is low, 1 prefers Lakme and 1 prefers Revlon.

Table 45. Price* brand preference cross-tabulation

			Price			Total
			Low	Medium	High	
Brand preference	Lakme	Count	1	25	5	31
		Expected Count	.9	24.9	5.2	31.0
		% within brand preference	3.2%	80.6%	16.1%	100.0%
	Revlon	Count	1	17	3	21
		Expected Count	.6	16.9	3.5	21.0
		% within brand preference	4.8%	81.0%	14.3%	100.0%
	L'Oreal	Count	0	11	3	14
		Expected Count	.4	11.2	2.3	14.0
		% within brand preference	0.0%	78.6%	21.4%	100.0%
Total	Count	2	53	11	66	
	Expected Count	2.0	53.0	11.0	66.0	
	% within brand preference	3.0%	80.3%	16.7%	100.0%	

- Out of 53 respondents who said that the price of their preferred brands is medium, 25 prefer Lakme, 17 prefer Revlon and 11 prefer L'Oreal.
- Out of 11 respondents who said that the price of their preferred brands is high, 5 prefer Lakme, 3 prefer Revlon and 3 prefer L'Oreal.

From Table 46:

- The Pearson Chi-square is 0.910.
- Degree of Freedom = 4.
- P value = 0.923 which is more than level of significance 0.05. Therefore the null is rejected.

Place of Purchase

Table 47 shows multiple responses for the variable place of purchase.

Out of total 79 yes responses, 23 were for Super Markets, 13 for Premium Groceries, 30 for Retailers (General Stores), 1 for Pharmacy, 6 for both Fancy Shops and Through Personal Selling.

Table 46. Chi-square tests

	Value	Df	Asymp. Sig. (2-Sided)
Pearson Chi-Square	.910	4	.923
Likelihood Ratio	1.291	4	.863
Linear-by-Linear Association	.236	1	.627
N of Valid Cases	66		

Factors Influencing the Buying Behavior of Female Consumers

Table 47. Place frequencies

		Responses		Percent of Cases
		N	Percent	
Place	Super Markets	23	29.1%	34.8%
	Premium Groceries	13	16.5%	19.7%
	Retails (General Stores)	30	38.0%	45.5%
	Pharmacy	1	1.3%	1.5%
	Fancy Shops	6	7.6%	9.1%
	Through Personal Selling	6	7.6%	9.1%
Total		79	100.0%	119.7%

Influencing Factors (Promotional) for the Purchase of Cosmetics

From Table 48:

- 44 respondents have ranked TV advertisement as the most influencing promotional factor in the purchase of cosmetics, 10 respondents have ranked it as second most influencing promotional factor and 5 respondents have ranked it as third most influencing promotional factor.
- Only 3 respondents have ranked Radio advertisement as the most influencing promotional factor, 18 have ranked it as second most influencing factor and 21 have ranked it as the third most influencing promotional factor.
- None of the respondents have ranked POS & Hoardings as the most influencing promotional factor, 15 respondents have ranked POS and 10 have ranked Hoardings as the second most influencing factor while 18 respondents have ranked POS and 7 have ranked Hoardings as the third most influencing factor in the purchase of cosmetics.
- 15 respondents have ranked Newspaper/Magazine as the most influencing factor in the purchase of cosmetics, 2 respondents have ranked it as the second and 20 respondents have ranked it as the third most influencing factor in the purchase of cosmetics.

Table 48. Influencing factors (promotional) for the purchase of cosmetics

Promotional Factors	Rank I	Rank II	Rank III
TV Advertisement	44	10	5
Radio Advertisement	3	18	21
POS Promotions	0	15	18
Hoardings	0	10	7
Newspaper/Magazine	15	2	20
Discounts	2	9	2
Free Banded issues	2	0	5

Factors Influencing the Buying Behavior of Female Consumers

- Discount has been ranked as first most influencing factor by only 2 respondents, while 9 respondents have ranked it as second most influencing factor and 2 as third most influencing factor in the purchase of cosmetics.
- Only 2 respondents have ranked Free Banded Issues as the most influencing factor, none ranked it as second and 5 respondents have ranked it as the third most influencing factor in the purchase of cosmetics.

FINDINGS

Following are the findings of the study:

- There is no relationship between respondent category and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is no relationship between age and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is no relationship between marital status and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is partially significant relationship between number of years of marriage and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is no relationship between number of children and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is no relationship between employment and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is significant relationship between annual family income and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is no relationship between educational qualification and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is partially significant relationship between skin type and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is no relationship between number of years of use of cosmetics and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is no relationship between number of cosmetics used per day and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is no relationship between frequency of purchase of cosmetics and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is no relationship between monthly expenditure on cosmetics and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is no relationship between importance of product feel in cosmetics purchase and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is no relationship between purchase of cosmetics based on tester and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is significant relationship between purchase of other products from the same brand of cosmetics and the brand preference of female consumers with reference to top three brands of make-up cosmetics.

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- There is no relationship between opinion of friends and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is no relationship between recommendation of sales personnel and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is partially significant relationship between reading reviews and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is no relationship between impulse purchase of cosmetics and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- There is significant relationship between purchase of cosmetics based on commercial and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- Most of the respondents purchase cosmetics when they run out of stock.
- According to maximum number of respondents, quality is the most influencing product feature in the purchase of cosmetics, followed by durability and brand name.
- There is no relationship between price and the brand preference of female consumers with reference to top three brands of make-up cosmetics.
- Most of the respondents purchase cosmetics from Retails (General Stores), followed by Super Markets and Premium Groceries.
- Most of the respondents have ranked TV advertisement as the most influencing promotional factor in the purchase of cosmetics.

CONCLUSION

Nowadays cosmetic has become part and parcel of our daily life. As discussed in the introduction section, the cosmetic industry in our country is growing because of the increasing demand among the users. The Indian cosmetic market has a lot to offer in terms of penetration of new brands. The customers are becoming more aware with the willingness to try new brands and products. This is for a variety of reasons. Firstly, there is greater consciousness among the well-travelled, prosperous middle-class about international brands before they even enter the Indian market. Hence as they enter into the Indian market, they find ready reception. It is also to do with changing retail environment, especially with more number of departmental stores coming up in the last decade. The new international brands see potential in the market and hence lots of brands are coming and launching in departmental stores. Definitely the future seems to be brighter for the industry.

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KEY TERMS AND DEFINITIONS

Brand Preference: Brand preference is measure of brand loyalty in which consumers will choose a particular brand in presence of competing brands.

Buying Behavior: Buying Behavior is the decision processes and acts of people involved in buying and using products.

Cosmetics: Cosmetics are care substances used to enhance the appearance or odour of human body.

Marketing Mix: The marketing mix is a business tool used in marketing and by marketers. The marketing mix is often crucial when determining a product or brand's offer, and is often associated with the four P's: price, product, promotion, and place.

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Section 5

Brand Trust and Reputation Management

Chapter 22

Differences and Similarities: Brand Trust Offline and Online

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ABSTRACT

Social media is a pervasive platform, and consumers increasingly want to connect with it. The growth of mobile devices has increased connectivity to social media, but accessing social media platforms has uncovered interesting results with gender differences between males and females. Trust models have evolved to take account of website interactivity, website environment design, and brand effect on brand trust. Themes on ability, benevolence, integrity, and predictability are also influencers on brand trust. Increasing access to social media is changing attitudes and behaviour to challenge established social and behavioural norms. Brands in the online and offline environments are exposed to risks, but the sheer level of interactivity and connectedness of social media increases the consequence of negative responses. However, the use of brand communities could be a way forward to negate the risk of brand contamination.

INTRODUCTION

When environmental conditions are uncertain the impact on the brand is unpredictable. This is even more important for strong brands, however, they are also used as a defence mechanism in challenging environments to reduce the competitive threat and maintain profitability. Brands embody the consumers' identity due to the cultural nature of modern-day consumers (Da Silva & Alwi, 2008; Elliot & Wattanasuwan, 1998). To overcome uncertainty in brand activities (offline and online) including brand strategies organisations need to approach branding strategically. Consequently, organisations need to understand the uniqueness of the brand and how it distinguishes from the competitors. When products are similar consumers are more interested in the brand and simply defining and telling is not sufficient and the organisation must consider the environmental dimension and increasing competition (Carbonara & Caiazza, 2010; Gray, 1995). Product closeness intrigues the consumers about the organisations' brands

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and is a power opportunity for the organisations to develop a compelling story (leading to a competitive advantage) now that consumers' interest is aroused. Understanding the nature of the environment and the competitive threat are approaches to deal with challenging markets, but do online brands behave in a similar manner? Brands reflect the organisations and are culturally embedded in the values and beliefs of the organisation. Suggesting that brand orientation is part of the organisational management (Clatworthy, 2012; Simoes & Dibb, 2001). Are online brands embedded in the organisation or is a different approach required for them? This paper applies established brand trust models and concepts for the offline and online environments to social media. Morgan and Hunt (1994) developed a brand trust model for the offline environment, Mukherjee and Nath (2007) adapted the model for the online environment. However, they did not examine the social media environment. The gap identified is the focus of this paper, which is an area of growing importance.

THEORETICAL PERSPECTIVE

Brand Concepts

The brand literature suggests that brand meaning is defined and driven by the firm, which gives rise to the idea of brand concept. Brand meaning is derived from the needs and wants of the consumers. It thus serves to differentiate brands and position them in the marketplace (Park et al., 1986). Riezebos, (2003) define two types of brand concepts 'expressive' and 'functional'. Expressive brands are appropriate for products that are associated with self-image such as luxury brands. Functional brands are associated by the consumers as problem solvers. The idea of brand meaning suggests that brands have a personality and by extension a brand image and brand identity (Aaker, 1996; Dobni & Zinkhan, 1990), A developed and strong brand personality is an factor in the decision-making process of consumers (Kaplan et al., 2010). However, brand names do change (Royal Mail to Consignia) and questions the justification attached to brands (Griff Round & Roper, 2012). The purpose of branding can be categorised as an identifier (Farquhar, 1989), secondly, it can reduce the complexity of the purchase decision (Jacoby et al., 1977). Thirdly, it identifies to consumers the quality (Jacoby et al., 1971; Kapferer, 2004) and finally, brands reduce the level risk to consumers (Aaker, 1991). Brands do change over time and challenges the requirement for the similarity between brands. This may have implications for online and offline brands and whether they have to be similar or tailored to the environment. Research by Griff Round and Roper (2012) suggest that consumers do perceive attributes from the brand name; namely 'rational', 'relationship', 'habitual' and 'symbolic' functions. Brand personality (Aaker, 1996) is more than a brand name and just changing it will not affect the brand personality. The symbolic nature of brands is determined by consumers and not the corporation. Firms select brand names to promote inherent associations that they want and use marketing activities to reinforce them (Lee & Hsu 2010; Keller, 2003). The above statement implies that brand names are flexible and the corporations can change them if marketing activities are implemented to reinforce the brand meaning. Thus the brand name itself is not important, but the association by the consumers has significant implications for the brand. There is increasing acceptance of the organisational influence in brand economic value (Knox & Bickerton, 2003). Dowling (1993) further suggest that organisational culture is an additional construct to be considered for brand purposes, besides brand image, brand personality and brand identity (Aaker, 1996; Dobni & Zinkhan, 1990). Consumers play an important role in the symbolic determination of brands (Keller, 2003) and the strength of the brand

credibility influences consumers' attitude. Credibility decides the believability of the brand and manifests itself in trustworthiness and expertise (Erdem & Swait, 2004). The favourability of the brand engenders a positive attitude towards the brand and affective responses towards a brand make influence the purchase decision. Empirical evidence has shown that consumers are driven by emotion to buy and consume (Kemp & Kopp, 2011). Brand commitment is the desire for consumers to maintain a positive relationship with the brand (Moorman et al., 1992). Marketing communications enhances brand commitment (Jae Wook et al., 2008) and repeat purchase behaviour can lead to repeat purchase (Fullerton, 2003). Consumers may make repeat purchase decisions, because the brand meaning represents their self-image or self-concepts (Escalas, 2004). The next section will discuss online environment and trust.

Online Environment and Trust

Trust is an important factor in any purchase no matter if the environment is offline or online. It is thus helpful to investigate the role and importance of this attribute in consumer purchase (Salo & Karjaluoto, 2007). McKnight et al. (2002) suggest that trust is an important factor in the online environment, because it allows consumers to deal with uncertainty. There are two bases for trust namely competency-based trust and intentional-based trust. In the online environment competency-based trust is a significant factor to encourage consumers to participate in online purchases and depends on the ability of the website to process transactions securely. When it comes to intentional-trust consumers believe that the firm is honest. How this plays out in the online environment is interesting, because most transactions are anonymous (Salo & Karjaluoto, 2007).

Trust is important to firms because, it reduces costs, improves efficiencies, increases flexibility and support long-term market planning (Chen & Dhillon, 2003; Nooteboom, 2003). Boeyen and Moses (2003) argues that trust can be categorised into third-party trust and direct trust. Direct trust originates from the relationship between the two parties. However, third-party trust is developed between parties that do not know each other. This is relevant to the online environment, because transactions are completed by technology and there is no personal interaction. Nooteboom (2003) argue trust is not unlimited and parties could increase trust with one party at the expense of other parties. Salo and Karjaluoto, (2007) speculate that end-users may have different levels of trust dependent on the communication channels being utilised and the conditions.

Firms today have realised the benefit of e-commerce and use it in a variety of activities. The most complaint from online consumers is that products and services are not as good as promised. Unlike the offline environment offline end-users are not able to touch, feel, or try the product they are purchasing (Salo & Karjaluoto, 2007; Lee & Turban, 2001). Another, reason why online purchase is risky is that the vendor is not seen or may be unknown. Customers also run the risk of the product quality being questionable, but it could be the wrong product (Pavlou, 2003). Consequently, in the online environment it is more challenging to build intentional trust than in the offline mode. Despite many uncertainties in computer-mediated e-commerce end-users still willing to spend time and money on online transactions. A reason for this is that they are willing to trust the online firm's ability to deliver the right products or services at the right quality. The literature is consistent in claiming that trust is an important factor in online businesses (Salo & Karjaluoto, 2007).

Salo & Karjaluoto (2007) suggests that the most important aspect of trust for web-based businesses is between human beings and machines. There is general agreement that trust plays an important role in the online world and helps to mitigate uncertainty of the online environment (Koufaris & Hampton-

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Sosa, 2004; (Lee & Turban, 2001) and helps them to participate in online activities (Salo & Karjaluo, 2007). When end-users trust the parties they are dealing with they are more likely to believe they will receive long-term benefits and will thus co-operate with them ((Morgan and Hunt, 1994).

Trust has behavioural implication, which need to be considered. When the basis to form an attitude that is conducive to building trust is limited Kong and Hung (2006) suggests that the peripheral route (based on the Elaboration Likelihood Model and suggest emotion plays an important role). The factors they rely on include company's reputation, website quality, dispositional trust (depends on the situations and persons) and their perception of normality and structural assurance. Prolong contact with the e-vendor may lead to greater trust, but is dependent on web site quality, ability of the vendor, honesty and kindness. Thus these factors may become more important in the central route and lead to rational analysis. The impact of web site quality is the most important factor in engendering trust (Salo & Karjaluo (2007); Kim & Tadisina (2005).

External and internal factors affect the level of trust in the online environment. External factor range from consumer characteristics and the nature of the product or service. Internal factors include end-user prior experience, the web vendor's trustworthiness, and reputation (Salo & Karjaluo, 2007). First consideration are the external categories that affect trust in the web environment.

External factors are those factors that influence the formation of trusting beliefs, which influence the willingness to visit a web site and the continuation of using the service. External factors indirectly affect relate to the online service and internal factors directly affect the online service (Salo & Karjaluo, 2007). Trusting beliefs are partially formed or are partially- influenced by factors beyond the online environment itself and is based on prior experience of the product or services, which is a similar model to attitude formation (Fishbein & Ajzen, 1975). Consumer characteristics include background information (demonstrations and psychographics on the product or service) and are strong determinants of consumer trust beliefs. Product and service factors that may influence online trust beliefs include size, functionality, complexity and involvement level. Purchasing a new car requires a different decision-making process to that of the purchase of a music CD. Because the decision-making process for the products are different then the trust beliefs will also differ ((Salo & Karjaluo, 2007). A study suggested that brand and company had a more significant impact on consumer trusting beliefs than consumer characteristics or web site related factors (Shao et al., 2005). In the offline environment cultural and market characteristics are frequently associated with geographical locations. Cultural differences associated with trust include different perception of products and services and marketers use marketing communications to address this (Smith et al., 2004; Bachmann, 2001). Geographical effect on trustworthiness of a company could be based on the collectivist culture i.e. group decision-making and word-of-mouth communication. However, in other countries the culture could be the individualist approach and the decision-making process is individualistic as stronger consideration is given to facts and figures (Hofstede, 2001). Word-of-mouth recommendations from friends, colleagues, family members and peers are strong determinants of personal trust (Welter & Kautonen, 2005). In the online environment a good way to improve trust is the use of feedback mechanisms (Mukherjee & Nath, 2007; Dellarocas, 2003). Chinese consumers typically avoid uncertainty due to their uncertainty avoidance (high) culture and do not make risky purchases of products or services whereas US consumers have a low uncertainty avoidance culture and will buy on impulse (Kacen & Lee, 2002). This section has considered the external factors that affect trusting beliefs in the online environment and now the internal factors need discussing.

Stated previously, internal factors range from web design to past experience with the web vendor and reputational brand. Trust in e-retailers is related to the formation of trusting beliefs. Trust develop

in the online environment when the system is easy to use and is useful. Training is common for online services and can be delivered online or offline. (Mukherjee & Nath, 2007). Trusted third parties can build trustworthiness so that end-users are more willing to give away personal information and interact with the web site (Durkan et al., 2003). Privacy protection is an important factor in the formation of trusting beliefs. Online users are more aware of privacy issues (use of their personal information in the online transaction) than experience ones (Schoenbachler & Gordon, 2002; Hoffman et al., 1999). The building of trust in the online environment is vital and support it by publishing privacy policy (Cranor, 1998).

There are also gender implications to trusting beliefs in the online environment. Relatively few papers have sought to investigate this area (Kolsaker & Payne, 2002). Sheehan (1999) postulates that there are gender-related differences in web-based systems, males use online communications to do task-oriented activities and females use it to build relationships and sustain them. Women also appear to be more concerned about personal privacy (e.g. unsolicited emails) and are more cautious of online shopping. Females are more concerned about the following than males: confidentiality and privacy; security of payment; online banking; using web sites that are outside of their country, without a statement on privacy. Publication of the privacy and security policy on the web site is the deciding factor if women will use a web site (GVU, 1998). Results from Kolsaker and Payne (2002) research suggests that trust is a compelling requirement for online activities and consumers remain concerned about elements that are trust-related. The gender differences about security of payments were similar and both genders showed concern for online security payments. Based on these findings there is no gender differences relating to online security payments. A high level of concern was found in relation to confidentiality of information, but there was no significant differences between genders. Although e-commerce has grown in popularity, there is still a high concern for confidentiality of information that is supplied online. Despite of the perceived risks consumers are still willing to use e-commerce sites, growth in online activities continues unabated. The return and refunds (integrity of the e-tailer) on goods purchased online is an area of concern for both sexes. There is no perceivable difference between the sexes on this issue. Once again there is no gender differences relating to e-tailer integrity. The findings from Kolsaker and Payne (2002) do not support the assertion that women use online activities to build relationships and sustain them, while men use online systems for task-oriented communication (Sheehan, 1999). However, it does suggest that there is a high level of concern for security and privacy; e-tailer integrity and payment security with both genders and there are no gender differences in respect to these factors.

Connectivity and interactivity strengthen consumer expectations and demand more from the brands. Social media, because of its connectivity and interactive property, empowers consumers to demand and expect more from brands. Brands should facilitate conversation and not disrupt them. Eventually, some conversations will have negative talk and negate the trust on brands. It is important to remember that in social media, negative posts have five times more effect than positive ones. Negative posts have a dramatic effect on brand trust for highly engaged brand communities (Habibi, Laroche, & Richard, 2014; Corstjens & Umblijs, 2012; Powers et al., 2012; Fournier & Avery, 2011). Community engagement matters in brand communities. Consumers with higher levels of engagement in brand communities form stronger relationships with the brand community elements (customer–brand, customer–product, customer–company, customer–other customers). More importantly, brand community engagement is a moderator and enhances the effect of customer–brand and customer–product relationships on brand trust and decreases the negative effects of customer–other customer relationship on brand trust (Habibi, Laroche, & Richard, 2014).

Conclusion

Trust is a significant factor online, because it reduces the level of uncertainty and thus risk (Salo & Karjaluoto, 2007; McKnight et al., 2002). Trust is normally derived from direct relationships, but can originate from third party arrangements (Boeyen & Moses (2003). Trust is reduced if the e-supplier does not deliver the 'right' product or it falls below expectations. However, despite the risks consumers are willing participants in the online world (Salo & Karjaluoto, 2007).

Internal and external factors affect trust. Examples of internal factors include end-user prior experience and the web vendor reputation. External factors are not direct contributors to behavioural intentions and examples are type of product or service to consumers' characteristics (Salo & Karjaluoto, 2007).

There are no specific evidence according to (Kolsaker & Payne, 2002) that there are gender differences in relation to online activities, but they found that both genders have the same level of concerns in relation to aspects of online activities.

Offline and Online Branding

The use of a brand offline and online appears to be a powerful strategy, because established offline brands can be leveraged online (Bravo, Iversen, & Pina, 2011). The meaning of a brand is driven by the consumers (Keller, 2003) and transferring a brand used offline to an online environment may require investing before taking that step. One would need to check for consistency between the offline and online environments. Web 2.0 branding is one terminology for online branding and is developed from the principles that the online brand communities are part of the brand; the physical and virtual interface and their relationship to the online and offline environments; and the state of the information and how it is distributed to the consumers (Mairinger, 2008). The implication of Mairinger (2008) analysis is that it is more challenging to influence the consumers about their brand, because the influencers are somewhat beyond their control. The role of online environment is thus to distribute and share information (Muzellec, Lynn, & Lamkin, 2012). In order to differentiate a brand online is it important to build higher brand equity than brands operating offline (Rubinstein and Griffiths, 2001). Signalling theory suggest that reputation is a badge of quality, which will enhance brand image (Wernerfelt, 1988). Logically, one would expect a similar phenomenon to occur for online situations. Brand equity is likely to be transferred from the offline to the online environments according to Harvin (2000). Similar conclusions were arrived at by Horpu et al (2008) that experiences offline impact consumers' perception online. A spillover effect takes place between online and offline environments, with brand extension functionality transferring from the offline to the online. Emotional and commitment aspects of brand extensions are transferred from the online to the offline. Managers need to consider the emotional and commitments of an online brand extension that they wish to transfer offline (Bravo, Iversen, & Pina, 2011).

According to the literature trust is a very important factor for successful online transactions (Eastlick et al., 2006). An important aspect of brand relationship is the variables trust, satisfaction and loyalty, which are indicators of the future buyer behaviour, brand success and long-term business relationship (Horpu et al, 2008; Busacca & Castaldo, 2003). Trust in an offline brand will engender a similar level of trust for online brands, if the offline retailer is the owner of the online site (Chaudhuri & Holbrook, 2001). Consumers that trust a particular brand are more likely to be loyal and are willing to pay a premium price and spread positive messages about the brand, which they will share with new product categories that are linked to the brand (Busacca & Castaldo, 2003). Trust is a key component of value that a strong brand

gives to consumers (Berry, 2000). Brand trust generates positive attitudes towards that increase brand loyalty (Brusseau et al, 2013; Morgan & Hunt, 1994). Online satisfaction for a website has a positive outcome for online trust and supported the assertion that it will lead to positive outcomes for website loyalty. Consequently, only brand satisfaction and brand loyalty were related to website satisfaction. An important lesson is that consumers use brands online and offline to build trust, satisfaction and loyalty and strong brands should be nurtured, because strong offline brands support online brands (Doyle, 2002), Horpu et al, 2008). A strong brand will make companies less vulnerable to competitors' threats and they will increase market share as brand loyalty increases (Delgado-Ballester & Munuera-Aleman, 2005; Chaudhuri & Holbrook, 2001). Consumers experiencing the online environment trust can be a vital factor in the decision-making process and is an influencer in the perceived risk of the transaction such as financial and product risk etc. (Winch & Joyce, 2006). Trust in an offline retailer can reduce the perceived risk of online transactions (Li & Zhang, 2002). Perhaps consumers shopping online are more confident of offline retailers and by extension their brand. Vice versa online shoppers that do not have confidence in the offline retailer is less likely to be positive about shopping on their website (Hahn & Kim, 2009). Park and Stoel (2005) findings suggest that there is a strong connection between brand familiarity and the willingness of consumers to shop online. Consumers' trust becomes uncertain if personal details are requested (Hahn & Kim, 2009; Chaudhuri & Holbrook, 2001). Trust in offline stores strengthens consumer confidence in using the internet for shopping and confidence in using the offline stores website to search for information. The issue is to convert online browsing to online purchasing and maintaining trust in the offline and online environments are key requirements. Smooth transactions from offline to online and from online to offline require a multi-channel retailing strategy (Kim & Hahn, 2009). Trust can be transferred from one item to another unfamiliar item so long as the general environment is look upon as trustworthy (Stewart, 2003). Offline images of retailers affect the online attitude towards the retailer and the social network of the consumers are factors that influence online attitude to the retailer (Kwon & Lennon, 2009; Kim, et al., 2009). Pre-existing offline trust is not a predictor of online continual usage (Al-hawari & Mouakket, 2012), which contradicts the literature by Piercy, (2012), but is supported by (Hahn & Kim, 2009) which states that there is no direct relationship between offline trust and customers' intention, but there is an indirect relationship via perceived confidence. The implications are that pre-existing offline trust does not ensure airline customers will continue to use online services or use it to encourage continual usage of online services. Other factors are at play such as the requirement for personal information (Hahn & Kim, 2009; Chaudhuri & Holbrook, 2001) and offline image (Hahn & Kim, 2009). Word-of-mouth is an important factor in the continual use of online airline services and appears to be more important than pre-existing trust of offline services (Hahn & Kim, 2009). There are different levels of trusting beliefs or trusting behaviour or intentions when consumers are faced with different or unfamiliar communication channels or changing conditions. Online transactions are increasing, but there is still a degree of uncertainty experienced by online consumers. Although they have concerns one factor that can overcome these concerns is that they trust the online retailer to deliver the goods or services in good quality (Salo & Karjoluoto, 2007). Another aspect of trust is based on the application of the Elaboration Likelihood Model (ELM) (Petty & Cacioppo, 1986), which is adapted by Kong and Hung (2006) to explain attitudinal trust and came to the conclusion that motivation and ability are factors as to how people form attitudinal trust through the peripheral and central routes in the model. The online retailer's ability to generate motivation and ability at the different stages of the online activities are important drivers of consumers' online attitude at the initial stages of the online experience as well as online trust. However, motivation and ability do not always correlate with attitudinal trust, because

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consumers may have limited exposure to online activities. Another approach to build trust in the online environment is the use of third parties. This takes the form of well-known brands in the offline world (Durkan et al., 2003). In conclusion, it is vital that online retailers enhance trust by promulgating principles on how personal information is used (Cranor, 1998).

Research on social media networking content and perceived social norms on platforms such as Facebook that news feeds and display friends' profile affect people attitude and behaviour (Young & Jordan, 2013). Although there are societal norms against binge drinking and risky sexual behaviour, social networking technologies have effects on users' perceived social norms, and they adopt the social norms of the networking group (Wechsler, Nelson, & Lee, 2003; Young and Jordan, 2013). Social media use has grown exponentially in the Middle East in recent years (Ali-Ali, 2000). In the United States, people of all ages, religious beliefs, and political affiliations use social networking sites. However, in Iran, the use of social networking sites tends to be the preserve of young people. However, over time the profile of users will become more similar to that of the United States (Young et al., 2014). In Iran, longer-term use of social media leads to a declining use of the veil, which is going against social norms and behaviour. An opposite effect is noticed in Turkey. As a secular society, there is an increasing use of the veil, there is a widespread use of social media technology, and this new trend could be due to social media activities (Young & Jordan, 2013; Go'karıksel & Secor, 2009).

Conclusion

Branding is a powerful tool in the online and offline environment and leveraging an offline brand online is a powerful strategy (Bravo, Iversen, & Pina, 2011; Rubinstein and Griffiths, 2001). Using an online brand to influence is more challenging, because of the remoteness between the parties. Offline behaviour influences online behaviour, so powerful experiences offline will have positive impact of online experiences and perception Horpu et al (2008).

Trust is transferable from the offline brand to the online brand if the retailer of the offline off site is also going to own the web site (Chaudhuri & Holbrook, 2001). Trust is essential for building equity, consumer confidence, reduce perceived risk (minimising uncertainty), lead to consumer loyalty (Kim & Hahn, 2009; Winch & Joyce, 2006; Morgan & Hunt, 1994). However, requesting personal information and the offline image can damage trust (Hahn & Kim, 2009; Chaudhuri & Holbrook, 2001). Openness on how personal data is used will go a long way in the improvement of trust online (Cranor, 1998).

Trust Models in Online and Offline Environments

Morgan and Hunt (1994) states that commitment is an important factor in transactional relationships and is a complement to trust. Moorman et al. (1992) defined commitment relationship as a desire to maintain a valued relationship over time. Trust is directly related to commitment relationship and as trust increases the commitment relationship will also increase (Mukherjee & Nath, 2007).

Mukherjee and Nath, (2007) suggests that the five principle antecedents of trust are as follows:

1. Shared values;
2. Communication;
3. Opportunistic behaviour;

4. Privacy; and
5. Security.

These antecedents hold true for the offline environment, but are they all applicable to online environment or are there a partial fit. An understanding of these antecedents are required before progressing further.

Security and privacy are very important factors for transactions in the online environment compared to traditional channels (Hoffman et al., 1999). Privacy is the most significant factor for consumer trust (Mukherjee & Nath, 2007). Hoffman et al. (1999) from their research states that the importance of online security cannot be over stated and include financial and non-financial issues. Mukherjee and Nath, (2007), additionally make clear that online consumers expect privacy policy to be clearly visible and that information the policy must include the prohibition of the selling of personal information or divulging it without their consent. Online consumers expect to be able to opt out selling of personal information or from unsolicited information requests e.g. emails.

Making a purchase online require the system to be secure and is a key mediator in making a purchase online, and consider authentication as a measure of trustworthiness (Bart et al., 2005). Security has proved to the second most important factor in the online consumers using an online retailer and is a significant determinant of online trust. Consumers are very concerned with the manipulation of technology that enables the spillage of credit card information and websites that have been subject to hacking attacks. The latest security features will increase trust of the website (Mukherjee & Nath, 2007).

Morgan and Hunt (1994) framework for the antecedents of trust and commitment did not include security. In the offline environment trust is based on the consumer – seller relationship and evolve over time. A positive relationship is reinforced by the seller's honesty, reliability and integrity. The online environment is different from the offline, because the online environment is constructed on technology and not physical interaction between the buyer and seller (Mukherjee & Nath, 2007). Commitment and trust towards a website is dependent on the perception of the website and how it meets expectations on integrity, dependability and how well it delivers against promises (Bart et al., 2005). There is a positive relationship between trust and security.

Shared values are beliefs that people have in common with behaviours, policies, and goals that they consider important or un-important., appropriate or inappropriate or right or wrong (Morgan and Hunt, 1994). Ethics underpins the antecedent of shared values. Morgan and Hunt, (1994) link ethical behaviour with shared values and unethical behaviour undermines shared values. Mukherjee and Nath, (2007) suggests that in the online environment there is a higher reliance on the perception of shared values and this perception will lead to greater trust. Shared values are a significant determinant of trust. It builds bonds, create a sense of belonging or association, and builds long-term relationships. This is true for the offline and online environment. E-tailer websites that requires detail personal information especially financial must have robust privacy policy and is crucial for online shopping. In summary there is a positive relationship between privacy and trust. Shared values leads to increase commitment from online customers. Online consumers are looking for a sense of association with the online retailer. Closeness to the online retailer is supported by share values, which can lead to trust. Shared values are constructed based on an ethical context (Morgan & Hunt, 1994) and retailers will need to encourage a culture rooted in ethics to give traction to positive shared values in the buyer – seller relationship.

Information that is shared formally or informally in a timely and meaningful manner is one definition of communication (Anderson & Narus, 1990). According to (Etgar, 1979) communication engender

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trust and is thus able to resolve disputes, and ambiguities. It is also said to provide accurate information on processing of orders, aligning expectations and perceptions. Several researchers have used communication as an antecedent of trust (Mukherjee & Nath, 2007; Morgan & Hunt, 1994). Communication can be considered to multi-components. These are openness; quality of information; and quality of response (Mukherjee & Nath, 2007; Mukherjee & Nath, 2003). Information distortion or asymmetry are important factors in customer trust, when using the internet. Furthermore, online consumers cannot gauge the tangible and intangible features that are indicators of quality, because they cannot touch or feel the products. Thus they are not able to assess the quality of the product before purchase and under this condition customers will lack trust (Lee & Turban, 2001; Ba, 2001). Distortion of information and self-interest are the concepts defining opportunistic behaviour (Williamson, 1975; Mukherjee & Nath, 2003). When customers shop online they assess the likelihood of opportunistic behaviour by the e-vendor, because there is a greater risk for this to occur giving rise to reduced level of trust (Lee & Turban, 2001; Clay & Strauss, 2000). Under conditions of risk and uncertainty the integrity of the online retailer is very important in securing trust in the online environment (Mukherjee & Nath, 2007). They go on to suggest in the online environment when shoppers believe opportunistic behaviour is possible, because of the perception of the e-tailer there is a reduction in customer trust. Furthermore, their advice is that retailer must ensure the dissemination of authentic information. What retailers promise and what they deliver impact the level of customer trust and retailers need to deliver on their promises and use disclaimers that are appropriate and deal with customers fairly build a perception that opportunistic behaviour is decreasing. Opportunistic behaviour leads to a decrease in customer trust in the online environment and offline purchases.

Openness is an important aspect of good business sense that builds trust (Huemer, 1998). Mukherjee and Nath, (2007) postulates that communication and openness mediate trust and is specific to the individuals in the relationship. Gefen and Straub (2001) found from their research that man-machine communication interfaces have characteristics of social presence, these are vitally important in building online trust. They suggest that social presence have attributes such as openness, authenticity of information, speed of response (and frequency of response), relevance of information, quality of information (authenticity, relevance and completeness), and ability to provide feedback to the online retailer. There is a positive relationship between trust and communication (Mukherjee & Nath, 2007; Morgan and Hunt, 1994). This relationship holds true for the online and offline environments. Communication plays a critical role in online activities and building trust. Customers expect a high quality of response, openness in communications, feedback and speed of response from the e-tailer. Above all responding and dealing with customer complaints effectively and providing real-time information to order fulfilment are critical to online communications (Mukherjee & Nath, 2007). The authors make the additional points that online communication is a two-way process, then a personalised and customised dialogue is helpful, positive, easy, pleasant, useful and timely can go a long way to build customer trust.

Morgan and Hunt, (1994) findings in regard to relationship commitment varied in comparison with Mukherjee and Nath, (2007) research on relationship commitment. Relationship benefits and commitment was not positive in the Morgan Hunt (1994) framework. However, Mukherjee and Nath (2007) found there is a positive relationship especially with benefits that include personalisation of the service and loyalty rewards. They found a positive relationship between relationship commitment and benefits. Continuing with the comparison between the Morgan and Hunt (1994) and Mukherjee and Nath (2007) models. Morgan and Hunt (1994) found a positive relationship between relationship termination costs and relationship commitment, but Mukherjee and Nath (2007) did not. The other relationships are not

in the Morgan and Hunt (1994) model, but are in the Mukherjee and Nath (2007) model. They found a positive relationship between trust and behavioural intentions and also a positive relationship between commitment and behavioural intentions.

Normally, termination costs lead to the continuation of the relationship and increase commitment (Mukherjee & Nath, 2007). There is the possibility that termination costs are lower in the online environment for less competitive websites and another website is just a mouse click away (Danaher et al., 2003). There is a significant relationship between trust and commitment in the online environment between behavioural intentions. Trust and commitment have a positive effect on behavioural intentions. Online shoppers using a website that they have positive experiences would expect to make positive recommendations to others. There is a positive relationship between trust, commitment and word-of-mouth. Trusting customers will consider buying from a website, and thus an intention to purchase is positive. High level of trust and commitment will enhance customer interaction with the website (Mukherjee & Nath, 2007).

Lin and Lee (2012) suggest that brand trust comprises website environment design (website navigation and security), web interactivity (peer interactivity and community interactivity), and brand effect (positive feeling and affective commitment). They further postulate brand trust and brand effect facilitate brand loyalty (behavioural loyalty and attitudinal loyalty). However, one must remember building trust requires a long-term commitment, but the model has implication for website designers and managers. Palmer and Huo (2013) suggest four themes for trust in a social media environment. These are competence of the firm to meet promises made to customers (ability), willingness to help users to benefit from the service or product by assisting them in solving problems (benevolence), the organisation to act in an ethical manner (integrity) and in general keep promises and the firm will be predictable and consistent in the way it deals with customers (predictability). The components of trust do not decline at the same rate, and they do not peak simultaneously. The first to peak is ability, and integrity and predictability peak simultaneously and are the last to peak.

Mobile devices are any tools that allow individual access to many networks via a gate network (Kaplan, 2012). Social media sites are accommodating many types of mobile devices to access their sites to share and communicate information (Lipsman, 2010). Access to social networking sites using mobile devices shows there is a difference in loyalty and satisfaction between the genders. Females show a much higher level of loyalty and satisfaction than males. Males show a slightly higher perceived need for security than females, but the difference is not significant. The results contradict previous research, which states that females tend to be less satisfied, less loyal, and less secure in e-shopping and e-commerce activities (Lim, Lim, & Heinrichs, 2014; Lee et al., 2010; Sierra et al., 2012). Firms need to adopt social media tool strategies that recognise the primary behaviour and attitudes of their users (Lim, Lim, & Heinrichs, 2014).

Conclusion

Retailers operating in the online environment should note the trust and commitment is an important factor behavioural intentions especially in the intention to purchase. Unless, consumer trust websites they are unlikely to use them or recommend them to others and thus will have a significant impact on the performance of a retailer. Promoting confidence in the website by the use of celebrity endorsement and the application of advanced technological features such as encryption for credit card transaction (Mukherjee & Nath, 2007).

Where the perception is that the website is secure, then online consumers are likely to provide personal information. Consequently, the integrity of the retailer is an important mediator of the trust- commit-

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ment relationship in the online environment (Mukherjee & Nath, 2007; Bart et al., 2005). Related to security is the issue of privacy. Firms involved in recent violation in security and privacy include Sony and Snapchat. Customer expect privacy policy to be explicit and that retailer behave in accordance of the policy. The policy should include selling of personal information, which should be only at the behest of the consumers, so that they have the ability to opt-out. The distortion of information or that is not symmetrical are aspects of the privacy policy consumers would expect retailers to address (Mukherjee & Nath, 2007; Mukherjee & Nath, 2003; Hoffman et al., 1999; Williamson, 1975). Shared values underpin ethical behaviour and is a determinant of trust. It builds bonds, create a sense of belonging or association, and builds long-term relationships (Mukherjee & Nath, 2007).

Communication between online consumers and the e-tailer is an important variable in the trust-commitment relationship and this is also true for the offline environment (Mukherjee & Nath 2007; Morgan and Hunt, 1994). Factors that affect communication are openness, opportunistic behaviour, quality of information, and quality of response (Mukherjee & Nath, 2007; Mukherjee & Nath, 2003). Openness in communication is sensible and essential for business success and strengthens the trust-commitment relationship. Communication and openness mediate in the trust-commitment relationship (Mukherjee & Nath, (2007); Huemer, 1998). Social interaction is a fundamental aspect of communication, but in the online world this is more difficult to create. How can retailer create a social presence on the net? They need to responsive to customer queries, have a feedback mechanism for consumers, the dialogue between the retailer and the consumer should be positive and dealing with customers speedily and in real-time Gefen and Straub (2001; Mukherjee & Nath, 2007).

Finally, personalisation of an online service i.e. online benefits strengthen commitment and correspondingly loyalty. Positive experience with websites lead to positive outcomes and these include word-of-mouth recommendation. Positive outcomes from the online experience will lead to a continuation of the consumer- vendor relationship (Mukherjee & Nath, 2007).

Trust and Brands

In the e-tailing environment brands communicate important information and beliefs of brand trust have found to influence behaviour such as loyalty (Chaudhuri & Holbrook, 2001). Beliefs about the brand's integrity influences intention to purchase (Delgado-Ballester et al. 2003). Dowling and Staelin (1994) found that product risk and uncertainty are mediated by the brand and the online environment perception of risk and uncertainty is linked to product type; performance variability; newness of the product; low levels of bad experiences with the product type; lack of information about the product type; and the inability to touch or inspect the product (Lee & Lee, 2005).

Becerra and Korgaonkar (2009) suggest that product trust beliefs are mediated by brand trust beliefs, because of the brand attributes. Additionally, brand trust beliefs may vary with product trust beliefs and thus online intentions. This is an expansion of Dowling and Staelin (1994) postulation. Becerra and Korgaonkar (2009) found that the importance of brand trust beliefs is a significant factor and thus mitigates the effect of product trust beliefs. Brand trust beliefs influence online environment by facilitating the intention to purchase and brand trust beliefs also influence the intention to provide more information. In conclusion, the influence of brand trust beliefs is the deciding factor as well as vendor trust beliefs in the intention to purchase in the online environment. It appears that in the online and offline environments brand trust beliefs are significant in the consumer intention to purchase process.

Vendor trust beliefs appear to influence consumers' online intentions (Gefen & Heart, 2006), and the willingness of consumers to supply personal information to complete the online transaction (McKnight et al., 2002). The effect of vendor trust beliefs on the purchase intention in the online environment appear to be high when brand trust beliefs are high as oppose to low. Brand or brand trust beliefs do not appear to influence the willingness of consumers to supply personal information and only the vendor trust beliefs on purchase intention vary with brand trust beliefs. Furthermore, product brand trust beliefs uncertainty revolves around the brand e.g. integrity. However, for services consumers are more concerned with uncertainties relating to vendor trust beliefs capability e.g. competence. Furthermore, brand trust beliefs are more important than vendor trust beliefs capability for services and influence if the online transaction will take place (Becerra & Korgaonkar, 2009).

Product brand beliefs influence vendor trust beliefs Lee and Lee (2005). Also product brand beliefs are mediated by brand trust beliefs and vendor trust beliefs influence consumer online purchase changes with brand trust beliefs. There is no evidence that product trust beliefs effect the willingness to supply information. However, (Becerra & Korgaonkar, 2009) work suggest that vendor trust beliefs and high product trust beliefs do not influence intentions in the online environment. Thus vendor trust beliefs and product trust beliefs interaction is not significant.

It would appear that perceived uncertainty in the online environment is greater than in the offline environment. Online transactions must provide greater benefits or lower costs than offline (Teo and Yu, 2005). E-tailers selling online products should improve their brand offering and ensure all the brands are from reputable firms. They must also provide information that accentuates the positive aspects of the brands to build vendor trust beliefs (Becerra & Korgaonkar, 2009). According to Becerra and Korgaonkar, (2009) previous brand shopping experience is not important and contradicts Shim et al.'s (2001) findings. Overall, e-tailers need to understand the influence of brand trust beliefs, vendor trust beliefs and product trust beliefs on consumers' intention in the online environment.

Conclusion

Brands are an important tool to communicate the promise and expectations of a product or service and they can influence behaviour (Chaudhuri & Holbrook, 2001). They are inherent risks using the online environment such as security and privacy and a brand can mitigate these risks Dowling and Staelin (1994). Not only do end-user consider brand trust beliefs, but they also consider product trust beliefs. The brand trust beliefs varies according to the product trust beliefs and can thus influence online intentions Becerra and Korgaonkar (2009). However, brand trust beliefs are more important than product trust beliefs and override the decision-making process online. If brand trust beliefs are positive then purchase intention will also be positive.

Vendor trust beliefs are a significant factor in online intentional behaviour and will influence if the online end-user is willing to leave personal details (Gefen & Heart, 2006; McKnight et al., 2002). However, product trust beliefs influence vendor trust beliefs, but brand trust beliefs are more important than vendor trust beliefs (Becerra & Korgaonkar, 2009). Because the online environment is more uncertain than the offline environment, consumer require or at least perceive more benefits can be derived from using the web site (Teo & Yu, 2005).

Buying Environmental and Brand Decision-Making

The online buying environment consists of three predictive characteristics according to Caruana, (2002) convenience, web appearance and entertainment. Online consumers are e-satisfied is dependent on website features such as the organisation (Zeithaml et al., 2002). The appearance has to be helpful so that logos and backgrounds facilitate the consumers in the ease of searching and also a pleasurable experience (Kim, Kim, & Kandampully, 2008; Hise & Szymanski, 2000). When it came to entertainment music, flash-introduction and animation are negative indicators on consumers' e-satisfaction (Kim, Kim, & Kandampully, 2008). It would appear that for high involvement products music is a distractor, but is a positive factor for low involvement products (Kim, Kim, & Kandampully, 2008; Park & Young, 1986). In offline shopping atmospherics influence shopping behaviour positively by inducing positive emotions (Donovan & Rossiter, 1982). However, online shopping environments are smaller theatre of experience and cannot be perceived by using all senses available in the offline environment (Childers et al., 2001). Offline concepts are unable to systematically facilitate understanding of the online environment and thus the overall experience (Demangeot & Broderick, 2006).

Studies suggest that there is a relationship between environmental stimuli facilitates social interaction and influence purchase behaviour (Animesh et al., 2011); Arnett et al., 2003). The stimulus organism response model (SOR) model states that emotional responses to the environment govern the relationship between the environment and the consumer's behaviour (Mehrabian & Russell, 1980s). Online stimuli in the environment influences the emotional state of consumers such as music, logos and colour (Kim, Kim, & Kandampully, 2008; Hise & Szymanski, 2000; Huang, 2011). One influencer of the online environment is interactivity and is the degree of control online participants has in a communication process over the exchange (Hoffman & Novak, 1996). Interactivity is not influenced by time or distance and is direct communications between consumers or individuals (Blattberg & Deighton 1991). Interactivity gives individuals active control and manages the interactivity process (Lowry et al., 2006). The degree of control of information and facilitation of the communication process is much greater than in the offline environment. Interactivity in the offline environment is controlled by the firm and to a lesser degree by consumers. However, customers that are in communications with firms increase their control and power over the information gathering process (Hoffman & Novak, 1996). Jiang et al. (2010) suggest that interactivity in the online environment depends on the level of website involvement (functional and expressive). Involvement refer to the emotional feeling of consumers towards a product or service and is a motivational state and affect consumers' attention and understanding, also their behaviour such as shopping or consumption (Celsi & Olson, 1988). A shopping experience is specific and is influenced by consumers' expectations of the shopping activities, goals and motivations (Demangeot & Broderick, 2006). Recent research has extended involvement to the online environment and confirmed that involvement extends to the offline environment and involvement has a mediating process on purchase intention (Manganari et al., 2011). However, website involvement has a longer-term and direct influence on shopping behaviour (Jiang et al. (2010). Website involvement is more stable and experience-based as it is determined by personal interactivity and remains unchanged even with situational changes (Wang et al., 2009). Affective involvement is more important than cognitive involvement for online purchase intention and is consistent with previous research (Huang, 2012; Jiang et al., 2010; Vakratsas & Ambler, 1999). These results are similar for offline environments. Reciprocal communications and social identity both influenced the affective involvement. The social interaction in online games and two-way communica-

tions i.e. notice of new products are important contributors to affective involvement and social identity produced a beneficial outcome on cognitive involvement (Huang, 2012).

Flow is the overall sensation of total involvement in an activity (Csikszentmihalyi, 1988). In the online environment research has focused on how to make the web experience compelling and exciting (Huang, 2012). Flow is associated with enjoyment and concentration and enjoyment consistently influencing online behaviour (Novak et al., 2000). Because flow is associated with an enjoyable experience it is not unexpected that online users to experience positive emotions (Huang, 2003; Guo & Barnes, 2009). Studies has supported flow is positively related to intention to purchase and also to repeat purchase in the use of the web and online shopping (Koufaris, 2002; Siekpe, 2005). Participants that enjoy their experience in the online environment are more likely to spend time and money in the purchase of online goods (Huang, 2012). The results from research by Huang, (2012) supported the importance of flow and that the factors that influence flow are reciprocal communications, social identity, affective involvement and cognitive involvement. Social identity had the greatest impact on flow.

Aesthetics is the sites visual attributes and include the visual appeal and is connected to fonts, colour, graphics and images etc. (Demangeot & Broderick, 2006). It has many names “web appearance” (Kim & Stoel, 2004), “experience” (Barnes & Vidgen, 2002), “visual appeal” (Loiacono et al., 2002), “aesthetic design” (Yoo & Donthu, 2001), or “atmospheric qualities” (Wolfenbarger & Gilly, 2003). Aesthetics identified above are cues that are peripheral to the shopping experience (Demangeot & Broderick, 2006). “Innovativeness” relate to design features (Loiacono et al.’s, 2002), “legibility” and “complexity” are characteristics relating to distinctiveness and variety of the elements in the design (Rosen & Purinton, 2004) respectively. The aesthetics dimension is similar to the atmospheric element that is studied offline (Turley & Milliman, 2000). Peripheral cues and atmospheric elements are “passive” interaction with the environment and the consumer “receives” these cues due to being exposed to them. A “low context” or peripheral cues can confuse consumers, but an online environment that they are familiar with in a familiar setting helps them achieve their shopping goals (Demangeot & Broderick, 2006). Visual impact reflects the consumers’ perception of the online environment, even when the website is essentially the products, but in electronic form. It would appear that the visual impact is treated separately from the products (ibid).

Social identity is a factor in online reaction to the product environment and decision-making. Kelman (1986) suggested three aspects of social identity internalisation, compliance and identification. Compliance is a powerful factor, because it involves reference to family and friends etc. These relationships can be instrumental in changing behaviour for new online shoppers. However, identification and compliance are important influencers for existing buyers (Cheung & Lee, 2010). Shoppers’ self-esteem and commitment to the group are characteristics of social identity (Kwon and Wen, 2009). Social identity occurs when people can assimilate the characteristics of the organisation (Dutton et al, 1994). People will remain with a group or seek new groups, if positive social identity values continue to be exhibited (Tajfel, 1972). Social identity is closely related to the interactions between consumers and business which gives rise to the idea of social interaction or interpersonal connections Interaction is the connection between two or more people or psychological cognitive connection (Huang, 2012). Elmers et al (1999) identified three components of social identity of cognitive social identity, affective social identity and evaluative social identity. Affective relate to the emotional attachment to the online environment and cognitive social identity relate to how the person identifies themselves within the online group. Evaluative social identity is how the person evaluates their self-worth in the online group. Huang, (2012) found that affective involvement is more important than cognitive involvement in purchase decision online and the results are similar for offline purchase decision. This links to affective social identity, whilst

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cognitive social identity lacked positive correlation. How stimuli can influence affective involvement and affective social identity is important in understanding the online environment and the design of the online platform and feature need to be supportive of the affective attributes. Affective involvement strengthening is by personalisation of messages, announcement of new products and online customer's survey after the purchase of the online product.

Conclusion

Stimuli in the environment stimulate social interaction and influence purchase behaviour (Animesh et al., 2011). In the online environment the web site behave similar to atmospherics in the offline world and influences consumer behaviour (Donovan & Rossiter, 1982). In conclusion, the look and feel of the web site influences the perception of the web site and thus the behaviour of the end-users. Factors that influence web site behaviour are interactivity, flow, aesthetics, and social identity (Demangeot and Broderick, 2006; Novak et al., 2000; Hoffman and Novak, 1996; Kelman 1986). The level of involvement on the web site is key in the consumer brand decision-making process, especially when it leads to personalisation (Huang, (2012). Online affectiveness is thus the emotional involvement of consumers with the web site.

Websites and Brand Loyalty

There is a belief that brand loyalty can transform online and offline customer relationships (Chui et al., 2012). Because of the uncertain and competitive online marketing environment customer-brand relationship has become more prominent. However, there are constraints when operating online such as security issues, but also online shoppers find it challenging to determine product or service value (Lin & Lee, 2012; Smith & Wheeler, 2003). The aforementioned issues have made it imperative for online managers to reconsider their strategies and design approach and to draw attention to customer-brand loyalty relationship (Chui et al., 2012). Previously, the focus of research has been on the environment, transaction mechanism for e-commerce, virtual safety and customer loyalty (Bart et al., 2005; Yousafzai et al., 2005).

Brand trust and brand affect are mediating influencers on customer-brand loyalty (Chui et al., 2012). Brand affect is associated with mood states and specific emotions (Bagozzi et al., 1999), which have played decisive role in customer satisfaction (Oliver, 1997). Chaudhuri & Holbrook (2001) consider brand affect to be the ability of a brand to arouse positive emotion in an average consumer that results from the use of the brand. Brand affect is connected to feeling, warmth, positive emotions, affective commitment (Chui et al., 2012; Fullerton, 2003 & Keller, 1998). Brand trust on the other hand comprises brand reliability and brand intention (Delgado-Ballester and Munuera-Aleman, 2001). Brand reliability is associated with the consumers' belief that the brand will deliver the value it promises, and brand intention is the ability of the brand to put consumers' interest as its primary consideration. This is also known as brand disposition (Chui et al., 2012; Doney & Cannon, 1997). Trust towards a website is a key to virtual transactions (Chui et al., 2012). Brand trust online is "a consumer psychological state of confidence and positive expectations from a brand" (Chui et al., 2012, p310).

Website design environment influences brand effect and brand trust positively (Chui et al., 2012). Smith and Wheeler (2003) contend that consumers will return to websites they trust after scanning many different websites. Trust improves the customers' intention to purchase and repurchase. The design of the website environment incorporates many factors from information links, images, interactivity and

easy-to-use website interface, which are core value for brand website trust (Chui et al., 2012). Website design environment and security are cues of fairness, credibility and honesty, which convince consumers that their rights are safeguarded (Chui et al., 2012).

Website interactivity positively impacts brand trust and brand affect. Virtual interactivity is promoted by blogs, chat rooms and online communities (Chui et al., 2012). The social interaction is seen as similar to that in a physical shop environment by Baker (1987). An interactive website saves search time for visitors, reduces risks and offers better alternatives, making users believe that the website is reliable in satisfying their needs (Chui et al., 2012). When consumers interact with the website they have a heightened sense of participation. Communities can satisfy basic brand affect needs both online or offline (Bressler & Grantham, 2002). Participation in a community gives a sense of belonging, which in turn creates the bond between the website and the users (Chui et al., 2012).

Brand affect and brand trust play an important role in the determination of consumers' purchase behaviour. Brand loyalty composition incorporates repeat purchase and also attitudinal preference towards a brand (Smith & Wheeler, 2003; Dick & Basu, 1994). Online consumers that have positive emotions and an affective bond with a website will more likely develop a long-term relationship with the website. The long-term relationship of trust takes time and is thus a dynamic process to enable visitors to the website to develop a trust construct in the information it displays. First time visitors to the website must build initial trust, which is particularly important, because the initial trust will determine if they will visit the site again (Chui et al., 2012).

Security and privacy are still worries for online consumers, because they do not want their online information sold to other parties or transferred to another organisation. Online shops must guarantee the safety of their users with identification processes and encryption mechanisms. Word of mouth spreads easier when there are no geographical boundaries and time constraints, which gives rise to viral marketing. Online shops that can leverage the power of communities or blogs have the potential to raise brand image and awareness and attract more customers. Offline environments that experience information overload are likely to have problems delivering messages on product or service messages to their customers. Sensory contact is important in attracting customers by gaining their attention and to make a positive impression on them. Consequently, a website must be able to express its core value and reliability via its environmental design and personalisation of the interface (Chui et al., 2012).

Brand Community and Brand Trust

A brand community is a "specialised, non-geographically bound community based on a structured set of social relations among admirers of a brand" (Muniz & Guinn, 2001 p.412). Brand communities have three common characteristics: shared consciousness, shared rituals and traditions, and obligations to society. These characteristics generate feelings that unconsciously bind the individuals together and separate them from outsiders (Muniz & Guinn, 2001). Beyond the three characteristics of brand communities there are also four relationship constructs for the brand, comprising customer-product, customer-brand, customer-company and customer-other customers (Habibi et al., 2014 & McAlexander et al., 2002).

Consumers join brand communities, because they experience utilitarian and hedonic values (Schau et al., 2009 & McAlexander et al., 2002). Consumers join a brand community for social identification with symbols and groups, as is derived from the social capital theory (Muniz & Schau, 2007; Bourdieu, 1983). Online brand communities' identities use the symbols and meanings of the group to integrate the communities' members (Muniz & Schau, 2007). One of the main motivations for consumers to join

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a brand community is to share information, obtain information or gain the necessary skills to use the product brand better (Zaglia, 2013).

Firms benefit from brand communities, because the brand community members can help fix problems with the brand by assisting each other and fixing each other's problems with the brand (Schau et al., 2009). The brand members can become brand advocates in defence of the brand (Habibi et al., 2014). Schau et al. (2009) suggests that brand members could become evangelists for the brand by making a desirable impression on those non-brand community members. Members of the brand community could be an excellent source for innovation and product improvement because they are highly attached to the brand community, and the welfare and future prospects for the brand are important to them (Fuller et al., 2008).

Social networking practices focus on creating, enhancing and sustaining connection among community members. These practices include welcoming, empathising and governing, which lead to the homogeneity of brand communities, or similarities across brand communities, to normalise behaviour between one another and themselves (Hope et al., 2009). Holt (1995) demonstrates that individual consumers derive subjective value from interaction at sporting events. This shows individual value-creating activities. Participation in online product design leads to a willingness to pay and a willingness to pay more (Franke & Piller, 2004). Hope et al. (2009) suggest that this is an indirect measure of brand equity and that the participants have gain value from the event. According to Duguid (2005), practices link behaviour, performances and representation through: procedures (explicit rules – discursive knowledge), understandings (know-how – tacit knowledge), and engagements (linked to end and purpose – commitment). Almost every practice has a period or moment of consumption (Warde, 2005).

Practices allow the brand community to develop a competitive spirit that underlines the brand community behaviour and enables differentiation of the individuals through the opportunities presented (Muniz & O'Guinn, 2001 & Holt, 1995). Through practices brand fans become devotees (Hope et al., 2009). Brand community members develop tacit and explicit performance skills and obtain local cultural capital resources that are local, which they use to differentiate themselves in relation to status (Holt, 1995). Practices allow insider sharing jargon and methods of representation within the brand community. Thus customising of activities is made based on the insider sharing. This practice may lead to recommendations and thus consumption (Hope et al., 2009). Members of brand communities exhibit patterns and generate and perpetuate consumption behaviour. Practices continually create opportunities for consumption, supporting Wardle's (2005) assertions that consumption follows from practices. Online participants' number of posts replies, and hits provides evidence of interest in online sites. The analysis of Hope et al. (2009) shows that the existence, number and diversity of practices that are assessable on web sites are indicators of community brand vitality. The more practices, the stronger the community brand vitality. Stronger brand community vitality will have many types of practices than weaker brand communities. They further suggest that stronger brand communities will have more complex practices and will require more insider knowledge than weaker brand communities. They state that earlier practices create value in brand communities through the participation of consumers in the brand communities. Each practice reinforces deeper community engagement. Practices must be repeated and known to be part of the value creation equation. Evangelising creates value by increasing the size of the brand community and the human resource base, leading to accruing cultural capital. Empathising, on the other hand, creates value through affective resources within a sympathetic environment. This increases the switching costs for consumers in the brand community, because of those that develop an emotional dependency. Managers are encouraged to embed practices in brand communities and sustain the brand communities with social networking practices.

Social media could be classified as an extension of word of mouth communication and part of the traditional marketing mix (Mangold & Faulds, 2009). Social network sites and social media facilitate brand communities for consumers with a shared enthusiasm (Bagozzi & Dholakia, 2006). Social media is particularly suited to facilitating engagement within brand communities, and is helpful for marketers that seek to understand brand communities, because conversations occur in real-time (Stavros et al., 2014). Within certain industries social media has advantages that are appropriate, and one such industry is sports where building relationships with fans is paramount. Strengthened fan togetherness can result in a longer and more profitable relationship through increased consumption behaviour (Wakefield & Wann, 2005 & Trail et al., 2003). Wallace et al. (2011) found that social media network capabilities available on Facebook were under-used. However, some teams were using Facebook for brand related activities and to provide timely information, thus demonstrating the potential of social media as a two-way engagement tool. The motivation of fans to interact with their team via social media is based around several categories. The first category of motivation for interaction by fans is passion (love, tribalism, encouragement and praise). This is demonstrated by posts suggesting the team is central to their lives. The second category of fan motivation is hope (ambition, expectation and anticipation). Comments on social media were aspirational. Many posts were optimistic with enthusiastic expectation from the players. The penultimate motivator is esteem (venting, expertise and sharing). Fans demonstrate specialist knowledge, commitment, status and authority. Poor team performance and management decisions were met with negative comments to explain the team's poor performance or disagreement with management decisions. Posts in this category were lengthy and thoughtful. The final category of fan motivation is camaraderie (socialisation, belonging, defence and problem solving). Comments are related to trust and strong group dynamics leading to strong group identity. There was also evidence of social engagement as fans strayed from team activities to other topics. Many of the exchanges by the fans were honest and this is a contributing factor to authenticity and a driver for fan participation on Facebook. It is consistent with work by Pronschinske et al. (2012) on participation on Facebook. Recognition of the categories that drive fan motivation by sports managers is key to relationship building with fans and they need to actively facilitate the motivators to encourage interaction. Although Facebook is a ubiquitous tool, fans have a choice to interact or not, so sports managers need to encourage interaction (Stavros et al., 2014).

Implications for Management

Social media can learn many lessons from online and offline services. The analysis has suggested that consumers associate brands with trustworthiness and is a mechanism to differentiate products and services (Park et al, 1986). This is true for both the online and offline environments and applies to social media just as much. Building a brand takes a life-time and is always a work in progress. Social media organisations need to establish their brand quickly and effectively and this requires not only the needs and wants of their users, but ensuring they deliver those and use tangible and intangible properties to support and facilitate their brand. Consumers are concern with privacy and security and this is an important way social media organisations can differentiate themselves (Mukherjee & Nath, 2007; Kolsaker & Payne 2002). Government pressure has made social media organisations more aware of the issue of security and privacy, but this should have been an obvious area of differentiation and how robustness of security and privacy will assist in the building of their brand and also creating trusting beliefs in the brands. The literature also suggest that brands need to develop a brand personality and thus a brand image (Aaker, 1996; Dobni & Zinkhan, 1990), which effectively is what the brand stands for. However, consumers play

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a significant role in the development of brands and play a dominant role in consumer decision-making (Kaplan et al, 2008) and thus social media brands need to evolve not just based on the organisations' wishes, but by including a coherent dialogue with their users. Inclusion of users' opinions and wishes will strengthen the brand considerably and improve credibility (Keller, 2003). These are all factors that drive the ability of brands to differentiate from competitor brands. Social media is a young market and building brand awareness and brand image are extremely valuable attributes to aid users buy-in and help them to negotiate uncertain environments (newness and usefulness of the service) (Aaker, 1991). Unless, social media organisations can leverage their brand effectively i.e. to gain a competitive advantage by the brand's expertise and trustworthiness (Erdem & Swait, 2004), can they ever be profitable or are they going to be a loss leader for more compelling services? Branding process works best when the emotional experience dominates. It lead to continual use of the product or service and leads to brand commitment and aids the sustainability of the brand (Fullerton, 2003; Moorman et al., 1992).

Trust is an important characteristic required for the online environment and it helps consumers deal with uncertainty (Salo & Karjaluoto, 2007; McKnight et al. 2002). Trust reduces cost, improve efficiency and flexibility and is a significant benefit to social media firms (Chen & Dhillon, 2003; Nooteboom, 2003). Trust has behavioural implication and the reputation of the social media firm is an important driver of trust. Users are willing to go online despite the problems (privacy and security) and this is because they assume the firm will deliver the 'right' product i.e. it will meet the specifications stated. It is more challenging to build intentional trust in the online environment than offline (Salo & Karjaluoto, 2007). A clear declaration on the privacy and security policy is clear and transparent approach to building trust and also the ability to leave feedback (Mukherjee & Nath, 2007; Mukherjee & Nath, 2003; Hoffman et al., 1999; Williamson, 1975). Social media organisations need to clearly demonstrate to their end-users that they have a trusting culture (shared values) and implement features and functions that are clearly supportive of these shared values. Emotional connection to shared values will only come once the physical aspects are embedded in the web site. Ultimately, social media firms need to get the end-users emotionally hooked so that they become repeat purchasers. Before this can be achieved the online physical environment must be right i.e. meet the expectations of the end-users. Social media organisations need to recognise the role of internal and external factors in building trust and consider gender differences may exist. Research by Kolsaker and Payne, (2002) have not shown any significant genders differences, such as males use the online environment for task-oriented activities and females for building relationships, but that does not mean gender differences does not exist. Personalisation of the online environment for end-users is a strong way to build trust and support the emotional bonding that induces repeat behaviour (Mukherjee & Nath, 2007). Understanding the different requirements for male and female end-users, is a contributing factor in personalisation.

Stated previously, reputation is a measure of trust, but the issue is building a reputation in an online environment. This is particularly challenging given that end-users are operating in a virtual world. The web site is a guide to the reputation of the social media e-tailer. Factors associated with web sites are flow, aesthetics, and social identity. The ability to build relationships in the online environment is significant especially affective involvement is more important than cognitive involvement Huang, (2012). Social identity occurs when end-users can associate with characteristics of the social media firm and is similar to share values concept. Affective involvement is strengthened by personalisation such as messages or product announcement (ibid). Trust appear to be a fundamental requirement to mediate in the online environment that has a degree of uncertainty. The literature suggest that reputation in the offline and online environment is heavily dependent on reputation. End-users find it more difficult to gauge

reputation in the online world, which is not unexpected. It is easier to build online trust if the brand has an offline presence, but this is not normally the case for social media (Doyle, 2002; Horpu et al, 2008). Operating in the virtual world presents its own unique challenges, but reputation is a key factor in building trust. Social media firms need to enhance their reputation using affective involvement and thus develop an emotional relationship with their end-users. Essentially, the environment must act as a stimuli if end-users are going to make online decisions, such as purchase or a proclivity to purchase (Animesh et al., 2011; Arnett et al., 2003). It is necessary for the online environment evokes emotion if consumer decision-making is to take place. End-users must be able to form a relationship that is emotion-centric.

The analysis has establish that social media like any online service need to build trust. However, before trust can develop relationship commitment is a fundamental component of trust. How can social media firms build commitment that ultimately lead to trust? Relationship commitment lead to characteristics such as loyalty and loyalty is derived from attitudinal formation. There is a positive outcome for relationship commitment and benefits and intentional behaviour online (Mukherjee & Nath, 2007). An understanding of the benefits social media end-users need and want is an approach to enhance social interaction and also build trust. Personalisation is a key approach that appears in the literature (Mukherjee & Nath, 2007) that end-users would consider a significant benefit. Personalisation range from update material to feedback opportunities and openness in communication. These are base requirements for social media organisations to operate successfully.

FUTURE RESEARCH AND LIMITATIONS

This study is based on a review of the literature and requires an empirical study to assess the similarities and differences of social media with offline and online environments. The impact of gender on behavioural intention in the use of social media does not appear to be widely covered (Kolsaker & Payne 2002; Sheehan 1999). Confirmation is required using empirical research on the nature of brand trust in the social media environment and does the models on trust (Mukherjee & Nath, 2007; Morgan & Hunt, 1994) apply in the same manner as in the online environment and does the models need refining or amending.

CONCLUSION

Social media operates in the online environment and need to acknowledge the challenges this offer. Online environment presents many unique challenges for end-users and is judged to be uncertain and difficult to navigate. Social media need to reduce the uncertainty and ease the navigational issues. This paper gives them advice on how they can operate in the web world successfully and develop a brand that differentiate them from competitors that is sustainable, require online effectiveness.

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KEY TERMS AND DEFINITIONS

Brand: Unique identifier that helps to differentiate a product or service.

Environmental Uncertainty: Mechanism to mediate risks in environments (online or offline).

Models on Trust: A representative framework of factors that are associated with creating a trusting environment.

Online Affectiveness: Creating an emotional connection between end-users and the web site.

Trust: Relationship between individuals or between an individual and an organization.

Trust in the Online Environment: This is how trust is formed and developed in the online environment.

Web Site Trust Characteristics: Attributes that helps to develop trust in consumers in the online environment.

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Chapter 23

Brand Trust Determinants and Customer Switching Resistance: The Case of Mobile Phone Companies in Egypt

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ABSTRACT

Customer switching resistance (CSR) is the highest level of loyalty because it means that a customer will be loyal and be sustained even if disruptions occur. This research aims to determine and analyze the determinants of brand trust and its relationship with customer switching resistance. To accomplish these objectives, a random stratified sample of 376 customers was selected from population of mobile phone companies in Egypt. The research findings emphasized that there is a significant relationship between brand reputation, brand personality, word of mouth, and brand image (as a whole and each one of them separately) and brand trust. The findings also reveal that there is a significant relationship between brand reputation, brand personality, word of mouth, and brand image (as a whole and each one of them separately), brand trust and customer switching resistance. These results assure the importance of the brand trust and its determinants to promote customer switching resistance at mobile phone companies in Egypt.

INTRODUCTION

The future of today's economic environment, the rapid changes in the international and local levels, due to the intense competition between many of the famous brands in the market, which results in a fierce competition between many firms with well-known brands and distinct in the markets, A brand has become one of the most important and most powerful intangible assets in the organization, it helps customers to obtain the finest products in less time. The brand is the tool used by many institutions to

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build and create images of the strong, distinct, and long-term relationships with their customers. However, this relationship will not succeed unless it has the customer's trust and is characterized by some unique characteristics of its kind, such as personality, reputation, image and reputation of others.

Therefore, it became the primary objective of any organization to permanently seek to create an image or a brand feature different to rivals and competitors and closer to its customers. Identifying customer attitudes towards brand trust is a necessity to ensure loyalty on the one hand and lower levels of switching of other brands on the other. Hence, the importance of identifying the customer's trust in the brand and its role in resisting the customer's switching into another brand has become important. The switching from one company to another is one of the decisions that has become easy for the customer, especially the mobile phone customer these days due to the low prices (the largest part of the cost of switching) on the one hand and the continuous submission of companies competing for many promotions continuously on the other hand.

The concept of customer switching resistance differs from the attitudinal loyalty, which measures the general intentions of the customer to maintain the relationship with the service, such as re-purchasing with them when needed and advise others (Zeithaml et al., 1996; Garbarino & Johnson, 1999; De Wulf et al., 2001; Hennig-Thurau et al., 2002). This concept also differs from the behavioral loyalty, such as the behavior of repeat purchase from the same service provider (Verhoef, 2003; Gustafsson et al., 2005). The concept of customer switching resistance measures the degree to which the customer responds to market and marketing impacts that may cause behavioral change. It measures the desire to stay or switch to another service provider in the event of significant casual events (be sustained even if disruptions occur) (Gilles, 2007).

Most of the previous studies agreed on a set of determinants of the brand trust such as brand reputation, brand personality, word of mouth, and brand image (Lombart, 2010; Liao et al., 2009; Afzal et al., 2010; Bouhlel, 2011; Ha, 2004; Alam & Yasin, 2010; Perepelkin & Zhang, 2016; Javed & Khan, 2014; Sung & Kim, 2010). Some previous studies have also indicated a significant relationship between brand trust and customer switching resistance (Kim, Gupta, 2012; Abdelkader, 2015). On the contrary, other studies showed no significant relationship between them (Gilles, 2007; Hossain et al., 2012). Moreover, some previous studies have also shown that there is no significant relationship between the brand personality and its image, on the one hand, and the switching of the consumer on the other hand (Hossain et al., 2012). Hence, this study is important because of the discrepancy between the results of previous studies in the nature of the relationship between the variables of the study on the one hand and the test of the significance of new relationships on the other hand.

Consequently, this study differs from previous studies as follows: firstly, the results of the previous studies contradict the strength and direction of the relationship between the brand trust and the customer switching resistance (Hossain et al., 2012; Lombart, 2010; Liao et al., 2009; Afzal et al., 2010; Olfa Bouhlel, 2011; Ha, 2004; Alam & Yasin, 2010; Perepelkin & Zhang, 2016; Javed & Khan, 2014; Sung & Kim, 2010). Therefore, this study attempts to determine the nature and direction of this relationship in the Egyptian environment. Secondly, identifying the nature of the relationship between the determinants of the brand trust (brand reputation, and the brand image) and customer switching resistance, especially most previous studies dealt with the nature of the relationship between (brand reputation, the image, Word of mouth and loyalty) (Ha, 2004; Olfa Bouhlel, 2011; Long-Yi Lin, 2010; Severi & Ling, 2013; Choi et al., 2011). The previous studies did not study the relationship between the brand reputation, the brand image and customer switching resistance (Hossain et al., 2012; Upamannyu et al., 2014). However, this relationship has reached no significant relationship between, and did not deal with any previous

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study of the relationship between brand personality, the word of mouth and customer switching resistance. Thirdly, there is controversy in the results of some previous studies regarding the nature of the relationship between the word of mouth and brand trust (Liao et al., 2009; Malär et al., 2011; Aydin et al., 2014). Finally, the present study focuses on check the identification of the determinants of the brand trust impact on the customer switching resistance.

To bridge this gap, the objectives, and questions of the study would be showed in Table 1:

The importance of research on the aspects that characterize the previous studies, which are:

- Understanding of the topic of the brand trust through a theoretical background and analysis of the determinants of the brand trust and its role in the customer switching resistance to other brands.
- Development of validity and reliability of variables that can be used by market researchers to measure the determinants of brand trust in the mobile service industry or any other service industry.
- To confirm the philosophy of customer orientation in Egyptian organizations and to help the management of mobile service providers in formulating a strategy to maximize the trust of the brand, in order to support its competitive position and the role of the most important determinants of the brand trust (brand personality, brand reputation, the image, word of mouth) in resisting the customer switching to other brands.

As a result, in the first part, the theoretical framework will be addressed followed by the development of research hypotheses. In the second part, the methodology would be used. The final part will focus on testing study model then the proposed findings and recommendations will be also displayed.

THEORETICAL FRAMEWORK AND DEVELOPMENT OF RESEARCH HYPOTHESES

The Brand Trust and Its Determinants

Many researchers dealt with the concept of brand which (Aaker & Keller, 1990) is seen as a name, symbol, or commercial brand. Brand is a reflection of the spirit of the entity of the Organization (Afzal et al.,

Table 1. The objectives, and questions of study

Questions of research	Objectives of research
What are the determinants of brand trust? What are the most important of those determinants that companies can use to improve their brand trust?	Identify and analyze brand trust determinants in light of the attitudes competing mobile phone customers in Egypt (Vodafone, Orange, and Etisalat).
Is there a relationship between the brand trust, and customer switching resistance to another brand?	Determine the type and strength of the relationship between the brand trust and customer switching resistance.
Is there a relationship between the determinants of the brand trust (as a whole and each one of them separately) and customer switching resistance to another brand?	Detect the type and strength of the relationship between the determinants of the brand trust (as a whole and each one of them separately) and customer switching resistance
	To reach a practical model that helps mobile phone companies operating in Egypt to improve the trust of the brand, and thus achieve high degrees of resistance to the switching of the customer to other brands.

2011). The concept of trust, as a term is a lifestyle. For example, social relationships are not strengthened or strengthened based on trust. Brand trust is one of the most important factors for loyalty to this brand, whether loyalty to behavior or attitudinal allegiance. Trust is also an important source of increased market share due to loyalty (Chaudhuri and Holbrook, 2001).and trust in general is the belief that the service provider will provide the service that meets his needs (Anderson & Weitz, 1989).As defined by Zaltman and Deshpande (1992, p. 315) and Morgan and Hunt (1994) as “the desire of customers to rely on the brand and its ability to perform its specific function” The customer who can take risks, and builds desire based on experiences (Afzal et al., 2011). The brand trust might cause positive results despite the possibility caused by negative results not forecast, as trust in the brand (Worchel, 1979).

Trust is a “psychological variable that reflects a set of aggregated presumptions relating to trustworthiness, integrity and benevolence that the consumer ascribes to the brand” (Lombart, 2010). The brand trust includes a set of aspects that are beliefs about trustworthiness, safety and integrity (Chaudhuri & Holbrook, 2001). Some studies suggest that the brand trust is one of the determinants of the relationship quality with the customer. (Anderson & Narus, 1984, 1990; Parasuraman et al., 1985; Anderson & Weitz, 1990; Doney & Cannon, 1997).

Essentially, the customer connects between the brand and the degree of risk of this product (Moorman, Zaltman, & Deshpande, 1992). (Yague-Guillen et al., 2003) refers that the brand trust is determined by the dimension of the technical dimension and the nature of the intention, and the latter is the most common in the relevant literature (Doney & Cannon, 1997; Ganesan, 1994; Morgan & Hunt 1994) the technical dimension is based on merit and the desire and ability to fulfill what the brand has promised to satisfy the customer’s needs. The second dimension is the good intentions of the brand for the concerns and welfare of the customer. While (Duclos, 2014) believes that, the trust has three dimensions: Competence: It is the experience and for customers it reflects the company’s ability to implement needs, and live up to their expectations. Honesty: Related to the company achieve its promises. Benevolence: Reflects the company’s desire to take into account the interests of their customers when making decisions when planning the link in the activities of the customer relationships.

Brand Personality

The concept of a Brand personality describes the human characteristics of the brand based on the customer’s perception of this brand (Malär et al., 2011; Aaker, 1997; Geuens, Weijters, & De Wulf, 2009; Grohmann, 2009). Bouhlel et al., (2011) assert that the Brand personality is formed through direct and indirect contact with the customer with this brand, and that the personality is “the tendency to view personal coherence and understanding the impact and behavior patterns”. The character of the brand personality is a means to provide a sense of comfort to the customer to acquire a mark commensurate with his self-concept (Malär et al., 2011; Aaker, 1999; Sirgy, 1982).

The self-concept, it is “the cognitive and affective understanding of who and what we are”, and takes two forms of the actual self which depends on the realistic perception of the same person in terms of what I think I am now, the ideal self that consists of imagining the individual’s goals associated with the beliefs of “what should be” therefore An actually self-congruent brand reflects who the consumer actually is “this brand’s personality is like who I really am”, whereas an ideally self-congruent brand reflects who the consumer would like to be “this brand’s personality is like who I would like to be...” (Malär et al., 2011). (Malär et al., 2011) refers the brand personality compatible with self-congruence and actual versus ideal self-congruence (Ambler, 1997).

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The brand personality as a term acceptable to the marketing researchers as an important topic because it helps the institutions to distinguish brands through the development of aspects of the consumer. And it is one of the most important factors of building strong brand, this importance has been derived from the fact that the customer chooses the brand in the way that his friends chosen by the brand which feel as commensurate with his personality (Melin, 1997). It also expresses the brand’s personality side Implicit of the image of the brand, which is an irrational part of the mind that connects cognitive thoughts with feelings and feelings implicitly (Sampson, 1993).The common definition of brand personality is that of Aaker and Fournier (1995), who believes that brand identity is “the set of human characteristics that a customer associates with the brand in his mind, allowing the organization to distinguish its products in the market by creating customer interest and consistency in his memory, which makes it accept”.

The study of Aaker (1997) is based on approach trait to identify the important dimensions of brand personality, as well as the development of a methodological tool to test the personality of any brand by using a list of possible personal characteristics. The brand personality defined as the human characteristics that the customer attributes to a particular brand. To meet its goal, it has used the Principle of Factor Analysis Components to classify 40 brands based on 114 personality characteristics through a sample of 631, which ensures good representation of the American society. This analysis resulted in the emergence of the five key factors, given after its analysis again fifteen sub-factors consist of 40 personal characteristics under these factors, and which is under the five basic factors as follows:

Brand Reputation

“If I lose my reputation, I have lost some of my own self, so what is left is a brutal thing,” Shakespeare says (Afzal et al., 2011). Academics and practitioners agree on the importance of brand reputation when making a purchase decision (Veloutsou & Moutinho, 2009). In order to achieve success and profitability, the company must have a positive reputation for its own brand (Herbig, Milewicz, 1995). (Veloutsou & Moutinho, 2009) views the brand’s reputation as “the overall perception of the customer’s characteristics of a company or brand (Fombrun & Rindova, 2000), while (Afzal et al., 2011) notes that the brand’s reputation is “the attitude of consumers that the brand is good and reliable”.

The brand’s reputation reflected by signals sent by the product to the market and the degree to which organizational strategies support marketing signals to achieve them (Herbig & Milewicz, 1995). Afzal et al., (2011) confirms that the reputation of the brand stems from previous experience of three components integrity, trustworthiness, and honesty. They can be judged from a customer’s point of view, their comments and beliefs and evaluated through the use of them. The mixed signals of the means most crash of brand reputation by saying something and doing something else, where no idea the customer trust and reliance on this brand as long as they did not achieve what it promised (Veloutsou & Moutinho, 2009).

Table 2. Dimensions of Brand Personality

Sincerity	Excitement	Competence	Sophistication	Ruggedness
-Down to earth, -Honest, -Wholesome, -Cheerful	-Daring -Spirited -Imaginative -to Update	-Reliable - Intelligent -Successful	-Upper class -Charming	-Outdoorsy -Tough

Source: Aaker, J.L., (1997), “Dimensions of brand personality”, Journal of Marketing Research, Vol. 34, Issue 3. p.351

High demand for certain brand refers to the high brand's reputation in the minds of customers (Afzal et al., 2011). Reputation is one of the most important contributions to the perceived quality of a product with a certain brand (Veloutsou & Moutinho, 2009). Therefore, the customer does not realize the reliability and trust in the brand if it did not receive the promised (Herbig & Milewicz, 1995).

The Brand Image

The image as a set of perceptions that an individual has about something (Kotler, 2003). At the time (Dichter, 1985) saw, it is the overall impression of an entity that exists in people's minds, and says that the mental image has a powerful effect on how people perceive and act with things based on this impression. The image is the result of the process by which customers collect data and information to compare different features of organizations. It is also the total of beliefs, ideas, and impressions, which consists of the public about the organization. It is also a function of accumulation of purchasing or consumption experience over time and has two main functional and emotional dimensions. The functional dimension is related to tangible features that can be easily measured, while the emotional dimension is linked to the psychological dimensions that are reflected through feelings and attitudes towards the organization.

The organization's image is a painting that includes a set of beliefs, ideas and impressions that the customer has about the organization. This painting is a cumulative result of the experience of purchasing and consuming the products or information that customers draw from the environment without necessarily having any concrete experiences with the organization itself (Nguyen et al., 2013). According to Nguyen et al. (2013), the image of the organization consists of two facts: objective fact, a group of the special characteristics of the work of the Organization, such as the emblem and distinctive character. Subjective fact, it consists of the impressions that customers draw from the main characteristics they remember, which is a natural result of the comparison of the customers to put the organization with its competitors. (Veloutsou & Moutinho, 2009) pointed out that whenever the brand picture of sustainable, the greater the degree of association with this brand.

Word of Mouth

Word of mouth is a double-edged weapon. These words may be positive for the consumer to adopt new products provided by the enterprise, and may be negative that affect consumer decisions to reject these products. Positive word of mouth is those positive attitudes that express consumer satisfaction with the products of the organization. Word of mouth is a means of unpaid promotion, and the importance of the word of mouth indicated by the high reliability of the source and the impact of two-way communication (Wee et al., 1995.). Arndt (1976) is the first to deal with the definition of word of mouth as "a personal oral communication between a communicator and a receiver that recognizes that the caller is not promoting the brand, product or service." East et al. (2008) defines it as "the informal advice consumers communicate among themselves about a brand, product, or service, usually fast and interactive, it also lacks the commercial stimulus, a spontaneous conversation among customers about products or services or technology.

Some studies suggested that the word of mouth is more influential in services for goods, and the most likely reason for this is the quality of the experience (high experience) of the services, which can encourage the customer to share their experiences (Harrison, 2001; Rosen, 2000). The word of mouth contributes to speeding up decision making, disseminating information and reducing risk to purchase. It

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also builds strong relationships with customers to generate loyalty to the product and achieve competitive advantage. It also maintains the reputation of the enterprise on the one hand and reduces the effort, time and money to accelerate the spread of the products of the enterprise; and expand the characteristics of the brand, such as trust and stability. Finally, the importance of the word of mouth lies in the fact that it is driven by satisfied customers of the organization's products to attract new customers (Naylor & Kleiser, 2000). Both Wathen and Burkell (2002) noted that the credibility of the word of mouth source is a key factor in helping consumers judge the information they receive, which in turn helps them make the right decision.

Brand Trust Determinants

Trust in the brand is a trend that comes not coincidentally and is not born of the moment but is the product of a set of features related to this brand on the one hand and the practices and perceptions of the customer of these features on the other hand. Bouhlel (2011) indicated that a strong brand personality increases the customer's trust in the brand. This study also supported the study of (and Hess et al. 2007). However, the Lombart study (2010) found that the brand personality affects all dimensions of the trust except the benevolence dimension. While the study of Perepelkin and Zhang, (2016) indicated that sincerity and competence dimensions are the most brand personality dimensions which have an impact on the brand trust. In contrast to Sung and Kim (2010) which they found to be the weakest dimensions of the brand personality affecting the brand trust is competence dimensions.

Veloutsou and Moutinho (2009) indicated that the longer the long-term reputation of the brand, the greater the degree of association with the brand. In addition, Afzal et al., (2010) confirmed that the reputation of the brand is an important factor affecting the trust of the customer in this brand, and trust building in the brand is associated with the use of the customer for this brand, on the one hand, and the collection of data about its reputation on the other hand. When the reputation of the brand is good, it will meet the customer's expectations and be worthy of meeting his needs, which ultimately leads the customer to trust the brand.

Ramaswami, et al (2001) referred to that the word of mouth affects the customer's assessment of the brand and is supported by (Reichheld & Schefter, 2000). The study of Ha, (2004) found that the trust of the e-brand determined by the security and privacy, the name of the brand and the quality of the information and the experience of electronic dealing and word of mouth. On the contrary, the study of Salo and Karjaluoto, (2007) indicated that the brand trust is determined by a combination of internal factors such as past experience, trustworthiness, reputation, quality, perceived utility, ease of use and legislation; external factors such as customer characteristics, product characteristics, prevailing culture, risk perception and previous experience. To add, Alam and Yasin, (2009) found a positive correlation between safety, privacy, word of mouth, reputation, quality of information and trust in the brand.

However, despite the agreement of most of the results of the previous studies on these determinants and their relation to the trust of the brand, the results of other studies contradicted the findings of these studies, which found the opposite result is that the Word of mouth is a result of customer trust in the brand and not the opposite (Malär et al., 2011; Aydin et al., 2014). The same conclusion reached by the study of Liao et al., (2009) where it was found that the brand trust plays the role of mediator between the image and the word of mouth. Table 3 showed summary of researches relating to the determinants of brand trust.

Table 3. Summary of Researches Relating to the Determinants of Brand Trust

Results	Independent Variables	Authors
The original trait is particularly important since it has an influence on all the studied relational consequences of brand personality, except for the benevolence dimension of trust in the brand.	Brand Personality	Lombart, 2010
Brand trust serves as a partial mediator between brand image and online word of-mouth.	Brand Image	Liao et al., 2009
Brand Reputation, Brand Predictability and Brand Competency are the factors which affect consumer's trust on brand	Brand Reputation	Afzal et al., 2010
Brand personality influences the trust and the attachment as well as the commitment	Brand Personality	Bouhleb, 2011
Brand trust is not built on one or two components but is established by the interrelationships between security, privacy, brand name, word-of-mouth, good online experience, and quality of information	Word-of-Mouth	Ha, 2004
Security/privacy, word-of mouth, online experience, quality information and brand reputation appear to have a significant and positive relationship with online brand trust.	Word-of Mouth, online experience, security/privacy, perceived risk, brand reputation and quality information	Alam and Yasin, 2010
Sincerity and competence have the most significant impact on building customer trust.	Brand personality	Perepelkin and Zhang, 2016
Brand personality does actually influence the brand trust as well as the attachment and commitment.	Brand Personality	Bouhleb et al., 2011
All these factors have a significant relationship with online brand trust. Word of mouth however, has been found to have the strongest correlation with the online brand trust	Security and privacy of personal information, name of the brand, word-of-mouth, prior online experience and information quality	Javed and Khan, 2014
Sincerity and Ruggedness brand personality dimensions are more likely to influence the level of brand trust than brand affect, whereas the Excitement and Sophistication dimensions relate more to brand affect than to brand trust. The Competence dimension appears to have similar effects on both brand trust and brand affect	Brand Personality	Sung and Kim, 2010

Given the apparent controversy between the results of previous studies, the first main hypothesis can be formulated as follows:

H1: There is no significant relationship between (the brand personality, reputation, image, and word of mouth) as a whole and each one of them separately and the brand trust.

Customer Switching Resistance

The concept of customer switching resistance has recently emerged through the study of Gilles, (2007) as a reflection of the customer's reluctance to switch to another brand even if it faced some critical events in the relationship with the service. With the introduction of this concept, instead of measuring the intentions and loyalty of the customer, the greater the customer's resistance to the switching, the greater the loyalty to the current brand. Keaveney (1995) classified critical events to offers of competitors, and moral problems, inadequate response of the staff of the failure of the service, and the failure of the core

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service, and the problems of price premiums. According to Gilles (2007) study, customer loyalty is often measured by the resistance of the switching of the customer when the customer is facing the promotion and convince competitors to lower prices for their products.

However, the concept of resistance of the customer's switching from the attitudinal loyalty, which measures the general intentions of the customer to maintain the relationship with the service, differs as a means of dealing with it at the time of need (Zeithaml et al., 1996; Garbarino & Johnson, 1999; De Wulf et al., 2001; Hennig-Thurau et al., 2002). This concept also differs from the behavioral loyalty as the repeat purchase behaviors of the same service provider (Verhoef, 2003; Gustafsson et al., 2005). The concept of customer resistance measures the degree of customer response to market and marketing impacts that may cause behavioral change. It measures the desire to survive or switching to another service provider in case of significant casual events (Gilles, 2007). It means that a customer will be loyal and be sustained even if disruptions occur.

Brand Trust and Customer Switching Resistance

Trust is one of the basic requirements of health and long-term relationship between persons (Bitner, 1995, p. 247; Doney & Cannon, 1997, p. 35; Morgan & Hunt, 1994, p. 21; Sharma & Patterson, 2000, p. 471; Quinton & March, 2008, p. 70). The (Aydin et al., 2014) indicated that the brand trust increases the re-purchase intentions for this product, but the impact of trust on the intentions of the repurchase the strongest impact on the commitment to the relationship with the brand. Afzal et al. (2011) also indicated that trust in the brand plays an important role in maintaining the Customer's loyalty to the brand as it plays an important role in changing behavioral and attitudinal loyalty. (Chaudhuri & Holbrook, 2001). Both (Chaudhuri & Holbroo, 2001) confirmed that brand affect and trust combine to identify purchase and attitudinal loyalty. While both (Upamannyu et al., 2014) saw that the image and trust in the brand have a strong positive impact on loyalty to the brand.

Abdelkader (2015) confirmed that the behavior of a customer switching to another brand is adversely affected by brand trust, it is the same as the conclusion reached by (Kim & Gupta, 2012), where he proved that trust, switching costs, and relative an attractiveness together influences customer resistance to change. While the study of both (Hossain et al., 2012) found that there is no significant relationship between trust in the brand, image and to customer switching resistance. It is the same, as the result of the study (Gilles, 2007) which indicated that benevolence, as one of the dimensions of trust does not affect customer switching resistance to another brand. Therefore, since the results of the previous studies are controversial, the second main hypothesis can be formulated as follows:

H2: There is no significant relationship between the brand trust and customer switching resistance to other brands.

Brand Trust Determinants and Customer Switching Resistance

Some studies dealt with the relationship between the determinants of trust and loyalty, and few of them dealt with the relationship between these determinants and customer switching resistance and the results of others are controversial. We will consider some of the studies in this concern, considering that customer switching resistance from the relatively modern concepts, which is considered the highest stages of loyalty, where refers loyalty may be sustained when disruptions occur (Gilles, 2007). Ha (2004)

indicated that the word of mouth affects the attitudes, expectations, perceptions, awareness, behavior, and behavioral intentions of the customer.

In his study, Bouhlel (2011) emphasized that the personality of the brand positively affects the purchasing intentions. In the same context, the study (Choi et al., 2011) concluded that the character of the brand positively has an impact on the position of the brand and therefore its loyalty to it, as well as indicating that the brand trust leads to satisfaction and loyalty. In addition, this is supported by the (Long-Yi Lin, 2010) study. Personality traits of peacefulness, competence, sophistication, agreeableness and openness have a significantly positive impact on action loyalty; openness and agreeableness have a significantly positive impact on affective loyalty

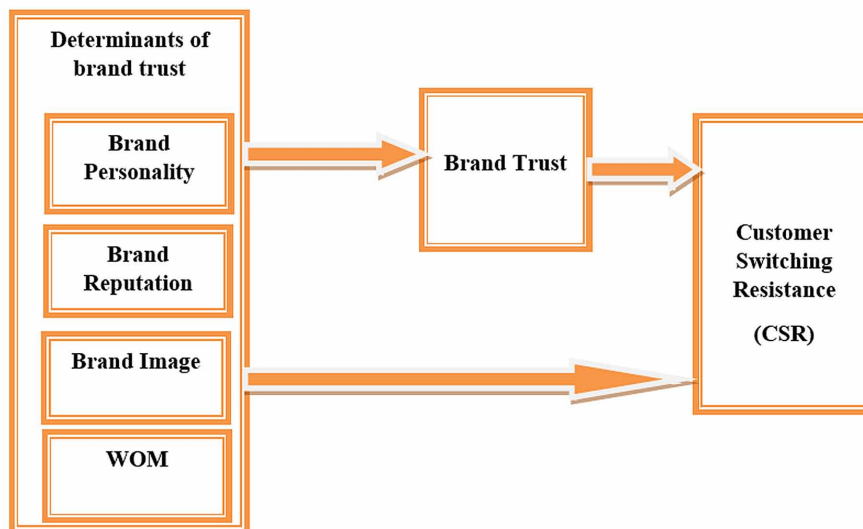
Severi and Ling (2013) pointed out that the brand image plays the role of a mediator between the brand loyalty and brand equity. Both (Upamannyu et al., 2014) suggested that the image has a strong positive impact on the brand loyalty. While the study of both (Hossain et al., 2012) found that there is no significant relationship between trust in the image and customer switching resistance. Through the above, the third main hypothesis can be formulated as follows:

H3: There is no significant relationship between the determinants of the brand trust (brand personality, reputation, Image, and word of mouth) as a whole and each one of them separately and customer switching resistance.

Research Methodology

See the conceptual model in Figure 1. The present study depends on the analytical descriptive approach, which includes the method of surveying the library through reference to previous research, in order to construct a theoretical framework for the study, with the use of some qualitative research methods and the field survey method to collect data using a targeted survey.

Figure 1. The Conceptual Model by the Authors



Study Population

In the light of the current study, this research population is composed of mobile phone customers operating in the Egyptian market. The mobile operators operating in the Egyptian market limited by the Ministry of Communications and Information Technology. These companies are Vodafone, Orange and Etisalat. (NTRA), the number of customers of the three companies according to the latest statistics on the 1st of January 2016 about 95.24 million individuals.

Due to the large size of the customer population, the lack of a precise framework that contains customer data for mobile phone companies working in Egypt, time and cost considerations that are a constraint on individual research the sampling method relied upon to compile the data required for the field study on the customer. The sample size was determined according to the large numbers act and the sample size according to this law estimated at 384 individuals.

Because the research population consists of a total of homogeneous or layers that, make it a non-homogeneous society in terms of some characteristics of its item, this society must be divided into layers, if the item of each layer is homogeneous. While the item of each layer differs from the item of the other layers, then the simple random layer sampling procedures was followed to select customers' sample, which depended on the ratio and proportionality, which were implemented in stages as follows:

- Determining the total sample size selected from the research population, estimated at 384 individuals (Cochran, 1977).
- Dividing the research population of interest into homogeneous layers. The researcher divided the research population into three layers, each class representing the customers of a particular company from the three mobile companies Vodafone, Orange and Etisalat.
- The application of the simple method (method of descent) stratified random sample where the distribution of the size of the sample to the target classes in the study in accordance with the number of agents in each layer (class) until the last statistics given in January 2016. The Table 4 displays the distribution of the sample.

Two districts in Cairo governorate (representing the Greater Cairo area) were selected randomly (Hadayek Al Qubba and Al-Zaytoun), and two other locations were also selected for Kafr El-Sheikh governorate, Delta sector (Desouq, Hamoul) and (Samalout, Beni Mazar) in upper Egypt. The random selection of the service centers within the mentioned centers and neighborhoods taken into account, and the customer's period of dealing with the company is not less than one year for the possibility of judging the customer's level of awareness of the study variables. Finally, meet by chance customers who

Table 4. Distribution of the Sample Size

Sample Vocabulary	Percentage	Number of subscribers until January 2016	Companies
159	41.5%	39.54	Vodafone
136	35.4%	33.7	Orange
89	23.1%	22	Etisalat
384	100%	95.24	Total

frequented the service centers at different times of the morning and evening with the rotation of the time during the days of the week. Six main variables are measured as shown as Table 5.

Reliability of Measures Used in the Field Study

Coefficient Alpha technique is considered one of the most common methods used in estimating measures of reliability. It enjoys a high degree of accuracy in measuring the degree of consistency of the multiple measures used. Before performing the analysis, it is decided to exclude any variable which has a total item correlation coefficient less than 0.30 compared with other variables in the same measure. As shown in Table 6, after examining items total correlation coefficients for each sub-variable of the study variables used in measuring the basic measures separately. Two sub-variables are only excluded pertinent to brand personality because of the existence of an item total correlation coefficient between this variable and the rest of variables relevant to brand personality in the same measures less than 0.30. Two sub-variables are only excluded pertinent to brand reputation because of the same reason. The results of estimating reliability also showed that Alpha coefficient for all measures ranged from .650 to .856. This value also reflects the high degree of reliability of the measures used in humanities and marketing researches since the accepted level is 0.60 according to humanities researches (Nunnally, 1978, pp. 229-230)’.

Validity of Measures Used in the Field Study

To ensure the validity of the measures of this study, a number of the procedures were adopted; first, content validity is performed via a broad survey of published Arab studies which are relevant to these

Table 5. Description of Scales of Measurement

Scale of Measurement	Variable
Arjun, and Holbrook., 2001 (3 items)	Brand Trust
Linn, and Kenning, 2012, 2014 (15 items)	Brand Personality
Cleopatra, and Moutinho, 2009 (5 items)	Brand Reputation
Erfan, and Ling, 2013 (3 items)	Brand Image
Youl,2004; Lorbeer, 2003 (3 items)	Word of Mouth
Woong, and Gupta, 2012 (3 items)	Customer Switching Resistance

Table 6. Internal Consistencies of Measures are Used in the Study

Content of Measures Used in the Study	Variable Numbers		Alpha Coefficient
Brand Personality	First Trial	15	.819
	Second Trial	13	.856
Word of Mouth	3		.638
Brand Reputation	First Trial	5	.729
	Second Trial	3	.806
Brand Image	3		.650

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study variables. Second, the questionnaire list is reviewed, and some adaptations are made in the items of the measure as a whole by some teaching staff members in the department of business administration at Tanta and Kafrelsheikh Universities. Third, Factor Analysis Technique is applied because it is beneficial in suggesting the real dimensions of the measure under study, in addition to its ability to reduce data through excluding a measure's contents which have less loading factors from those decided by this research or those which are loaded on more than one extracted factors. The factor analysis technique is applied on the measure of determinants of brand trust and the research relied on principal components technique for extracting factors on condition that Eigen Value should not be less than one. The research also depended on Varimax Rotating Technique on condition that the loading factor should not be less than 0.50 without loading any variable on more than one factor.

According to Table 7, the results of factorial analysis indicated that 22 variables represent the determinants of brand trust extracted from estimating reliability are loaded on four factors after excluding three sub-variables to brand personality which have less loading factors (less than 0.5) (Malhotra, 2011). The extracted factors (4 factors which include 19 variables in interpreting about 82.251% of total variance in the original variables subjected to analysis as shown in Table 7.

Table 7. Results of Factor Analysis for Determinants of Brand Trust

Original variables	Factor (1)	Factor (2)	Factor (3)	Factor (4)
The brand is honest	.857			
The brand is sincere	.787			
The brand is real	.664			
The brand is exciting	.651			
The brand is upper-class	.713			
The brand is good looking	.612			
The brand is charming	.682			
The brand is masculine	.689			
The brand is successful	.826			
The brand is a leader	.760			
I receive recommendation to stay with this brand through friends or colleagues			.775	
The brand is trustworthy			.778	
I often speak my Brand experiences to my friends			.732	
The brand is credible		.858		
The brand is reputable		.868		
The brand makes honest claims		.824		
The brand has a differentiated image in comparison with other brands.				.778
The brand has a clean image.				.758
The brand is well established				.766
% of Variance	37.106	18.300	14.123	12.722
Cumulative %	37.106	55.406	69.529	82.251

The extracted factors from the four original variables are the extracted factor no. (1) Brand personality: variables 1-10, the extracted factor no. (2) (Brand reputation) variables 14-16 and the extracted factor no. (3) (Word of mouth): variables 11-13 and the extracted variable no. 4. (Brand image) variables 17-19.

RESULTS AND DISCUSSION FOR A STRUCTURAL MODEL

This part presents a discussion of the results of analyzing the data of the field study which basically depended on a directed questionnaire to the customers of mobile phone companies in a number of locations in Egypt.

Determinants of Brand Trust

To identify determinants of brand trust, Regression Analysis Technique and Multiple Regression Analysis are used. The results presented in Table 8 show that there is a statistical significant relationship between brand personality, word of mouth, brand reputation, and brand image (as a whole and each one of them separately) and brand trust. The relationship is 0.824 which is a very strong relationship. Brand personality, word of mouth, brand reputation, and brand image as a whole is interpreted as about 0.678 (according to R²) of the changes in brand trust. The ratio of the two mean squares (F) was 149.948 (p < 0.001). Since the observed significance level was less than 0.001, the four variables influence customer trust toward their brand.

The results from Table 8 confirmed that the null hypotheses can safely be rejected because the coefficients for Brand Personality related factors (B = 0.785, p < 0.01), Word of mouth related factors (B = 0.602, p < 0.001), Brand Reputation related factors (B = 0.848, p < 0.01), Brand Image related factors (B = 0.544, p < 0.01). On the basis of the results in Table 8, the sub-variables can be ordered according to its effect on brand trust as follows: (i) Brand Reputation; (ii) Brand Personality; (iii) Word of Mouth; (iv) Brand Image, respectively.

From the previous analysis, a significant relationship at the 0.01 level according to F-test between brand reputation, Brand Personality, Word of Mouth, Brand Image (as a whole and each one of them separately) and brand trust is confirmed. This finding is consistent with (Lombart, 2010; Liao et al., 2009; Afzal et al., 2010; Olfa Bouhlel, 2011; Ha, 2004; Alam & Yasin, 2010; Perepelkin & Zhang,

Table 8. Results of Regression Coefficients

The Most Influential Determinants in Brand Trust	Beta	R	R ²
Brand Personality*	0.785	0.661	0.436
Word of Mouth*	0.602	0.628	0.395
Brand Reputation*	0.848	0.776	0.602
Brand Image*	0.544	0.587	0.344
R	0.824		
R Square	0.678		
F	149.948		
Sig.	0.000		

* p < 0.01

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2016; Javed & Khan, 2014; Sung & Kim, 2010) and partially nonconsistent with (Lombart, 2010; Malär et al., 2011; Aydin et al., 2014; Liao et al., 2009). Hence, for H1, the null hypothesis is rejected and the alternative hypothesis is accepted which states that there is a statistical significant relationship Brand Reputation, Brand Personality, Word of Mouth, Brand Image (as a whole and each one of them separately) and brand trust.

The Relationship Between Brand Trust and Customer Switching Resistance (CSR)

According to the results, the relationship between brand trust and customer switching resistance (CSR) is 0.351 which is a very strong relationship. Brand trust can be interpreted as about 0.351 (according to R²) of the changes in customer switching resistance. The ratio of the two mean squares (F) was 201.978 ($p < 0.001$).

The results in Table 9 confirmed that the null hypothesis is rejected. From the previous analysis, one finds a significant relationship at the 0.01 level and at the 0.05 level according to F-test between brand trust and customer switching resistance (CSR). This finding is consistent with (Kim & Gupta, 2012; Abdelkader, 2015) and partially nonconsistent with (Gilles, 2007; Hossain et al., 2012). Hence for H2, the null hypothesis is rejected and the alternative hypothesis is accepted which states that there is a statistical significant relationship brand trust and customer switching resistance (CSR).

The Relationship Between Determinants of Brand Trust and Customer Switching Resistance (CSR)

The results presented in Table 10 indicate that there is a statistical significant relationship between brand personality, word of mouth, brand reputation, brand image (as a whole and each one of them separately)

Table 9. Model Summary

Model	Beta	R	R Square	F. Test	F. Sig
1	.66	.593	.351	201.978	0.000

Note: Predictors: (constant), brand trust

Table 10. Results of Regression Coefficients

The Most Influential Determinants in CSR	Beta	R	R ²
Brand Personality*	0.794	0.533	0.284
Word of Mouth*	0.559	0.524	0.275
Brand Reputation*	0.519	0.483	0.233
Brand Image*	0.463	0.414	0.172
R	0.598		
R Square	0.358		
F	51.616		
Sig.	0.000		

* $p < 0.01$

and customer switching resistance (CSR). The relationship is 0.598 according to correlation coefficient in the model R, namely, it is a very strong relationship. Brand personality, word of mouth, brand reputation, and brand image as a whole can be interpreted as about 0.358 (according to R²) of the changes in customer switching resistance (CSR). The ratio of the two mean squares (F) was 51.616 ($p < 0.001$). Since the observed significance level was less than 0.001, the four variables influence customer switching resistance (CSR) toward their brand.

The results from in (10) showed that we can safely reject the null hypotheses that the coefficients for Brand Personality related factors ($B = 0.794$, $p < 0.01$), Word of mouth related factors ($B = 0.559$, $p < 0.001$), Brand Reputation related factors ($B = 0.519$, $p < 0.01$), Brand Image related factors ($B = 0.519$, $p < 0.01$). On the basis of the results in Table 7, the sub-variables can be ordered according to its effect on customer switching resistance (CSR) as follows: (i) Brand Personality; (ii) Word of Mouth; (iii) Brand Reputation; (iv) Brand Image, respectively.

According to F-test between Brand Reputation, Brand Personality, Word of Mouth, Brand Image (as a whole and each one of them separately) and customer switching resistance (CSR), one finds a significant relationship at the 0.01 level. This finding is partially inconsistent with (Hossain et al., 2012). Hence, for H3, the null hypothesis is rejected and the alternative hypothesis is accepted which states that there is a statistical significant relationship Brand Reputation, Brand Personality, Word of Mouth, and Brand Image (as a whole and each one of them separately) and customer switching resistance (CSR).

CONCLUSION

A number of managerial and marketing implications would be addressed based on the findings of analyzing the relationship between brand trust and its determinants (as a whole and each one of them separately) and customer switching resistance (CSR), the researcher recommends some recommendations related to developing and improving Brand trust for increasing customer switching resistance. These recommendations can be displayed as follows: Firstly, directing the researchers' interests to investigate and analyze customer switching resistance in mobile phone companies in Egypt. Secondly, building the brand personality by carrying out the training programs that may assist in improving sincerity, excitement, sophistication, and competence. Thirdly, marketing managers should improve brand image, and reputation in customers' opinion, in order to enhance and promote levels of brand trust and customer switching resistance (CSR).

Fourthly, deepening understanding of brand trust and customer switching resistance (CSR) and some related concepts such as brand reputation, brand personality, word of mouth, and brand image should be studied. Fifthly, designing some training programs that should be applied to all employees at mobile phone companies which aim at making them aware of the significance of improving brand trust and its determinants. Sixthly, Recognition of the significance of brand trust is not enough to customer switching resistance, but also how to improve brand reputation, brand personality, word of mouth, and brand image. Finally, of particular importance to the managerial and marketing implications drawn from this study is the design of reliable, valid and practical scale that would be very useful to the mobile phone companies in measuring and evaluating their brand trust and its determinants. Hence, marketing managers in these companies should pay a great attention to the issue of customer switching resistance.

Future Research

The scope of this study, technique used and the results obtained points to other aspects for further future studies. These research works can be summed up as follows: (i) The possibility of confirming the validity of the measures used in the present study concerned with measuring the brand trust and its determinants, and customer switching resistance through employing these measures in other institutions such as education, hotels and hospitals, etc; (ii) Measuring the level of spreading customer switching resistance and brand trust in analyzing and identifying the differences in customers' attitudes towards customer switching resistance and brand trust according to change brand name (iii) studying brand trust and its mediating role in improving the relationship between brand reputation, brand personality, word of Mouth, and brand image (as a whole and each one of them separately) and customer switching resistance (CSR) .

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Chapter 24

Antecedents and Consequences of E–News Brand Trust: An Empirical Study of E–News Brand in Indonesia

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ABSTRACT

The purpose of this paper is to determine the effect of the antecedents of e-news brand trust and want to determine the consequences of e-news brand trust. The model used in this study were tested into two news brands online, which is Detik.com and Kompas.com. Sample of this study composed of 418 respondents, of which 239 respondents are Kompas.com readers and readers of Detik.com comprised of 179 respondents. The analysis used in this study is the Structural Equation Model. Results of this study indicate that both Detik.com and Kompas.com have the same result for the research model used. The result of this research are e-news brand attributes have positive and significant impact on e-news brand experience, e-news brand attributes have a positive and significant impact on e-news brand loyalty, e-news brand experience has negative effect but not significant at the customer confusion, customer confusion, has a negative but not significant effect on e-news trust brand, e -news brand experience has the effect of e-news brand trust and a significant positive effect on brand loyalty e-news.

INTRODUCTION

Various challenges faced by many companies, television company, radio company, newspapers company, magazines company, advertising agencies and others advertisers involved in stiff competition are now forced to redefine how they reach consumers and still relevant (Harden & Heyman, 2009). Some well-known brands, such as Tribune Co., New York Times, Tucson Citizen, Boston and many brands of

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newspaper in USA was closed because they have no ability to fund their operations. This was because of the decline in sales circulation. Even some leading brands of daily newspapers gave paper for free. To overcome this problem, some companies switch to digital or we call it as “e-news brands”.

At the level of competition and the sluggish industrial growth, it is necessary effort to increase consumer’s loyalty. To keep customers loyal, some print media brands create online versions of print media. In Indonesia, some newspaper companies are competing to switch from print to digital. For example, kompas.com, detik.com, koran.tempo.co, republika.co.id, and many more. Consumers are given the ease in accessing digital newspapers, because we can access this digital newspaper through a computer, laptop, and mobile phone. So consumers have more flexibility in accessing it.

Trust is important in the online environment. Tanrikulu and Celilbatur (2013) explain that trust is the most important key factor for success and as a competitive advantage against competitors in the e-commerce environment. In a study done by Eldeman Trust Barometer (2012), trust on social media increase about 75% from 2011 to 2012. There are several variables affect trust in the brand, such as: satisfaction, experience, perceived value, perceived risk, service quality and reputation (Benedicktus, 2011; Delgado-Ballester & Munuera-Aleman, 2001; Eastlick, Lotz, & Warrington, 2006; Ha & Perks, 2005; Harris & Goode, 2004; McKnight, Choundhury, & Kacmar, 2002; Sahin, Zehir, & Kitapci, 2011; Singh & Sirdeshmukh, 2000; Tanrikulu & Celilbatur, 2013). Having someone who believe in a brand will affect the loyalty (Chaudhuri & Holbrook, 2001; Gommans, Krishnan, & Scheffold, 2001; Harris & Goode, 2004; Sahin et al., 2011; Singh & Sirdeshmukh, 2000).

Our research objective is to know the influence of antecedent and consequence of an e-News Brand Trust.

LITERATURE REVIEW

E-News Brand

Brand is the heart of the marketing and business strategy (Mascarenhas, Kesavan, & Bernacchi, 2006). Kotler (2006) defines a brand is a name, shape, signal, symbol, or design or a combination of them that identify and differentiate our products with competitors. Brand is a name that has the power to influence the market (Kapferer, 2008). In their study, de Chernatony and Riley (1998) concluded that there are 12 categories to define the brand. The brand as: (1) a legal instrument, (2) logo, (3) company, (4) shorthand, (5) risk reducer; (6) identity system; (7) image in consumers’ minds, (8) value system; (9) personality; (10) relationship; (11) adding value, and (12) evolving entity.

E-brand or brand online is often referred to arise from the development of communications and information technology (Morgan-Thomas & Veloutsou, 2013). Many companies try to follow the digital age, so they do branding via online media. We call online newspaper as e-news brand. We define e-news brand as a name in the form of an online newspaper that provides a variety of information and news openly.

E-News Brand Attribute

Attribute is defined as a description of the inherent characteristics of the product or service (Keller, 1993) or what consumers think about products or services. Attributes are divided into two types: intrinsic and extrinsic attributes. Intrinsic attributes are attributes associated with the product or brand. Extrinsic at-

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tributes are the external aspects of the products or services associated with the purchase. Keller (1993) explained there are four types of external attributes: (1) price information, (2) packaging or product appearance information, (3) user imagery, and (4) usage imagery.

Some researchers said that there were some attributes that had a significant effect on online branding (de Chernatony & Christodoulides, 2004; Phillips, 2001), such as: (1) Fulfillment / reliability, (2) Customer service / responsiveness / care, (3) Website design / easy of use / site design, (4) Financial security / privacy / security / trust; (5) Interactivity / customization / personalization. Sheng and Teo (2012) used the dimensions of utilitarian attributes (easy of use and perceived usefulness) and hedonic (entertainment and aesthetics) to see the effects on brand equity. Alwi and Ismail (2013) developed the concept of e-airline brand attribute to the 6 indicators: the efficiency of the site, system availability, privacy, site's attractiveness, and price

We define e-news brand attributes as inherent characteristics of online news brand. E-news brand has 4 attributes: (1) the information provided must be intact, (2) Ease of use e-news brand, (3) e-news brand should be well organized, (4) up to date information.

E-News Brand Experience

Brakus, Schmitt, and Zarantonello (2009) defines a brand experience as interaction between the consumer and brand-related stimuli, such as brand identity (name, symbol, signal, color combinations), wrap, marketing communications (advertising, brochures, websites), and the marketing environment (stores, even, website). Online brand experience covers all points of interaction between customers and brands in the virtual space (Christodoulides & de Chernatony, 2004). Morgan-Thomas and Veloutsou (2013) defines the online brand experience as one's subjective response when in contact with the brand online. Web experience can be defined as the total impression of the company's online customers resulting from exposure to a combination of virtual marketing tool (Asim & Hashmi, 2005; Constantinides, 2004). There are search, browse, locate, select, compare, evaluate information, interact and transact with online companies in it (Constantinides, 2004). Ha and Perks (2005) defines brand experience as a consumer's positive navigations (i.e. using web - based communities and participating in events) and perceptions (i.e. the attractiveness of cookies, variety and uniqueness of visual displays and value for money) with a specific website. To provide maximum web experience, Constantinides (2002) provides 3 important questions, they are: (1) what does the customer expect in the site? (2) Why the customer will the make use of the site? (3) what are motives customer to come back?

In this study, we define e-news brand experience as the interaction between the consumer and brand-related stimuli in which occurs online news search, browse, locate, select, compare and evaluate the required information or news. Experience to the online news brand can be the experience of thinking, experience of feelings, thoughts visually, and experience in behavior.

Customer Confusion

Edward and Sahadev (2012) define consumer's confusion as an uncomfortable psychological state consumer's experience when exposed to an overload of marketing information which are often very similar, misleading ambiguous and inadequate in nature. V.-W. Mitchell et al. (2005) defines customer confusion as a lack of understanding caused by the overly rich information environment that cannot be processed in the available time to fully understand. Walsh and Mitchel (2010) explained about condition of cus-

consumer confusion, for example state of anxiety, frustration, lack of understanding and doubts that affect decision-making. Confusion sometimes referred to as “decision difficulty” (Walsh & Mitchell, 2005).

Consumer confusion is likely to become a problem for many reasons: consumers subject to large amounts of information, the number of available products to multiply rapidly, increased product imitation strategies and technologies become increasingly sophisticated. These factors, when combined, can make product purchases, especially technical products, become very confusing (Leek & Kun, 2006).

Consumer confusion will decrease satisfaction in decisions making, decrease choosing quality products or choosing the best value, and decrease enjoy the shopping experience (Huffman & Kahn, 1998; V. W. Mitchell & Papavassiliou, 1999). Consumer confusion associated with some of the few things, that negative word of mouth (Turnbull, Leek, & Ying, 2000), cognitive dissonance (V. W. Mitchell & Papavassiliou, 1999), decision postponement (Walsh, Hennig-Thurau, & Mitchell, 2007), dissatisfaction (Foxman, Muehling, & Berger, 1990), and decreased trust (Walsh et al., 2007).

There are three dimensions of consumer confusion, namely: similarity confusion proneness, overload proneness confusion and ambiguity confusion proneness (Walsh et al., 2007). Similarity proneness confusion is the tendency of consumers to think that the different products in the product’s categories in general is visually and functionally. Usually having the type of confusion leads consumers to have negative experiences that cause dissatisfaction. Overload confusion proneness is defined as the consumers difficulty when confronted with more product information and alternatives they can process in order to get to know, comparing alternatives. Ambiguity confusion proneness is defined as “consumers’ tolerance for processing unclear, misleading, or ambiguous products, product-related information or advertisements.”

E-News Brand Trust

Brand trust is the most essential factor and important to achieve success and become a competitive advantage against competitors in the e-commerce (Tanrikulu & Celilbatur, 2013). Brand Trust has a very important role for creating commitment (Morgan & Hunt, 1994), build loyalty (Singh & Sirdeshmukh, 2000), and brand equity (Chaudhuri & Holbrook, 2001).

There is no agreement about the construct of trust and dimensions of trust (Bigley & Pearce, 1998; Dirks & Ferrin, 2002; Li, Zhou, Kashyap, & Yang, 2008). Brand trust as a willingness to rely on the ability of the brand to perform its function (Chaudhuri & Holbrook, 2001). Brand trust is also defined as the confident expectations of the brand’s reliability and intentions in situations entailing risk to the consumer (Delgado-Ballester, Munuera-Aleman, & Yague-Guillen, 2003). Other researchers define brand trust as a feeling of security that is owned by the consumer interaction with the brand, which is based on the perception that the brand is reliable and responsible to the interests and welfare of consumers (Delgado-Ballester & Munuera-Aleman, 2001). Brand Trust has seen as a bond between the consumer and the brand (Delgado-Ballester et al., 2003).

In their research, Tanrikulu and Celilbatur (2013) concluded that there are some most important factors that must be considered when building consumer confidence, such as: the security of transactions, timeliness, accuracy and privacy policy (Eastlick et al., 2006; McCole, Ramsey, & Williams, 2010). Another factor is the past consumer experience, the support to consumers, the size and popularity of vendors, and so on. Dimension of e-news brand trust is the study using reliability, credibility, responsibility, and competence (Delgado-Ballester et al., 2003; Morgan & Hunt, 1994).

E-News Brand Loyalty

Many researchers defined on brand loyalty. Brand loyalty is a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, thereby patronizing repetitive same brand to have potential cause for switching behaviors (Oliver, 1999). Brand loyalty is also defined as a positive emotion, evaluation, and or behavioral responses that has a tendency to brand, label, or alternative or choice by individuals in their capacity as users, decision makers and or purchasing agent (Seth & Park, 1974). Some other experts define brand loyalty as more than re-purchase consistently among set of brands (Day, 1969; Ehrenberg & Goodhart, 1970; Jacoby, 1971; Jacoby & Keyner, 1973).

Aspects of brand loyalty is divided into several sections (Chaudhuri & Holbrook, 2001; Mascarenhas et al., 2006): (1) Behavioral Loyalty. The general form of behavioral loyalty is re-buying behavior. (2) attitudinal loyalty. Attitudinal loyalty is often expressed as a positive preference toward the brand and its impact on others; (3) situational loyalty. Situational loyalty is usually measured with the purchase of the particular situation.

The concept of e-loyalty is a continuation of the concept of brand loyalty in the context of online consumer behavior (Gommans et al., 2001). E-loyalty as consumer attitudes to e-business resulting in repeat purchases (Anderson & Srinivasan, 2003). In this study, we used the term e-news brand loyalty to define as a person's commitment in using online news brand (or commonly used as a website) where a person is consistently choosing the electronics brand as compared to other electronics brand.

RESEARCH MODELS

Our research model is shown in Figure 1.

Hypothesis

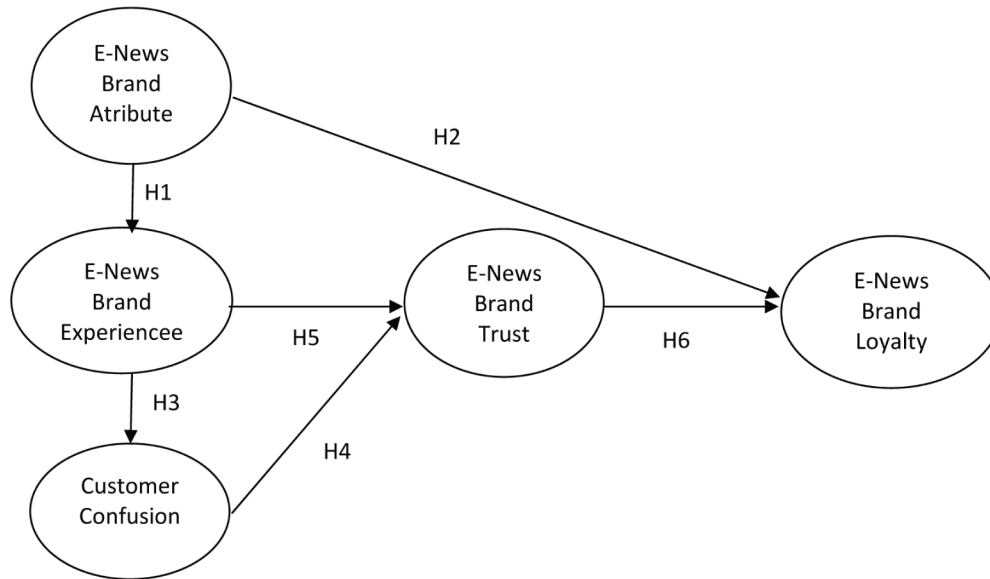
Consumer experience is positioned as a moderator between utilitarian and hedonic attributes on brand equity (Sheng & Teo, 2012). Brands loyalty is a part of brand equity. In his research, Rajagopal, Venkatachalam, and Kotha (2001) using TAM attributes to measure the effect of the consumer experience on the website. Other researchers have found that there is a relationship between attributes of utilitarian / hedonic and consumer experiences (Moon & Kim, 2001). In this paper it is proposed that:

H1: E-news brand attributes have a positive effect on e-news brand experience

Vigneron and Johnson (1999) explain that the function of brand is based on 5 characteristics or attributes, they are: the symbol of the individual's power and social status, reflection of social approval, exclusivity or limitation of the offer to small number of people, contribution of emotional experience, technical superiority. Various characteristics or attributes have an influence on consumers' willingness to pay a premium price for the brand and recommend it to others. The two affected variables are the dimensions of loyalty. Research conducted by Anisimova (2007) concluded that the multidimensional attributes of corporate brand is a very important predictor of consumer loyalty:

H2: E-brand attributes effect on e-news brand loyalty

Figure 1. Empirical model



Various marketing efforts often make consumers confused. The more information you enter into the minds create increasing consumer confusion. Experience more personal nature (Pullman & Gross, 2004; Schmitt, 1999a, 1999b) and created during the learning process when needed, using, maintaining and sometimes arrange the goods or services (Carbon & Haeckel, 1994). This experience makes the consumers to understand the characteristics of the product more clearly. Experience can be used to fight the customer confusion (V.-W. Mitchell et al., 2005). The higher a person has the experience, the more people are not confused about something.

In the research done by Simonin (1999) found that the experience of negative and significant effect on knowledge ambiguity (for small scale companies). Ambiguity is one dimension of customer confusion (Walsh & Mitchel, 2010). Dimensions of customer confusion is likely to have negative experiences (Walsh & Mitchel, 2010). In this paper it is proposed that:

H3: E-news brand experience effect on customer confusion

Trust is defined as consumers' willingness to entrust their expectations about corporate behavior in the future (Morgan and Hunt, 1994). Brand trust will reduce the uncertainty and imprecision e-news brand. In this paper it is proposed that:

H4: Customer confusion effect on e-news brand trust

Tanrikulu and Celilbatur (2013) concluded that one of the factors that build consumer confidence is past experience. If consumers had a negative experience then the consumer's confidence in the future will also be reduced. Some researchers concluded that the brand experience positively and significantly influence in the brand trust effect (Ha & Perks, 2005; Sahin et al., 2011). In this paper it is proposed that:

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H5: E-news brand experience effect on e-news brand trust

Brand trust is antecedent of brand loyalty (Chaudhuri and Holbrook, 2001; Sahin et al., 2011; Singh and Sirdeshmukh, 2000). In the concept of loyalty in internet media, trust is a variable that affects consumer loyalty (Gommans et al., 2001; Harris and Goode, 2004). In this paper it is proposed that:

H6: E-news brand trust effect on e-news brand loyalty

METHODOLOGY AND MEASUREMENT

Data Collection and Sample

We test our model on two e-news brand. Those e-news brand are Kompas.com and Detik.com. This study population are people who had read Kompas.com and Detik.com. Questionnaire was distributed to 535 respondents where only 418 questionnaires were returned and worthy for further analysis. The response rate of this study was 78%. Samples taken 418 respondents, of which 239 respondents are Kompas.com's reader and Detik.com's reader 179 respondents.

Table 1 describes about the characteristics of respondents. There are 4 respondents characteristics: gender, age, education, and employment affiliation.

Table 1. Characteristic of respondents

Descriptions	Detik.com Frequency%	Kompas.com Frequency %
Sex		
Male	101 - 56,42	133 - 55,65
Female	78 - 43,58	106 - 44,35
Age		
<20 years	9 - 5,03	114,06
20 – 30 years	131 - 73,18	177 - 74,06
30 – 40 years	33 - 18,44	45 - 18,83
41 – 50 years	3 - 1,68	4 - 1,67
>50 _{th}	3 - 1,68	20,84
Education		
undergraduate	84 - 49,93	111 - 46,44
postgraduate	76 - 42,46	101 - 42,26
doctoral	19 - 10,61	27 - 11,30
Occupation		
Lecturer	11 - 6,15	20 - 8,37
Civil Servants	24 - 13,41	24 - 10,04
Private Employee	51 - 28,49	60 - 25,10
Entrepreneur	31 - 17,32	53 - 22,18
Student	52 - 29,05	71 - 29,71
Another Job	10 - 5,59	11 - 4,60

Source: Primary data, 2013

First characteristic is about gender. Detik.com's respondents are 56.42% are male and 43.58% are female. The most respondent of Detik.com are 20-30 years old. 49.93% respondents of Detik.com have an undergraduate education and 42.46% are postgraduate. Students are the most dominant job as a reader of detik.com.

The gender of Kompas.com's respondents are 55.65% male and 44.35% are female. The most Kompas.com's respondents are 20-30 years old. 46.44% of Detik.com's respondents have a undergraduate education and 42.26% are postgraduate. Students are the most dominant job as a reader of Kompas.com.

Measurement

The measurement scale used in the questions is using a scale of 1 to 10, from strongly disagree to strongly agree. E-news brand attribute is measured from: (1) full information, (2) easy to use, (3) well organized, (4) Up-to-date. E-news brand experience is measured from: (1) Thinks experience, (2) feel experience, (3) visual experience, (4) behavioral experience. Customer Confusion is measured from the indicators such as (1) similarity confusion proneness, (2) confusion proneness overload, (3) ambiguity confusion proneness. E-Brand Trust is measured from (1) reliability, (2) credibility, (3) responsibility, and (4) competent. And E-Loyalty is measured from (1) re-reading, (2) positive word of mouth (3) commitment to make comment.

Data Analysis

This study aims to analyze the effect of exogenous variables on endogenous variables. Therefore, this study uses a structural equation model analysis techniques using Amos 20.

RESULT

First, we want to analyze Detik.com. When we see Table 2, we can conclude that this study has valid and reliable for further analysis. The validity of this study use convergent validity and reliability using AVE construct validity.

When we see Table 2 in the column of convergent validity, each item / indicator variable has a value of more than 0.5. So no items / indicators be eliminated from the analysis. All AVE value of each variable is also above the required value of 0.5. Here are the AVE value of each variable: E-Brand Experience (0.672), E-News Brand attribute (0.828), Customer Confusion (0.8), E-News Brand Trust (0.788), E-News Brand Loyalty (0.625).

In Table 2 column of construct reliability, it can be concluded that this data is reliable because the construct reliability value of each variable is greater than the cut-off ($> 0,60$). Here's a construct reliability values: E-Brand Experience (0.735), E-News Brand attribute (0.80), Customer Confusion (0.8), E-News Brand Trust (0.798), E-News Brand Loyalty (0,703).

Table 4 describes the results of testing hypotheses. Detik.com column in table 4, we can see the model fit the research. GFI value of 0.905 is greater than the required value (> 0.90) that this model is

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Table 2. Validity and reliability of Detik.com data

Detik.com	Items	Convergent Validity	Construct Reliability	Ave
E-News Brand Experience	X1	0,949	0,735	0,672
	X2	0,701		
	X3	0,717		
	X4	0,885		
E-News Brand Attribute	X5	0,999	0,8	0,828
	X6	0,626		
	X7	0,994		
	X8	0,967		
Consumer Confusion	X9	0,98	0,8	0,8
	X10	0,665		
	X11	0,999		
E-News Brand Trust	X12	0,998	0,798	0,788
	X13	0,795		
	X14	0,933		
	X15	0,808		
E-News Brand Loyalty	X16	0,833	0,703	0,625
	X17	0,724		
	X18	0,81		

Source: Primary data, 2013

good. NFI value of 0.954 is greater than the required conditions (> 0.90) that this model is good. TLI value of 0.986 is greater than the required conditions (> 0.90) that this model is good. RMSEA value of 0.042 is smaller than the required conditions (< 0.08) that this model is good. We can conclude that the data are fit to our model.

Hypothesis testing in Detik.com, can be seen in Table 4 column detik.com. Each of the H1, H2, H5, H6 is accepted. Whereas H3 and H4 was rejected due to the independent effect of the dependent variable is not significant.

In Table 3, we can conclude that this study has valid and reliable for further analysis for Kompas.com. The validity of this study use convergent validity and reliability using AVE as construct validity.

When we see Table 3 in the column convergent validity, each item / indicator variable has a value of more than 0.5. So no items / indicators be eliminated from the analysis. All of AVE value of each variable is also above the required value of 0.5. Here are the AVE value of each variable: E-Brand Experience (0.88), E-News Brand attribute (0.798), Customer Confusion (0.714), E-News Brand Trust (0.727), E-News Brand Loyalty (0.556).

In Table 3 column construct reliability, it can be concluded that this research data is reliable because the construct reliability value of each variable is greater than the cut-off ($> 0,60$). There is a construct reliability values: E-Brand Experience (0.891), E-News Brand attribute (0.815), Customer Confusion (0.747), E-News Brand Trust (0.763), E-News Brand Loyalty (0,61).

Table 4 describes the results of testing hypotheses for Detik.com and Kompas.com. In table 4, we can see about fit model. GFI value of 0.871 is slightly smaller than cut-off, but as it approaches the cut-off value of 0.9 so that the model is still considered good. NFI value of 0.917 is greater than the required conditions (> 0.90) that this model is good. TLI value of 0.939 is greater than the required conditions

Table 3. Validity and reliability for Kompas.com

Kompas.com	Items	Convergent Validity	Construct Reliability	Ave
E-News Brand Experience	X1	0,826	0,891	0,88
	X2	0,966		
	X3	0,974		
	X4	0,806		
E-News Brand Attribute	X5	0,946	0,815	0,798
	X6	0,951		
	X7	0,763		
	X8	0,9		
Consumer Confusion	X9	0,884	0,747	0,714
	X10	0,825		
	X11	0,825		
E-News Brand Trust	X12	0,624	0,763	0,727
	X13	0,821		
	X14	0,966		
	X15	0,821		
E-Loyalty	X16	0,973	0,61	0,556
	X17	0,675		
	X18	0,906		

Source: Primer data, 2013

Table 4. Model fit and hypothesis testing for Kompas.com and Detik.com

	Kompas.com	Detik.com
Hipotesis		
E- News brand Attribute → E-News Brand Experience (H1)	0,154**	0,274*
E-News Brand Attributes → E-News Brand Loyalty (H2)	0,276*	0,297*
E-News Brand Experience → Customer Confusion (H3)	-0,049** (ns)	-0,055** (ns)
E-News Brand Experience → E-News Brand Trust (H5)	0,34*	0,206*
Customer Confusion → E-News Brand Trust (H4)	-0,009**(ns)	-0,011** (ns)
E-News Brand Trust → E-News Brand Loyalty (H6)	0,31*	0,285*
Model Fit		
GFI	0,871 (marginal)	0,905 (good)
NFI	0,917 (good)	0,954 (good)
TLI	0,939 (good)	0,986 (good)
RMSEA	0,079 (good)	0,042 (good)

*level of confidence 0,01

** level of confidence 0,05

(> 0.90) that this model is good. RMSEA value of 0.079 is smaller than the required conditions (<0.08) that this model is good. We can conclude that the data are fit to the developed model.

Hypothesis testing in Detik.com, can be seen in Table 4 column detik.com. Each of the H1, H2, H5, H6 is accepted. Whereas H3 and H4 was rejected due to the independent effect of the dependent variable that is not significant.

DISCUSSION AND MANAGERIAL IMPLICATION

Study for Detik.com and Kompas were equally accepting H1, H2, H5, H6, while H3 and H4 is rejected. So it turns out the model that we propose to be used for 2 types of e-news brand in Indonesia, both kompas.com and Detik.com.

E-News Brand attributes have a positive and significant impact on e-news brand experience. It explains that the attributes possessed by Detik.com and Kompas.com greatly affect the readers experience. Both e-news brands should be able to manage with both attributes. There are four important attributes we enter as an indicator of the e-News brand attributes. First, the information provided must be intact. The purpose of the first attribute is how online news brand can provide information objectively. Original information must be appropriate to the facts. The information provided is not just a rumor, but it is a fact. Second, the ease of using e-news brand. The website should be easy to be used by the reader. Level of difficulty in using e news brand should be minimized. Third, e-news brand should be organized well. News should be grouped according to the context. When readers find interesting topics, they can easily acquire it. Layout also be interesting. When the display is very attractive, it will make consumers like to read the news on the brand's e -news. Fourth, Up-to-date. News should always be up to date. The more up to date, then the readers will have a tendency to re-read the e -news brand. In this study explains that the ability to e-news brand in managing attributes will result in increasing consumer experience both on Detik.com and Kompas.com .

Well managed attributes will keep readers returning again to read a particular brand or even recommend it to others. People will tend to be satisfied and loyal to e-news brand. Results of this study explain that the readers of Detik.com and Kompas.com are loyal patron due to good management attributes.

In previous studies say that the brand experiences have significant negative effect on customer confusion (Simonin, 1999; Walsh & Mitchel, 2010). This study states that experiencing a negative effect on customer brand confusion, but the effect was not significant. Detik.com and Kompas.com readers experience will reduce consumer confusion. Sometimes this is because there is an influx of information that make consumers become confused. But by having a unique experience with the brand, the consumer will know much about the brand. Consumers who confuse surely have an impact on trust in Detik.com and Kompas.com. The higher the consumer confusion, the lower the reader confidence.

Consumer experience makes consumers believe in a particular brand (Ha & Perks, 2005; Sahin et al., 2011). Results of this study also describes how the experience of the reader Detik.com and Kompas.com make them believe those two brands. Eventually, the consumer confidence Detik.com and Kompas.com greatly affect the loyalty of readers of both brands.

CONCLUSION

The purpose of this paper is to see some factors influencing trust to know its consequences of consumer loyalty. The model used in this study were tested on two news brands online, Detik.com and kompas.com and the result is whether Detik.com and Kompas.com have the same result for the research model used, ie: e-news brand attributes have positive and significant impact on brand experience e-news, e-news brand attributes have a positive and significant impact on e-news brand loyalty, e-news brand

experience has negative effect but not significant on the customer confusion, customer confusion, has negative effect not significant on e-news brand trust, e-news brand experience has the effect on e-news brand trust and a significant positive effect on e-news brand loyalty.

LIMITATION AND FUTURE RESEARCH

This study has several limitations and the results and also suggests directions for further research. The sample size itself is relatively small. This study could be strengthened by increasing the sample size and including participants in other geographical regions. By increasing sample size, a more detailed empirical analysis between the independent variables and other variables which have several categories can be undertaken.

Suggestions for future research is to consider the factors of social structure as a control variable. Social structure in each region will make the results of the study may be varied. There are areas having diverse homogeneous social structure. Maybe the result will be different. Second, also to consider the behavior of the readers to read or look for information on specific e-news brand. Mapping behavior of e-news brand will enrich the research. Any information that is often seen on e-news brand is useful for mapping the special needs for information searching. Third, focus on the brand equity of the e-news brand.

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Chapter 25

The Importance of Electronics News Brand Trust: The Case of Online Newspapers in Indonesia

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ABSTRACT

The purpose of this book chapter is to test the importance of trust to increase the loyalty of e-news brand readers in Indonesia and to test its antecedents. Trust becomes a central factor in the electronics news brand to increase the loyalty of its readers. Within this chapter, trust in news electronics brand influenced by the reader's experience and customer confusion. Exciting experience and unforgettable experiences influenced by the attributes of the news brand electronics. The readers' experiences will be able to reduce customer confusion and will increase confidence in the electronics news brand significantly. Basically, consumers are not confused in the electronics news brand. Other results showed that the attached attributes to electronics news brand will be able to significantly increase readers' loyalty.

INTRODUCTION

Newspaper is considered as the world's information resources (Strebler, Robinson, & Heron, 1997) that has developed over the years. Originally, newspaper is produced in a print version, but the Internet is revolutionizing it (Nilssen, Bertheussen, & Dreyer, 2015) and the development of online newspapers increases so rapidly (Arikunto, 2010). The development of the Internet forced many companies to redefine how to reach and remain relevant to its target audience (Harden & Heyman, 2009). Some well-known brands such as Tribune Co. newspaper, New York Times, the Tucson Citizen, Boston and many popular newspaper brands in USA should close his business. Ranaweera and Prabhu (2003) found out that a

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decrease in audience is caused by several things, such as the change towards free news, failed model of alternative income, advertisers for online media is reinforced by the current economic crisis, changes in the production process of news and changes in the usage patterns of news. Besides, the Internet also plays a role in the decline of the traditional newspaper circulation. The Internet has changed the access, production and circulation of information (Shen, Wu, Chen, & Fang, 2016). Internet provides access speed that is not owned by traditional media. Internet makes everything easier. The development of the Internet is also supported by the development of a variety of media that can access the Internet directly, such as mobile phone, smartphone, and a variety of other media. The emergence of “net native” or “digital net” generation (Carrol, 1991) or the generation that grew and comfortable with the Internet environment makes an online newspaper preferred over the traditional one. Developments that trigger various online brands began to appear, either because of the development of communication, technology, or information (Morgan-Thomas & Veloutsou, 2013).

Online newspaper provides a variety of important benefits to readers. Some of the benefits of online newspaper is helping the increase in frequencies and create a platform for sharing information quickly across countries (Nilssen et al., 2015), supporting environmental perspective (Attaran, Divandari, & Adinov, 2012), and it is more interactive than the print media (Capaldo, Iandoli, & Ponsiglione, 2004; Cheng & Dainty, 2003). Chaston, Badger, and Sadler-Smith (1999), Explain that online use in the newspaper industry gives a speed for news to reach readers. A low cost of distributing information, a possibility for news updates constantly, and an opportunity to build a more direct contact and interaction with the users. Development of the Internet, like Web 2.0, allows people to instantly produce and disseminate news items online (Atakan-Duman & Ozdora-Aksak, 2014). Although online newspaper has many benefits, but the emergence of online newspaper will be cannibals for the print newspaper (Shen et al., 2016; Shnayder, van Rijnsoeve, & Hekkert, 2016).

Trust becomes an important part in the online environment. Trust is one of the success factors that can enhance the competitive advantage in electronic commerce environment. The increase of confidence by 75% occurs in the use of social media (Eldeman Trust, 2012). Managers should be able to increase customer confidence in the brand. Some literature explain that consumers’ trust in the brand is caused by several things, such as satisfaction, experience, perceived value, perceived risk, service quality and reputation (Benedicktus, 2011; Delgado-Ballester & Munuera-Aleman, 2001; Eastlick, Lotz, & Warrington, 2006; Ha & Perks, 2005; Harris & Goode, 2004; McKnight, Choundhury, & Kacmar, 2002b; Sahin, Zehir, & Kitapci, 2011; Singh & Sirdeshmukh, 2000; Tanrikulu & Celilbatur, 2013). The increase of trust will be able to influence the behavior of customer loyalty (Gommans, Krishnan, & Scheffold, 2001; Harris & Goode, 2004; Sahin et al., 2011).

The increase in electronic news brand (e-news brand) does not only give positive effect on journalistic industry, the easiness in making news-themed website also give effect to the increase in the interest to make e-news brand. The phenomenon in Indonesia is that there are various e-news brands emerge but the news provided is not the real fact. For instance, e-news brand is used for black campaign in political world. There is a lot of hoax news given to assassin someone’s character. There are many e-news brands copying news from other e-news brand. Those are some causes of the decrease in the trust of newspaper readers.

The aim of this research is to test the importance of trust to increase the loyalty of e-news brand readers in Indonesia and to test its antecedent.

BACKGROUND

Electronic News Brand

Brand is an important thing in a company. It is the heart of marketing and business strategy (Mascarenhas, Kesavan, & Bernacchi, 2006). The managers should use a systematic approach to build a strong brand. The reason of doing this is that brand can influence business performance (Newton, 2001). A negative brand reputation will ruin the company and decrease the business performance.

In general, brand is a name that is attached to the product. Kotler and Keller (2012) defines brand as the name, shape, signal, symbol, or design or a combination of these that identify and distinguish our products with competitors. Technically, this definition makes the manager would have to create a new name, logo, symbols, and others (Schindehutte, Morris, & Kocak, 2008). The name was created to be unique and different from its competitors, because the brand is used as a differentiator with competitors. Brand is a name that has the power to influence the market (Kapferer, 2008). In its development, the brand is no longer just the name that is attached to the product. Peteraf and Barney (2003) explain that the brand is not just a name but a firm promise, a promise to give something to the consumer

The focus of this study is online brand in the newspaper company. The concept developed is electronic news brand (e-brand news). We define e-brand news as a name in the form of an online newspaper that provides a variety of information and news openly.

E-News Brand Attribute

Attributes defined as a description of characteristics attached to a product or service (Keller, 1993) or what customers thought about a product or service. Attribute is divided into 2 types: intrinsic and extrinsic attribute. Intrinsic attributes are attributes that are associated with the product / brand. Extrinsic attributes are external aspects of the products or services associated with purchase. Keller (1993) explains 4 types of extrinsic attribute:

1. Price information.
2. Packaging or product appearance information.
3. User imagery.
4. Usage imagery.

Some experts say that there are some attributes that have a significant effect on online branding (de Chernatony & Christodoulides, 2004; Phillips, 2001).

The attributes include:

1. Fulfillment / reliability.
2. Customer service / responsiveness / care.
3. Website design / ease of use / site design.
4. Financial security / privacy / security / trust.
5. Interactivity / customization / personalization.

Sheng and Teo (2012) uses a utilitarian dimension attribute (ease of use and perceived usefulness) and hedonic (entertainment and aesthetics) to see the effects on brand equity. Sheng and Teo (2012) developed the concept of e-airline brand attributes into six indicators, the efficiency of the site, system availability, privacy, site's attractiveness, and price. In the context of an online newspaper, Chaston et al. (1999) explained that there are five essential attributes, namely usability, reputation, trust, privacy and familiarity.

We define e-news brand attribute as the inherent characteristics of online news brands. Online news brands must have four attributes, the information provided should be intact, ease of using e-news brand, e-news brand must be organized properly, and the news must be up to date. First, the information provided should be intact. Information obtained by the editor should all be given to the public. News Media will be able to sharpen the reader's perception of the world (Alan, 2004; Jia, Lansdall-Welfare, Sudhahar, Carter, & Cristianini, 2016). If not all the information is given full and transparent, then the reader would be wrong to receive information. The reader's perception on what is happening in the world to be one because of lack of information or the information given is not the actual information. At this time, many emerging e-news brands are prone providing misinformation. They give wrong information for wanting so many e-news readers to visit their brand. Secondly, the ease in using e-news brand, in the online context, we recognize the Technology Acceptance Model (TAM). TAM has identified two measures that profoundly affect the adoption of new technology, the perceived usefulness and perceived ease of use (Davis, 1989). In the context of e-news brand, ease of use of e-news brand becomes important. Ease of use defined the degree to believe that roommates a person using a particular system would be free from effort (Davis, 1989). The ease of use will be able to influence a person's attitude (Pinho & Soares, 2011; Sanchez, Hueros, & Ordaz, 2013). The attitude in question is the attitude to continue using e-news brand. In addition to affecting the attitude of the reader, the reader easily opens any content in the e-news brand makes the readers easy to use (Linsey, Jackson, & Cooke, 2011) and will be motivated to continue to read e-news specific brand. Thirdly, e-news brand is well organized. Structuring content is important for the reader. News content in the layout based on certain topics, such as football content, national news, international news, and more. Fourth, the news should be up to date. Readers will be delighted if the news that there is always the latest news. News must be continuously up to date, so that the reader is motivated to keep reading.

E-News Brand Experience

Experience occurs when consumers consume the product or service that interact with brands (Brakus, Schmitt, & Zarantonello, 2009), starting from the search and terminated the purchase and after-purchase services (David Aviciene, Gatautis, Paliulis, & Petrauskas, 2009), It is vital to ensure the brand experience can improve a positive attitude in the context of brand. Online consumers will interact with the brand online.

Online brand experience covers all points of interaction between customers and brands in the virtual space (Christodoulides & de Chernatony, 2004). Morgan-Thomas and Veloutsou (2013) defines online brand experience as a person's subjective response when in contact with online brand. Web experience can be defined as customers total impression on online company resulting from exposure to a combination of virtual marketing tool (Asim & Hashmi, 2005; Constantinides, 2004). In this regard, there is searching, browsing, finding, selecting, comparing and evaluating information, interacting and doing transaction with online companies (Constantinides, 2004). Ha and Perks (2005) define online brand

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experiences as a consumer's positive navigations (i.e., using web-based communities and participating in events) and perceptions (i.e., the attractiveness of cookies, variety and uniqueness of visual displays and value for money) with a specific website'.

In this study, we define e-news brand experience as the interaction between the customer and the stimulus related to online news brands in which occurs a search, browse, find, select, compare and evaluate the required information or news. The experience of online news brands can change thinking experience, feelings experience, visual experience, and action experience.

Customer Confusion

Edward and Sahadev (2012) defined customer confusion as customer uncomfortable psychological experience when exposed to an overload of marketing information which are often very similar, misleading, ambiguous and unnatural. Mitchell, Walsh, and Yamin (2005) defines customer confusion as a lack of understanding caused by consumer being confronted with the overly rich information environment that can't be processed in the time available to fully understand and be confident in the purchase environment. Walsh and Mitchel (2010) Give the example of customer confusion as the condition of anxiety, frustration, lack of understanding and uncertainty that influence decision making. Sometimes, confusion is also called "decision difficulty" (Walsh & Mitchel, 2010).

Consumer confusion will decrease the preference in making decision, choosing qualified and best product, and enjoying shopping experience (C. Huffman & Kahn, 1998; V. W. Mitchell & Papavassiliou, 1999). Consumer confusion is associated to some things, they are, negative word of mouth (Turnbull, Leek, & Ying, 2000), cognitive dissonance (V. W. Mitchell & Papavassiliou, 1999), decision postponement (Walsh, Hennig-Thurau, & Mitchel, 2007), dissatisfaction (Foxman, Muehling, & Berger, 1990), and decreased trust (Walsh et al., 2007).

There are three dimensions of customer confusion, they are, similarity confusion proneness, overload confusion proneness, and ambiguity confusion proneness (Walsh et al., 2007). Similarity confusion proneness's is the tendency of customer to think that different products have similarities visually and functionally. Customers have such kind of confusion tend to have negative experience causing dissatisfaction. Overload confusion proneness is defined as "consumers' difficulty when confronted with more product information and alternatives than they can process in order to know, to compare and to comprehend alternatives". Ambiguity confusion proneness is defined as "consumers' tolerance for processing unclear, misleading, or ambiguous products, product-related information or advertisements."

E-News Brand Trust

There are some definitions of brand trust. Chaudhuri and Holbrook (2001) defines brand trust as someone's willingness to rely on brand ability to run its function. Other expert defines brand trust as secure feelings of customers in their interaction with brands which is based on the perception that the brand is reliable and responsible for customers' interest and prosperity (Delgado-Ballester, 2001). Brand Trust is viewed as the bond between customers and the brands (Delgado-Ballester et al., 2003).

The literature consistently explain that trust is a key element in the web-based business success (Baum & Locke, 2004). Brand trust is the most essential factor for a success and a competitive advantage against competitors in e-commerce (Tanrikulu & Celilbatur, 2013). Brand Trust has a very important role both for creating commitment (Morgan & Hunt, 1994) and building loyalty (Singh & Sirdeshmukh, 2000),

and brand equity (Chaudhuri & Holbrook, 2001). In the online environment, trust explains the relationship between businesses and consumers (Yusuf, 1995). Trust is able to accept the risks and uncertainties of the transaction or relationship (McCole, Ramsey, & Williams, 2010). In online world, trust does not only lead to the role of trusted and trustee. Salo and Karjaluoto (2007) concluded that trust also leads to a third party, such as information systems, third-party users, in privacy protection, and engine and online systems. In his research, Tanrikulu and Celilbatur (2013) concluded that there are some of the most important factors that must be considered when building consumer trust, among others are: transactions security, timeliness, accuracy and policy on privacy (Eastlick et al., 2006; McCole et al., 2010). Another factor is the past experience of consumers, their support to customers, the size and popularity of vendor (Gaskill, Van Auken, & A., 1993).

In this study, we define e-news brand trust as the willingness of news readers to believe that news, information systems, or other third party have the reliability, credibility, responsibility and competence. The dimensions of e-news brand trust used this research is reliability, credibility, responsibility, and competency (Delgado-Ballester et al., 2003; Morgan & Hunt, 1994).

E- News Brand Loyalty

Consumer characteristics are quite heterogenic, leading to company's difficulties in maintaining their customers particularly in the online context. Consumers have various options of news websites in the internet. They tend to switch from one website to another website. The daunting task of the company is to maintain its website to retain its customer's loyalty.

Some experts proposed their definition on brand loyalty. Brand loyalty is a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same brand or same brand-set purchasing, despite situation influences and marketing efforts having to potential to cause switching behaviors (*Oliver, 1997*). (2) Attitudinal Loyalty. Mascarenhas et al. (2006) Divides brand loyalty into some sections, among others are (1) Behavioral Loyalty. The general form of behavioral loyalty is re-purchasing behavior. From behavioral perspective, loyalty is defined as a re-purchase or recommendation (Abdillah & Husin, 2016). (2) Attitudinal Loyalty. It is often expressed with a positive preference towards the brand and its effect on others is very significant; (3) Situational Loyalty. It is usually measured by purchasing in certain situations. Kotler and Lee (2005) add another kind of loyalty that is oppositional brand loyalty (the rate at which customers excrete a negative vote on a competing brand).

The concept of e-loyalty is a continuation of the concept of brand loyalty in the context of online customer behavior (Al-Hawari, 2014; Gommans et al., 2001). E-loyalty is customer attitudes to e-business that results in repeat purchases (Anderson & Srinivasan, 2003). In this study, e-news brand loyalty is defined as a person's commitment in using online news brands (or often called a website) where a person consistently chooses the electronic brands compared to other electronics brand to achieve its stated objectives.

Hypothesis

Consumer experience is positioned as a moderator between utilitarian and hedonic attributes on brand equity (Sheng & Teo, 2012). Brand equity refers to the brand loyalty. The brand synonymous with the

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incorporation of various attributes. Attributes are exactly what will be able to build a brand to become a strong brand in the minds of consumers. Consumers are already feeling the various attributes of the brand or product will have interesting experiences about the product. In his research, Mahadeoa, Oogarah-Hanumana, and Soobaroyen (2011) uses the attributes TAM to measure the effect on the consumer experience on the website. Other researchers have found that there is a relationship between attributes utilitarian / hedonic and consumer experiences (Moon & Kim, 2001). In these paper hypotheses are proposed that:

E-News Brand Attributes Positively Affect to the E-News Brand Experience

Vigneron and Johnson (1999) explains that the function of the brand is based on five characteristics or attributes, among others: the symbol of the individual's power and social status, reflection of social approval, exclusivity or limitation of the offer to small number of people, the contribution of emotion la experience, technical superiority. Various characteristics or attributes have an influence on consumers' willingness to pay a price premium for the brand and recommend it to other. The two influenced variables are the dimensions of loyalty. Research conducted by (Anisimova, 2007) concluded that the multi-dimensional attributes of corporate brands is a very important predictor of customer loyalty. In this paper hypotheses is proposed that:

E-News Brand Attributes Positively Affect to the E-News Brand Loyalty

Various marketing efforts often make consumers will be confused. The more information you enter to the consumers' mind create confusion increased. The experience is more personal (Pullman & Gross, 2004; Schmitt, 1999a, 1999b) and created during the learning process when in need of use, maintain and sometimes arrange the goods or services (Carbon & Haeckel, 1994). This experience is making consumers understand about the product characteristics more clearly. The experience can be used to counter customer confusion (Mitchell et al., 2005). The higher one's own experience, the more people are not confused about something. In a study conducted by Simonin (1999) found that experience and significant negative effect on knowledge ambiguity (for smaller scale companies). Ambiguity is one dimension of customer confusion (Walsh & Mitchell, 2010). Dimensions of customer confusion are likely to have a negative experience (Walsh & Mitchell, 2010). In these paper hypotheses is proposed that:

E-News Brand Experience Negatively Affect to the Customer Confusion

Information received by consumers is often confusing. This is because the information is not given in full elaboration. There are things added to attract readers. The confusion experienced by consumers can reduce consumer confidence to the brand. Walsh and Mitchell (2010) also found that consumer confusion will tend to reduce market confidence. The market started to be unbelievable because the information received tend to ambiguous and sometimes contradictory. In the study conducted by Tjiptono, Arli, and Bucic (2014), the dimensions of customer confusion (Similarity confusion proneness) a significant negative effect on confidence. In these paper hypotheses is proposed that:

Customer Confusion Negatively Affect to the E-News Brand Trust

Tanrikulu and Celilbatur (2013) said that one of the factors that build consumer confidence is past experience. In offline purchasing contexts, some researchers concluded that the brand experience positively and significantly influence in the brand trust effect (Ha & Perks, 2005; Sahin et al., 2011). Ha and Perks (2005), conducted research on online consumer behavior in Korea, they described that online consumer experience influence significantly on trust, based on the said previous studies, it is proposed that:

E-News Brand Experience Positively Affect to the E-News Brand Trust

In the context of offline purchasing, brand trust is the antecedent of consumer loyalty (Chaudhuri & Holbrook, 2001; Sahin et al., 2011; Singh & Sirdeshmukh, 2000). Consumers who believe in a brand will strive to recommend the brand re-purchase or take action. In the concept of loyalty in internet media, trust is a variable that affects consumer loyalty (Gommans et al., 2001; Harris & Goode, 2004). In these paper hypotheses is proposed that:

E-News Brand Trust Positively Affect to the E-News Brand Loyalty

Data Collection and Sample

We test our model on two e-news brand. Those e-news brand are Kompas.com and Detik.com. This study population are people who had read Kompas.com and Detik.com. Questionnaire was distributed to 535 respondents where only 418 questionnaires were returned and worthy for further analysis. The response rate of this study was 78%. Samples took 418 respondents, of which 239 respondents are Kompas.com's reader and Detik.com's reader 179 respondents.

Table 1 describes about the characteristics of respondents. There are 4 respondents characteristics: gender, age, education, and employment affiliation.

First characteristic is about gender. Detik.com's respondents are 56.42% are male and 43.58% are female. The most respondent of Detik.com are 20-30 years old. 49.93% respondents of Detik.com have an undergraduate education and 42.46% are postgraduate. Students are the most dominant job as a reader of detik.com. The gender of Kompas.com's respondents are 55.65% male and 44.35% are female. The most Kompas.com's respondents are 20-30 years old. 46.44% of Detik.com's respondents have an undergraduate education and 42.26% are postgraduate. Students are the most dominant job as a reader of Kompas.com

Measurement

The measurement scale used in the questions is using a scale of 1 to 10, from strongly disagree to strongly agree. E-news brand attribute is measured from: full information(X1), easy to use(X2), well organized(X3), Up-to-date(X4). E-news brand experience is measured from: Thinks experience(X6), feel experience(X7), visual experience(X8), behavioral experience(X9). Customer Confusion is measured from the indicators such as similarity confusion proneness(X10), confusion proneness overload (X11), ambiguity confusion proneness(X12). E-Brand Trust is measured from reliability (X13), (2) credibility, responsibility (X14), and competent (X15). And E-Loyalty is measured from re-reading (X16), positive word of mouth (X17) commitment to make comment (X18).

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Table 1. Respondent Characteristics

DESCRIPTION	DETIK.COM Frequency % [^]		KOMPAS.COM Frequency %	
Sex				
Male	101	56.42	133	55.65
Female	78	43.58	106	44.35
Age				
<20 years	9	5.03	11	4.06
20 – 30 years	131	73.18	177	74.06
30 – 40 years	33	18.44	45	18.83
41 – 50 years	3	1.68	4	1.67
>50 th	3	1.68	2	0.84
Education				
Undergraduate	84	49.93	111	46.44
Postgraduate	76	42.46	101	42.26
Doctoral	19	10.61	27	11.30
Occupation				
Lecturer	11	6.15	20	8.37
Civil servants	24	13.41	24	10.04
Private Employee	51	28.49	60	25.10
Entrepreneur	31	17.32	53	22.18
Student	52	29.05	71	29.71
Another Job	10	5.59	11	4.60

ISSUES, CONTROVERSIES, PROBLEMS

The first study is to analyze the Detik.com. When seen in Table 2, we can conclude that this study has been valid and reliable for further analysis. The validity of this study using convergent validity and reliability using AVE whereas the construct validity.

If we look at Table 2 in the column convergent validity, each item / indicator variable has a value greater than 0.5 so that no items / indicators are released from the analysis. All values AVE of each variable was also above the required value of 0.5. Here are the values AVE each variable: E-Brand Experience (0.672), E-News Brand attribute (0.828), Customer Confusion (0.8), E-News Brand Trust (.788), E-News Brand Loyalty (0,625).

In Table 2 column construct reliability, it can be concluded that this study data has been reliable since the value of each variable construct reliability is greater than the cut-off (> 0.60). Here is the values construct reliability: E-Brand Experience (0.735), E-News Brand attribute (0.800), Customer Confusion (0.800), E-News Brand Trust (.798), E-News Brand Loyalty (0,703).

Table 4 describes the results of hypothesis testing both for study 1 and study 2. In Table 2 column detik.com, we can see the model fit investigator on the study 1. GFI value of 0.905 is greater than the required value (> 0.90) so this model is good. NFI value amounted to 0.954 greater than the required

Table 2. Validity and reliability study 1

DETIK.COM	ITEMS	CONVERGENT VALIDITY	CONSTRUCT RELIABILITY	AVERAGE
E-News Brand Experience	X1	0.949	0.735	0.672
	X2	0.701		
	X3	0.717		
	X4	0.885		
E-News Brand Attribute	X5	0.999	0.800	0.828
	X6	0.626		
	X7	0.994		
	X8	0.967		
Consumer confusion	X9	0.980	0.800	0.800
	X10	0.665		
	X11	0.999		
E-News Brand Trust	X12	0.998	0.798	0.788
	X13	0.795		
	X14	0.933		
	X15	0.808		
E-News Brand Loyalty	X16	0.833	0.703	0.625
	X17	0.724		
	X18	0.810		

conditions (> 0.90) so that this model is good. TLI value amounted to 0.986 greater than the required conditions (> 0.90) so that this model is good. RMSEA value of 0,042 is smaller than the required condition (< 0.08) so that this model is good. We conclude that the data were fit with a model developed

Hypothesis testing in one study, it can be seen in Table 4 column detik.com. Each of the H1, H2, H5, H6 accepted. While the H3 and H4 was rejected because of the influence of independent to dependent variable is not significant.

Study 2 was a study to analyze the Kompas.com. If we see in Table 2, we can conclude that this study has been valid and reliable for further analysis. The validity of this study using convergent validity and reliability using AVE whereas the construct validity. If we look at Table 2 in the column convergent validity, each item / indicator variable has a value greater than 0.5 so that no items / indicators are released from the analysis. All values AVE of each variable was also above the required value of 0.5. Here are the values AVE each variable: E-Brand Experience (0.880), E-News Brand attribute (0.798), Customer Confusion (0.714), E-News Brand Trust (0.727), E-News Brand Loyalty (0.560).

In the Table 2 column construct reliability, it can be concluded that this study data has been reliable since the value of each construct reliability variable is greater than the cut-off (> 0.60). Here is the values construct reliability: E-Brand Experience (0.891), E-News Brand attribute (0.815), Customer Confusion (0,747), E-News Brand Trust (0.763), E-News Brand Loyalty (0.610).

Table 4 describes the results of hypothesis testing both for study 1 and study 2. In Table 2 column Kompas.com, we can see the model fit investigator on the study 2. GFI value of 0.871 is slightly smaller

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Table 3. Validity dan reliability study 2

DETIK.COM	ITEMS	CONVERGENT VALIDITY	CONSTRUCT RELIABILITY	AVERAGE
E-News Brand Experience	X1	0.826	0.891	0.880
	X2	0.966		
	X3	0.974		
	X4	0.806		
E-News Brand Attribute	X5	0.946	0.815	0.798
	X6	0.951		
	X7	0.763		
	X8	0.900		
Consumer confusion	X9	0.884	0.747	0.714
	X10	0.825		
	X11	0.825		
E-News Brand Trust	X12	0.624	0.763	0.727
	X13	0.821		
	X14	0.966		
	X15	0.821		
E-Loyalty	X16	0.973	0.610	0.556
	X17	0.675		
	X18	0.906		

Table 4. Model fit and hypotheses study 1 and study 2

HYPOTHESIS	KOMPAS.COM	DETIK.COM
E-News Brand Attribute → E-News Brand Experience (H1)	0.154**	0.274*
E-News Brand Attribute → E-Loyalty (H2)	0.276*	0.297*
E-News Brand Experience → Customer Confusion (H3)	-0.049 (ns)	-0.055 (ns)
E-News Brand Experience → E-News Brand Trust (H5)	0.340*	0.206*
Customer Confusion → E-News Brand Trust (H4)	-0.009 (ns)	-0.010 (ns)
E-News Brand Trust → E-Loyalty (H6)	0.310*	0.285*
Model FIT		
GFI	0.871 (marginal)	0.905 (good)
NFI	0.917 (good)	0.954 (good)
TLI	0.939 (good)	0.986 (good)
RMSEA	0.079 (good)	0.042 (good)

*significant 0.01

** significant 0.05

than the cut-offnya, but as it approaches the value cut-off of 0.9 so that the model is still considered good. NFI value amounted to 0.917 greater than the required conditions (> 0.90) so that this model is good. TLI value of 0,939 larger compared with the terms of the required (> 0.90) so that this model is good. RMSEA value of 0.079 is smaller than the required condition (<0.08) so that this model is good. We conclude that the data was fit with a model developed.

Hypothesis testing in one study, it can be seen in Table 4 column detik.com. Each of the H1, H2, H5, H6 accepted. While the H3 and H4 was rejected because of the influence of independent to dependent variable is not significant.

The trust is a very important factor in the online environment, particularly in the electronics news brand. There are several reasons why the vital trust in the online environment, among others: (1) online environment is fraught with uncertainty. Uncertainty often makes consumers become hesitant to make a decision. Trust enables consumers to deal with uncertainty (Koufaris & Hampton-Sosa, 2004; McKnight, choundhury, & Kacmar, 2002a). These conditions will enable the company to reduce costs, improve efficiency, more flexible and supports long-term planning (Chen and Dhillon, 2003). The ability to deal with uncertainty will also enable consumers to capture and perform a variety of decisions, one of which was the decision to be loyal to a brand. (2) increased competition in the online environment. Many e-news emerging brand that always delivers good news or interesting content. Therefore, the trust must be built by detik.com and kompas.com. (3) The trust will motivate customers to be active in the online environment.

The news cannot be trusted to make the reader will not be back to read both detik.com or kompas.com. In this chapter, shows that trust is an important factor to create loyalty for the the readers. The result same as previous studies, in which the trust is able to increase loyalty (Gommans et al., 2001; Harris & Goode, 2004). One dimension of trust is able to build brand loyalty is kredibilitas. Chung, Kim, and Kim (2010) found an online newspaper must establish credibility. Credibility is meant is the source, the message and the medium credibility (Metzger, Flanagin, Eyal, Lemus, & McCann, 2003). Sources of information must be people who really trusted, expert, or people expert in a particular field. Sources must have credibility so the news awake accuracy (Gaziano & McGrath, 1986). Sources of information must be objective and impartial to one particular party. Beebrapa skilled experts explain that the credibility of the website (electronics news brand) credibility of interpersonal source credibility (Berlo, Lemert, & Mertz, 1969; Infante, Parker, Clarke, Wilson, & Nathu, 1983; Posner & Kouzes, 1988; Sundar & Nass, 2001). Source will give an important message or information to the public. Messages must have credibility. Messages credible means information provided from sources not contrived or what it is. Often to increase traffic to electronics brand news, the news that there are exaggerated. The news is not true. Media also must be trustworthy (Kim & Tohnson, 2005). Website as a medium must be credible, with confidence, skill, charm and dynamism (Flanagin & Metzger, 2007).

In this study, electronics news brand experience is able to increase the confidence of the reader. Building a positive experience readers an important part in the online environment. In the literature, the experience tends to exist in research in the field entertainment and hospitality. In the online environment, the experience tends to occur the use of technology in the interaction between human being and a computer or a machine (Ding, Huang, & Verma, 2011). Previous research has examined expressed cognitive construct flow in human-computer interaction and shows the flow of which can be determined by the focus of attention, interactivity, sense of control, the level of challenge and skill (DL Huffman, Kalsbeek, & Novak, 1996; Novak, Huffman, & Yung, 2000). Commitment and trust in a website depends on the

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perception of the website and how to meet expectations on the integrity and reliability and how well give promises (Bart, Shankar, Sultan, & Urban, 2005). Readers should receive appointments through their experiences when reading the news brand electronics. This is a pleasant experience will make people committed and believe in electronics news brand.

The research found the smaller the degree of consumer confusion, the higher the higher consumer confidence in the electronics news brand. Customer confusion will create some problems, one of which too much information accepted by the reader. Too much information becomes a problem because a lot of information very similar, ambiguous, unnatural and misleading (Edward & Sahadev, 2012). It will make the decision making consumption or purchase would be very confusing (Leek & Kun, 2006). Informasi ambiguous, unnatural and misleading readers will be no trust in electronics brand news tersebut. Tjiptono et al. (2014) found that the dimensions of customer confusion (overload confusion and ambiguity confusion proneness proneness) but not significant negative effect on trust. Overload confusion is a condition in which the consumer will be very difficult to explain back various information and alternative (Walsh et al., 2007). The cause is too much information about the product or brand specific. Overload confusion will make the trust readers will go down, because the reader is not able to clearly identify the uniqueness and otherness electronics news brand with its competitors. All look the same.

In this chapter, antesenden of electronics news reader experience is the brand attribute. The results show that the electronics news brand attribute can influence the reader's experience. Readers who interact with the various attributes of the news brand electronics, where the reader a feel for how the information provided should be intact, ease of using e-news brand, e-news brand must be organized properly, and the news must be up to date will provide a positive experience to the reader. Attributes can be semaca clue. In the literature, the clue will be able to stimulate a person to experience not easily forgotten (Berry, Wall, & Carbon, 2006; Brakus et al., 2009; Schmitt, 2009). Readers can experience perceived cognitively experience, feelings, sensory, and behavioral (Brakus et al., 2009)

Positive Experience experienced news reader electronics brand will be able to reduce customer confusion. The higher one's readers have the experience, the more people are not confused to use electronics news brand. In his research conducted by Simonin (1999) found that experience and significant negative effect on knowledge ambiguity. The experience would eliminate the things that associated with ambiguity, uncertainty, and lack of comprehension on electronics news brand.

SOLUTIONS AND RECOMMENDATIONS

In the literature, trust is an important part of the business based websites (Ba, Whinston, & Zhang, 2003; Hoffman, Novak, & Peralta, 1999; Keat & Mahon, 2004; Kim & Benbasat, 2003). Within this research, the trust becomes an important part in the development of electronics news brand. The trust is able to increase the loyalty of readers in re-reading, recommending, and is active in providing comments. There are three things that must be built in order to increase the trust of readers. First, make it interesting attribute of electronics news brand. Second, to create positive experiences to the reader. One way is to make the reader to participate. Participation can be done by making the reader will comment the news that appeared in detik.com and kompas.com. In addition, readers can also provide material detik.com news on the editorial board and kompas.com. Third, reduce consumer confusion. One way is to give the correct and reliable news.

CONCLUSION

The aim of this chapter is to test the importance of trust to Increase the loyalty of readers e-news brand in Indonesia and to test its antecedents. Trust becomes a central factor in the electronics news brand to increase the loyalty of its readers. Within this research, the belief in electronics news brand is influenced by the reader's experience and customer confusion. Exciting experiences and unforgettable experiences influenced by the attributes of the electronic news brand. The reader experiences will be able to reduce customer confusion and will increase of confidence in the electronics news brand significantly. Consumers are not confused about influential confidence in the electronics news brand. Other results showed that the attached attributes to the electronics news brand will be able to significantly increase reader's loyalty trust. It is a very important factor in the online environment, particularly in the electronics news brand.

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Chapter 26

Reputation Management: Creating Identity and Building Corporate Image

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ABSTRACT

The scope of this chapter is to provide insight into how reputation can be managed through brand management, corporate communication practices, and new media strategies. Corporate communication practices carried out through public relations applications has become an increasingly important function in business organizations. Yet, little has been published on the role and function of communication executives. This chapter reveals the impact of corporate communications upon the formulation of corporate strategy.

INTRODUCTION

With the change of the perception of the product since 1990, there have been changes in the perceptions of companies and brands have changed, as well. As consumers have had enough of buying, they are now looking for different things in the products they buy. There is growing interest for brand quality, recognition, corporate reputation, social responsibility and social media. In this way, corporate reputation management has entered into our lives and reputation index has been created. These indexes are influential on the consumers. As reputation consists of perceptions and associations, it is necessary to display multi-side and consistent actions to build reputation. In order to build reputation, all organizational actions and discourse regarding financial performance, market leadership, management, quality, reliability, customer orientation, ethics, social responsibility, emotional appeal, corporate recognition and reputation must be compatible with each other. Corporate reputation consists of the sum of all views and thoughts of consumers and stakeholders regarding the company. To build corporate reputation; definitions and practices such as brand management, internal and external stakeholder communication established through corporate communication, brand image, brand identity and corporate culture need to be integrated. In addition to that, as we are under the influence of new media, it is necessary to adapt

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the social media work to the company and brand. Social media communication to be established with the customers considering corporate reputation gives the opportunity to provide first-hand, accurate information. Furthermore; it can be considered a new way to build customer loyalty.

Corporate reputation is a perceptual representation which is different in every company, and which adds value to such company. It is the perceptions of all stakeholders and social partners regarding reliability, respectability, financial power, quality, social responsibility and corporate recognition. According to the Turkish Language Institution, reputation management means being respectable, reliable and prestigious. The concept of reputation can also be defined as the perceptual description of the future activities of the company on the basis of its past actions, which define the general appeal of the company in comparison with its competitors (Ural, 2006, p.172). The most important asset of people and companies is their reputation. Those who gain reputation in the society will have the opportunity to guide the society, to earn more jobs and to mobilize wider resources. Building a good reputation requires that the actions are in parallel with the discourse and the reasons are actively communicated (Argüden, 2003, p.9). In short, reputation is the product of the interaction between the values of the company and the values of the society (Sherman, 1999, p.11). Companies with sound reputation will fulfill the economic functions of the company, meet the demands of consumers and bring prestige to the company. In addition, the company's conformance to the morals of the society and procurement of aid and support for the socio-cultural environment will help the company be accepted by the people. This is extremely important for the sustainability of companies (Erbaşlar, 2007, p.2). Reputation is the reflection of the customer's perception formed through the combination of the results of a company's past activities and future plans. So, it is the sum of the positive-negative feelings, impressions and ideas of the people toward the company. Social stakeholders now demand the company not only to express but also to reflect itself. That's why they care about the social responsibility activities, social media reflections and service quality of the company. People can develop their reputation in time. Similarly, companies have started to manage their reputation and to shape it in parallel with the innovations. It is possible to divide corporate reputation into three. These are namely; Existing Identity, Desired Identity and Corporate Identity (Melewar and Karaosmanoglu, 2006).

1. Existing Identity: The identity a company has at the time being.
2. Desired Identity: The company's reaching its desired identity through several symbols such as logo, slogans, advertising etc.
3. Corporate Identity/Image: Addresses the company's internal stakeholders and is based on their perception of the company. Corporate image is related with the external stakeholders. It is about how the customers perceive the company.

These three identities can be argued to form the triangle that makes up the reputation. If any of these three components is damaged, reputation will be shaken. That's why these three identities must be in balance all the time. As corporate reputation is about associations and comes out as the whole of the perceptual judgments, it is shaped not by the company but by the stakeholders. Internal and external stakeholders have an important role among these stakeholders. Reputation should be based on sustainability, in this way, stability can be achieved through internal and external joint communication strategies. According to Turkey's Reputation Index; reputation is the most important measure of brand value.

Reputation Management

Corporate reputation requires knowing its components and knowing which components have how much effect on which social stakeholders. These components help to determine which factors have positive or negative effects on corporate reputation and reveal out the opinions of stakeholders such as employees, customers, society, investors, media and consumers about the company (Dörtok 2004, p.69; Üçok 2008, p.78). As stated on the page of Turkey's Reputation Index; reputation is one of the most significant immaterial measures of the company or organization's reliability. The most significant reason behind the differences between the book value and market value of a company is, its reputation. Reputation is the most significant gain affecting the value of the brand more than its product. It is an invisible, yet perceivable phenomenon. Today, reputation has become a completely measurable value.

With the change of the notion of product-service since 1990s, consumers have begun to attach importance to reputation in companies as reputable companies became more reliable, qualified and trustable in the eyes of customers. While the corporate image formed by these definitions in the mind of the consumer can be offered to the customers, corporate reputation is formed in the minds of the stakeholders after a long time period. In this way, some sort pre-perception is formed in the mind of the consumer. The consumer acts in confidence that his purchase of a product or service of the company will make him satisfied. So, with the trust the customer feels toward the company, he will prefer the reputable company first. Likewise, according to the final studies carried out on corporate reputation management, there is a proportional relationship between a good reputation and financial gain and it improves customer loyalty. Highly qualified employees apply to work in reputable companies and profitable partnerships are established with the stakeholders. There are a number of research findings highlighting satisfaction of the target group, service/product quality and management quality as key elements of reputation (Roberts and Dowling, 2002, p.1090; Yoon et al., 1993, p.225; Fombrun and Shanley, 1990, p.241). For a successful corporate reputation, it is necessary to carry out a successful corporate reputation management. Possessing a good reputation and then preserving it is the basic step of this. For example, the benefits of a sound reputation to the company can be explained as follows: to bring value to the company's products, to establish trust for post-product works, to encourage the hesitant consumer for purchase decision according to corporate reputation, to possess a more qualified employee portfolio, and to have a trustable position in the eyes of the stakeholders and the target group.

Building corporate reputation is a time-taking process including communication efforts. Corporate reputation is vital for times of crisis. In case of any crisis where reputation-damaging problems are encountered, such damage can be minimized through the planning made with reputation management or the damage can be turned into an advantage. Reputation, which is gained in long-term, can be destroyed with a single wrong decision. That's why the company must be kept away from risks by reputation management. Reputation management can be carried out in three approaches. These approaches are; Proactive, Defensive and Reactive approaches.

- **Proactive Approach:** Building and maintaining corporate reputation. A company clarifies its reputation through the works it offers.
- **Defensive Approach:** Predicting the risks the company may face and getting prepared for them in order to prevent damage to the reputation.
- **Reactive Approach:** Carrying out studies in order to help the company get the least damage in times of crisis and to restore the damaged reputation.

Reputation Prerequisites

To build reputation, it is necessary to display consistent behaviors in all areas. Displaying a sound financial position by providing financial gain or growing in the market, is important to build reputation. The best indicator showing that a company is on the right path is the company's gaining profit but the moral and legal rules must also be obeyed while gaining financial power. When a company improves its reputation through service quality and customer satisfaction and carries out volunteer social responsibility work for public benefit, it reflects its respect for both the environment and its customers. In this way, the company makes it possible to strengthen its reputation. Just like the people who are respectful the society they are living in and the social rules valid there, companies prioritizing their reputation also carry out a consistent communication that is in conformity with company principles and they become respectable in this way. The communication established through the mission, vision and corporate culture created in the company helps to display a reputable attitude toward the customers. In addition to all these, a company carrying out reputation management also has the opportunity to foresee the situations that might damage its corporate reputation and to respond fast. Just as the people are individual citizens of the society they are born into, the companies are a good corporate citizen of the countries they are serving in, with the conditions offered in the 20th century we have left behind. Corporate citizenship means the range of socio-economic activities the companies assume in order to fulfill the duties they perceive as members of society (Gardberg and Fombrun, 2006). Companies which take corporate citizenship issue seriously, provide significant gains. As highlighted by Argüden (2008), corporate citizenship is defined under three main themes:

1. First of all, companies must accept that they need to act in conformity with the laws, morals and human rights when carrying out their commercial activities and minimize the environmental damage all around the world.
2. Companies must be aware of the fact that, their activities not only affect their own company but also the market, supply markets, the local area, civil society institutions and the public sector and that, they need to work in cooperation with all these social stakeholders.
3. They must accept that, this responsibility primarily belongs to the company management boards, the chairmen and general managers.

Argüden points out that there are studies pinpointing corporate citizenship as offering the following benefits to companies:

- Improves the brand values and thus, market values of companies.
- Enables companies to attract more qualified personnel, to motivate the personnel and keep them in the company.
- Increases the potential for corporate learning and creativity.
- Increases stock values and decreases borrowing costs as there emerges the opportunity to access to investors, especially those who are sensitive about these matters.
- Brings important advantages to companies in entering into new markets and achieving customer loyalty.
- Improves productivity and quality.

Reputation Management

- Makes risk management more effective.
- Ensures that the public and rule makers give consideration to the opinions of the company.

But today, being a good corporate citizen is not enough on its own, stakeholders now have different expectations from companies. As there are plenty of alternatives to choose from, companies need to care about the requests of the target group and give priority to such requests. Alsop, (2004, p.10) claims that, corporate reputation is not something that can be achieved through ethical conduct and carrying out social responsibility practices only, but that, these two are the important components of reputation. According to Alsop; financial performance, social environment, product or service quality, corporate leadership and vision are the components that affect reputation. Certainly the CEO's own reputation also affects the company. If one was to propose a comprehensive list of factors stating the elements determining the success of a corporate reputation it would be as follows:

- Innovation
- Management quality
- Employee abilities
- Financial Performance
- Social Responsibility
- Product Quality
- Communication (transparency)
- Management
- Integrity (responsibility, reliability, credibility, honesty)

Communication is a part of the model because it is necessary to show the link between the transparency and reputation of a company. Management is listed as it has become a critical component of the reputation mix. In this model, integrity combines the 4 elements which were claimed by Fombrun et. al. and which are assumed to have a direct effect on reputation. These are; responsibility, reliability, credibility and honesty. The basic model can be adapted to each company and the resultant unique model of the company is formed by the determination of the basic components defining the reputation of the company and their confirmation by the senior-management. The adapted model becomes a tool that could be used to measure the changes happening in reputation capital. The model can also be created by voter groups and different groups may attribute more significance to different qualities.

Assessing Reputation

Fortune magazine came to the foreground with the improvement of reputation and understanding of measurability and it started to measure reputation by using the league charts method. The first research addressing reputation management in Turkey was carried out by Capital magazine. Since 199, "Turkey's most admired companies" survey is carried out every year complying with the terms of the other similar surveys in the world. Capital magazine states that; quantitative indicators such as turnover, profit etc. are not sufficient today to analyze companies; values such as the strength of the brand, employee qualifications, the use of corporate assets and social responsibility have gained significance. It also notes that, reputation consists of these values. "the most admired companies survey" organized by Capital with the support of Adecco Turkey consists of 18 criteria that are assessed on a 10-point scale. These criteria

are: customer satisfaction, product or service quality, management quality, financial stability-marketing and sales strategies, information and technology investments the qualities of employees, new product development, innovation, good conduct in competition, employee satisfaction, improvement of employee qualifications, social responsibility, communication and public relations, management and transparency of the company, international marketing integration, creating values for the investors, social rights and facilities offered to the employees and wage policy and level. In addition to elements which are important for the industry; coefficients, benchmarking, -free description, psychometrics – corporate personality scales, case studies – ethnographic participant observation and reporting methods are used. According to Berens and Van Riel (2004) classification of reputation measurement; social expectations model, corporate personality model and trust model are the concepts that are analyzed to measure reputation. The Corporate Personality model measures corporate reputation on the basis of personality traits attributed by people to companies (Davis et al., 2001, p. 113-127). Trust model includes studies measuring the company reputation on the basis of its reliability and expertness. It is built on other trust scales. Its dimensions are reliability and expertness (Newell and Goldsmith, 2001). Social Expectations model measures reputation on the basis of the expectations of the people from the companies. The methods used for this are; Reputation Quotient (RQ), RepTrak, Brady Model, Honey Model and Spirit Model.

The first of these methods, RQ (Fombrun, Gardberg and Sever, 2000), describes the corporate reputation and defines six dimensions consisting of 20 expressions: 1-Emotional appeal: how much a company is admired and respected, 2-Products and services: quality, innovation, value, reliability perceptions, 3-Financial performance: Competition state, profitability, growth possibilities and risks, 4-Vision and Leadership: clear vision, strong leadership and initiative, 5-Operation area: Management quality, culture and employee quality, 6-Social responsibility: Human related high standards and causes.

The second method is RepTrak Pulse (Ponzi, Fombrun and Gardberg, 2011): It is an emotion-based measurement scale. This scale also has 4 dimensions: 1- Company feeling: It is a company that I feel good about, 2: Admire and respect: It is a company I admire and respect, 3- Company confidence: It is a company that I trust, 4-Overall reputation:It is a company with good reputation.

The third one is the Brady Model (Brady, 2003): In this model, reputation is measured on the basis of seven dimensions. These dimensions are as follows: 1-Knowledge and Skills: Talented employee portfolio, innovation leadership 2-Emotional Connections: Consumer's sense of value, stakeholder support 3-Leadership, vision, desire: Governance style and practices, motivation and vision, 4- Quality: Distribution of goods and services, consistency, 5- Financial Credibility: Creating better profits than average, 6- Societal credibility: Good corporate citizenship, operating license, 7 - Environmental credibility: Leaving positive future heritage.

The fourth method is the Honey Model (Honey, 2009): In this stakeholder-based measurement model, there are 1- Upper management's responsibility quality indicator (Stewardship Indicator) 2- Sustainability - environmental, social and economic combination - indicator (Sustainability Indicator), 3- Attention indicator, media attraction -magnetism, special or generic (Attention Indicator), 4- Association Indicator, family ties - corporate or trade mark names (Association Indicator).

The fifth model is the Spirit Model (McMillan et al., 2004): It is made up of 16 qualities identified with past performance and future performance indicators. Past performance; Experience Indicators: 7 qualities - service and material benefits, shared values / Impact / influence indicators: 1 quality - external factors (media, pressure groups, competitors) Future performance; Behavioral indicators: 5 qualities - support intention, supporting or demolishing / Emotional indicators: 3 qualities - Trust and other emotional support indicators.

Reputation Management

The reputation that is measured using all these reputation measurement methods has now become an important resource for the company as a tangible value. The notion of reputation, which affects the target group and the decisions of stakeholders, becomes an evidence when supported by tangible results. This increases the level of reputation of the company and strengthens its position.

Linking Corporate Communication With Reputation

Branding is the most significant tool which differs a product from other products, and a brand from other brands. The brand, together with logo, slogan and brand name to remind of the company, which differs a company from others and affects the purchase decision, is a significant distinction point for reputation. Brands represent the company they are attached to and its products and reflect a certain brand image. A brand is more than just a logo or a name; it expresses the feelings and thoughts of the consumer about the company and its products. Beyond the form, structure and package of a product, a brand reflects the consumer's perception of the good, how the consumer positions that in its mind, in short, it reflects the reputation of the company. Each experience at the point of sale can lead the customer to changes in his perception of reputation. With the awareness of the significance of experience, experiential marketing has become intensified. Any mistake on the product, shopping or post-shopping experiences have direct impact on the company. Therefore; reputation work on the brand is of utmost importance.

A strong corporate brand gives better business results (such as sales, profits), displays better financial performance, allows the company to implement premium pricing, creates customer loyalty, makes marketing more efficient and effective, ensures differentiation from competitors, attracts skilled people to the company, slows down or stops the loss of market share, increases the attractiveness of the company in financial and investor markets, and helps the policy makers shape their complex decisions. Brand management provides product-consumer communication, creates differences between products, creates brand loyalty, forms corporate image, helps promotion activities and ensures that other products of brand are preferred as well.

First of all, market research must be done in order to establish a brand that is compatible with the values and corporate culture established within the company. Preliminary findings revealed for the conditions and requirements of the market to be entered into must be evaluated and the possibility to serve the purpose of the company must be examined. Once the competitors and profit opportunities are examined, work must begin to be successful in the market that will be entered into. With the beginning of the brand building stage for the brand to be created in the area the company can develop, works must be done about the tangible product on which everything about the corporate culture and image will be reflected. Corporate brand management can emerge after this market research and, when properly managed, it affects the corporation as an added value (Erdemir, 2016a, pp. 59-63). The company identifies its target group together with brand studies and the communication to be established is shaped accordingly.

Selecting the Name of the Brand

The name of the brand is an important symbol to convey the promises made. The product meets the consumer with the brand personality and brand positioning provided by the brand name. There are some criteria to be considered in the process of brand name designation (Karpas, 2000, p,157). First, it must be easy to remember and say. It must reflect the benefits and quality of the product. The message must be conveyed clearly and distinctly so that it becomes different from the many alternatives and it

is remembered. It must support the advertising and promotion works. Because adaptability of brand name to advertising and promotional activities is of great importance (Erdemir, 2016a). The company must communicate with the consumers through brand, which will carry all the features of the company. The brand name is vital to manage this communication in the best way. It must support the messages given in the ad and must give positive messages. Its linguistic features must be considered. It must be adaptable and it must conform to all future campaigns. Its applicability in the international area must be observed. Because every word has a different meaning in every country, names that could harm the brand and the company must not be used.

Selection of Brand Visual and Brand Image

Brand visual is the most fundamental tool of the relationship established with the consumer. It must be suitable for every area where the consumer will encounter it and it must appeal to him. The image of the brand created in the same way must not distract the company from the consumer, on the contrary, it must attract him. The brand image that is desired to be created in the mind of the consumer doesn't only indicate the material quality of the good, but also indicates that, it intends to satisfy the needs of the consumer segment with a certain social status. Thus, a person is assigned to the good sold under a certain brand. Whereas the emblem is expressed as a symbol, logo is created by integrating the brand with the symbol. Emblems and logos are symbols or forms with specific design and meaning, representing companies and brands and reflecting their properties, (Aaker, 1991, p, 198). In this respect, the important point to consider when determining an appropriate style of visual expression in the process of brand management is the lines, characters and colors used in the visual expression and the meaning they have. Lines that are used within visual scopes, such as logo, can contribute to psychological perception and influential power. So, with the help of these lines, psychological information can be sent to the sub-consciousness of the target consumers. Color, size, shape and design studies affect the product package design process in the creation of the visual identity of the brand. It is necessary to create positive thoughts, personality and company value in the mind of the consumer in order to achieve a powerful brand image. An image reflecting and reminding the company must be created with the selected emblem and logo (Erdemir, 2016a).

Brand Positioning Strategies

Positioning is very important in the corporate brand management studies to be carried out because brand positioning is the element differentiating the brand from others. The first step in the brand management is positioning the brand in the minds of consumers. For the position to be created in the mind of the consumer, the brand must always be supported with various communication techniques. Brand position can be defined as an important part of brand identity and brand value showing that the company is able to communicate with the target consumers and that, it offers more advantages than other competitors brands (Aaker, 1996, p. 184). Brand positioning is not only a perception in the human mind. Much beyond that, it is the combination of decisions that must be fundamental to all the activities of the company, all phases of operations and decisions (Koyuncu, 2007, p.17). While ensuring protection for the manufacturers against the imitations, brand also brings benefit in issues such as prestige, sales warranty, trust, after-sales service and introduction of new products. With increased competition, companies need to make innovations and strengthen the market position of the new products in order to survive for long

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period (Uzun, 2004, p.59). That leaves a positive impact on customers in terms of corporate reputation. As the company and brand image have powerful impact on product sales, on how the consumer perceives the brand and on where he positions such brand, brand positioning is essential (Erdemir, 2016a). Brand positioning strategy must be addressed in parallel with the corporate strategy. When these two basic parts are combined, there is a greater opportunity to achieve the desired impact on consumer perception. After all these marketing communications, brand becomes well-known and preferable. This leads to the brand value. Values identified with the brand are also identified with the company, which directly serves to the improvement of corporate reputation.

CORPORATE COMMUNICATION AND CORPORATE BRAND MANAGEMENT

Corporate brand is formed when a brand becomes the name for a company or a product and is recognized in this way. Corporate brand management is the strategic process carried out to establish the objectives and identity of the company. In this process, the company adapts to the innovations and moves forward. But in the meantime, the company must protect its own identity and move in a dynamic way. In short, corporate brand management can be defined to ensure parallelism between identity and image, to develop and protect the brand reputation. Corporate brand does not only consist of elements such as logo, slogans or advertising campaigns. Corporate brand is created after the relationship established with the customer and employees with the creation of corporate reputation, through the emotions related to the experiences in the process. Corporate brand represents the culture, vision-mission, employees and customers of the company. That's why it is significant for the company. A successful and strong corporate brand raises the expectations of stakeholders, manages them and completely fulfills these expectations. The communication process linking the corporate brand to the target group is very important. This communication process is formed through different types of communication.

Corporate brand is the most powerful side of the communication established between the company and target group. In short, corporate brand is created by the sum of the advantages formed through the brand-related habits of stakeholders and the advantages they create for the brand. It is understood in time that, a brand is not only a name but it must be managed, as well. A disciplined study and appropriate brand management are essential for the fierce competitive environment of the modern world. Yet, brand management must be understood to be different from the other ways of management within the company, as the way the brand offers its promise and its positioning are important for brand management. The primary purpose of the brand is to ensure that the customer is satisfied with the product he has purchased and rebuys. A well-managed brand is a valuable asset of the company (Pride and Ferrell, 2000, p. 299). So, the most significant point in brand management is to establish a continuous, effective and accurate communication with the customer. Customer-oriented brand management must generate solutions in the process regarding the customer's return of the products he is not satisfied with or for any other problem that might come out. Wrong brand management might damage the corporate reputation or the brand. That's why a company always shapes the relationship depending on the customer. Today, customers recognize well-managed brands as the indicators of high quality and through effective brand management, companies achieve an increase in their market share (O' Neill and Mattila, 2004, p.156-165).

Today, brand management has become a basic requirement in order to create awareness in consumers who are under the influence of an intense flow of messages, to be preferred, to keep the promises given to the customer and to satisfy him. A well managed corporate brand provides profit increase, strengthens

the financial performance, creates customer loyalty, brings legal benefits, forms the corporate image and reputation, creates differences among competitors and attracts qualified employees. Corporate brand management and reputation management would empower the brand and create opportunities. For example, in today's conditions, where reputable brands create trust and even in online shopping, the brand is inquired online, corporate brand management and reputation management must be carried out to be preferable. The primary function of brand management is to help the company form their marketing mix and to help the consumers know about the products of companies. In this context, brand management must serve the communication of the brand personality, as defined by the company in the first place depending on its specified function and building of brand reputation. As mentioned before, the main objective of brand management is to ensure brand recognition by creating brand awareness and to always keep the company at leadership position in the market by achieving brand preference and brand loyalty (Leventoğlu, 2012).

Effective corporate communication links the members of the company to each other, enabling the interaction between the company and the environment and helping the company survive (Gürgen, 1997, p. 36). Corporate communication is the key point helping the stakeholders to understand and adopt the identity, image, reputation and culture of the company. Corporate communication controls the communication both inside and outside the company. The goal of corporate communication is to create a successful company perception and reputation, to strengthen these with communication efforts and to protect from damage. The internal communication carried out inside or outside the company depending on the objectives of the company, is called corporate communication. Companies with strong internal communication become prestigious companies thanks to the clear image they offer to their customers. With the external communication established through the internal communication in the company, a bond is established with the stakeholders and customers within the framework of the company purpose. Corporate image is an important and effective element to focus on in order to establish brand and company culture, image, reputation and communication. In this age of communication, establishing a successful relationship with the target group has become essential. Because a successful communication management would help to manage the corporate and brand reputation in the eyes of the target group. Trust-based reputation can be easily lost. Corporate communication has an area of coverage that can be explained as expressing the corporate brand, balancing corporate identity and brand characteristics, determining the duties in communications and guiding the tasks to realize the corporate goal. Trust in a company is measured by its reputation. Because of this, corporate communication guides the company and develops measures for every element that can put the reputation in danger. Corporate communication is a bridge established between the institution and the environment. All communication activities within the organization meet the stakeholders and customers thanks to the corporate communication bridge. This poses a great risk for corporate communication. Because any mistake that can be made within the institution directly affects the company and the customer. Corporate communication serves to explain the company to the customer, to keep the corporate identity in balance with the desired identity, to manage the communication within the institution and to guide the projects that conform to the corporate goal. According to Argenti (2009) the functions of corporate communication consist of the following sub-titles: identity, image, reputation, corporate advertising, media relations, marketing communication, internal communication - communication with employees, investor relations, community relations and corporate citizenship - social responsibility, problem management and crisis communication. Just like the emphasis given to the corporate identity and image as the key elements of reputation, corporate advertising must also be emphasized as a tool reminding the customer of the company. Advertising, which

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is carried out to improve reputation as well as the sale of the products, also tells the customer what kind of activities the company does and how it works to please the customer. Such powerful and successful advertisements keep customer perception alive all the time.

Media relations are of special importance to the reputation of the company. It is necessary to have a reliable relationship with the media in order to protect the corporate reputation. If the company experiences a crisis, the crisis can be overcome with less harm, thanks to the relationship established with the media, because every news in the media has direct influence on the target group and stakeholders. If the company gets involved in bribery relationship with the media for the sake of company interests, and if this is heard, the reputation of the company can be in tatters. That is why the company must cooperate with the media when carrying out the works concerning the media and be clear and honest in the process.

Marketing communication comes into play in product marketing. There should be no question marks in mind when the product reflecting the corporate philosophy meets the customer. The customer should believe that, after the purchase of the product, the company will produce a solution for any after-sale problem without making the customer suffer. When this belief, which is created through corporate communication efforts, is supported by marketing communication, a single result will emerge: a reputable company, a reputable brand.

Internal communication means communicating with the employees. Every communication that will be established within the company is very valuable. Because trust first comes from inside, the trust of employees to each other and to the managers, is a great value for the company. It means knowing the priorities of the company in the activities carried out and everybody's fulfilling his own duties when meeting the customers. As a result of healthy communication, the same message is given everywhere and the company is perceived as a reputable company. Internal communication fulfills three main purposes. The first of these is the training of employees about the corporate culture or making them internalize and understand the corporate culture and values. The second is, informing about the organizational developments, news, and what is going on in the company. Finally, it is the way to listen and learn about the concerns and problems of the employees.

Institutional communication is also essential in relations with the stakeholders. Once the internal relationship is established well, healthy communication must be established with the stakeholders. If one half of the company is the company itself, the other half is the stakeholders. Any crisis that may arise in the stakeholder directly affects the institution and any crisis that may arise in the company affects the stakeholders. If the communication is based on interest only, it can turn into a big crisis when the interest is not realized. When this is reflected on the target group, it would mean a significant damage to the reputation, which was created in long term. That is why healthy communication must be established with the stakeholders.

One of the new concepts for today's world is, corporate citizenship. For a sustainable business, there is now a greater number of expectations of target groups. The reason is that; the target group that can reach everything has got what it wants from the company and it wants the company to undertake more tasks. These new expectations are social responsibility studies and sustainable projects. Having the fear that basic needs can be exhausted one day, the target groups would like to know if the companies they love have this sensitivity, too. Seeing that companies are working to protect the depleted resources will increase both the consumer's loyalty to the company and the company's reputation.

Even a small problem that may be experienced in this communication might turn into a crisis. If these communication processes, which must be constantly audited and managed, turn into crises, the customers will inevitably see those. If crises that have great influence on reputation cannot be overcome

properly, there will be serious adverse effects. The consequences will be that, the customer's trust is shaken and the brand loyalty is broken. Certainly no company would like that, trust, which took great efforts to build, is broken so quickly and easily. That is why it is necessary to manage crisis communication properly and turn it into an advantage.

Role of New Media in Reputation Management

The new media is in fact a concept that has a structure which can be defined according to all developments in the history of communication. If communication developments provide easier and faster communication, they can be included within the scope of the new media concept. Today, with the new media, everyone can give information by making sharing. With the rapid growth of Web 2.0 and the internet, corporate image, corporate branding, advertising, marketing and public relations activities have changed. All of these practices have begun to take shape according to the internet. The concept of the new media requires talking about new things at all times. As the internet changes social platforms, it also has the ability to shape brands, organizations and many other areas. Over time, features of the new media, differentiating those from traditional media, have been shaped such as the content of the new media has been changed and shaped. Especially with the empowerment of the social media and its reflection on consumers, it has become necessary for a company or brand to change several dynamics. The new media has the ability to interact, to demassify and become asynchronous. Binark and Berk (2007, p.186) distinguish the concept they treat as alternative media from the main stream media in the context of possession and ownership relation, working principles and produced content. Within this framework, the new media has been added to the many dimensions that companies should attach importance to. As every person possessing a mobile phone can fulfill functions such as informing and entertaining, the possibilities of guiding issues and having influence have reached a high level. As trends develop fast on social media, it is getting harder to control what is said about company and brand. Therefore, companies must use social-media follow-up applications in order to protect their reputation and they must give feedback quickly in parallel with the rules, and by using sentences that do not damage reputation. Dynamics, which must be shaped according the tendencies of the target group, must now be guided by the internet and social media. Communication activities must have broad frameworks and must cover everybody as much as possible while creating brand and corporate characteristics; sharing through different organizations of communication for every social channel is important to ensure the loyalty of the target group. In general, dialogues and exchanges among individuals on the internet create social media. In social media, there are social networks and collective groups. Social network defined as a web-based service which enables the sharing of the profile required in the system to establish a connection with other users, linking of the persons sharing a link with the list of other users and also which enables the users in the system to see each other (Vural and Bat, 2010) People introduce their company, establish friend relationships and display loyalty regarding the product, service, idea and object content. Social media is one of the most novelist ideas of the online media, which offers opportunities as a new channel where the highest degree of sharing is realized. Social media is important particularly for the reason that it affects the behavior of society. Companies now follow the users through different channels of communication such as e-mail, Facebook, Twitter, Instagram and Foursquare and collect data about them. Therefore; companies are able to develop appropriate marketing strategies by analyzing what are user's needs, likes or dislikes, their online posts and shares.

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Online reputation management can be listed as a new type of communication for companies. The brand and the company must follow itself on the social media and learn the consumer's perceptions of it in order to shape itself accordingly. Whereas companies may rise depending on the comments on the internet, there is also a high risk for them to go into a decline. The importance of online reputation management comes to the foreground here. While a positive response can strengthen reputation, not to respond would be one of the biggest mistakes to make; the most important thing to avoid on online platform is to ignore. Since the social media is easily used by a large group of people, it also poses a threat. As everybody's brand opinion – either positive or negative – cannot be the same, it is necessary to display a moderate policy against the criticisms. In addition, search engine optimization can be used for brand searching in order to determine what to offer to the customer. This allows the user to access to the official web page or to the content desired to be displayed, rather than access to the negative reviews. As the website is one of the platforms that are used at the initial communication with the customers, it is essential to rebuild all the dynamics in the website and to offer the target group what they demand in order to strengthen reputation. It is necessary to communicate with the customers and the target group and to influence them through the social media accounts to create a brand or a company. Creating an official website is the first step to take on the internet platform for a brand or a company. Creation of a website, which is, besides product promotions, the first step to take in order to attract the customers and to introduce the company, is of vital importance. The website that will reflect all the customer communication efforts for promotional purpose serves to display the corporate image and identity. Website, which is one of the best ways to be used for promotional purpose, must be designed in such a way that; the customer searching it to gain insight about the company's credibility must be content when leaving the website. If the customer has heard unpleasing things about the company and cannot find the answer he is looking for on the website, that customer will develop worse opinions about the company and will tend to move away from it. Creation of a website is key to rebuilding the trust toward the company and satisfying curiosity.

Companies most commonly use blogs when they want to establish a more intimate bond with their costumers than a web site connection. While these blogs can consist of the texts shared by the employees, they can also be guided with the intention to establish bonds with the target group. Blogs where the employees share news from the company enable the customers to see the structure of the company and check whether it is in parallel with the things told to the customers. In addition, with the information they have acquired from these blogs, internship students or skilled people could start to have interest to work in the company. In modern social media where Influencer Marketing has gained importance, people influencing the masses could enable customer loyalty when they like and tell about a brand. If the posts of these influencers are shared on the blog of the company, this power could be enhanced. This would support the strengthening of reputation. Furthermore; as it is a more intimate context, there is the opportunity to establish communication directly from the blog in times of crisis without the necessity to deal with the required operations on the official website.

Brand ambassadors that are to be used on social media are important for reputation management. The target group provided with many alternatives will prefer the products suggested and used by the people they admire and will buy such products without giving it too much thought. Brand ambassadors promote the company and its products in their daily life, and they also protect the brand against negative comments. The people among the followers of the brand ambassador, who do not know or prefer the brand, start to prefer the brand automatically. This could lead to an increase in sales. Brand ambassadors, who can be assumed to be the media-adapted form of the word of mouth marketing, have an indisputable power. As

people read online reviews for any product or service to decide about their purchase, the comments of the brand ambassador will strengthen the reputation of the company and lead to brand loyalty.

According to the “Digital in 2017 Global Overview” report, Facebook has become the second most commonly used channel with a proportion of 56%. Certainly it is not possible to ignore such a high level of use and such a large target group. So, a Facebook account can be created to establish brand loyalty thanks to the communication with the target group and to strengthen corporate reputation. There are certain points to consider while being up-to-date and sharing things that are relevant to the platform; as a large target group is addressed, it is essential to observe suitability for every segment of people. There might be sharing that could damage both the company and reputation under the humorous content. Therefore; it is necessary to do a lot thinking and to make proper sharing on social media which is a knife-edge platform. The same is valid for Twitter and Instagram, as well. A small, short-term problem that is perceived wrong or that is settled amicably can be announced to everybody by the person or persons experiencing such problem. As everybody makes comments on Twitter, it may have both bad effects on corporate reputation and may help to get positive comments if the sharing is done appropriately because Twitter is the fourth most-commonly-used media platform. The situation is slightly different for Instagram and YouTube. Instagram reaches masses through photo sharing whereas YouTube reaches them through video sharing. Instagram is the third most commonly used media platform and YouTube is the first. Nowadays, the use of video content has increased greatly. YouTube, which is not as practical as Facebook or Twitter, is a significant platform to attract people who are bored of reading texts and who prefer videos instead, as they can easily watch and interpret.

On April 2017, the brands investigated by the Turkish social media brand index SocialBrands, were ranked based on their success in using social media use and according to this, the brand which used social media the best in March was observed to be English Home. Filli Boya and Zen Diamond were also included in this ranking and it was proven that, the brands influenced their target groups by the use of social media to make sharing in order to strengthen their reputation. Netflix Turkey’s active and proper use of its Twitter account is another example to this. Netflix Turkey entered into Twitter with its dialogue with Netflix US and this helped it to start the race one step ahead.

However; as well as the brands which use social media properly, there are also those which use that in the wrong way. For example, Starbucks is known to be using the social media in an active manner. But a tweet posted by Starbucks Argentina damaged the reputation of the brand. In one of its tweets, it said “we apologize from our customers that we had to use the cups made in Argentina instead of the original Starbucks cups due to a temporary supply problem” which was a confession that the cups were being imported and which also offended the nationalistic feelings of the Argentinean people. After such a boner, Starbucks officials had to face severe reaction of Argentinian Twitter users. As explained with the above-mentioned examples, the number of platforms to control have increased with the social media, and yet, the brands and companies must give additional emphasis on social media, which have significant effect on reputation. Because of the fierce competition, it has become important today to use all the above-mentioned communication channels in order to guide and shape reputation and to offer the customers the contents they like the most in order to become a beloved and valuable brand.

Social media monitoring tools help the interpretation of social networks, blogs and websites, they can make campaign and target group analyses by following the selected words, can predict the trends with a potential to develop and help the companies to stand out among their rivals and get ahead of them. In other words, social media monitoring tools, which provide the opportunity to examine competitors and

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customers, help the brands to keep track of multiple channels easily, to save time, to act quickly and to keep their social media management under control. For this reason, these tools have become the eyes and ears of the companies and agencies. As well as the global service providers such as Radian6, Brand24, Mention, Trackur and Talkwalker, there are also local social media monitoring tools such as Sensekit, Monitera, Somera and BoomSonar.

CONCLUSION AND DISCUSSIONS

With the changing view of product in the minds of consumers, branding has entered into our lives fast. Branding, which creates a market value, has expanded the companies' chances to gain profit and has helped them create job positions. With the shaping of the customer service policy, companies have started to work to please their target groups. These works have formed the basics of corporate reputation and all the works carried out in the company for the purpose of customer recognition have also helped the customers to learn about the company. Over time, customers had enough of buying and started to expect other things from companies, they wanted to know whether the companies they admired and appreciated had concerns about the future like they had. That is why companies and brands have started to carry out social responsibility activities. The projects, which ensure sustainability of the companies, have contributed greatly to the reputation of the companies which have carried out these activities. The importance of reputation has been understood ever more over the years and reputation has started to be measured. With these measurements pioneered by Forbes magazine, the dimensions and effects of reputation were revealed out and reputation was observed to be a key foundation stone of the company. The appreciation and loyalty of the target group is one of the reasons the company exists. It is seen that, corporate image, corporate identity, corporate communication and brand management are used to build corporate reputation. With the continuous and stable works carried out on the basis of these elements, a reputable company image could be created in the minds of the target people. While carrying out promotional activities with brand management, a strong communication could be established in order to become not only a valuable but also a beloved brand. A well-managed corporate brand is observed to bring an increase in profit, to create customer loyalty and to help the brand stand out among its rivals. Corporate communication, managing the in-company relationship and the relationship with stakeholders, is the guard of a consistent relationship with the target group. As the internet entered into our lives today, customer relations are not limited to corporate communication or promotional activities anymore. The internet, which requires totally new communication efforts, defines new communication strategies and establishes the customer-company bond. As well as the advantages, the internet brings about great risks, too and it requires a special communication for social media, as every single social media platform needs a different communication strategy; the online communication concept has emerged from this need. Accordingly, companies must follow their own actions in social media and get shaped depending on consumer requests. To avoid a bad comment of a person snowballing, all the comments must be followed and appropriate answers must be given with a way of communication that suits the platform. In short, with a multiple-management policy, the company itself, the stakeholders, the brand and the social must be used to strengthen the reputation. In this way, the company will be able to create the perception of a strong company, it will gain reputation, the customer will be pleased and a strong national economy will be achieved.

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Chapter 27

Branding, Bonding, and a Brand's Reputation: The Pottermore Case

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ABSTRACT

Digitalization has brought continuous innovations and changes in market structures, consumer needs, and in types of products and services. In today's digital world, brands prefer establishing one-to-one emotional bonds with their consumers, abandoning traditional marketing methods, and instead, they are on the lookout for new marketing methods in order to ensure a strong reputation so as to promote sales. Punk marketing is one these methods. This chapter studies punk marketing, reputation management, and brand loyalty through the demonstration of a case study analyzing the website for Harry Potter fans: Pottermore.

INTRODUCTION

Today's competitive conditions make it hard to attract the attention of consumers and to encourage them to buy things. Consumers want to gain rational benefits and to be emotionally satisfied, as well. Today, brands use new methods apart from the traditional marketing methods in order to establish emotional bonds and manage reputation successfully. One of these methods is punk marketing. Punk marketing is defined as an innovative way of marketing which refuses the traditional ways and is based on the idea of adjustment to fast changes. A literary genre formed within the fantasy literature has now become an important part of the youth today and has led to brand loyalty.

Harry Potter as a worldwide brand, has gained a global audience and has successfully created brand loyalty. Its fan group, which is formed based on the fantasy literature and fantasy movie, has become loyal consumers and has turned a literary piece into one of the most renowned brands in the world. Articles

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have been written and reviews have been made on Harry Potter before. Cinematographic, theoretical, and consumption-based reviews have been made. The purpose of this study is to analyze the website in terms of the elements of punk marketing, customer bonding in digital environment, creation of brand loyalty and management of reputation management in digital environment.

Emotional Marketing

Analysis of the consumer's buying behavior has shown that, the emotional bond has a significant place in the process of selection decision as being one of the many encouraging and influencing factors. Customer bonding is a concept that doesn't have an exact equivalent in Turkish. While customer bonding means that brands or companies aim to establish cognitive, emotional and a participatory bond with their available consumers it also includes their aim to establish these bonds with their potential prospective customers (Argan and Özcan, 2014, p.53).

The concept of modern consumption has come to the forefront with the meanings the products reflect as well as the benefits they offer through product properties. The human being is not just a body; so designing experiences that can create spiritual satisfaction has become important in order to be able to address to the spirits of the consumers. The properties of hedonist consumption have begun to emerge. In this context, the steps to customer bonding have become a must for consumer experience. As an abstract issue, addressing to the spirit includes fine details. To create a loyal customer, it is necessary to satisfy the spiritual identity.

Customer bonding requires the brand to address to the hearts of the consumers first, then to their minds. The bond the brand establishes with the consumer is an emotional bond. Beyond expression with figures, this is described through studies that are based on facts through emotions. Bonding requires that communication has been initiated between the two parties. At this point, the customer is one side of the communication and the company is the other side. When defining communication strategies, expectations of the company and customers must be identified. It is necessary to decide which message exactly to give which target group. The steps between the starting point and the final point must be identified. All the steps identified must have the aim of establishing an emotional bond. For example, when the first step is identified as being trustworthy, the final step must introduce the type of emotional bond to be designed through points like getting integrated with the company (Melikoğlu, 2016).

In order to establish an emotional bond, the target group to be addressed to must be determined first. Performing a profound analysis of the target audience is the key element in establishing the bond mentioned here. To address to the human spirit, it must first be identified which areas the human spirit needs at what level and marketing strategies must be determined by receiving support from psychological fields based on the principles of science. Customer bonding must be based a relationship, must be determined with customer experiences created by customer-oriented activities and definitions must be made on the momentum and potential of success.

Customer bonding has been defined in different ways by researchers. Firstly; it was defined as a qualified user experience formed by the combination of focused attention, strength, originality, aesthetics and perceived loyalty an action that affects the users emotionally and a ready to operate situation that directly interacts with the system. Customer bonding can be studied with respect to 4 basic factors. The concentration and devotion to a brand are considered to be the cognitive dimension; whereas conditions such as commitment and a sense of belonging are defined as the emotional dimension. The two-way interaction with the customer can be considered to be the behavioral dimension. In another definition,

customer bonding is described with specific levels of cognitive, emotional and behavioral actions in direct communications with the brand and comes to the forefront with the instinctive, brand-related and contextual level of psychology (Argan and Özcan, 2014, p. 56).

Brand Loyalty

Brand loyalty is the power of the relationship between the attitude toward a brand and the protection behavior. Brand loyalty means the intense undertaking and determinedness one has despite the potential marketing and other situational effects which encourage the customer to buy from the same brand or from the same brand group and to continue buying the preferred brand or service again in a consistent manner in the future or to safeguard such brand or service in an intense and determinate manner. Brand loyalty is divided into two as behavioral and attitudinal perspectives (Çilingir and Kurtuldu, 2009, p.251).

1. **Behavioral Approach:** The component used in assessing the brand loyalty with the behavioral approach is the open buying behavior of the customers. According to the supporters of this approach, individuals systematically buying the same brand are said to be loyal to that brand.
2. **Attitudinal Approach:** In this approach, brand loyalty is treated as an attitude and the psychological undertaking of the customers is investigated regardless of their open buying behaviors. While the brand loyalty is measured in the attitudinal approach, customers are not classified as loyal-disloyal as in the behavioral approach but the degree of customer loyalty is investigated, instead. Brand loyalty can be defined as the power of the customer's belief in the brand. The degree of customer's brand loyalty and the buying behavior are directly proportional to each other. Brand loyalty leads to a positive ear-to-ear marketing area and creates resistance for the brand against the competitors. The brand must behave as a whole throughout the process of building customer loyalty. The stakeholders of the whole must be brought together with a joint study within the framework of the principles of marketing, advertising and public relations.

Creating a loyalty value is considered to be a challenging process for the brands. At this point, reducing the market prices, the commercial leverage power, timely responding to the threat of competitors, recovering the crisis periods successfully and appealing new customers are the basic steps in creating the desired value. The product and service offered are the parts that basically affect the brand loyalty. No matter how powerful the brand image, marketing studies, advertising and public relations activities are, it wouldn't be possible to expect success unless the product and service are being supported.

Development of brand loyalty in customers is studied in 4 stages:

1. **Cognitive Loyalty:** Cognitive loyalty as the initial stage means, customers display the buying behavior in parallel with the knowledge they have about the benefits of the brand. It can also be defined as preferring the company one has previously bought a good/service from, without thinking of any alternatives.
2. **Emotional Loyalty:** This is the stage where a positive brand perception is achieved with the fulfillment of the customer's expectations from the brand. Here the point is to respond to the emotional expectations of the customer and to satisfy the customer emotionally. Emotional loyalty is directly related to customer bonding.

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3. **Tendency-Based Loyalty:** The third stage, which is the tendency-based loyalty, is the stage where the positive attitude toward the brand and the repurchase behavior continue. It's related with the determinedness of the individual to repurchase from the brand. If the customer is satisfied with his/her previous purchase, the brand will be imprinted on the mind of the customer and it will raise its chance to be preferred.
4. **Actual Loyalty:** The fourth stage, which is the actual loyalty, is the most intense part of the loyalty curve. With the strong influence of the attitude the customer has developed towards the brand, he/she repurchases from the same brand in any case. Crises or difficult periods do not influence actual loyalty unless no violation of human or animal rights is in question. The customer is literally loyal to the brand. This type of customer loyalty is felt toward the brands defined as ' Lovemark' by the customer. Even if a bad result is obtained from a good or service, the customer denies this situation and defends the brand.

Customer Affinity and Self Relationship

Affinity has become a basic variable in the relationship between the effect of advertisement and attitude. Affinity is defined as "the sense of prominence and the level of interest one feels toward a certain stimulant in a certain situation" (Öztürk and Savaş, 2014, p. 6112). Nevertheless, it would be useful to make analyses for different countries and for target groups possessing different demographic characteristics. Though there are different definitions related to customer affinity, they have one thing in common that; the product the customers possess, use and buy is of great importance. Customer interest is expressed as the perceived value regarding a particular case or stimulant. The relationship between the brand and customer in customer behavior is defined through different theoretical perspectives by researchers: the first paradigm, which is the brand relationship quality, consists of the sum of concepts such as nature of brand stakeholders, loyalty, sincerity, brand's personal commitment, self and love, each of which supports the establishment of the relationship between the customer and brand. Second paradigm is that; brand loyalty plays a key role in the development of the emotional bond between the customer and the brand (Erbaş, 2016, p. 384). According to these paradigms, the loyalty of the fans and the interest and sincerity they feel toward the characters and places, factors such as the love, loyalty and self-commitment felt toward Hogwarts School principal Dumbledore can be the examples of the first paradigm. The desire to consume the products of this entire universe is an example to the second paradigm.

Today, characters of individuals are influenced by their consumption habits reflecting their own identities, lifestyles and mottos of life. The self-reflection ways of individuals have become related to the products they consume. This factor, which comes to the forefront even in the determination of social status, focuses primarily on the aspect of character the individuals want to reflect. Modern customer has begun to express himself not only with the brand value but with the symbolic meaning added to product and brand beyond brand knowledge (logo, symbol, the colors used etc.). The symbolic interactionist approach explains the basics of individuals' interpretation as follows: Objects, situations and events do not have their own meanings, but they are ascribed meanings. In this sense, the human being is considered to be an entity that produces meaning, perceives and interprets its environment and the world through meaningful symbols, and thus builds its world on meaningful symbols (Erbaş, 2016, p. 385). The concept of self is conceptualized as the true and ideal self, and while the true self is defined as the self which the individuals perceive themselves, the ideal self is defined as the self the individuals would like to pos-

ness (Erbaş, 2016, p. 385). The symbolic consumption mentioned here, in terms of content, is like that, people dream of possessing Hogwarts' badge, using the stick or becoming a student of Gryffindor. The round glasses were ascribed a meaning and given the name Harry Potter glasses. In the early years of the movie, the Hermione style haircut was found for girls. The reason is that the haircut was considered to be a way for girls to possess the qualifications of Hermione Granger.

The causes for symbolic product consumption trend can be; to define the status or social class, to define oneself and play a role, to create and protect one's social existence, to express oneself to others and to themselves. (Odabaşı, 2009, p.85) In modern world where the concept of "I Consume Therefore I am" is prevailing rather than the concept of consuming to exist, the brands described with love aim to create loyalty by turning into indispensable factors for the individuals (Erbaş, 2016, p.385). The fact that Harry Potter has a consumer affinity for being a brand is primarily due to J.K. Rowling's ability to present this fantastic world to a global audience. Thanks to this, the group which has accepted the story wonders about the things that will happen in the next novel or movie. Customer affinity has been planned in details and this has led to such a great level of success. J.K. Rowling at this point actually acted as a marketer and took important steps to build the new order. The interest of people from all demographic groups was tried to be kept continuing. The fact that not only children but also the adults are addressed to, has been one of the basic marketing efforts. Character creation in the story has been one of the foundation stones ensuring the affinity of the fans. As the creation of characters was a successful process, people of all ages found something relevant in the subject. This led to the creation of affinity and loyalty. The deep connections and the surprising points of the story have always prompted the customers to ask 'Now what?' and have managed to give rise to a sense of wonder. Creation of the sense of wonder and the desire to purchase is considered to be the key to success.

Customer Satisfaction

Customer satisfaction is the reaction the customer displays for the difference between his pre-purchase expectations and the post-purchase performance. Given that companies operate within a system, customer satisfaction is perceived as the indicator of the responsibility the companies feel regarding the product/service offered to the customers in the form the output of the process (Altıntaş, 2000). Given that the primary objective of companies is making sales and acquiring the desired profit through sales, customer satisfaction inevitably becomes one of the basic and most significant properties. It must be noted that, the point here is to establish relationships with the customers not on periodical terms but in a sustainable manner. The factors influencing customer satisfaction are; quality, expectations, perceptions, customer value, positive or negative feedbacks on these elements and the growing demand and loyalty.

With the growing importance of customers, brands might be under the illusion to think that customers will exhibit an eternal loyalty and thus, they might ignore the possibility that the customers can abandon the brand, which would cause them suffer from losses in vision and mission with the desire to increase the growth rate of the number of customers. Brands which only care about 'gaining more customers' and which follow strategies in parallel with this view are likely to experience a significant 'dissatisfaction'. While dissatisfaction is about receiving "bad product/service" for the customers, it is about "continuously advertising" but not gaining enough profit for the producers. On the other hand, companies which develop strategies to "satisfy the customers" are more likely to achieve success. When the structure of companies with "Customer Relations" oriented departments and when the customers of these companies

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which attach the necessary importance to the customers are studied, a significant amount of “profit” is observed. While profit is about receiving “satisfactory product/service” for the customers, it is about gaining more profit for the producers.

Reputation Management

Today, the products and services offered by the companies to the customers have begun to resemble each other. In order to become distinct from the competitors in these fierce competition contexts and to create a certain level of reliability and thus, loyalty in the eyes of the target group, companies follow certain strategies. The whole of these strategies that are prioritized for creating reliability and prestige in the eyes of the customers is called as reputation management. According to the Turkish Language Institution, the dictionary meaning of the word “reputation” is “respectability”, “reliability”, “pride” and “honor”. From the perspective of sociology reputation is also defined as “status” and “prestige” and it sort of refers to the social status of the individual or the society (Çiftçioğlu, 2009, p. 1-4). Corporate reputation refers to the clear emotional reactions of the employees, customers, managers, suppliers, investors, other stakeholders and all others in the society in general, which are stated to be good or bad, weak or strong (Fombrun, 1996, p. 37). These emotional reactions are formed by expectations. While previously the target group only expected a brand to satisfy their expectations and bring functional benefit, now besides all these, the image and reputation of the brand, institution or company as perceived by the society contributes to the establishment of the bond between the customer and the brand.

Corporate reputation is the whole of the efforts given for becoming a company that is admired by the society. It is acquired at the end of a long process and it can easily get damaged in crisis environments. While it is important to gain reputation, it is important to sustain such reputation, as well. For this reason, risk avoidance depends on the degree of effectiveness of reputation management. In this context, the institutions must carry out their unique reputation management works in consideration of their own structure, their sector and the environment they are operating in. In this process, public relations assume a significant role in establishing the relationship between the company and the internal and external environment. Recognizing and promoting functions of public relations serve for recognizing the stakeholders included in the reputation risk management process and for introducing oneself to the stakeholders. Public relations efforts intend to contribute to the reputation management process in several ways such as warning the company against the internal and external risks, organizing the communication between the employees and departments of organizations in the risk management process and including the employees in the process (Uzunoğlu and Öksüz, 2008, p.112).

According to Fombrun reputation means, “the total value the company has achieved with all its components” (Fombrun, 1996, p.37). Building a good reputation requires that the actions are in parallel with the discourse. Reputation is acquired with consistent behaviors in a long period of time but it can be lost in a very short time. Reputation, is to be reliable. Reliability brings power to companies just as to the individuals. However, while becoming reliable requires a long time, it can be lost in a short time and it is a fragile value as it involves the risk of being mistaken and deceived. In the early 1900s, managers had rather traditional functions such as planning, organizing, arranging and supervising. Later, these functions were supported with concepts such as public relations, innovation and change management. Today; the main job of the upper-level manager is to create the impression of “a good company” in all aspects of the society and to sustain such impression. Among the factors that influence corporate reputation are; the quality of the products and services, social responsibility projects carried out, vision and

leadership, customer satisfaction, market and sales strategies and respectability. Possessing only one of them is not enough for creating a good reputation. The organization or brand must communicate all the elements of an image to the target group through 360-degree communication channels by adopting a two-way communication. This is because a permanent reputation requires high visibility for the society. For reputation, companies give special efforts on an ongoing basis in order to enhance product and service quality and customer satisfaction. Besides, creation of standards for the ones executing relationships of a company with third parties and supervision of conformance to such standards have gained importance in reputation management.

As reputation represents the relationships with all stakeholders, the way to develop it depends on the understanding of their needs and management of the risk related to them (Uzunoğlu and Öksüz, 2008). An organization's reputation must be managed in parallel with multi-sided and detailed plans. As different stakeholders have different ideas, the perception created must be managed well. Perceptions and interpretations of stakeholders about the behaviors of the organizations also create the reputation. These perceptions and interpretations show how the indicators of information sent by an organization are understood by the stakeholders. Under fixed and dynamic conditions, complex interactions of some stakeholder groups could lead to deficiencies in exact and complete understanding of the indicators of information (Dentchev and Aimé, 2006). In this respect, it is possible to state that; if an organization carries out works to reach all its stakeholders in the reputation management process, it could increase its level of success. At this point, the stakeholders must be delivered the information they desire and/or require by using appropriate means. As well as the fact that it is difficult to gain a good reputation, to protect that and recover it when it gets damaged, it must also be kept in mind that, reputation could easily get damaged or lost (Yang 2005 and Le Roux, 2003).

One of the most important elements that make up the company's reputation is the customer's degree of satisfaction about the product or service he has bought. For this reason, companies must offer their products or services to the target group within the framework of the quality standards. Another element is the conformance to the vision and mission of the company. The company mustn't abandon its undertakings or company policies in case of a crisis. It must accept its faults in a crisis and strive to find solutions and to regain the trust of the society. In addition, risk planning must be made as a precaution against such crises.

The social responsibilities the companies will undertake are among the factors enhancing power and reputation. The sense of responsibility is an indispensable element of the respect and trust felt toward the individual or company. Companies which fulfill their responsibilities in a timely and accurate manner will also be strong in the eyes of all their stakeholders. The concept of corporate social responsibility must not only be considered as the sensitivity of companies about social issues. It also means that; companies must be fair, transparent, honest and responsible toward all its stakeholders. Society is just one of these stakeholders. Therefore, corporate social responsibility also emphasizes the necessity for the companies to operate in an open, ethical, planned, legal and responsible way. The combination of these elements affects the corporate reputation significantly. Reputation is significantly influenced by both the internal and external factors and the sensitivity of companies about social responsibilities. It is observed for these reasons that, many studies on the theme of corporate reputation possess the basics of social responsibility either in an explicit or implicit way; and in fact, many studies use the measures of corporate social responsibility in order to measure the corporate reputation (Özbay and Selvi, 2014, p.9). Now all these reputation management works have been integrated to another area by transferring to the digital environment as well as the traditional marketing and advertising methods. Reputation management is

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supported by new perspectives and is included in the innovation. While reputation was already difficult to build but easy to lose, following its integration into the fast-paced world of the online environments it has now become even easier for the brands to lose it. That's why the rules for managing reputation in the online environment are stricter and the advertisers and marketers are advised to be fast-paced.

In order to ensure brand sustainability on the Internet, user interactions and social media accounts must be observed, the target group must be well analyzed and the elements of the two-way communication model must be used with caution. Here, speed and reality have become competing concepts and there emerged the necessity to participate in the target group. Brands need to reflect themselves very well in digital environments. Researches have shown that, when users make inquiries about a product or a service, even a single negative comment or article creates a negative impact on purchase behavior of the customer. The customer always expects the product or service he has bought to give the best result and bring maximum benefit. For this reason, the customer wants to be in contact with the brand. Therefore, brands need to pay attention to the customers through several means of communications on social media accounts and corporate websites and they need to find solutions for any problem. If after all these definitions of the reputation management, the universe of Pottermore and Harry Potter is discussed, it can be said that, it is a great success for a world-renowned literary work to have gained admiration this much and to have attracted so many people around the world. In terms of reputation management, in addition to presenting the content expected by the fan group, the brand materialized this fantastic world and turned it into reality as a brand. In this context, the universe of Pottermore was brought together with the fans as a digital reflection of this fantastic world and had the purpose to meet the demand. The analysis of the website in terms of reputation management showed that, the target group was reached through every channel, indeed. Depending on the elements of brand loyalty building, a good 'reputation' concept was created by the brand and it was successfully maintained.

Innovations were continued in the digital environment and the presence of this digital environment created a great opportunity for the customers who were unable to consume the content created for the brand on site. An official bond was established, particularly including Pottermore, then the universe of Harry Potter was integrated to Google Earth and it was enabled to visit the real-sites digitally. Through Google Earth, the Diagon Alley was opened to transportation for Harry Potter school shopping, and the 360-degree technology was used to enable the customers visit venues such as the Weasley Brothers' Joke Shop and Gringotts Wizarding Bank. Accurate contents prepared on site and put on the website at the right time has enabled Pottermore website to welcome the customers in the best way since the first day. Customization was enabled with the membership system, the individual was given the opportunity to experience the website and different marketing methods were integrated into the digital environment to meet the demand of the fans, to materialize an abstract world, to include the individuals in this world and thus, a different type of reputation management was achieved.

Punk Marketing

Punk Marketing is defined as an attitude opposed to traditional methods in terms of marketing and advertising as a new form of marketing which rejects the status quo and is aware of the fact that the power is now dominated by customers instead of companies (Kaya, 2009, p.282). The punk, which began to be heard on the radio in the late seventies, brought some freshness to the obsolete and ordinary music of its time. This innovation is seen today in the world of marketing and advertising. It is increasingly difficult to keep up with the digitalizing age, and alternative innovations are needed each day. For this

reason, the punk concept now shows its influence on the settled marketing policies just as it showed on music in seventies. However, Punk Marketing was not born based on a single idea or technique. It basically shows how the things can be done in different ways, and it does this based on the principles showing the marketers the ways to turn this new power of the customers into an advantage (Learmer and Simmons, 2008, p. 23).

Principles of Punk marketing show the rules within framework of which traditionalism is objected. In this context, the principles of punk marketing are as follows (Laermer, Simmons, 2008, p. 29);

1. Risk taking should not be avoided. It is now a necessity to take risks in order to be the winner by overcoming the obstacles. One must take risks that can be predicted or planned.
2. Assumptions are only hypotheses. Their accuracy is controversial. One must ask 'Why not?' as a guide to open doors to diversity and innovation. The answers will form the keys of this guide.
3. Today, it is difficult for brands to exhibit a position that can address all the different target groups. Being everybody for every group inevitably causes failure. The brand must decide what sense to make and set up well-thought, solid and defendable beliefs for every area.
4. Markets must act in a determined manner. They must listen to the customers, but not just stick to those. Products and services to be offered must be identified in a determined manner, avoiding unnecessary or irrelevant factors.
5. When the traditional methods were in effect, the producers were dominant and the customers were ignored. Target groups were ignored, they had to settle with what were offered to them. However, the digital customer of digital age has acquired the right to speak and the traditional rules have been abolished. Markets are now forced to act on customer basis. The silent and non-verbal communication between the producer and customer has come to an end and customers have created a new method of communication.
6. The brand must keep itself in the foreground with the strategies it has defined. Today, trust and honesty are at a very important point in the brand-customer relationship, just as in human relations. Before the digital media offered such easy information exchange, it was easier for the brands to come to the foreground. But now, people can easily write complaints about the products they are not satisfied with and can deliver negative comments about the brand to other customers. For this reason, honesty has become the starting point of brand competition in order for those wishing to become distinct.
7. While according to the general opinion 'having an enemy' seems to be a contrary idea, having an enemy is important for brands. This is claimed to be increasing the level of competition and encouraging continuous improvement.
8. Brands must allow the customer to discover himself over time. It is necessary to give the customer some time and to raise a sense of curiosity. Some marketers might find it more tempting to advertise all the strengths of the brand rather than letting those to be explored, but this might cause them to overlook the most significant marketing strategies.
9. One must always be ready for competition. Contexts must be created for competition. To be preferred among many options, one must be able to address the simplest common value and become distinct in the context of competition.
10. The brand must determine in which subject and area it will introduce itself. If the brand does not know itself well and cannot grasp the success curve, it will struggle to be something that is not. This attitude will cause damage to brand image, brand reputation and brand identity.

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11. The rules of traditional marketing must be left behind. Now there are new contexts, new media and new customers the rules of traditional marketing must be adapted to innovations. If renewal is not possible, then the strategies mentioned must be used only within traditional marketing methods. The brand must clearly express itself and deliver the best message in the shortest time. One must evolve to punk marketing by choosing a clear language and new terms first.
12. Standards must not be allowed to be determined by others. If the brand wants to be spoken in its own sector, it must be a leader and assume responsibility for guiding its competitors. Just being good is not sufficient and it doesn't mean so much.

THE WORLD OF HARRY POTTER AND THE CASE OF POTTERMORE

The World of Harry Potter

Harry Potter is a series of movies adapted from the 7 fantasy literature book series written by the British author J.K. Rowling, the last book of which was turned into two movies. Since its publication, it has achieved a great success on a global scale, sales figures have hit records and found an important place in the history of literature. The books of the Harry Potter universe we first encountered in 1997 are; Harry Potter and the Philosopher's Stone, Harry Potter and the Chamber of Secrets, Harry Potter and the Prisoner of Azkaban, Harry Potter and the Goblet of Fire, Harry Potter and the Order of the Phoenix, Harry Potter and the Half-Blood Prince, Harry Potter and the Deathly Hallows. After the completion of the series, one more book named, Harry Potter and the Cursed Child was published. The books of the famous series were announced as the "Fastest selling book in the world" and the "Best-seller children's novel in the world". While this genre was classified as the children's novel, it managed to attract the attention of readers from all ages.

When Harry Potter was just one-year-old, he was left an orphan by Lord Voldemort (Tom Maveolus Riddle), the worst wizard of all times. Albus Severus Percival Dumbledore sent him to his aunt and her husband, Vernon Dursley and he continued his life here. Potter was always humiliated throughout his life with the Dursley family and he had no information about the world of witchcraft. When he reached the age of 11, he got a letter of acceptance from Hogwarts School of Witchcraft and Wizardry. But Dursley family didn't tell this to him. Thanks to the half-giant Rubeus Hagrid, he learned that he was from a totally different world. He was a wizard. Harry Potter has numerous adventures with his closest friends Hermione Granger and Ron Weasley in Hogwarts, where he spends a significant part of his life. Lord Voldemort wants to kill Harry Potter and gain back the power he has lost. The 7 books and 8 movies tell about the events between the parties. The followers of the Pure Blood Regime (Death Eaters and the supporters of Voldemort) and Opponents of the Pure Blood Regime (various groups such as the Dumbledore's Army, the Order of the Phoenix) confronted each other in the Battle of Hogwarts. With the destruction of horcruxes in the Battle of Hogwarts, Harry Potter and Lord Voldemort confront each other in a duel and a new period starts for the world of witchcraft.

There are many reasons why the world of Harry Potter is so famous. As well as the success of the books, the movie adaptations of Harry Potter have also served as milestones turning the children's books into a world renowned brand. In the movie, Daniel Radcliffe acted as Harry James Potter, Emma Watson acted as the beloved character of the author, Hermione Jean Granger, a character which the author described herself through, and Rupert Grint acted as Ronald Billius Weasley, starring with his red-head

and unlucky. There are famous names such as Maggie Smith, Alan Rickman, Robbie Coltrane, Fiona Shaw, Mark Williams and David Bradley in the movie telling about the adventures of the trio. Chris Columbus (1-2), Alfonso Cuarón (3), Mike Newell (4) and David Yates (5-8), respectively became the directors of the movie series.

Harry Potter as a Brand

Harry Potter was adapted to the screenplay as a series of movies in the field of fantasy literature and received the admiration of many people. Harry Potter and the Philosopher Stone, first introduced in 1997 and adapted to movie, achieved great success and was first followed by children and then by adults. The figures, clothes, accessories and places used in the film have become marketing elements with very high success rates today.

It is now among the successful brands within traditional and digital marketing rules. Today, the brand value has reached a very high level of \$ 15 million. While the branding process continues with the Pottermore website in the digital environment, The Making of the Harry Potter in London, England and the Harry Potter Diagon Alley Universal Pictures in Orlando, USA offer experiential, entertainment and cultural marketing services to the customers. The areas where the shooting of the movies is carried out, have now turned into service items in terms of tourism marketing. Domestic and foreign tourism experts organize trips and travels to support the destination marketing activities in the UK through tourism marketing.

Customer Affinity

Heather Lawver read Harry Potter and the Philosopher's Stone at the age of thirteen and published an inter-based 'school newspaper' named, The Daily Prophet. Today, this newspaper has a team of 102 children from all over the world (Jenkins, 2016, p. 264). Lawver is the newspaper's editor in chief. Every week, the newspaper writes about any subject from the latest Quidditch matches to the Muggle cuisine. She lives in a rural area in Mississippi and never attended school in her life. She was trained at home. A girl who had not gone to school since the first grade, was leading a team of student authors around the world, without any adult supervision, to publish a newspaper for a school that only existed in her dreams. Lawver describes the aims of the newspaper as follows (Jenkins, 2016, p. 265):

The Daily Prophet is an organization devoted to enliven the life of literature ... By creating an online newspaper with articles that encourage readers to believe that this fantasy world of Harry Potter is real, she opens the minds to explore books, dive into characters, and analyze this great literature. By developing mental skills in analyzing written wording at an early age, the children will find a unique passion for reading. "By designing this imaginary world, we learn, we create and entertain ourselves in a friendly utopian society."

This project of Lawver made it possible for children to immerse themselves in the imaginary world of Hogwarts and to have a real sense of connection to a genuine community to produce The Daily Prophet together. This fictitious school built on the basis of the novel has become a place that is very different from the schools that she escaped from. Here, we created a community where learning and different ethnicities, races and nations are all welcome. Fictitious identities were created to produce new stories

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in Hogwarts. To have a self in fiction and to satisfy the need that motivated them to visit the website has been the main point here. The children combine their daily experiences with the fantastic stories experienced in the places available in J.K. Rowling's world (Jenkins, 2016, p. 266):

I was just transferred from Madame McKay Magic Academy in America to come to Hogwarts. I spent most of my life in Southern California and my mother never told my dad that she was a witch until my fifteenth birthday (shortly after that my father left us). Became an orphan at the age of five when the father died of cancer. This pure blood witch was sent to live with a family of witches linked to the Ministry of Magic.

In this essay, where a child combined the world of imagination with the real life, the child felt the need to share the life with other fictional identities by leaving traces from one's real life identity. It was claimed that many children were disappointed about their true identities and this encouraged them to visit the website to feel a sense of belonging. To deal with the traumatic events experienced and to compensate for their exclusion from the environments of their true identities are among the reasons motivating the children to sign in the website. At this point, it must be accepted that this identification served as a psychological relief point for these children, though it might have caused identity confusion and moving away from reality. People have the opportunity to meet with identities that are similar to theirs and to express themselves. At the point where actual identity and ideal identity are in conflict, the symbols and ideas that are important for the individual have become the main problems of this conflict. In general, the process of self-expression is based on the assumption that personal characteristics are constant. However, it is concluded that self-identity is multi-dimensional, as individuals exhibit different behaviors in different social settings and when they are with different individuals. The most important of these models discusses actual identity in four different dimensions (Çilingir and Kurtuldu, 2009, p. 250).

1. **Actual Self-Identity Means:** How the consumers see themselves,
2. **Ideal Self-Identity Means:** How the consumers want to see themselves,
3. **Social Self-Identity Means:** What the consumers think about the opinions of others about themselves,
4. **Ideal-Social Self-Identity Means:** How the consumers would like to be understood by others.

According to these definitions of identity, consumers who prefer to reflect themselves in the universe of Harry Potter have formed their ideal self-identities, combined their actual and imaginary identities together and created their ideal - social self-identities. And they shared things with others in order to satisfy themselves in terms of social self-identity. The users of The Daily Prophet fictionalized themselves on the basis of their ideal self-identities as students with special abilities. Hermione Granger character is a significant role model as a supporter of the girls here. While some feminist critics claimed that, she was a traditional female cliché in terms of her dependency and need for physical and emotional support, the character became an important symbol. Here's how a young author expressed her relationship with the character (Jenkins, 2016, p. 268):

My name is Mandi Granger. I am 12 years old. I was born as a muggle. Yes, I am a relative of Hermione Granger. I am Hermione's cousin. I am going to the Hogwarts School of Witchcraft and Wizardry. This is my third year. I'm writing this post in between my classes. I think I got my study habits from my cousin. I'm in Gryffindor Class just like my cousin. I know Harry Potter personally, again thanks to my

cousin. My cousin brought him home before I started to go to Hogwarts. Mostly we talk about the kids at Hogwarts and Weasley.

A child, who was so much successful in identifying herself with fantastic characters, portrayed herself as completely belonging to the world of fiction. Here, Hermione reached a more active position than Rowling reflected her and assumed a central role. She was accepted as a role model for girls from the feminist point of view. In some cases, there are fine details about these characters such as their fantastic stories, magic wands, animal friends, magic abilities, their favorite courses and future plans. These fictional personalities reveal out how an identity construction can trigger the next fan construction and thus, forms a basis for wider descriptions (Jenkins, 2016, p. 269).

The Characters

Harry Potter characters are the basic facts which helped this world become a brand. The admiration felt toward the characters has now been adopted by people within extraordinary situations and has been turned into reality. The story, which is a reflection of depressed times of J.K. Rowling, starts with a dramatic event Harry Potter experienced during his babyhood and the famous 19-year-long Battle of Hogwarts starts to be told. Characters are embraced by fan groups and are turned into ideal identities.

Harry Potter has been embraced as a leader with his characteristics of the chosen one. While the fans compared the responsibilities of the chosen one and expectations from him to the difficulties they faced in their own lives, his struggle against Voldemort was identified with the struggle given by good people against the evil acts. His wound was made by people and a real confusion of real dream-reality was experienced. Ron Weasley character reflected the fact that, the human being cannot be perfect by nature and can make mistakes, the fears of humans are real, and that, one can pass all the stages of life by getting good marks from the exams and the misperception of the perfect human being was destroyed. It's considered that; Harry is brave and the chosen one, Hermione is smart and talented, Ron is funny. Although at first he is described as a person who is always excluded and humiliated, the chess scene in the Harry Potter and the Philosopher's Stone movie displays the strategic intelligence he has and at the end of the story, he comes out as one of the important characters. He is a reference to the fact that, not always the leaders, but also the secondary persons can have an important place in life. Lack of self-confidence is a problem experienced by many young people, indeed. This problem is explicitly reflected in the movie and he becomes a more realistic character than Harry Potter. Ron is actually defined as a hero in himself and his fans spare a different place for him. The problems reflected with the multi-child, middle class Weasley family are actually identified with the class-related problems of the society. A multi-child father, Arthur Weasley actually reflects the reality as a father struggling with financial difficulties.

As a smart, hard-working, knowledgeable and brave character, Hermione Granger becomes a 'heroine', a pioneer in the world of girls and adult women. She becomes the favorite of J.K Rowling as a character significant in terms of the status of women in life, their positions, dreams and capabilities. More details about Hermione Granger is given in the books. However, her reflection in the movie is liked more. Emma Watson, who plays the character in the movie, becomes a symbol and assumes responsibilities, including the issues regarding the rights of women, in international platforms. Being a significant female character, she pioneers in assuming social responsibilities and roles in social events, which allow her to acquire vital characteristics. The United Nations launches a campaign regarding the gender discrimination against women, based on the idea that 'Discrimination will not end unless there is the support of men'

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and starts a work with the slogan 'Men for women'. Emma Watson is selected within the framework of UNWoman and she becomes an important face of the campaign for the target group with respect to age range, gender and demographic elements.

With Severus Snape, it is emphasized that; reality is not what it looks like, there is no use in humiliating others and that, everyone may have a different spirit in his own world. Concepts of wealth and racism are described with the Malfoy family. The Malfoy family of pure blood witches, living in prosperity, secretly joins Lord Voldemort's army of Death Eaters and they train their son Draco Malfoy in line with darkness and evilness. The significance of Malfoy family in terms of reality is the reflection of the discrimination and the othering people face in real life. Their humiliation of the witches from Muggle origin, humiliation of the lower income families and students are both reflected in the movies and in the books. The point to be emphasized with the Malfoys is the insignificance of wealth and pride. Here, it is aimed to tell about the problems faced due to differences in ethnicity, religions and nations etc. The 'Mudblood' dialogue between Draco Malfoy and Hermione Granger which draws attention in the Harry Potter and the Chamber of Secrets movie, is a clear example of the othering people are exposed to.

Characters and places form the base both for the story and the brand. These characters, which the fans identify themselves with, have become models with their thought systems, dressing styles, lifestyles etc. People have bought the wands of Hermione Granger, Harry Potter or Ron Weasley. Even their casual clothes are ordered and requested by people and Hogwarts uniforms have been manufactured. Attraction areas have been turned into museums and served into the use of the customers within entertainment and experiential marketing. Shootings places in London have become tourist destinations in terms of destination marketing and have managed to take an important piece from the cake of tourism.

A Review on Pottermore Website

With the end of Harry Potter's screenplay adventure with the eighth film in the year 2011, J.K. Rowling has transferred the series into the digital environment and has achieved to grasp her fans again. Pottermore website was launched in 2012 with its first version and it enabled getting classified by the Sorting Hat and getting scores through games. Now, in the improved version which has become a theater movie, there are news, comments and events on the theatre play Harry Potter and the Cursed Child and the sequel of the series, Fantastic Beasts and Where to Find Them and also some stories handled by J.K. Rowling. The website hosts the following links; Writing by J.K. Rowling, Explore the story, Fantastic Beasts, Cursed Child, Features, News, Book Club Sorting and Shop. After a simple registration process comes the customization page where personal information is stored. Members can use a test system for sorting and select the 'Patronus Charm Animal' in the movie again using a test system. The shop link only allows the purchase of books and social responsibility campaigns are also managed via Lumos Publishing. The last section of the page shares some links to enable access to social media accounts.

Writings by J.K Rowling

The website, which is built upon the Harry Potter fiction, continues to host other stories of this fictitious world of J.K Rowling for sustainability. Stories on different topics are written and shared with the fans. This section is organized just like a blog. It enables the author to meet her fans, tell new stories and

ensure sustainability. Here, she shares her writings on topics such as the Potter Family, How the World Works, Magical Places etc. with her fans. The importance of this section is that, it supports the bond between J.K. Rowling and her fans and brings them together. In this way, fans feel that they haven't been abandoned by the author and that, the story hasn't ended, yet.

Explore the Story

This section tells about the beasts, characters, magical artifacts and witchcraft. The basic elements of the story take place here as the significant point of the website. The beasts section hosts titles for a total of 30 beasts and information about these beasts is given together with visuals. There is information about the features of these beasts, how they were born and what kind of powers they have. The most main purpose of this section is to tell about the other creatures in the universe of witchcraft, to emphasize variety and to provide eternal access to information. The fact that, the fans would be happier if they learned more about the universe, was not overlooked and the 'Explore the Story' section was created based on this fact.

Fantastic Beasts

In this section, books and movies on Fantastic Beasts and Where to Find Them, are shared together with the backstage footage of the movie, movie scenes, the characters and the players of the movie. News, surprise school trips made by the players to the fans, players' interviews and writing by J. K. Rowling about the subject take place here. This section is actually designed to have the fans accept a new universe. It's hard to present a story to an audience from scratch. However, it is even harder to present a new content which is the continuation of a recognized story, movie or any other piece and to make people accept that. Seeing new things about the characters or environments fans have already accepted may cause them to refuse the story. The flow of the story may injure the magic of the ex-characters and the ex-shooting places. For this reason, it is a risky situation to present an already accepted work through a new work with other characters.

Cursed Child

In this section consisting of a book and a theater play, there is informative content such as an introduction to the book, Broadway Opening Night (2008), the prizes won and nominations, interviews made with J.K. Rowling and the players about the Future Programs and the Lumos campaign, meeting the characters, Cursed Kids set designs, play preparation rooms, cast introductions, and so on.

Features

This section welcomes you with the mission to present you everything you would to know about the world of witchcraft and it is one of the most fun and admirable parts of the website. This section, prepared by the Pottermore team, covers a lot of content from the film and the book. The section covers many interesting titles such as Analyzing the first Chapter of the Philosopher's Stone, the Malfoy family tree, the Muggles who are in on the wizarding secret, the Harry Potter pets we wish we could adopt, the Importance of Music in the Wizarding World.

News

This section covers contents such as books, movies, theater plays and website articles. It is described as a source of news which is faster than an owl and The Daily Prophet, known as the newspaper of the World of Wizardry. Every kind of news about the world of wizardry is presented and contents from the real world and witchcraft world are shared.

Book Club

The first stage encountered with this section is the membership system. After signing up for membership, readers are given social media icons and asked, 'Do you want to tell others that you are in this world?' through a button. Every week, the Book Club examines a theme from the book available on Pottermore and invites fans to talk about it.

Sorting

The most important section for a fan or user is most probably the Sorting Section. This is the area where he can directly be involved in the world of Harry Potter and develop a sense of 'belonging'. The 4 Hogwarts classes in movies and books meet the users in this section. After a short test, the users can determine whether they belong to Gryffindor, Slytherin, Hufflepuff or Ravenclaw among the 4 Hogwarts classes. A membership coloring is done according to the special colors of the classes and the membership system is personalized.

The Sorting Section actually covers the whole personalized part for a member. The person can identify his Patronus magic animal again with a test, create his own book list, and share any personal information he wants. This site is the most significant section for the website indeed, as it truly includes the fans in the world of witchcraft. Fans already want to enter this fantasy world and to become a part of it. After the selection of class, the page designed with the colors of the class welcomes the user.

Shop

Although the Harry Potter universe has many products for sale, only books are sold in this section. Sales of materials such as figures, clothes, wands and accessories are made through other channels. Pottermore aims to support brand loyalty and the website creates a difference by focusing on emotional bonding instead of gaining commercial benefit. Here, the element that brings the site to the foreground is the effort spent to establish bonds with fans in real sense. Only books are offered for sale and other elements are not allowed to get ahead of the story. Seven books describing the main story, plus a vision to help the homeless within the scope of social responsibility are focused on and managed with the idea books that are defined as books of the Hogwarts library, belonging to the world of witchcraft and supporting the 'Lumos' organization, are put on sale. The books are presented both by traditional methods and by digital methods and customers are accessed through audio, printed and traditional means.

The 360-degree communication methods used in the branding process have enabled Harry Potter brand to grasp the target group through another mean, if one has failed, and it has come out as a brand present-

ing significant examples in terms of marketing, advertising and public relations activities. Pottermore is considered to be the 'Digital Heart of the Wizarding World' and the story is intended to be continued. Pottermore website has had no problems in reputation management, but there are some problems about the traditional ways that could damage the brand. Possessing a children-based target group, the brand got severe damage just like in the crisis faced by Warner Bros in the sales process. With fans writing essays about the story and the expectations they have, publishers and J.K. Rowling have had great difficulties in the production phase. In many cases, the original website owner had permission to continue using the website in its original name, but Warner Bros had the right to close the website due to 'inappropriate or offensive content'. This restricted the freedom of fans and caused self-control problem for the groups of fans who actually wanted to escape from similar problems they already had in the real world. For fans who noticed Warner Bros.' efforts to gain control of the website, this emerged as a rather bad situation and they started to look for ways to fight it. At this point, The Daily Prophet's young editor, Heather Lawver, learned that some of her fan friends were threatened through legal actions and she began to fight against this situation through the America-based "Defense Against the Dark Arts" organization.

Heather Lawver assumed a responsibility to defend her friends against this threat and began to work for it. A young girl named Claire Field in England, emerged in the society as a poster girl in the fight of the fans against Warner Bros. The young girl, who was sent a written warning, and her family hired an attorney and appeared in the British press for a long time. At this point, the publisher's mistake actually gave damage to brand reputation. Warner Bros was considered to be the real target, and the fans started to fight against it. Within the petition filed to the organization of Defense Against the Dark Arts, a war against the publisher was started and the fans expressed themselves as the party opposed to the publisher. The case was presented as news on national and local channels and created a crisis for Warner Bros. When the conflict became even more severe, the studio confessed before public that 'inexpertness' and 'lack of communication' were in question.

They stated; "We did not know it when dealing with Harry Potter. We did what we normally do to protect our intellectual property. When we realized that we were causing horror in children or their families, we gave it up immediately." By saying so, they attempted to recover the reputation that was likely to be lost. From that point on, a number of works were carried out to establish close bonds with Harry Potter fans and policies were developed for joint works. This crisis situation, which could have damaged reputation management, was actually turned into an opportunity for reputation management efforts. The message that the children were not ignored, was given and emphasis was placed on the significance of the requests of the target group.

CONCLUSION AND DISCUSSIONS

Today, Harry Potter has achieved a global success by earning a broad portfolio of fans across the world. Within the context of Punk marketing, the rules of traditional marketing were challenged as a fantasy literature product of a fantastic world and the new generation was developed on innovation basis. Thanks to a loyal fan base, the components of the marketing are now accepted today and success is high in terms of marketing types such as experiential marketing, entertainment marketing, destination marketing and cultural marketing. Fans have identified themselves with the characters and have accepted them as a part

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of their lives. This was achieved through a high brand loyalty. The brand managed to obtain the purchase behaviors many global brands failed to get and thus, achieved a high brand value. The characters created are highly internalized by the fans. The children and young people who assumed qualities such as being Hermione Granger's cousin or Ron Weasley's schoolmate, actually relinquished their true identity and identified their real self with the characters they had created, thus, designed an imaginary environment for themselves. Websites from all over the world started to sell Hogwarts school uniforms and student wands. Various areas were designed for Harry Potter in England and the USA, and a new field as entertainment marketing, was formed. At this point, brand loyalty and brand affinity come to the forefront. Perhaps the clothes that can only be worn on special occasions such as costume parties or the Feast of the Witches, have become special pieces and taken place in people's wardrobes. With the Pottermore website, the fantasy world has been transferred to digital environment and the Harry Potter universe has not been allowed to remain on the pages of history only. There are many fantastic movies today among the world movie and world literature products, but there are very few works that have achieved such success. The significance of sustainability is emphasized here and the loyalty environment has not been overlooked.

In the digital environment, brand loyalty has been ensured through Pottermore, and the fans across the world are not abandoned. Despite having many figures and accessories, only books are offered for sale in the Shop section and the commercial purpose was put aside. Social responsibility practices have also been included and original purposes have been sustained. Each point is connected to each other with a different meaning. Lumos is actually a Latin word. Today, however, many people know this word as a Latin word. When a Harry Potter fan hears the word 'Lumos', he will know that it's a magic word and has a special meaning. In the world of wizarding, Lumos is a magic that helps to get 'lighting, light' at the tip of the wand. The light described here is like touching a person's life and it aims to serve as a social responsibility organization. With these reasons, the inter-connection and meaning possessed by every point makes the work-piece, movies and brand special.

Pottermore has been an important environment for emotional connection and has succeeded in continuing its life. Today, as a product of fantasy literature, many science-fiction or fantasy genre books are written and movies are shot. However, Harry Potter, which celebrated its 20th anniversary in 2017 and shared the received celebration messages across the world on Twitter, has a different meaning especially for Y generation. Possessing and maintaining such a magic on digital media, it has become an example of an important success story. It is a highly likely foresight that, as a product of the worst times in J.K Rowling's life the Harry Potter world will influence many more generations. Fans will always stand behind their brand and ensure brand loyalty and the sustainability of brand affinity. All the time.

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Section 6

Emotional Brand Attachment and Brand Personality

Chapter 28

Building Emotional Brand Personalities: Anthropomorphized Brands

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ABSTRACT

Brands are one of the most important assets for companies since they serve as a differentiator. They have personalities like people, which makes them reach consumers emotionally. Therefore, in their efforts put in branding, firms began to give more importance to developing a brand personality. The personification of brands is a form of anthropomorphism. There are various ways to build an anthropomorphic brand. Brand personality models are based on human personality theories in psychology. These models help managers to build a strong and anthropomorphic brand. In this chapter, the authors make a comprehensive explanation regarding the brand personality with benefits, brand personality models, and anthropomorphism and explain the relationship between anthropomorphic brands and marketing communication by presenting some examples.

INTRODUCTION

Consumer behavior is changing continuously with the living conditions and culture of age in which the consumer is included as an individual. The fast lives of consumers, especially those living in big cities, shorten their knowledge processing time and often require quick decisions. For example, the Internet initiated completely new promotional practices that helped consumers reach their everyday lives more easily (such as advergaming, social media marketing, convergence, etc.), as well as ensuring the addition of innovations to channels of commitment in the past decade. Besides, the strong influence of globalization on the approaching attitudes of firms operating in international markets is clearly observed, but the necessity of the messages to exceed the boundaries for these firms to provide permanent and strong brand

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image to the different cultures continues. Creating communication messages that can express meaning close to all consumers and help them to reach them effectively becomes an increasingly discussed issue.

Looking at the developments in the market, it is observed that the quality differences between the products have decreased, and the competition in the market has become difficult; however, there is an increasing number of competing products due to globalization, This situation causes consumers to have difficulty in making purchasing decisions (Can, 2007, p. 225). Therefore, by means of the efforts put in branding, firms began to give more importance to developing a brand personality that can transmit emotional mean which is consistent with company's products, which plays an important role in distinguishing the brand from other brands. The concept of brand personality is based on the assumption that brands have the same personalities as people. This is the reason why creating a brand personality, which is one of the important instruments of marketing strategies, has a more important role for today's companies than ever does before.

This chapter aims at highlighting the most important aspects of brand personality and includes two main part. Firstly, the researcher answers the questions of what the concept of brand personality is, why it is important, and how to develop it. In the following section, the concept of anthropomorphism, which signifies personalization of inanimate objects, and examples of successful anthropomorphic brand applications are presented by answering the question of which tools to use when developing anthropomorphic brands.

BRAND PERSONALITY

To communicate with customers, all trade companies need a tangible entity. Companies have to display their uniqueness, particularly in the world of signs. Companies which can make successful branding have an advantage in the markets. Contrary to ordinary products, brands have the ability to be visible and meaningful for consumers. Moreover, they can emotionally connect to customers. Since companies want to reach consumers, branding has become one of the most important issues over the years. This is the reason most of the marketing efforts are made towards branding today.

The American Marketing Association defines a brand as "A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers." However, brands are more than a name or sign for consumers and companies. They serve as risk reducers, a reminder of the personality of a company, and a legal protector for intellectual capital and value creator (Blythe, 2005, p. 153). Building a brand is not an easy job, and it takes a long time. In building a strong brand, there are some steps that brand manager can follow. Branding starts with the quality of product/service, follows with finding a brand name, developing a brand image, brand identity, and brand personality, and finalizes with creating brand equity with all these elements. Subsequently, all the other elements affect the brand personality, which makes it the most important part of branding efforts. Brand personality concept entails assessing the brands as they are considered to possess some human characteristics. Today, a brand alone is not enough to be a functional product/service. Thus, it has more duties such as reflecting the personality of the consumer. Consumers often look for their soulmates in the world of brands. That is, brands cannot live long if they do not have a personality in competitive markets.

Choosing a brand name is the first step in establishing a brand personality and brand value. Brand name not only defines the product, but it also contains rich content of meanings and symbols that the product represents. Meanwhile, brand identity represents the whole of the characteristics used to determine

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any brand. Through this perspective, Aaker (1996) has defined brand identity as the set of unique brand associations that brand strategists want to create or sustain. While brand identity is closely related to brand image, these two concepts are different and often confused with one another. Therefore, the main difference between brand identity and brand image is that the former is sending the signs reflected by the brand components, while the latter is on the receiving side. Brand image is created on the message receiving side, while brand identity is created on the message sending side (Marguiles, 1977, p. 66).

There is also a close relationship between brand identity and brand personality. In recent years, contrary to the classic view where brand identity is seen as lifeless, and its image could be completely controlled, authors with a view of an organic metaphor have evaluated the brand beyond the classical approach as a holistic being with a DNA, soul, and a personality that lives and develops. This approach considers brand personality as an important part of brand identity. In this respect, brand personality is considered as a factor that affects the formation of brand identity (Csaba & Bengtsson, 2003, p. 109).

To attain a clear vision for brand personality, personality requires consideration from a psychological point of view. Due to the reason that personality highly affects people's behaviors, it has been the most researched concept in behavioral science. Sigmund Freud and followers first researched and considered the concept of personality as dynamic and cumulative, moreover, they are durable and stable over time (Azoulay & Kapferer, 2003, p. 147). There are some features of personality that give us some ideas about the concept. Firstly, all the features that consist of a personality are integrated. Also, all personality features are reflected and observed through behaviors. People own their personality features because they think it is beneficial. People have different traits, and some mutual traits in their levels are different (Koç, 2003, p. 228). In the light of this, these authors define personality as anything that distinguishes a person from others, which shapes his/her observable behaviors consistently.

There are various personality theories that attempt to explain personality and the traits that determine personality in behavioral science. They all have different perspectives regarding personality. Generally, they are categorized as psychoanalytic theory, personal traits theory, humanistic theory, learning theory, and biopsychological theory. Among them, psychoanalytic theory (unconscious and archetype theories), personal traits theory (big-five factor model), and humanist theory (Maslow's hierarchy of needs) models have been used when required to measure the personality of a brand.

The main distinction between brand personality and human personality is that brand personality is usually developed by planned and conscious studies carried out by marketing communicators through utilizing the marketing mix. At this point, marketing professionals who are trying to develop brand personality can be associated with mother and father, who are the people affecting the development of personality. At the same time, culture, one of the factors affecting human personality, also emerges as another factor affecting the development of brand personality. Coca-Cola on the iftar table (dinner feast) in the advertisements that are aired in Muslim countries every year is an example of culture affecting brand personality.

Why Do You Need a Brand Personality?

One of the most important reasons why consumers are able to form an emotional attachment to brands is the personalities that the brands possess. When considered independently of the tangible characteristics of the product, except for the emotional situations caused by past experiences about a brand, consumers can only feel close to a brand as the brand approaches the potential of reflecting their own personality. This is because brand personalities promise consumers that conveys messages to those around them

about their personalities. This situation helps in building a strong connection between the consumer and the brand that complete each other. In recent times, especially for the consumers who have relatively higher standards of life economically, products and services carry so much meaning than their functional purposes alone. Subsequently, this situation provides an important opportunity for brands. Therefore, it can also cause brands to come to a dead end if they cannot develop a brand personality that is suitable to the qualities of the product and services.

The most important benefit of brand personality can be defined as enriching understanding. The metaphor or brand personality helps customers to perceive the brand and develop a deep understanding of their own attitudes towards the brand. Consequently, contribution to a differentiating identity is another benefit of brand personality. Brand personality, which is a part of the essence or extended identity strategically, can provide the basis for a meaningful differentiation, especially when the brands are similar to each other in terms of product features. On the other hand, directing communication efforts is also one of the important benefits of brand personality. In this sense, it helps marketing communicators to draw road maps and advertisers to determine the messages to be conveyed to the target segment of the brand. In addition, it helps to identify the mediums to be used. Creating brand equity is another main factor where brand personality helps the brand image to create brand value (Diamantopoulos et al, 2005, p. 132) (Aaker, 2009, p. 168).

The evaluations of different experimental researches carried out to determine the influence of brand personality demonstrated

- That the brand personality has increased confidence in the brand, (Sung & Kim, 2010, p. 657),
- There is a positive relationship between the brand personality and the perceived quality of the brand when consistency is achieved with the brand positioning strategy. (Ramaseshan and Tsao, 2007, p. 465),
- It helps consumers who are in contact with the market to make a symbolic meaning from these relations (Swaminathan et al., 2009, p. 703),
- The brand personality information provided with the product information may increase the brand value (Freling & Forbes, 2005, p. 410),
- A result has been reached that the attracting brand personality indirectly increases brand loyalty and directly affect positive word-of-mouth . (Kim et al, 2001, p. 203).

Building Brand Personality

Due to its benefits mentioned above, brand personality is consciously created by many brands. The first thing that needs to be done for creating a brand personality should be the identification of personality traits that the brand intends to possess. For this, first, the target segment has to be identified. Then, consumer personality profiles have to be created by identifying the needs and wants of the segment, and finally, the brand personality has to be matched with the consumer personality profiles (Heding et al., 2009, p.143). Another way of creating a brand personality is to make use of archetypes. When brand personality is created with the use of archetypes, unlike other traditional brand personality models, the brands are infused with personalities that the consumers want to become. This is a rhetoric that reflects the aspirations of the consumers.

In order to develop a consistent brand personality, first, personality traits should be limited to data and methods of personality approaches. Also, personality profile should be created by selecting the

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visible features that characterize the brand personality. In the next stage, the created brand personality should be tested on how attractive it is for consumers, especially the target segment. As customers use brand personality as a mean of outsourcing themselves, they prefer brands that fit their own personality. Therefore, one of the most important issues that should be taken into account when creating a brand personality is the personality traits of the target customers (Dursun, 2009, p. 14). Based on the studies conducted for this purpose, corrections are made on the initially created brand personality if necessary. On the other hand, targeting the correct consumers is important. Although brand personality conveys messages to the surroundings of the people that use the brand, this situation is reciprocal. Wrong target segment may convey wrong messages to the actual target segment about the brand personality, which might result in confusion. For example, Abercrombie & Fitch offered Mike Sorrentino, a Jersey Shore (MTV Show) star, a ‘substantial payment’ to wear an alternate brand, which could cause “significant damage to their brand personality” (Bbc news, 2007).

Finally, and probably most importantly, identifying the correct communication channels and tools that reflect the brand personality is extremely important (as cited in Yener, 2013, p. 91). Especially in the digital era we are in, social media gives great opportunities to firms. Instagram, for example, is more accurate and more successful to use as a way of showing the main face of the brand to the consumers rather than as a sales promotion tool due to the features such as the self-expression of the brand and its ability to reflect the brand personality (Johansson & Eklöf, 2014, p. 16).

Aaker (1996) divides the tools used to develop a brand personality into two different categories based on whether they are related to the product or not. In this classification, regarding the factors that are not related to the product such as product class, packaging, and price, features attributed to the product do not provide the same level of control provided by the tools that are directly related to the product. Therefore, for tools not related to the product, the task falls mainly on marketing communicators.

In the process of developing a brand personality, another important factor is competing brands in the market. As mentioned above, one of the roles of brand personality is differentiating the brand from other brands. When determining the personality, it is necessary to evaluate the personality of each competing brand. This creates a competitive advantage for the brand in the next levels of the process (Ar, 2004, p. 65). For example, Apple’s commercial campaign is launched in the US in 2006 and prepared for the Mac notebooks. In these commercials, there are two people one of whom is more mature, conservative, and with a classic looking in dress, and the other is fitter, younger, dynamic looking, and casual. The younger and more dynamic looking person introduces himself by saying “hello, I am a Mac.” The more mature and conservative-looking person enters the scene and introduces himself as a PC. It is clearly seen that there are significant differences in the personalities of these two people. While these two perform their daily tasks in the commercial, they discuss the problems the PC faces, and MAC tells us that he does not have these problems (Heding et al., 2009, p. 117).

On the other hand, if the firm is not to create a totally new brand, it is necessary to analyze the previous personality in detail. Previous personality traits and the traits to be changed must be determined. Changing the brand personality can be necessary for a new segment product or ever-changing situations (Ar, 2004, p. 65). For example, Dove, a brand that belongs to Unilever, tries to make consumers happy about themselves by conveying a sincere, down to earth, and ordinary people image. The brand was first introduced to the market with the soap products that did not dry the skin with creams in their contents. The message that consumers do not need the expensive products of the upper class for a beautiful skin was conveyed. In the following years, the brand expanded its product range and hired ordinary people for commercials instead of super models. Although Dove itself is a cosmetic product, it aired a commercial

for a campaign in order to warn parents by stating that the beauty industry is brainwashing young girls. This action of Dove also shows that it wishes to embrace the innocent and trustworthy personality together with its sincere personality. However, the sincerity of the campaign was highly criticized by Greenpeace due to the fact that they cut a significant number of palm trees to use their oil in their products. Furthermore, they also inflicted damage on the world as a result, and the awareness campaigns and commercials were prepared against Dove's campaign. As a result, the innocent personality of Dove was highly damaged, and the brand began to focus on the ordinary individual personality in its communication efforts. Recently, Dove has questioned the concept of real beauty by referring to naturalness in a campaign run with the "real beauty" slogan and the campaign commercials. In addition, Dove featured quite ordinary yet very likable women in its commercials. The main purpose of the brand is reaching the people who are questioning the real beauty concept and showing that an ordinary person can be/feel beautiful.

Brand Personality Models

Creating a consistent brand personality is only possible if the brand personality traits are properly identified. For this reason, various models have been developed for proper identification of brand personality traits. The most popular among these models is the big five model. However, other models include self-expression model, relationship-based model, functional benefits representation model, brand personality gameboard model, and archetype model.

The Big Five Model

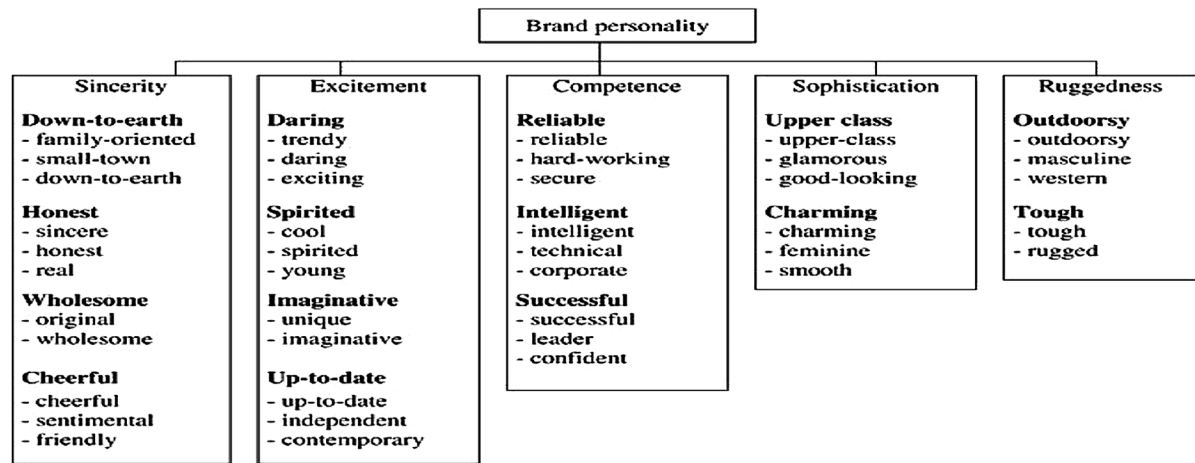
One of the most widely used brand personality models is the personality dimensions Aaker (1997) specified for brands. Aaker has performed a study on the identification of brand personalities by making use of the big five model. Hence, this is one of the human personality scales in psychology. In his study, she has expressed five main dimensions to be used for measuring brand personality based on the results of the study. In the first phase of his study, she reduced 309 personality traits obtained from personality scales in psychology, the brand personality traits previously developed by marketer and qualitative studies, down to 114 for more convenient tracking. In the next phase of the study, a total of 37 brands were selected in four categories, and participants (n=631) were asked to associate the 114 personal traits specified in the first phase with the relevant brands in order to determine the personality traits of these brands (Aaker, 1997, p. 350). However, factor analysis was applied to the data obtained from the study, and the characteristics used to identify the personality of brands were categorized under five main dimensions (Figure 1).

Despite its popularity, Geuens et al. (2009) criticized the brand personality scale in three aspects. First of all, the brand personality scale includes not only brand features but also personality-related characteristics such as age and gender. This creates a problem with the construct validity of the scale. In this context, researchers and practitioners do not know exactly how to measure perceived brand personality or perceived user characteristics. The second criticism is that the factor structures in the brand personality scale cannot be generalized for a certain brand or for a specific product category. The third and final aspect of the criticism is that the five-factor structure proposed by the brand personality scale cannot be achieved in intercultural studies (Geuens et al., 2009, p. 97).

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Figure 1. A brand personality framework

Source: Aaker, 1997.



Self-Expression Model

One of the models that can be used when brand personality is desired to be developed is the self-expression model. Malar et al. (2011) claims that marketing managers do not adequately consider external approaches based on customers while developing a brand personality, and managers need to focus on the point of view of their target customers (p. 46). While the self-expression model develops the brand personality, it differs from other models because it is a customer-based model. In short, self-expression model can be explained as the consumer matching itself with a brand image as a result of a set of mental processes. In most of the studies performed, it was found out that people choose more of the brands with brand personalities that express themselves (Keller, 1998, p. 99). There are certain paths to follow when brand personality is developed by using the self-expression model. One of these paths is passing the emotions created by the brand personality to the consumers. For example, some brands can be perceived by consumers as stronger while others as more loving. Another path is to get the brand to be used as a sort of an identity card. This option is often preferred by brands of cosmetics, apparel, and automotive sectors that allow the consumers to reflect their own personalities. Also, these brands can describe one person to the other, and when social identity is also involved, what is expressed may be extremely important for the individual (Aaker, 2009, p. 173).

Another issue to focus on is when the self-expression model is self-congruence. Self-congruence is related to the determination of where an individual stands regarding the actual self and ideal self when it comes to brand selection. Malar et al. (2011), in their comprehensive work, examined three moderators of the relationship between the type of self-congruence and emotional brand attachment: (i) *Product involvement* (the personal relevance of the product determined by the extent to which the product is interesting and important to the consumer), (ii) *self-esteem* (the positive or negative evaluations of the self, as in how we feel about it), and (iii) *public self-consciousness* (an awareness of the self as it is viewed by others) (Figure 2). According to their research findings, first of all, the actual self congruence is more important than the ideal self-congruence for consumers. Consumers are generating stronger attachment with brands that have personalities compatible with their actual self as it helps consumers feel good

about themselves. Especially in the case of high self-esteem, public self-consciousness, and product involvement, the importance of authentic branding is increasing. As in the Dove example mentioned earlier, most cleaning product brands such as Henkel’s Pril that targets ordinary housewives also make use of this strategy to create authentic brand personalities. On the other hand, regarding the customers with low self-esteem, product involvement, and self-consciousness, it will be an advantage for companies to create brand personalities that target their ideal self. For example, in the advertising campaign “stop dreaming,” Harley Davidson addressed the rebellious side of the ordinary man, who was repressed. At this point, attention should be paid not to make a big gap between the determined brand personality and the actual self perception of the target consumers (Malar et al., 2011).

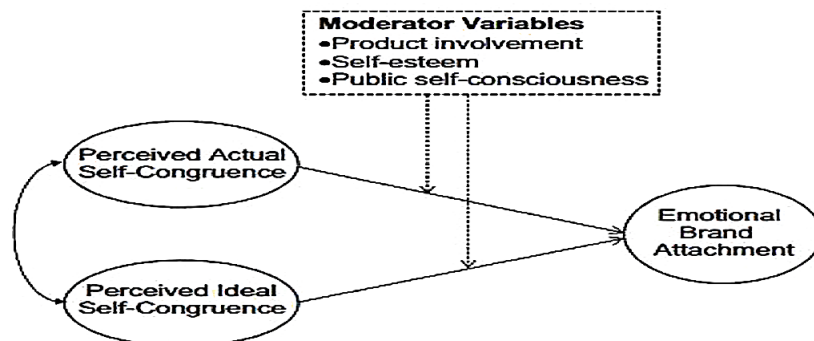
In another study, it was found out that people in individualist societies chose the brands suitable to their actual self more than the people in collectivist societies (Phau & Lau, 2001, p. 441). Based on the results of the literature search by Achouri and Bouslam (2010), it was observed that the use of self-expression model had positive effects on issues of preference, satisfaction, and loyalty to the brand.

Archetype Model

Although initially subjected to some criticism by those supporting more current and traditional approaches, another model that is more and more commonly used since it demonstrates its effectiveness is the “archetype model.” Looking for an alternative brand personality model, researchers Mark and Pearson, just like Aaker, developed the archetypal brand personality model with the help of psychology. Archetype model is a model developed by Mark and Pearson (2001) by taking advantage of the theory of the collective unconscious and archetypes of psychiatrist Carl G. Jung, a prominent representative of the psychoanalytic approach, and motivation theories in psychology. Archetypes that allow us to perceive brand personalities faster, taking part in the collective unconscious, presents a great advantage for the model in helping it for cross-cultural boundaries.

Mark and Pearson (2001) claims that archetypes provide the missing link between customer motivation and brands. They used a scientific method that allowed them to link the deepest motivations of consumers with product meaning in general. Therefore, in the creation of the archetypal model, the focus was on the primitive human motivations gathered around the four axes, considering all the motivation theories (Figure 3). They are stability (balanced, controlled) vs. mastery (power ownership) and belonging (social belonging) vs. independence (self- actualization) (Mark & Pearson, 2001, p. 15).

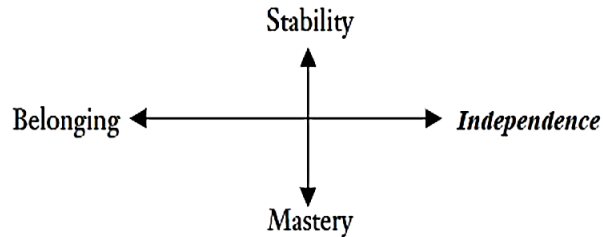
Figure 2. Proposed framework linking self-congruence to emotional brand attachment
 Source: Malar et al., 2011.



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Figure 3. Basic motivations

Source: Mark & Pearson, 2001.



When Mark was working with Ed Lebar and Paul Fox from Young & Rubicam’s Brand Asset Group, they developed an algorithmic system that systematically measured the perceptions of which consumers are connected to which archetypes. With this system developed, they defined the twelve archetypes used in measuring the personality archetypes of brands (Table 1).

In order to develop a brand personality, archetypes are very commonly used in commercials, logos, and sales points. Thus, the model helps brands to identify correct archetypes together with the definition of archetypes. For example, Hallmark is one of the most important representatives of the lover archetype. The idea of conveying emotions and ideas with a card was difficult and strange for Hallmark in the first place. After analyzing the behavior of the consumers, they have identified that the consumers consider the cards that contain the messages that explain the most sincere emotions they have in their personal relationships as a special gift. In its first commercials prepared by Young and Rubicam, Hallmark used the slogan, “give something small from yourself, give a Hallmark.” In later stages, Hallmark realized that it had to use love/affection stories in its commercials and started to release commercials that had small stories describing romantic love, friendship, and family love. For example, one of the commercials shows the story of a girl who was accepted to ballet school but did not want to leave her boyfriend and go to the school in another city, and how this girl was encouraged by her boyfriend to do so. At the end of the commercial, her boyfriend bought a Hallmark card for her that explains how much he loved her while she was having hard times in her school (Mark & Pearson, 2001, p. 190).

Among the global brands, Coca-Cola is known with its innocent personality archetype. Coca-Cola was presented to the army as an alcohol-free, refreshing, and motivating drink during the Second World

Table 1. Archetypes and motivation

Motivation	Stability & Control	Belonging & Enjoyment	Risk & Mastery	Independence & Fulfillment
Archetypes	Creator	Jester	Hero	Innocent
	Caregiver	Regular Guy	Outlaw	Explorer
	Ruler	Lover	Magician	Sage
Customer Fear	Financial ruin, Ill health, Uncontrolled chaos	Exile, Orphaning, Abandonment, Engulfment	Ineffectuality Impotence, Powerlessness	Entrapment, Emptiness
Helps People	Feel safe	Have love /Community	Achieve	Find Happiness

Source: Mark & Pearson, 2001.

War and was well received by the US Army. After the war, Coca-Cola was merged with Americanism globally. At the beginning of the 1970s, it prepared a commercial jingle with the words, "I want to build a house and fill it with love, apple trees, honey bees, and snow white doves." in the American market, and the commercial reached a popularity that lasted six years (Mark & Pearson, 2001, p. 61). Moreover, Coca-Cola has been using polar bears and penguins that have become the symbols of innocence in its marketing campaigns since the beginning of the 2000s.

Relationship-Based Model

Another brand personality model is the relationship-based model. According to this model, there are certain relationships between brands and consumers. When brand personality is being developed, it is important to determine what type of a relationship there is between the consumer and the brand. For example, in the perception of some consumers, Mercedes may have a personality structure that is condescending and determines the rules of the game. In this situation, brand personalities like the king or the boss may be used in communication activities (Aaker, 2009, p. 177). Just like human relationships, the foundation of the relationship between consumers and brands depends on attractiveness, but whether the relationship can be long term or not is related to the investment of the consumer on the brand and the consumer's loyalty to the brand. The level of investment and loyalty shows the level of consumers' brand loyalty. Therefore, this information is very important to marketers for the proper use of marketing tools (Ouwersloot & Tudorica, 2001, p. 13).

Mckinsey's Brand Personality Gameboard Model

Another brand personality model is Mckinsey's brand personality gameboard model. With a team of five people, Mckinsey consulting firm has developed the brand management tool 'personality gameboard' that shows which personality traits the brand is reciprocally compatible with. Personality game board helps to identify emotional characteristics that facilitate the management of brands. For example, "Mercedes is trustworthy and noble" or "BMW is strong." With the help of the BPG, these personality traits can be multi-dimensionally visualized. Furthermore, brands and people with similar personality traits are more suitable for each other (Sadowski, 2005, p. 20). In order to determine how close brand power is to the brand personality power, Mckinsey has asked 900 people from 40 brands in Germany how they evaluate the brand personality. Based on the results of the study, it was found that there is a strong connection between brand power and the power of brand personality. Each characteristic such as the uniqueness of its position and the strength of associations has been weighted in relation to the market forces. Thus, this revealed a complete personality index. Afterward, the results were compared by the Brand Power Index developed by GFK, and the results of this comparison demonstrated that there is a significant relationship between the brand personality as perceived by the consumers and the brand power (Reissenbeck & Perrey, 2009, p. 206). Creating a map of brand personality makes up the first step of the model. In the following step, in order to develop the determined brand personality or create a new personality, the brands select a celebrity that is suitable for this process in their communication efforts, and they also use a celebrity that embodies the targeted personality (Reissenbeck & Perrey, 2009, p. 207).

ANTHROPOMORPHIC BRANDS

Consisting of the Greek words anthropos (human) and morphos (form), anthropomorphism is the attribution of human traits and emotions to various non-human forms and even to God. Its most common examples include talking to plants, comparing clouds to human faces, and thinking of sounds in the night to be human voices (Haigood, 1999, p. 149). Anthropomorphism is a way of personification. Personification is showing animate and inanimate beings other than humans in the form of thinking, hearing, and moving humans. Ultimately, the personified object is attributed to some human characteristics (Bati, 2010, p. 123). Another form of personification is animism, which is commonly mistaken with anthropomorphism. According to the theory of animism, human beings feel the need to attribute human values to inanimate beings to enable the interactions in their spiritual worlds (Ourwersloot & Tudorica, 2001, p.10). Although it is very similar to anthropomorphism and is often used as a synonym, there is a small difference between animism and anthropomorphism. While animism is a doctrine that believes all beings and the universe have a soul, anthropomorphism is a process that covers animism, beyond a human being giving soul (life) to an inhuman being, attributing emotional and mental characteristics to that thing/object in greater detail (Barış, 2012, p. 35).

It is seen that anthropomorphism occurs at different levels. Primitive category makes up the first level of anthropomorphism. Generally, it defines the tendency of people to familiarize inanimate beings as live beings. This situation is due to the fact that humans are hardwired in a way that cannot identify faces and movements. Primitive psychology takes human behavior in terms of the satisfaction of its basic needs (getting hungry, thirsty, angry, etc.). Thus, this level of anthropomorphism makes use of animals and similar characters. In more modern theories of human psychology, human attributions are evaluated in terms of intellect and emotions. At this stage, not just needs but beliefs and perceptions are also important in determining human behavior. Attribution theory tells us how people attribute human behavior to others. In the anthropomorphic approach in this regard, personality attributes such as shy, selfish, and optimistic are attributed to social roles like police, academician, mother, father etc. (Persson et al., 2000). In the light of these explanations, all conscious or unconscious processes that facilitate personification of brands by attributing a human personality to them in the eyes of the consumer or in terms of the marketing communicators, which is also called mental image design, are actually efforts towards the anthropomorphization of brands.

In the personalization of brands, many factors from packaging to creating stories about the brand play a role. Amazon.com's logo being a smiling face, Mozilla Firefox's being a fox, Starbucks' being a mermaid, and similar efforts of countless well-known brands can be provided as examples of personalization in the context of logos. However, if the brand desires to have a personality with a soul, the second dimension of brand anthropomorphism commences. In this dimension, human personality traits are transferred to the brand, and the brand personality development models, which are explained in detail above, are used (Guido & Peluso, 2015).

Tools for Anthropomorphic Brands

We have talked about some tools and methods to use when developing a brand personality. The tools are put into two different categories based on whether they are related to the product or not. In the product-related category, designing/ packaging and naming are only tools that can be used for brand personalities. As can be understood so far, since it is not related to product category tool, advertisements appears to be

the most effective tool at every stage of developing anthropomorphic brands. Therefore, the relationship between ads and brand personalities are detailed in a separated title below.

Designing the product or the packaging in the shape of human face or body is a common situation in many markets, especially cosmetics and food industries. Designing the front end of cards in the shape of human faces, or designing perfume bottles in the shape of human bodies are examples of anthropomorphization of products and packaging. Additionally, products can also be named directly after humans (Mercedes etc.) as well as using adjectives that are for humans to name the products (Mr. Muscle etc.) (Guido & Peluso, 2015).

On the other hand, marketing communication, as a non-related product category, gives big opportunities to managers. Using advertisement, one of the tools of marketing communication, is almost a necessary condition for developing anthropomorphic brands. Other marketing communication tools for creating anthropomorphic brand are symbols and commercial personalities. While brand symbols are composed of logo-emblems, commercial personalities are images that are defined above. These symbols are developed with the purpose of reflecting the brand. Mascots are commonly used in marketing communication in order to create a brand image. Generally, a mascot can be defined as a person, animal, or an object that brings luck. When mascots are designed, all marketing communication elements have to be taken into account. However, the brand personality that is being created should integrate with all other communication messages. Otherwise, a mascot that does not relate to the brand personality creates confusion about the brand in the minds of the consumers. Duracell's Bear, Nesquick's Rabbit, and McDonald's Jester are among the most known and successful examples of brand mascots (Açikelli, 2012).

Michelin Man icon of the Michelin Man, named Bibendum or the Tire Man, has been selected as the best logo of the 20th century and the best anthropomorphic character (creatures in human character) in marketing history by the survey conducted by Financial Times and Report on Business Magazine on a jury of experts from the fields of communication, architecture, and design (Bozalp, 2007). Behind the success of Michelin is the consideration of this holistic approach mentioned above in the association of the designed mascots with the brand personality. Especially in recent years, Michelin has made quite an impact with its advertising campaigns where brand personality was conveyed by the mascots that were created. In the commercial that aired in over fifty-five countries, Tire Man (Bibendum) throwing the tires that it pulls out of its own body to unprotected and innocent people and saving them from evil gas pumps has strengthened its strong, bold, and hero brand perception. This, though, increases its strength and capabilities to reach success and uses them to make a difference in the world.

Anthropomorphic Brands and Advertisements

The advertisement is the oldest and still the most commonly used tool in creating anthropomorphic brands. One reason for this is that it has an important contribution to the concretization of the personality that means something abstract. Delbaere et al. (2011) found out in their study that anthropomorphic metaphor embedded in advertisements made a positive emotional response to the brand more probable, and produced more positive attributions of brand personality than other visual metaphors that do not use personification.

The advertisement can be used for creating a brand personality or strengthening an existing personality during different historical stages of brands. These stages are as follows (Yeshin, 1998, p. 161):

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1. For new brands, an advertisement carries the purpose of creating a new image/personality that separates the brand from its competitors.
2. For mature brands, advertisement is used in strengthening the existing brand personality.
3. For old brands, advertisement is used in developing a brand personality when repositioning is needed to reach different target segments.

Brand personality can be created by advertisements that are made indirectly or directly. Brand personality is directly developed by an image creation strategy, which is transferring the personality of the person used in the advertisement to the brand. Indirectly, brand personality is derived from the meaning of the product (Ourwersloot & Tudorica, 2001, p. 15). Other factors that affect the brand personality in advertisements are related to design features such as the logo of the brand and the colors used in the advertisement of the brands.

Most of the time, due to the nature of the product, the advertisements that reflect the brand personality are prepared for a certain group of consumers by taking social, demographic etc. constraints like a certain social class or gender in consideration. For example, the advertisements of beer brands like Budweiser target male viewers while Chanel perfumes mainly target women in their advertisements. Similarly, Mercedes commercials target upper classes while Dodge targets the middle class living in the suburbs (Danesi, 2002, p. 183). Based on the results of a study conducted by Azevedo and Farhangmehr on the commercials of famous apparel brands, it was observed that participants seeing the features similar to their own personality in the brand personality conveyed in the commercial responded more positively to the commercials (Azevedo & Farhangmehr, 2005, p. 7). In summary, commercials play a supportive role in reflecting the brands to consumers as masculine, mature, young, experienced, rich etc. personalities, in other words, anthropomorphization of brands. For this reason, in commercials where a certain segment is targeted, it is very important to determine the characteristics of the target group well for the success of the commercial. When the profile of the target segment where the product is positioned is not defined well enough, the commercial has less chance to succeed.

Ourwersloot and Tudorica (2001) have developed a model that explains the transfer of brand personality to the brand by commercials. In this model, the first step is the determination of the commercial contents. By features of the commercial content, all features from the chosen medium to the formal and semantic structure of the commercial were meant. Therefore, advertisers encode brand personality, but the understanding of encoded personality by the consumers depends on the evaluation of the advertisement (processing). Consumers who are exposed to the advertisement content begin to evaluate the advertisement stimulant. Creating and conveying the brand personality depend on how the stimulant is evaluated by the receiver of the advertisement. For this reason, it is important not to neglect that cognitive and emotional evaluations are simultaneously performed while watching a commercial. The intermediary reactions in the model depend on the consumer's knowledge about the brand. Brand awareness is one of these intermediary reactions, and the consumer has to be aware of the brand before deciding on purchasing the product. Another intermediary reaction occurs upon associations with the brand. However, these associations are mostly dependent on the consumer having an idea about the brand or its image, or the consumer having tried the brand before. In addition, brand behavior and previously gained experience affect the evaluation process of the commercial and, therefore the creation of brand personality. The factors that mediate the advertisement processing stage in the model are attention and understanding. Verbal messages grab the attention of some consumers while visual messages grab the attention of others. However, these and similar situations are important factors in the evaluation of the stimulant.

Understanding refers to the information and meaning taken away from the commercial by the consumers who are exposed to it. The important thing here is whether the consumer makes a subjective or objective evaluation. Interest refers to the strength of interest shown to the product or message by the consumer.

When anthropomorphic brands are wanted to be created by ads., one of the commonly used methods is image creation strategy. Behind the image creation strategy lies the idea that consumers see themselves or the personalities they want to become in the lifestyle image created for a particular product or brand. As a result, marketing communications are specific to certain people and not to general people (Danesi, 2002, p. 183). While creating an image, an individual is used as a representative in the commercials to reflect the brand. Brand representatives are often chosen from celebrities. In communication studies where celebrities are used, the purpose is to transfer the personality traits that brought the fame to the celebrity to the brand. For example, a successful businessman appearing in the commercial of a shirt brand or a female actress appearing in provoking roles in a perfume commercial are consequences of this type of anthropomorphic brand development strategies.

When celebrities are used in marketing communications for anthropomorphic purposes, it should be carefully considered that the brand in question and the celebrity to reflect the brand personality should match. The chosen celebrity has to have qualities that draw attention to the brand quickly, ensure that the brand will be accepted and positive attitudes will be developed towards the brand. Another important subject while using celebrities is the creative stage. If necessary care is not given at this stage, the celebrity might overpower or shadow the brand personality (Varaprasreddy & Ramesh, 2006). Therefore, the use of a celebrity to represent the brand personality in marketing communications brings certain risks. For example, if a celebrity is strongly associated with a brand in the perception of the consumers, any negative emotions that may be associated with the celebrity will also be felt towards the brand. Negative news about the celebrity also leads to a decrease of consumers' trust in the brand to a certain extent (Till, 1998, p. 405).

Other items that need to be carefully considered for effective implementation of using a celebrity for developing brand value and brand personality are as follows (Till, 1998, p. 406):

- If the celebrity representative is permanently used over time, the connection between the celebrity and the represented brand gets stronger, and the effect of using the celebrity also increase.
- Simple and clean production of the commercial, free from design elements, and focusing on the brand and the celebrity in the commercial make using the celebrity representative more effective. Choosing a celebrity who is not strongly associated with another brand or product is also another important factor increasing the effect of using a celebrity.
- Various brand/celebrity combinations have to be tested in order to make sure that the chosen celebrity creates positive feelings for the target segment.
- For less known brands, using a celebrity in commercials will be more effective.

Brand image created by personalization in marketing communications will be further strengthened by the mythologization technique. However, this strategy purposefully places some mythical meanings on the logo, commercial, product name, or design of a brand. For example, the search for beauty and defeating mortality is one of the custom purpose images that are constantly and more commonly used by marketers in commercials of certain products (Danesi, 2002, p. 183).

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When brand personality is created and/or conveyed by marketing communications, beyond the expectations of the company that owns the brand and the consumers as envisaged by the traditional approach, the brands also have to take into account the expectations of the creative marketing agencies they work with in order to reflect the brand personality. Based on the results of the study by Blythe (2007) where he investigated how marketing agencies behave when they design the commercials that reflect the brand personalities, it was found out that creators of the commercials tend to involve their own personalities in the work they do and, therefore, in the brand personality (Blythe, 2007, p. 293). For this reason, proper conveying of the brand personality with commercials is also dependent on establishing a healthy dialogue between the brand owners and the team who develops the commercial.

In order to reflect the brand personality with commercials correctly, although it is less important, the personality of the channel that the commercial airs is also important. Slabbinck and Rooze (2008) have succeeded in positioning the brand and media relations on the same perceptual map. Based on the results, they emphasize that the commercials reflecting the brand personality are more clearly and easily perceived when aired on channels with similar personalities to the brand (Slabbinck & Roozen, 2008, p. 168).

Successful Anthropomorphic Brand Ads. Applications

Exciting (Creative) Ford

In product groups where design and innovation are at the forefront such as automotive and electronics, brands usually have creative and innovative brand personalities. For example, Ford, Saab, Beko, and Lego are distinctive examples. In each new product launch, Ford refers to design and creativity. Over the years, Ford has been emphasizing its brand positioning over the product design features. For example, in the commercial of the Grand C-MAX model, Ford presents the creation of the automobile by its designer in a visual manner and emphasizes its brand personality with the “creative innovations are in your hands” slogan. Also, it takes another successful step in strengthening its position in this field by emphasizing its creative brand personality. Considering the brand personality models, one can say that the advertisement targets the customers such as successful performers, those with a high level of self-esteem, creativity, or fear of losing control in their life.

Sophisticate (Ruler) Smirnoff

Smirnoff, an alcoholic beverage brand, reflects a sophisticated and rulemaking personality in its commercials by taking its target segment into account. It can be seen that Smirnoff uses the image of a king sitting on his throne that is the shape of a crown in order to reflect this personality when the lid is opened. From the perspective of brand personality models, it can be stated that customers who want power in their life or try to reach their ideal self are targeted.

Rugged (Outlaw) Levi's

On the other hand, it is observed that Levi's has embodied a rebel and tough personality since it first entered the market. The jeans that were first developed by Levi's as durable pants for miners are highly liked by American youth. Most especially, the new generation and the artists that are often called the

“rebellious youth” to be wearing Levi’s jeans have sped up the growth of the brand and the spread of its products to other geographies. In its development stage, Levi’s has used the rebel archetypes for associations by the consumers in various local commercial campaigns and has continued to partially embrace this personality over the years.

The biggest application of Levi’s in embracing and/or reflecting its rebellious personality is the choice of using images from the May 1 demonstrations in its first global commercial campaign in 2011. Van Dyck, Levi’s marketing manager, stated, “Levi’s team has traveled 13 countries for the global campaign. They have met with people in these countries including Australia, India, North Africa, Spain, Turkey, and Taiwan and examined their values and what’s important to them.” Based on the results of this research, the concept of the campaign was defined as the desire of young people to make a positive change in the world. Based on this concept, shootings were conducted for the commercial in Berlin on May 1 (Reklamazzi, 2011). However, due to the fact that there are images in the commercial similar to the political uprising in London, the airing of the commercial which coincided with the political events happening in London has caused Levi’s to remove the demonstration images in the commercial and delay the airing of the commercial. When it is evaluated in the frame of the brand personality models, the commercial addressed the customers who want to be effectual, make a difference, and try to reach their ideal self.

Competent (Magician) Tefal

French Tefal is leading the brands that best practices the magician, original, and innovative personality traits. Tefal, especially, offers solutions to the problems faced by the consumers and making their lives more convenient by the new generation small electrical appliances it manufactures. Using the slogans “Tefal think of everything” and “ideas you can’t live without” in its communication efforts, Tefal talks about how its products can easily do things that may seem impossible. For example, in the commercial of the “actifry” deep fryer, it talks about the miracle that it can fry a kilogram of potatoes with only one spoon of oil. From brand personality perspectives, it implies that the brand tries to relate to the customers who are willing to take risks without losing their mastery abilities.

Sincere (Lover) Algida

Another Unilever brand, Algida, commonly uses the lover archetype in its commercials. It can be observed that the brand consciously and consistently uses the lover archetype by designing its logo in the shape of a heart. Especially, Magnum advertisements are always remembered with exaggeratedly tempting, beautiful, and sexy women. Considering it from the brand personality models side, these type commercials are for customers who liked to be a part of the community, and this situation can also be interpreted as a low self-esteem sign. Therefore, the commercials target customers who try to find their ideal self.

Competent (Sage) HSBC

In the commercials for brands that want to reach consumers with adequate, reliable, and wise personalities, an elderly individual often passing on his/her experience, employees demonstrating their capabilities,

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metaphorical elements having a majestic and rooted image, and messages containing texts that refer to the expertise and experience in the field of activity like “we do this business for a very long time”, “this is our business” can be detected. For brands that provide consulting or guidance services in any field, it is highly logical to embrace this personality since it supports the perception that is already created for the consumer. For this reason, adequate, reliable, and competent brand personalities are commonly encountered in the banking and finance sectors. HSBC is one of the leaders of these brands. Established in Hong Kong in 1864 with its long name, The Hong Kong and Shanghai Banking Corporation, operating in Europe, Asia-Pacific, North and South America, Middle East, and Africa, it is one of the biggest banking and financial service organizations in the world. As well as using the most advanced information technologies, HSBC is an expert in using the wise archetype with its accumulated knowledge supported by the slogan “world’s local bank.” For example, in one of its global commercials, HSBC is reflecting itself as an experienced guide that knows the market very well. In another commercial, it talks about using its one hundred and forty years of experience to better understand people so as to provide better service to them.

CONCLUSION

The central goal of this study is to determine why you need a brand personality and how you can create it. There are several models for clarifying the personalities of brands. Some models attempt to clarify the existing brand personality perception while some others (like self-expression and archetype models) aim at building a bridge between customers and brand. Without customer contacts, brand personalities will be insufficient for emotional attachment, therefore, managers need to focus on their customers’ motivations in the first place. At this point, another important issue is that the focus should be on self-congruence. Self-congruence is related to the determination of where an individual stands regarding the actual self and the ideal self when it comes to brand selection.

When brand personality is determined, marketing managers can use some tools for recognition of their decisions. Marketing communication tools are undoubtedly the most effective tools in creating meaning for brands with visual and audio content. Moreover, there are certain roads that the brand and marketing communicators need to follow and certain factors that need to be considered during the process of creating and managing meaning. When developing anthropomorphic brands, proper analysis and definition of the target segment appear as a precondition. Making this definition in a way that also covers the common views/emotions of the target segment towards the brand (based on previous information and experiences, and to the greatest extent possible) is important for being able to transmit the right message in a valid way. In the next stage, marketing communicators aim at breaking the preconceptions against the brand or creating a new personality for the brand/product from scratch. In this stage, in order to enable the defined target segment to have a connection with the brand, brand personality has to be designed similar to either the personality of the target segment or the personalities they want to become. When the commercial is being designed, one of these methods of personalization or using a representative is preferred. In the next stage, created brand personality is supported and strengthened by the graphic design (color, light etc.) of the commercial.

The concept of brand personality is not new; however, the ways of building brand personalities are constantly changing due to changing living conditions. Technology is one of the most important factors

that has changed everyday life. Today people are spending an important part of their time on the Internet on their smartphones and computers. Since last decade, the Internet has offered new opportunities to customers and companies from communication to shopping. Meanwhile, digital marketing applications provide new facilities to companies when it is intended to build a brand personality. New studies are needed regarding the effects of digital platforms and digital marketing applications on brand personalities since the subject has not been investigated in the field as required.

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Chapter 29

Multisensory Brand Experiences and Brand Love: Myth or Reality?

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ABSTRACT

In this chapter, the author examines the most important research in the field of sensory marketing, brand equity and brand love, that has been published over the past thirty years. Firstly, the author accounts for the significance of the five senses and sensory marketing which is regarded as a new marketing paradigm for the 21st century. Secondly, brand equity is discussed as a multidimensional concept, highlighting the pivotal role of emotional and sensory associations in creating a positive brand image and strong brand equity. Thirdly, brand love is analysed as an emerging brand-relationship concept in the field of experiential consumption. Fourthly, the significance of multisensory brand experiences is discussed as a means of making brands stand out in a competitive environment and inducing feelings of love towards a brand. Finally, brand sensoriality is pointed out as central to conveying experiential brand values through multisensory brand experiences, in several encounters.

INTRODUCTION

Many of the world's top 100 brands, such as Coca Cola, Apple, Starbucks, L'Oreal, Mercedes, among others, describe themselves as highly experiential, and advocate that brand experiences are important means of engaging consumers emotionally. Collectively, these brands invest millions of euros developing appealing and unique products, services, marketing campaigns and retail spaces to project themselves as brands that continuously stimulate consumer senses and add value to their daily lives.

Consumers interact daily with thousands of products and services in their lives, but very few "fall in love" with a small subset of brands. Indeed, brand love might predict consumer willingness to make financial sacrifices (e.g. pay a premium price) and their commitment to a specific brand (e.g. brand loyalty). Moreover, brand love plays a pivotal role in positive word-of-mouth, since passionate consumers

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tend to become brand advocates and gather in brand communities. Indeed, brand love facilitates social relationships, since it is closely related to a sense of social belongingness resulting from brand experiences when consumers seek pleasure from brand consumption.

Nevertheless, a question remains from both theoretical and managerial points of view. What mechanisms are able to turn an ordinary brand into a loved one? How can brands keep this feeling alive in the long run?

Multisensory brand experiences and brand love have been a focus of branding theory over the last two decades. Emotional and sensory branding have prompted both marketing practitioners and academics to seek innovative ways to go beyond the expectations of great *performance* in relation to products and services, and meet consumer needs for multisensory gratification, any time brands interact with consumers. Taking into account its potential, brands have realized that they need to be re-engineered and infused with unique and appealing experiential attributes, so that they are able to co-create and manage compelling multisensory brand experiences.

At this stage, there is no doubt that the myth is becoming a reality, and brands which have successfully developed a strong brand sensoriality, are already converting their stakeholders into brand lovers, and the companies in question are gaining market share and increasing their profits. As shown by a pioneering study conducted in the USA, surveying 20,000 consumers on a weekly basis, company performance is closely linked to brand love, and that brand love is an indicator of superior company performance (Barker et al., 2015).

In this chapter, the author examines the most important research in sensory marketing, brand equity and brand love, that has been published over the past thirty years. Firstly, the author accounts for the significance of the five senses and sensory marketing, a new marketing paradigm for the 21st century. Secondly, brand equity is discussed as a multidimensional concept, highlighting the pivotal role of emotional and sensory associations originated by multisensory experiences in creating a positive brand image and strong brand equity. Thirdly, brand love is analyzed as an emerging brand-relationship concept in the field of experiential consumption. Fourthly, the significance of multisensory brand experiences is discussed as a means of making brands stand out in a competitive environment and inducing feelings of love towards a brand.

Finally, brand sensoriality as a concept is defined for the very first time in branding literature. Additionally, it is pointed out as central to conveying experiential brand value through multisensory brand experiences, in several encounters with consumers, and a gateway to turn an ordinary brand into a loved one.

SIGNIFICANCE OF FIVE SENSES AND SENSORY MARKETING

Over the last few decades, marketing has evolved dramatically from an essentially transactional to an experiential approach, in which multisensory brand experiences have started to play an important role in the value-generating process (Rodrigues *et al.*, 2011). Nowadays, brands are highly similar in functional terms and, therefore, functional values have become less sustainable as a form of differentiation (Brakus *et al.*, 2009; Delgado-Ballester & Sabiote, 2015). Moreover, consumers are aware and informed as never before and take for granted that brands should be trustful and maintain quality standards and functionality.

Nevertheless, consumers are eager for experiences that add value to their lives by bringing fun, amusement and fantasy (Holbrook & Hirschman, 1982) to the consumption and buying process. In other

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words, consumers tend no longer merely to buy products, but rather experiences that entail memories that cannot be commoditized.

As a leading sub-phenomenon of mainstream marketing, the five human senses have once again become recognized as the vehicles through which consumers experience the world around them. In relation to products and services, human senses and sensory experiences are considered emergent marketing paradigms (Achrol & Kotler, 2012). Their importance has been studied in several domains, ranging from psychology to design, as well as marketing and branding (Krishna, 2010; Hultén, 2015; Lindstrom, 2015b).

This growing interest among scholars and practitioners is justified by the pervasive shift from a goods/service to an experience economy, in which consumers are seekers of memorable, unique and meaningful experiences (Pine & Gilmore, 1998; Schmitt, 1999). Additionally, consumer decision-making theories based on intuitive and unconscious information processing have started to acknowledge that consumers sense first, and only then feel and think and act last (Hill, 2003; Brakus *et al.*, 2009). This new approach relies on the ability of brands to be consumer-focused and to foster experiential processing routes (Dennis *et al.*, 2014) anchored on the creation of pleasurable brand experiences that are full of sensory stimulation, instead of relying only on the effectiveness of marketing-mix elements directed towards mass audiences.

Nevertheless, the application of human senses to the marketing and branding domain remain underexplored, which stresses the need to address emotional and experience-based consumer needs at a more personalized level (Hultén, 2012a). In fact, sensory marketing has been praised as a revolutionary concept, which combines a transactional, relational and experiential approach (Hultén, 2015; Krishna, 2010). Although some attempts have been made to define sensory marketing (Filser, 2003; Giboreau & Body, 2007; Hultén, 2015), Krishna's definition, anchored on a behavioral and consumer psychology perspective, is to date the most consensual among scholars.

In this regard, Krishna defines sensory marketing as "the marketing that engages the consumers' senses and affects their perception, judgment and behaviour" (Krishna, 2010, p. 332). Departing from this definition, it can be argued that brands need to create appealing multisensory brand experiences to support the purchase and consumption process through involving the five senses, if brands are to stand out in a highly competitive arena and engage consumers emotionally.

An experience results from an interactive process between a consumer and a company (Gentile *et al.*, 2007). The seductive aspects of experiences are considered to attract consumer attention and cause them to be intrigued, since experiences are engaging, nonpartisan, pseudodiagnostic and endogenous (Hoch, 2002). Moreover, consumers are no longer passive receptors of firms' marketing actions, and their perceptions of brands are individual and dependent on past experiences, either positive or negative, short-lived or long-lasting (de Chernatony, 1993, Brakus *et al.*, 2009; Verhoef *et al.*, 2009). Hence, the way in which brands interact with consumers through the five senses in multiple encounters determines how much emotional value will be created in the long term.

MULTISENSORY BRAND EXPERIENCES

To turn consumers into brand advocates in the experience economy (Pine & Gilmore, 1998), brands need to create an emotional resonance with consumers, add value to their lives and allow them to escape from reality.

As Prahalad and Ramaswamy (2004, p.13) note “the experience is the brand” and therefore, experience is as much about how to delight consumers and how to deliver the experience effectively. This implies that any time consumers interact directly or indirectly with a brand, evaluative judgments are made in relation to the functional and experiential values provided by a branded product or service (Delgado-Ballester & Sabote, 2015). In this regard, value does not reside only in the object of consumption (e.g. utilitarian brand attributes), but also in the experience of searching, shopping and consuming brands (Schmitt *et al.*, 1999), which is conveyed by brand-related stimuli (e.g. experiential brand attributes).

According to Brakus *et al.* (1999), brand experience consists of sensory, affective, cognitive, behavioral and relational stimuli, which all provides consumers with pleasurable and memorable experiences in the pre-consumption and consumption process. This hedonic conceptualization reflects the experiential dimensions of consumption (fantasies, feelings and fun) proposed by Holbrook and Hirschman (1982) and stresses the importance of the brand experiential value in generating brand love. Moreover, research highlights experiential value as a key driver of competitiveness, since it is more difficult for competitors to copy and is less vulnerable to product-related changes (Sherrington, 2003; Aaker & Joachimsthaler, 2000; Delgado-Ballester & Sabote, 2015).

Departing from a service logic perspective, Hultén (2012a) stresses the significance of the human mind and senses in value-generating process and postulates that “a multi-sensory brand-experience supports individual value creation and refers to how individuals react when a firm interacts, and supports their purchase and consumption processes through the involvement of the five human senses in generating customer value, experiences, and brand as image” (Hultén, 2012a, p. 219).

Additionally, Kim *et al.* (2009) argue that brands should carefully evaluate the degree of impact of each encounter with consumers when delivering multisensory brand experiences, namely the experiential breadth (e.g. the coverage or the range of contact points experienced by consumers) and the experiential depth (e.g. the degree of impact expressed through the number and diversity of sensory cues within all encounters with consumers).

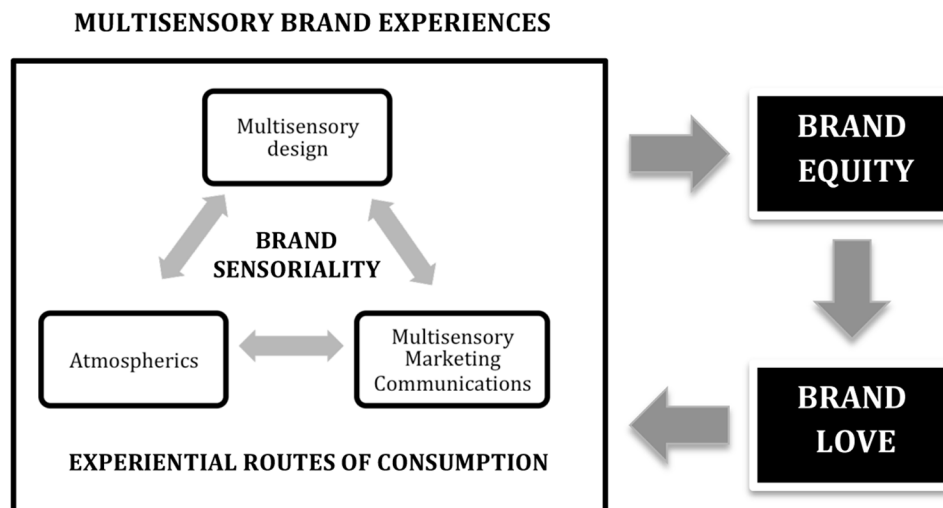
On the other hand, the A2A approach pointed out that economic exchange is not created through a sequential, linear, creation flow followed by its eventual destruction (Vargo and Lusch, 2011). Rather, the A2A approach drives all the actors together (brands and consumers) in the value creation process, by creating mutual benefits for all the networks.

Departing from the A2A approach and sensory marketing literature, the author defines multisensory brand experiences as an emotional and cognitive consumer response evoked by multisensory brand-related stimuli, along an interactive, continuous and experiential value co-creation process. Moreover, the author suggests that multisensory brand experiences are hedonic in nature and encounter three interrelated components, namely multisensory design, multisensory marketing communications and atmospherics. Furthermore, the author argues that the higher the degree of integration of these three components, in terms of experiential breadth and depth, the higher the ability of brands to generate brand love through multisensory brand experiences.

Hence, by creating and managing meaningful and compelling multisensory brand experiences in an integrated manner across several encounters with consumers, brands are able to differentiate themselves from competitors and engage consumers emotionally through the five human senses. Yet, the question remains: which mechanisms allow multisensory brand experiences to create value and generate brand love?

The conceptual model (Figure 1) describes how brands can be strategically managed in order to become a loved brand by creating memorable and compelling multisensory brand experiences:

Figure 1. Conceptual model



MULTISENSORY BRAND EXPERIENCES AND BRAND EQUITY

In the seminal work of Aaker, brand equity is defined as a “set of assets and liabilities linked to a brand, its name and symbol that adds to or subtracts from the value provided by a product and a service to a firm and/or to that firm’s customers” (Aaker, 1991, p. 15).

Research on brand equity in the past decades has followed either a financial perspective (e.g. Simon & Sullivan, 1993) or a consumer-based perspective (e.g. Aaker, 1991; Keller, 1993; Yoo & Donthu, 2001; Vasquez *et al.*, 2002; Pappu *et al.*, 2005, Kakati & Choudhury, 2013) stressing that brand equity provides value for both firms as well as consumers. For example, literature that is based on a financial perspective shows that product brand equity positively affects profits and long-term cash flows (Srivastava & Shocker, 1991), whereas literature within a consumer-based perspective demonstrates that brand equity affects consumer willingness to pay a premium price for a brand (Yoo & Donthu, 2001).

Moreover, the most salient brand equity dimensions discussed in the literature are brand associations, brand image, brand awareness, perceived brand quality and brand loyalty. Whilst extensive research has been conducted in this field, accounting for the multidimensionality of brand equity, there remains little consensus concerning what is encompassed by the brand equity concept and how it can be measured (Christodoulides *et al.*, 2015). A potential explanation for this lack of consensus is that brand equity does not take into consideration the fact that brands are social and dynamic entities and that brand value is created among several stakeholders (Iglesias *et al.*, 2013, Merz *et al.*, 2009). Consequently, further research needs to be conducted in the field of stakeholder emotional involvement and on how consumers engage with brands emotionally (Nebojsa *et al.*, 2015).

Interestingly, there is compelling evidence in the branding and sensory marketing literature regarding the pivotal role of brand image in building brand equity (Hultén, 2012a) and the significance of emotional and sensory associations in creating a positive brand image (Chang & Chen, 2006; Low & Lamb, 2000). Brand image is defined as perceptions that consumers associate with a particular brand (Keller, 1993). Indeed, research has supported the significance of visual and olfactory (Hultén, 2012b),

tactile (Peck & Childers, 2003), auditory and olfactory (Biswas *et al.*, 2014a) and oral and haptic sensations (Biswas *et al.*, 2014b) in shaping feelings and thoughts about products and services, which may contribute to brand image.

More recently, Cho and Fiore (2015) expanded the existing brand image concept by identifying its multi-dimensional nature including sensory associations. Departing from the industry-based “lovemarks theory” proposed by Roberts (2005), the authors conceptualized brand image as an encapsulation of consumers’ cognitive (mystery), emotional (intimacy) and sensory (sensuality) associations related to both tangible and intangible attributes and benefits, as a result of direct and indirect experiences with a brand.

As discussed above, research has emphasized brand image, i.e. consumer perceptions and feelings towards brands, as an important concept, since consumers’ brand and product choices are determined according to their assessment of brand image (Cho & Russel, 2015). In this sense, a favorable brand image leads to brand loyalty and consequently generates brand equity (Esch *et al.*, 2006; Keller, 1993). A recent empirical study from Ismail and Spinelli (2012) demonstrates that brand image is considered as a determinant of brand love for fashion brands, which affects WOM along with brand personality. The results stress the importance of brand personality and brand image in increasing the emotional relationships between brands and consumers, and generate positive Word of Mouth towards brands.

Indeed, certain brands (e.g. Paris, Apple, Ferrari, etc) capitalize on their image associations as iconic products, services and destinations, to the extent that their toponym alone can trigger a brand-like association in the minds of potential consumers (Medway & Warnaby, 2014; Swanson, 2015). Although many of these consumers have never experienced the products or services and have never visited such places, they exhibit aspirational feelings towards brands and love them for what they represent. In this vein of research, it has been shown, for example, in the tourism literature, that love which consumers experience in relation to places is a complex mix of love for a particular place and love for the brand values associated with that place (Swanson, 2015; Lee, 2001).

In conclusion, it can be claimed that multisensory brand experiences create experiential value among several stakeholders by engaging consumers emotionally through the five senses. Being hedonic in nature, multisensory brand experiences are a gateway for consumers to derive sensory pleasure and gratification in their interactive consumer-brand relationship process and to create a brand image anchored mainly on emotional and sensory associations.

MULTISENSORY BRAND EXPERIENCES AND BRAND LOVE

Academic research on brand love points out that consumers may feel passionate about a brand and consider it as a relationship partner (Fournier, 1998; Carroll & Ahuvia, 2006). In fact, consumers seek out brand partners who might be willing to provide new experiences and “spice” up their lives continuously. Interestingly, in a study conducted by Batra *et al.* (2012), consumers describe their love for brands as a broad and long-term relationship characterized by multiple interrelated cognitive, affective and behavioral elements. It is worth noting that 89% of the consumers reported feeling true love for at least one brand. Nevertheless, research also posits that loved brands are just a small minority of the total brands consumers usually purchase (Batra *et al.*, 2012).

Brand love is an emerging concept in the field of experiential consumption and is based on theories of interpersonal love, i.e. the triangular theory of love comprising three dimensions: passion, intimacy and decision/commitment (Stenberg, 1986). Shimp and Madden (1998) were the first to introduce the

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feeling of love into a marketing context by suggesting that the consumer-object love relationship is based on liking, yearning and decision/commitment components. As a result, they identified eight possible consumer-object relationships: non-liking, liking, infatuation, functionalism, inhibited desire, utilitarianism, succumbed desire and loyalty.

Despite there being some differences in the conceptualization of brand love, scholars are consistent in their assertion that brand love is a brand-relationship concept. The most commonly accepted definition of brand love comes from Carroll and Ahuvia (2006, p.81), who defined it as the “degree of passionate emotional attachment a satisfied customer has for a particular trade name”. In the same vein, Bergkvist and Bech-Larsen (2010) have conceptualized brand love as a deeply felt affection for brands. These two definitions are anchored on a purely irrational view of consumer-brand relationships, in which emotions play a central role.

Yet, recent literature on brand love accounts for a blending of both rationality and irrationality (e.g. Sarkar, 2014). It is important to note that research on brand love has been comprehensively conducted on different object categories, namely places, pets, bikes, consumption objects, among others (Ahuvia, 1993, 2005; Whang *et al.*, 2004) and has demonstrated that some consumers have an intense emotional attachment towards certain “loved objects” and brands.

Interestingly, it was shown that brand love tends to be higher for products that provide symbolic and hedonic benefits (Ahuvia, 2005) and that extroverted consumers are particularly prone to brand love (Rauschnabel *et al.*, 2015). Additionally, it was demonstrated that satisfied consumers tend to be less loyal to hedonic brands and engage in more positive word-of-mouth in relation to self-expressive brands (Carroll & Ahuvia, 2006). In this regard, it is commonly accepted that variety-seeking behavior results from the need to obtain pleasure from new hedonic brand experiences. Hence, products and brands that are high in hedonic benefits generate more incentives to behave in an exploratory-seeking manner.

Recent research on brand love has focused mainly on the antecedents and outcomes. In this strand of research, it has been shown that the identification construct plays an important role as an antecedent to brand love, particularly if a certain brand reflects the consumer’s identity (Carroll & Ahuvia, 2006; Batra *et al.*, 2012, Albert *et al.*, 2009, 2013). Additionally, Bergkvist and Bech-Larsen (2010) found that brand love tends to be stronger whenever consumers feel a sense of community with other brand users. Rauschnabel and Ahuvia (2014) showed that the perceived quality and anthropomorphism are important predictors of brand love.

From the outcomes perspective, brand love predicts brand loyalty, trust, positive word-of-mouth, resistance to negative information about brands (Batra *et al.*, 2012; Albert *et al.*, 2009), forgiveness of brand failures (Bauer *et al.*, 2009) and acceptance of price increases and brand commitment (Albert & Merunka, 2013). In another strand of research, brand love has been postulated as a blend of liking and intense passion (Sarkar, 2014). The consumer-brand relationship is divided into different steps, starting with an “affair” between a brand and its consumers as a result of appealing brand-related stimuli.

Over time, consumers might manifest warm feelings about a brand as a result of continuous exposure to brand-related stimuli, which they perceive as favorable. If consumers perceive specific brands as attractive and distinct from a set of other brands, their positive feelings could be intensified and transformed into passion. Hence, they might engage in mental distress in the event of separation or privation of a certain loved brand (Sarkar, 2014).

It is important to stress that consumers develop relationships with brands at a very early stage. A study from Ji (2002) demonstrated that children develop relationships with a spectrum of brands and that those relationships are imbedded embedded in the social environment in which children grow up

as younger consumers. The interviews suggested that children know the names of brands and are able to easily retrieve information about their past interaction with them. Therefore, it can legitimately be claimed that children's emotional connections with brands have great potential to be nurtured, so as to be later converted into loved brands.

Various authors suggest that brand love is dynamic in nature and changes its "gestalt" over the course of the consumer-brand relationship (Whang et al., 2004). Langner et al. (2016) mapped the trajectories of brand love and demonstrated that it is a complex and multifaceted phenomenon. Five distinct trajectories were identified: "slow development", "liking becoming love", "love all the way", "bumpy road" and "turnabout". These trajectories were portrayed as shaped strongly by (incidental) product and personal experiences, most of the time largely outside marketer control. It is claimed that the positive or negative effect evoked by emotional brand experiences may influence subsequent evaluations and emotional reactions to a specific brand (Langner et al, 2016).

Moreover, as Patwardhan and Balasubramanian (2013) argue it is crucial that a brand offers novelty along the relationship in order to keep the attraction strong. If novelty declines as a result of the brand experience, or if familiarity is excessive, the attraction that consumers feel towards a particular brand may weaken (Patwardhan & Balasubramanian, 2013). In conclusion, the author argues that as a result of a continuous exposure to positive and compelling multisensory brand experiences consumers might perceive brands as relationship partners and manifest passionate feelings towards them. In other words, consumers are aware that those brands are attractive and distinct as a result of the unique multisensory brand experiences that they create to "spice" up their lives continuously.

How Can Brands Create Compelling Multisensory Experiences That Generate Experiential Brand Value and Drive Brand Love?

As stated before, the five senses are powerful elicitors of emotions (Krishna, 2010; Hultén, 2015) and can drive brand choice in an experiential consumption context (Esch *et al.*, 2012). Indeed, consumers are often highly emotional and driven by the brands they really love. As a result, they show different levels of psychological engagement with brands due to different needs, motives and goals (Schmitt, 2012). Furthermore, brand information is frequently conveyed through multi-sensory stimulation, and more than one sense is involved when perceiving and experiencing a brand (Schmitt, 2012).

Hence, it can be argued that brand-related stimuli which appeal directly to human senses (e.g. design, sounds, scents, textures and flavors) impact positively on consumer behavior to a greater emotional degree, compared to stimuli based on functionality and price. In other words, brands are coded in consumer memory, both on a cognitive and an emotional basis, but the emotional somatic coding determines whether consumers take note of brand stimuli (Gordon, 2006; Pawle & Cooper, 2006).

In the current, highly competitive environment, in which we are bombarded daily with brand messages, brands need to work harder and more effectively, in order to stand out by inducing positive hedonic emotions (e.g. pleasure, delight and excitement) in the consumption process (Cherng & Tseng, 2015). Indeed, consumers nowadays are aware of how brands work and, most importantly, how brands are intended to target them (Pawle & Cooper, 2006). In this regard, pleasurable brand experiences based on full sensory stimulation are expected to differentiate brands from their competitors (Cleff *et al.*, 2014) and engage consumers emotionally.

Hence, developing a unique sensorial brand identity and conveying brand-experiential values in different encounters with consumers is crucial to eliciting positive and strong relationships between brands and consumers.

BRAND SENSORIALITY: A GATEWAY TO CREATE BRAND LOVE

Anecdotal evidence shows that the most loved brands have developed strong sensorial brand identities along the years, which make them unique and highly appealing. For instance, Apple's experiential brand values are conveyed, in an interrelated manner, by its product design, marketing communications and its stores. Touch, sound and vision are central in expressing its brand sensoriality, which is directly associated with the brand claim, "Less is more". In combination, all sensory brand-related stimuli deliver the brand promise based on feelings of modernity, amusement and love for design.

Apple is a customer-centric brand that creates experiential value in all touching points with consumers. Its brand identity is conveyed by a consistent and appealing brand sensoriality, which is achieved by direct experiences (product-related and retail-environment-related attributes) and indirect experiences (marketing communications). All its direct and indirect brand experiences with consumers contribute to sensory enjoyment, elicit strong emotional engagement and makes consumers wish to repeat the experience all over again. As Sarkar (2014) notes, the most loved brands usually belong to highly hedonic product categories, such as coffee, alcoholic beverages, stylist bikes, fashion apparel, perfumes and holidays resorts.

Brand sensoriality is therefore conceptualized as the sensorial brand identity through which companies convey experiential brand values, anchored on the creation and management of multisensory brand experiences. In this regard, brand sensoriality can serve as a heuristic cue for consumers, associated with pleasure, fun and amusement. In other words, brand sensoriality can drive emotional resonance with consumers, by adding value to their lives through compelling multisensory brand experiences in multiple encounters, such as multisensory design, multisensory marketing communications and atmospherics.

Multisensory Design: The First Component of Brand Sensoriality

Past studies on the experiential view of consumption provide evidence that products are a source of utilitarian benefits to the user and a source of pleasure in use (Crilly *et al.*, 2004). Product attributes are suggested by Keller (1993) as constituting antecedents to brand image and brand associations, two primary components of consumer-based brand equity.

According to Ng *et al.* (2013), the mechanisms of how consumers perceive product-intrinsic cues (e.g. flavor, aroma or texture) differ from how they perceive product-extrinsic cues (e.g. packaging material, information on brand name or price). More specifically, product-intrinsic cues are derived through perceptual systems linked to emotions, whereas the product-extrinsic cues operate primarily through cognitive and psychological mechanisms (Cardello, 2007). Indeed, research shows that if consumer expectations are confirmed by their sensory perception, consumers would most probably repeat product purchase (Deliza & MacFie, 1996; Ng *et al.*, 2013).

Ascribing multisensory cues to a product or service is crucial to capitalizing the decision to buy and to improve the user experience. Visual design has been proposed as one of the most significant cues for an overall user impression of a product's attractiveness (Mishra & Malhotra, 2015). In fact, materi-

als, color, ornamentation, shape, and size are proposed as key elements of a product's aesthetic value, defined as the pleasure consumers derive from seeing the product (e.g. Apple), without consideration of its utility (Mishra & Malhotra, 2015; Creusen & Schoormanns, 2005). Nevertheless, other streams of research in the sensory marketing domain have accounted clearly for the importance of touch (e.g. mobiles, fashion), smell (e.g. cosmetics) and taste (e.g. food industry) design in the consumption process (see Krishna, 2010, 2013).

In the past, innovations have focused almost entirely on *technology* but nowadays companies are focusing more on selling innovative *experiences*. Moreover, the incorporation of sensory appeals in product or services features enhances sensuality (Krishna, 2012) and contributes to brand differentiation (Lindstrom, 2005b).

For example, Coca-Cola appeals to multiple senses through sight (its famous curvy bottle), taste (its invigorating flavor), touch (the feel of its cool package) and hearing (the sound created when pouring). The unique sensory characteristics of Coca-Cola's product facilitate experiential routes of consumption and elicit strong emotional engagement, which makes consumers wish to repeat the experience all over again.

Hence, the author claims that brands need to incorporate appealing and congruent multisensory cues in product and service design, as part of their brand sensoriality, if brands want to create high levels of experiential value and drive brand love.

P1: Multisensory design, as a component of brand sensoriality, creates experiential value and generates brand love.

Multisensory Marketing Communications

For many years, marketing communications were seen as a powerful tool for pulling consumers towards brands, by simply creating strong brand awareness and recall. Changes in consumer behavior at a global level and the fragmentation of advertising media is now inducing scholars and practitioners to reflect upon the significance of marketing communications as a key driver of brand love. Furthermore, advances in multimedia technology have undoubtedly enabled a more intimate interaction with brands, opening up new ways of engaging consumers emotionally through the senses (e.g. virtual reality, apps, games). Mobility has also blurred the boundaries between online and offline technologies as never before (Kim *et al.*, 2009).

Additionally, brands are resorting increasingly to innovative ways of activating the human senses through personalized multisensory marketing communications in the domain of advertising (e.g. combining scent with digital technologies) or by creating multi-sensory brand events as a way to convey experiential brand values in a more engaging and personalized manner (e.g. Coca-Cola Happiness Truck and Heineken Cold Experience).

Vision and sound have dominated marketing communications for many centuries. Nevertheless, research suggests that these two sensory modalities are more closely connected to cognitive and rational thinking, whereas touch, smell and taste are more closely connected to emotions (Ng. *et al.*, 2013). Additionally, it is evident that food ads copy, involving multiple senses (e.g. "stimulate your senses"), leads to more positive sensory thoughts and thus higher taste perceptions, in comparison to an ad copy which focuses only on taste (e.g. long-lasting flavor) (Krishna *et al.*, 2016).

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Another empirical study from Peck and Wiggins (2006) showed that an advertising message incorporating a touch element in a brochure is perceived as more persuasive in terms of convincing people to become new members of a Midwestern children's museum, than a message without such a touch element. However, this positive effect emerged only for consumers who derived enjoyment from touch.

Interestingly, an empirical study testing the effects of smell on memory within the advertising domain (e.g. direct mail insert promoting a moisturizer) demonstrated that pictures used in an ad improve verbal memory, and that the scent infused in the ad makes this effect stronger and persisting after a time delay (Lwin *et al.*, 2010). Another study shows that merely by asking consumers to imagine what the advertised food might smell like ("smellizing" effect) can activate an olfactory-imagery response and enhance desire for the food (Krishna *et al.*, 2014).

Finally, research on music in advertising accounts for the impact on ad persuasion by influencing mood and consumer involvement (Alpert & Alpert, 1990; Alpert, 1989; Macinnis & Park, 1991, Park *et al.*, 2015), improved message processing, brand recall and brand attitude, whenever music is congruent with the ad and brand features (Park & Young, 1986, Lavack *et al.*, 2008, Hung, 2000; Tesoriero & Rickard, 2012).

These findings suggest the potential for brands to explore sensory imagery in marketing communications, either by eliciting sensory imagery in advertising or by sensorily activating brands at the point-of-sale and events. Furthermore, it seems that sensory stimuli have the ability to disrupt attention and critical processing and thus allow consumers to engage with brands at a deeper emotional level. In fact, sensory stimuli can be blended together to create maximum synergistic effects on brand attitude, enhance advertising effectiveness and boost brand equity (Yoon & Park, 2012) and brand love.

Some outstanding examples of multisensory brand experiences include a Porsche pop-up styled like a record store ("The Sound of Porsche"), an interactive bus shelter advertisement from McCain which releases the scent of a freshly baked potato and the digitally immersive Coca-Cola campaign "Taste the feeling".

Hence, the author claims that brands need to incorporate appealing and congruent multisensory marketing communications as part of their brand sensoriality, if brands want to create high levels of experiential value and drive brand love.

P2: Multisensory marketing communications, as a component of brand sensoriality, creates experiential value and generates brand love.

Atmospherics

Over the last few decades, many firms have achieved substantial competitive advantage (e.g. Starbucks, Abercrombie & Fitch, Lush Cosmetics) by delivering compelling multisensory customer experiences (Spence *et al.*, 2014). Unsurprisingly, extant research on sensory marketing and consumer behavior has shown that consumers perceive retail settings holistically and that sensory cues influence cognitive and affect shopping behavior (Spence *et al.*, 2014; Krishna, 2013; Hultén, 2015). In this regard, several empirical studies were conducted demonstrating that appealing visual atmospherics (e.g. lighting, in-store color scheme) auditory atmospherics (e.g. in-store music, background music) and olfactory atmospherics (e.g. ambient scents) encourage shoppers to stay longer and purchase more (Alpert & Alpert, 1990; Areni & Kim, 1994; Milliman, 1982; Knasko, 1989).

Another stream of research shows that tactile atmospherics (e.g. temperature in the store, softness of the furniture, texture of displayed products) enhances the customer experience and encourages touch exploration (Peck & Childers, 2006; Peck & Johnson, 2011). Additionally, a study from Hultén (2012b) in a Swedish IKEA store demonstrates that softening the lighting and introducing a vanilla scent has both a positive impact on approach behavior and sales of glasses of wine.

The term atmospherics was firstly coined by Kotler (1973) to describe a retail environment and its physical factors. According to his definition, the human senses play a central role in creating a strong emotional connection with consumers, and are able to increase their likelihood of purchasing goods and services.

According to Spence *et al.* (2014), store atmospherics can be classified into five categories: visual, auditory, tactile, olfactory and gustatory. Furthermore, the authors claimed that most of the research on store atmospherics tends to focus on senses separately, or on two or three senses at the same time, and that an integrative view on store atmospherics is needed. Additionally, the authors argued that congruent multisensory retail environments should be regarded by consumers as more pleasing and engaging, compared to scapes, which stimulate fewer senses at the same time or offer incongruent multisensory experiences.

Nevertheless, there is also a risk of sensory overload, if too many sensory cues are introduced into store atmospherics. For example, Abercrombie & Fitch's multisensory experience is very popular among young shoppers, but is sensory overload for parents, due to its loud music and strong signature scent (Spence *et al.*, 2014). Consequently, it might be meaningful for future research to investigate how sensory cues can be combined to create the optimal store atmospherics, considering both consumer preferences (e.g. in terms of sex, gender, etc) and how brands can convey their experiential values in a retail setting.

Most important is to acknowledge the significance of human senses in a retail context and how atmospherics generate value and brand love. In fact, research demonstrates that store evaluation is influenced by various factors, ranging from aesthetic appeal to the valence of emotions evoked by in-store sensory cues (Baker *et al.*, 2002). Furthermore, there is a growing body of evidence indicating that store atmospherics exert a remarkable influence on shopper behavior and perceptions (Donavan *et al.*, 1994; Turkey & Milliman, 2000; Hultén, 2015) as well as price acceptability for consumers (Grewal & Baker, 1994).

An interesting empirical study on fashion shopping shows that consumers with higher levels of love for a brand are more likely to experience positive effect, which in turn, influences the fashion-oriented impulse-buying urge (Liapati *et al.*, 2015). Earlier studies in retailing have demonstrated that recreational shoppers tend to stay longer in a shop and are driven by impulsive buying behavior (Beatty & Ferrell, 1998).

For example, Lush Cosmetics is a striking case of how a brand strategically uses the senses to convey its experiential values in a retail setting. Store atmospherics are achieved effectively by the synergetic interaction between vision stimuli (e.g. striking yellow store front windows and colorful in-store environment, in which product colors contrast with the light wood displays and the black in-store message boards), smell stimuli (e.g. inebriating smell of hand-made cosmetics displayed inside the store) and touch (e.g. products are displayed in an appealing and engaging manner and work as a constant invitation for consumers to touch).

Moreover, certain places such as Paris, London, New York or Venice are perceived by tourists as destinations full of sensory gratification. These cities capitalize on their atmospherics to facilitate place brand love, even if tourists have never visited them. Tourists are eager for new experiences and enjoy places which stimulate their senses and allow them to escape from reality. Therefore, they might be at-

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tracted to beautiful cityscapes in which cultural heritage plays a central role (e.g. Paris) or to picturesque views (e.g. Venice), or they may enjoy vibrant and noisy places such as London or New York, or wish to engage in a unique food experience (e.g. French cuisine).

Hence, the author claims that brands need to incorporate appealing and congruent atmospherics, as part of their brand sensoriality, if they want to create high levels of experiential value and drive brand love.

P3: Atmospherics, as a component of brand sensoriality, creates experiential value and generates brand love.

CONCLUSION

The world today is overcrowded with brands struggling to stand out and engage with consumers emotionally. How can a brand be considered a relationship partner and be loved by consumers? One way is to market through the senses and create unique and compelling multisensory brand experiences. Brand value is strongly driven by the experience of using the brand, and sensory branding is a valuable asset for brands that want to be perceived as fun, exciting and unique.

Consumers perceive the world that surrounds them through the five senses and manifest different levels of psychological engagement according to their needs and goals. Nevertheless, most of them are eager for new experiences that create excitement and allow them to escape from reality. In this context, brands play an important role, by delivering experiential value into the purchase and consumption process.

In fact, compelling multisensory experiences are a gateway for emotional resonance with consumers, since brands can provide novelty, fun and amusement, and at the same time, add value to consumers' lives. Consequently, it is important to stress emotional and sensory brand associations by creating a positive brand image and strong brand equity.

Departing from anecdotal evidence provided by successful and well-known brands, which have been analyzed along this chapter, it is proposed that brand sensoriality serves as a heuristic cue and an inducer of positive hedonic emotions in the purchase and consumption process. Brands can spur experiential routes of consumption and elicit strong emotional engagement through products which appeal strongly to the human senses (e.g. Coca Cola or Apple), explore sensory imagery in marketing communications to attract consumer attention and create emotional resonance (e.g. Porsche) or by distinct and appealing atmospherics (e.g. Lush Cosmetics).

To deliver experiential value, brands need to build up a strong sensoriality anchored on three components: multisensory design, multisensory marketing communications, and atmospherics. All of these dimensions are relevant for creating and managing multisensory brand experiences, especially if they are to stand out in a very competitive arena and drive brand love. The way in which brands interact with consumers in different encounters, by expressing unique brand sensoriality, determines the degree of emotional engagement over the long term. Hence, the higher the degree of integration of the three brand-sensoriality components, in terms of experiential breadth and depth, the greater their ability to generate brand love through multisensory experiences involving all stakeholders.

In conclusion, brand love is an emerging concept in the field of experiential consumption and has a multifaceted and dynamic nature. In order to make consumers passionate about a brand, it is necessary to delight them from the very beginning and to introduce novelty along the way. Providing sensory grati-

fication and amusement through multisensory brand experiences can facilitate emotional engagement among several brand stakeholders and ultimately drive brand love.

Therefore, to be able to conquer consumer's hearts, brands need to be customer-centric and develop a strong sensorial brand identity, conveyed by multisensory product/service design, multisensory marketing communications and atmospherics. The success will lay in how much the brand is able to capitalize experiential routes of consumption and elicit strong emotional engagement, which makes consumers wish to repeat the experience all over again.

The myth is now a reality and brands that are able to embrace a new model of emotional brand management, anchored on the creation of strong and appealing brand sensoriality, will succeed to be perceived as a valuable relationship partner and ultimately drive brand love.

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Chapter 30

Brand Revitalization: Reconnecting Emotionally

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ABSTRACT

Brand revitalization may be defined as putting a new lease of life to a dying brand. Revitalizing a brand is first of all a task of creating innovative products in line with the tastes of today's new customers, not those of yesterday's. Even when the brand may be very old, it should leave in the memory some traces, then only it would be fruitful to revamp the declining brand. The chapter discusses the meaning of brand revitalization, its causes and symptoms. The concept has been explained from the Indian perspective giving various examples from India. The chapter further discusses the various ways in which a dying brand may be given a new lease of life. The chapter discusses the role of emotional connect of the customers with the brand in particular. There is a detailed analysis of how Cinthol, a leading brand of soap in 1980's lost market in 1990's and how it revived itself by reconnecting with youth 2000 onwards. This chapter would add to the knowledge of the reader in the following ways: understanding the concept of brand revitalization and the rationale for reviving a brand; understanding the reasons why a successful brand loses its relevance and the indicators of the downfall; and understanding the linkages between emotional connect with the target audience and brand revitalization

INTRODUCTION

Although it may sound a bit pompous, it would not be wrong to say that marketing exist because of brands. The oft repeated slogan "Customer is the King" holds as long as brands are there. All the privileges that a customer enjoy are because of his ability to differentiate the products of one manufacturer from those of the others. It is this "power of choice" that makes customers highly valuable (Aaker, 2003). It has been very well explained by S. Agris an expert of Young and Rubicam, one of the world's leading marketing and communication companies as, "Differentiation is the engine of the brand train--- if the engine stops so will the train." Newly launched brands have a lot to offer in terms of differentiation, however with due course of time customers interest fade away. The points of difference no longer remain points

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of difference as aggressive competitors copy them (Ghodeswar, 2008). The mature brands soon find themselves cut off from the younger generation. In order to make these brands rise again they need to be revitalized and injected new lease of life (Kolbl, Konecnik & Kolar, 2015). The ageing brands need to reconnect with the younger generation, reposition their offerings according to the changing environment and reinvent themselves to remain relevant and successful (Kaikati & Kaikati, 2003).

BRAND REVITALIZATION

Brand revitalization may be defined as putting a new lease of life to a dying brand. There are brands in almost every product category which were very successful at some point of time but lost their relevance with changing times. Every brand faces the risk of getting disconnected with its customers if left unattended. Revitalizing a brand is coming up with innovative products in sync with the taste and preferences of the new age customers, not those of past years. While a product follows a typical life cycle consisting phases of introduction, growth, maturity and decline, brands can be forever, if managed well.

Symptoms of Brand Decline

There are certain indications which the marketers should be careful of as they point towards the declining popularity of the brands. Some of the indications are discussed below:

Abrupt Fall in Sales

The abrupt fall in sales indicate that there is some problem with the brand. The problem may lie in the external or within the organization itself. The reason may be any but abrupt fall in sales must be closely watched and ensured that the brand does not lose its hold on the market. For example, the sale of Japanese carmaker Honda plunged drastically in 2016. According to the data provided by the Society of Indian Automobile Manufacturers (SIAM), Honda sold 10,486 cars in the month of April 2016 as against 17,430 in March 2016, or an over 20% drop in sales on a year-on-year basis and a whopping 66.2% drop since March 2016. According to SIAM, out of the seven models on sale from Honda's stable in India, four, namely; Brio, Jazz, Amaze and Mobilio made it to the top 10 worst performers with Brio and Jazz registering maximum sales decline across manufacturers. Honda's Brio posted a 90.82% month-on-month (MoM) decline in sales as company sold only 198 units in April 2016. Jazz, on the other hand, posted a 76.41% decline in sales as it managed to sell 869 units. Amaze sales were a little better, at 2,639 units in April 2016, but nevertheless posted a 49.47% decline from March 2016. Honda managed to sell only 374 units of Mobilio in April 2016. The model posted a 38.69% decline in sales.

Slow but Systematic Fall in Sales

A world leader in mobile communications, Nokia entered India in 1995. Nokia became the most preferred brand in mobile phones within a very short span of time. Nokia dominated the Indian mobile phone market for its immense experience, innovative features and user-friendly approach. Nokia remained an undisputed market leader for considerable number of years. As per the figures from Gartner, an analyst firm, Nokia's share in overall market of smartphone in 2007 was an impressive 49.4%. Nokia's sensitiv-

ity towards Indian consumers was depicted in many of its moves like making the patriotic song, “saare jahan se achcha” the first Indian ringtone, introducing its first phone with a user menu in Hindi, and introducing its Nokia 1100 – the company’s first made-for-India phone. However things began to change 2005 onwards. Nokia’s market share in India fell from 56.2% in 2008 to 54.1% in 2009. Nokia suffered major setbacks year after year and ended with meager 7-9% market share as per IDC Asia Pacific Mobile Tracker in Q4 2012. Nokia suffered in India because it felt the heat of the competition two ways, one from the growing demand of Samsung and Apple on the high-end of the smartphone market and the availability of cheaper local brands on the lower end. The fall was swift and by the first half of the year, 2013, it had decreased to a miniscule 3%.

Diminishing Market Share

Decrease in the market share is an indication that the brand is losing its hold on the customers as depicted in the experience of Tortoise mosquito repellent coil in India. A glance at the AC Nielsen data for the household insecticide market reveals that Tortoise coil was the market leader in the 1990s. However its market share fell tremendously thereafter. From a share of 32.9 per cent in 1998, the Tortoise brand was reduced to 2.3 per cent in 2003.

Disconnect With the Younger Generation

Old Spice was a famous American brand of male grooming products launched way back in 1938. The brand was very well received by the customers and was established as a renowned brand by 1970s in the product category of male grooming products. However, the Old Spice brand aged with time. Most of the customers of Old Spice were old or middle aged men. Young generation was not much impressed by the brand. By 1990, it had lost its magnetism altogether. The young generation would relate to Old Spice as their father’s or grandfather’s shaving cream or cologne but would not find the brand relevant to them. Being remembered as grooming products of one’s grandfather was not a good idea for the metrosexual generation of 1990s. Perhaps this is where Old Spice ran into problems. The characteristics that helped Old Spice become popular in old are times were no longer appealing to the newer generation.

Increasing Bad Word of Mouth

State-run telecom service provider BSNL reported straight losses consecutively year after year. BSNL lost about 1.78 crore wireless and over 20 lakh wireline subscribers between March 2014 and March 2015. Although CRM is considered to be the game changer in telecom sector, BSNL ironically became notorious for poor customer support. Poor connectivity, improper handling of customer complaints, indifferent attitude of workforce and inadequate customer service earned a very bad name for BSNL. People would often jokingly say that full form of BSNL should be “*Bhagwan se bhi nahin lagega*”(even God cannot connect with BSNL) citing the poor connectivity of the service provider. The bad word of mouth cost BSNL dearly as they lost many subscribers to other private sector service providers like Airtel, Vodafone, Idea, etc. According to the data revealed by the Telecom Regulatory Authority of India (TRAI) for the month of August 2015, private service providers held 91.68% market share of the wireless subscribers whereas BSNL and MTNL, held only 8.32% market share.

Brand Revitalization

Why Brands Decline?

There may be many reasons for fall in a brand's magnetism. Some of the reasons may be within the control of the managers while others may not be. On reviewing the literature the major reasons for downfall of brands have been identified and discussed as under.

Degradation of Quality

The brands may suffer when they do not match up to the high level of quality that is expected of them. The same happened with the renowned filmmaker of India, Ram Gopal Verma. Ram Gopal Verma, popularly known as Ramu, was known for realistic cinema. He has created cult films like *Shiva* and *Satya*. In the words of Taran Adarsh, a trade analyst, "Ram Gopal Varma took us through a world that always existed but no filmmaker had the courage to portray." However, the director and the producer did not live upto the expectations of the audience. "Poor content has been his biggest bane of late. He has been serving up stories that seem too 'abstract'. He seems focused on churning out too many films. Plus, he has moved away from his USP of honest realism that made him a saleable name," says Adarsh. Moving away from his core brand identity, the realistic cinema and making movies one after the other without much research work took toll of Ram Gopal Verma genre of films and maligned its image with mediocre movies like *Darna Zaroori Hai*, *Nishabd*, *Darling*, *RGV Ki Aag* and *Contract*. All these flops define the worst era of RGV's filmmaking tenure.

Denial of Change

Many brands fail to recognize the change in the business environment and adapt themselves accordingly. Farex was one of the leading brands in baby food category in India in early 1980s. In 1983-84 the World Health Organization imposed advertising restrictions on baby food. Glaxo, which owned Farex at that time, stopped promoting the brand. Being a pharmaceutical company, it had its own limitations in the form of prescribed standards and codes of what may be promoted. In the mean time, the Swiss fast-moving consumer goods company Nestlé continued promoting their baby food brand Cerelac through the pediatrics and gained market share. Farex resisted change. Cerelac positioned itself as an updated and clinically well-sounded brand, making Farex appear old fashioned. Farex started to lose market share. Glaxo sold the brand Farex to Heinz in 1996. In 2005, Heinz India sold the brand Farex to Dumex India Limited. In 2006, Wockhardt acquired Dumex India Limited. Since advertising and promotion of baby food is not allowed in India under the Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992, that guides the sale of infant nutrition products in the country, companies producing baby food need to promote their products amongst doctors, who then may recommend them to end consumers. In such a scenario, distribution network plays a very important role in increasing the sales. However, changing ownership of the brand brought changes in the sales strategy as well. When the sales team changes, the know-how on sale of the product is lost. Farex paid the price for frequent change in ownership. Cerelac on the other hand remained consistent in its sales strategy and focused on point-of-sale activities and enhanced the brand visibility at medical stores, which led to enhanced brand recognition as well as recall. Thus resistance to change and frequent change of ownership pushed Farex into oblivion.

Dependence on a Single Product

The brands making only a single product are at greater risk. The risk enhances further if the brand is not updated from time to time. Boroline, an over the counter antiseptic perfumed cream sold in India, succumbed to the same risk. The brand was launched in 1929 in Kolkata by Gourmohan Dutta. It is manufactured by G D Pharmaceuticals Private Limited. Boroline is meant to be used for cuts, cracked lips, rough skin, and to treat infections. Boroline made no change in its offerings over the years. Even the packaging was not changed. Boroline continued with its white, sticky cream with medicinal properties. Low on aesthetic appeal, the users started complaining against the greasiness of the cream. As a result the brand which boasted of almost 90% market share in 1980's has reduced significantly. The major chunk of customers of Boroline was either hard core loyalists or the ones on the verge of switch over. It was the latter category which deserted the brand in huge numbers on the launch of Boroplus, an antiseptic cream from Emami. Boroline failed to extend the brand to other categories which were more in sync with the younger generation. While Boroline continued with a single product, its major competitor Boroplus came up with a number of line extensions such as Boroplus talcum powder, Boroplus body lotion, sunscreen lotion etc.

Narrow Distribution Network

A brand may also suffer because of limited distribution network. The limited availability of the product results in poor brand recall. Sometimes the distribution network may position a brand in a way that may restrict its sale. Pediasure in India suffered this problem. Pediasure is a food supplement for children aged 2-10, manufactured by Abbot Healthcare Pvt Ltd. The product was launched in India way back in 2002. According to the brand site, Pediasure is a food supplement for the kids who are fussy eaters and also for the kids suffering from some medical ailments. It is a highly recommended for malnourished kids who have erratic eating habits. Since the supplement was therapeutic, the sales would occur through suggestions or prescriptions from doctors. So the sales force targeted the doctors and convinced them to prescribe it to weak children. This is how the brand established a firm hold in the urban markets. The brand was easily available in medical shops and pharmacists. Consumers started perceiving Pediasure as a health tonic for those children who had severe health issues, thus alienating other consumers who wanted a health drink to supplement their kids' diet. As it was considered to be a medicated product, the consumer would buy Pediasure from medical shops, and so the grocery store owners did not keep it. However realizing the market potential of the Indian market, in 2006-07, Abott Healthcare Private Limited created Abott Nutrition as a separate entity. It started focusing on its popular brands, of which Pediasure was one. The brand also invested in boosting its distribution network by adding modern trade, department stores, online channels besides chemists to its portfolio to position itself as a health supplement rather than a medicated tonic. It resulted in an increased market share of Pediasure.

Not Seen Not Heard

Burnol is one of the oldest brands in the niche product category of burns antiseptic cream. Being almost 65 years old, it is perhaps one of the earliest brands of independent India. The brand recall of Burnol is still high among the Indian consumers. Burnol was acquired by a number of companies during its lifespan. Firstly, it was owned by Boots and then the brand was acquired by Knoll. Later Reckitt and

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thereafter Piramal bought the brand. In 2002, the brand was acquired by Dr Morpean labs. The on and off change of ownership of the brand Burnol has definitely undermined its brand value.

Burnol is an antiseptic cream meant specifically for burns. It is perceived as generic antiseptic cream for burns. The cream in its hey days enjoyed a very high demand as it was considered an essential item which every household must have. The offices, factories, schools etc. had Burnol in the first-aid boxes for treating burns. Burnol regarded as an essential first aid medicine. However the changing owners of Burnol affected the brand adversely. Either some of the companies who acquired Burnol were short in finances or the brand was not their main concern. Because of either or both of these reasons, the brand promotion was negligible and it started getting reflected in the form of depleting market share. Although Morpean labs tried to boost the brand, the poor finances of the company limited its promotion. Thus lack of visibility turned a potential brand into a forgotten brand of yesteryears.

Internal Cannabilisation

Rexona soap was launched in India in 1947. It was one of the well-known brands in the soap market. The soap adopted benefit positioning as it was positioned as a soap having natural ingredients such as coconut oil which is considered good for skin. The product was a big success as it conformed to its promises and had high brand recognition on account of its effective marketing communications. However, a twist came in the success story of the soap when Rexona deodorant was launched in India in 1995.

Rexona is one of the largest selling deodorants in the world and is available in around 90 countries. Rexona can actually be credited for creating the product category of deodorants in India, which was practically non-existent at that time. Indian consumers were not used to deodorants. So Rexona deodorant created the need and desire amongst the consumers to have pleasant body odor. The deodorant was heavily advertised. Lots of money was spent on promoting the brand. The deodorant was initially introduced as roll on stick and was later made available in form of aerosols as well. The sticks were priced comparatively cheaper to facilitate the customers to try the product for the first time. The effective campaigns and smart pricing created a market for the product category of deodorants in India. The deodorant market soared from 0 to 70 crore in less than 3 years' time. While Rexona deodorant was gaining momentum rapidly, Rexona soap was neglected. The focus was on Rexona deodorant while the mother brand Rexona soap was pushed into the background. This affected the market share of the brand in the short-run and overall brand equity in the long-run.

Organizational Problems

Sometimes, the organizational friction may harm the overall image of the brand in the market as it happened with Adidas, the iconic German brand of sportswear. Adidas posted a 26 per cent fall in sales of Reebok-branded products in spite of group revenue growing seven per cent during the April-June 2012 quarter. Adidas held commercial irregularities in India responsible for the fall in Reebok sales.

Although Adidas bought Reebok in 2005, the two entities were given a common identity only in 2011 when Subhinder Singh Prem was appointed the head of the combined entity. He succeeded Andreas Gellner. Gellner was appointed as the managing director, South-east Europe. Prem's appointment caused some unrest. Although the integration of the two Indian offshoots was decided, the decision on who would hold the key position in the amalgamated entity was withheld. Around 2008, Prem began his struggle for the position. In his pursuit of the coveted job, he was ready for everything. Although

Prem had a standing in the organization, he was aware that Gellner could give a tough competition as Adidas India was slowly and steadily gaining firm ground in India. Prem knew that this may hamper his chances to gain the topmost position in Reebok.

Thus, in order to showcase big numbers, Prem went on an expansion spree in India without considering profitability and margins. Very soon the number of Reebok stores shot up to more than 800. Reebok had only around 100 in 2003. Not only this, in order to increase volume of sales, Prem started billing franchises goods beyond their selling capacity. It was done with an assurance that the company would take care of the unsold stock.

Reebok India was always a star asset and now it was giving even more impressive numbers in terms of sales so the bosses in Germany were more than happy. When Geller and his teams tried to direct the company's attention towards the increasing number of complaints from franchisees and conflicts regarding leftover stocks, it was overlooked as overreaction from disgruntled Geller.

Prem was finally promoted. However, his happiness was short lived as the reality began to surface very soon. Franchises stopped payments, asking that the issue leftover stocks be resolved first. Disputes with distributors and franchises became the order of the day. The strategy of massive expansion had gone all wrong. Reebok was unable to pay its vendors. Inventories too were increasing. Reebok suffered a great damage which got manifested in form of steep fall in sales.

REVITALIZING A BRAND: IS THERE STILL A HOPE?

Brand revitalization is like resuscitating a dying patient. But the dying patient must also have the will power to fight back. Similarly the declining brands should also show few signs of hope so that efforts may be made to revive them. These signs may be any one or more of these:

- The brand still has the goodwill among the customers.
- The brand still has “magnetism” which may draw the young generation towards it.
- The brand's products are relevant to the present customers.
- The brand still has a set of loyal customers offering chances of growth.
- The brand itself is willing and has the fire in the belly left.

How to Revive a Declining Brand

On reviewing the literature and exploring the brand knowledge structures in hand, Keller suggested two ways of reviving a sluggish brand:

1. Increasing the physical consumption of the brand
2. Enhancing the emotional connect of the brand with the customers

Increasing the Physical Consumption of the Brand

The physical consumption of the brand can be increased by increasing the quantity of consumption (i.e. the quantity used per use) or by increasing the frequency of consumption (i.e. the number of times a customer is consuming the brand).

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The quantity of consumption may be increased by recommending more quantity per use. For example, detergent powders, toilet cleaners, antiseptic liquids like Dettol etc. may recommended capful or a particular quantity for best results which is actually more than what consumers normally use.

The frequency of use may be increased by making consumers use the products on more occasions or by communicating the benefits of using the product more frequently. For example a toothpaste company may promote brushing teeth twice a day, once in the morning and once at night. Similarly, companies making shampoos recommend shampooing hair everyday as people in India are in the habit of shampooing hair once a week or when they oil their hair.

The frequency of use may also be increased by suggesting new ways of using the product or repositioning it by redefining the very purpose of the product.

For example, Milkmaid was launched in India as whitener for tea and coffee. The use of Milkmaid as whitener was restricting its use for tea and coffee only. In order to increase the use of the product, it was promoted as condensed milk which could be used in preparing various sweets and desserts. In order to increase the sales the label depicted recipes with attractive and tempting illustrations. A free recipe booklet was also distributed with the pack to encourage customers to try new recipe. Milkmaid achieved a tremendous increase in its sales, this way.

The concept of bicycles as a mean of transportation in today's time would find very few takers. The traditional customers for bicycles in India have been rural customers, low-income urban customers and school-going children. The rising income of people and government policies to support the lower strata of society along with the easy availability of loans is making the rural customers and low income urban customers to aspire for motorcycles rather than bicycles. The other major market for bicycles consisted of school-going children, which too is shrinking due to factors like unbearable summer temperatures, increasing distances between homes and schools, traffic congestion and sedentary lifestyle of kids resulting in lowered stamina. Hence bicycles need to reinvent themselves to remain relevant in the changing times. That is exactly what Hero Cycles is doing. It is repositioning its cycle as an eco-friendly, exercising machine that may help one to remain fit. According to Sunil Kant Munjal, Managing Director and CEO of Hero Cycles, the market leader with 39 per cent market share, "There is certainly a change in the demand pattern linked to consumers' changing aspirations and choices. The bicycle industry (like many other industries) has also pooled together its resources to ensure that the benefits of these changes are shared by all concerned; and as a result of this, the marketers have promoted the fitness plank." At the same time efforts are being made to position bicycles as a trendy exercising machine. Attractive bicycles are being manufactured with contemporary gadgets which include mountain terrain bikes, cycles for children and fitness freaks.

Enhancing the Emotional Connect of the Brand With the Customers

A dying brand may be given a new lease of life by strengthening the emotional connect with the customers. A brand should not leave its magnetism and ability to retain loyal customers. It should remain relevant to the young generation because that is where the new customers are going to come from. While on one hand, the brand should keep itself updated on the other, it must not abandon its core identity.

Reconnecting Emotionally: Case of Cinthol

Cinthol is one of the oldest soap brands in the Godrej conglomerate. Fifty eight years ago, Cinthol was created by Burjor Godrej, nephew of Adeshir Godrej, founder of the group. Cinthol was launched on India's independence day in 1952 and has since, been endorsed for its confidence and freshness by celebrities ranging from Vinod Khanna and Imran Khan, to Shah Rukh Khan, Hrithik Roshan and Virat Kohli.

Cinthol was positioned as masculine soap that would remove bad body odor and provide freshness. The other soap in the category was Lifebuoy which was positioned as anti bacterial soap leading to good health with the famous tagline "Lifebuoy hain jahan, tanddurasti hai wahan". Where on one hand Lifebuoy was positioned as the bathing soap for males involved in hard, strenuous physical exercise, Cinthol was targeted at stylish, fashion conscious males. Another unique thing about Cinthol was that it was India's first toilet soap to be made exclusively of vegetable oils; most of the other soaps contained animal fats. Cinthol adapted benefit positioning with dual benefits of freshness and pleasing body odor.

In the 1980s the masculine image of the soap was reinforced when the famous Bollywood actor Vinod Khanna was incorporated as brand ambassador. Even the tagline of the soap said, "Vinod's body confidence soap". The television commercial of the Cinthol was the rage of the nation in which Vinod Khanna was shown riding a horse on a beach.

In 1989, Cinthol Lime was introduced, to enhance the product line. Pakistani cricketer Imran Khan was incorporated as the brand ambassador along with Vinod Khanna. The addition of Imran Khan reinforced the macho image of the soap. Cinthol Lime too was very successful in the market. Cinthol came out with many variants from time to time to keep the curiosity and the interest of the customers alive. Two more popular brands Cinthol Fresh and Cinthol Cologne were launched in the early 90s. This time the super star of that time, Shah Rukh Khan was taken as the ambassador. Shahrukh known for his energy and enthusiasm was the perfect match for the brand. By 1993, Cinthol emerged as the market leader with an 18 per cent of market share in the premium toilet soaps category.

However, 1995 onwards Cinthol's fortunes started dwindling. The period between 1993 and 1996, was quite a turbulent one for Cinthol as it entered and exited into a joint venture with Procter & Gamble (P&G). The after-effect of this on and off association with P&G was felt in the form of decreasing market share which ultimately resulted in a decline in Godrej's overall market share to a mere 5 per cent. After parting ways with P&G, Godrej relaunched its Cinthol International variant. But the results were not very good as the soap was now being perceived by many as old, devoid of charm and being male-centric.

In the next ten years, Cinthol changed its positioning from machismo to family oriented. The brand started attracting families and the same was reflected in its advertising campaigns where the entire family was shown enjoying a bath with Cinthol. The brand equity of freshness and fragrance were retained but, the target customers changed from youth to families.

However, the brand positioning as a family soap did not work as expected. The brand had an adequate equity, but was not reflected in the sales figures. In 2007, retail audits pegged the market share of Cinthol at less than 3 per cent. The sales were lagging behind with a big gap when compared with the market leader, Hindustan Unilever. With a combined market share of 9.4 per cent (a bulk of it coming from the volume soap, Godrej No 1), Godrej was far behind Hindustan Unilever's 54 per cent share of toilet soaps.

Cinthol tried to go back to its original positioning of premium, masculine soap. With this intention the famous Bollywood hero, Hrithik Roshan, known for his action films was as signed on as the brand ambassador. The action packed campaign featured Hrithik Roshan doing daring stunts. In the ad film

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the actor was shown running through the desert and across roof tops. This was followed by him doing gravity defying stunts of bungee jumping, rafting, and horse riding. The campaign ended with Hrithik playing football and saying “Don’t stop.”

The action-packed television commercial was accompanied with entirely repackaged offerings from Cinthol. The company relaunched its entire range of soaps, deodorants, and talcs in three fragrances — Classic, Cologne and Sport. To align the brand message across price points and variants in one direction a “24-hour confidence” was embossed on all products carrying the brand name. Cinthol.

Cinthol continued with the positioning till 2011. In 2012, it undertook the revamping of the brand once again. The idea was how to make Cinthol contemporary and connect with the next generation. The Hrithik Roshan campaign worked very well for Cinthol. However given what Cinthol stood for, which was ‘freshness’, ‘alive’, ‘confidence’, ‘masculine’, it was the time to contemplate how Cinthol reinterpreted it so it connects with a younger Indian mindset. The young generation is the “I generation”, a generation which does get impressed by celebrities and their on-screen charisma. The consumer research showed a marked change in the lifestyle. In today’s time, everybody wants to live life to the fullest. The youth of today is very particular about their looks and hygiene, and so personal grooming plays a very important role in their life. It was a big opportunity for Cinthol.

Thus the theme of ‘Alive is Awesome’ was born, which certainly wanted to appeal to the youth. The brand successfully reinvented itself again to remain relevant in the minds and hearts of the consumers. It hit upon a new idea “Being Alive is Awesome”. The concept was now targeted at the younger consumers who want to live their life to the fullest and the brand tried to send the same message across the channels. The tagline, “Alive is Awesome” represented the brand essence of a very active lifestyle.

Cinthol tried to make the brand relevant to everyone young at heart, irrespective of any demarcation based on country, colour or gender. Thus the advertising campaign for the brand, was devoid of any well-known face but has a bunch of young people including men and women bathing in several unlikely, improbable parts of the world.

Moving away from its earlier promises of ‘24-hour confidence’ and ‘long-lasting freshness’, Cinthol now wanted to capture how young people today lived their lives to the fullest.

Godrej wanted to take Cinthol to the next level by exploiting the emotional ‘push-point’. The brand has witnessed two developments over a decade—one, it was moving into a more premium segment, and secondly, an opportunity to establish itself as an inspirational brand which very few brands in India in personal grooming space had been able to create. Cinthol had an amazing heritage, it could be exploited to create something which could contemporize the brand, and inspire a whole new generation.

While earlier Cinthol segmented the market demographically targeting the male customers, the new segmentation was based on a psychographic definition. Cinthol tried to target a mindset called, ‘Youthful explorer’, which was indifferent to age and background. There is a small child in all of us who wants to explore life and experience new things. A lot of us get bored by day to day intricacies and want to break free. Cinthol tried to capture that mindset as they saw a yearning among the young generation for that kind of life.

There was also a perception that Cinthol was a man’s soap. But the new television commercial has showed a girl on an elephant. Cinthol wanted to do away with its “masculine” image establish itself as a “unisex” soap.

Cinthol has always been relatively premium and urban. The modern trade shares of Cinthol in metros are much higher than its all-India shares. The same was communicated through the changed physique of

the brand. The new packaging was clean, bold and aesthetic, and not like the ordinary soap brands that had swirls and curves on them. It was given a more 'urban' look and feel. It also invested in categories like deodorants and shower gels, which had more urban customers.

Since the young generation is the Internet generation, Cinthol made its presence felt online as well. For example, while watching the ad online, one can click on it and get information on the location where the ad was shot, and others where that experience can be found. If one clicked on a person in the ad, it would take them through that bath. An 'Alive is awesome' community was conceptualized where people would come in and share their experiences

CONCLUSION

Brand revitalization can be a rewarding exercise for a company as the cost of launching a new brand is so high that it justifies the savings made by rejuvenating an ageing and declining brand. An old brand may not have big numbers to show but is remembered by customers. The basic requirement for brand revitalization is that brand must have magnetism left in it. In order to revive a dying brand, it is essential that youngsters should be attracted towards the brand. The connection with the young generation should be an emotional if the brand intends to go a long way. The rational utility of the brand does affect the customer's purchase decision, but brand loyalty comes from building an emotional connection with the customers. And that is exactly what makes a brand a dark horse in today's ever changing world.

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Chapter 31

Understanding Doppelgänger Brand Image: The Darker Side to Emotional Branding

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ABSTRACT

With ubiquitous digital growth in the last two decades, consumers' belief of authenticity has become robust. Empowered consumers voice their opinion boldly through internet medium. Antibrand activists, bloggers and loosely organized network of consumers continuously monitor the activities of deceitful marketers and one insidious tactic turns the emotional image to doppelgänger brand image (DBI) - disparaging images and stories about a brand. This article helps in giving insights about the concept of DBI and show the paradoxical side of emotional branding. The concept has been explained with illustrations and recent issues like net neutrality in India, Maggi ban, etc. In addition, the chapter also covers the motivations to create DBI, brands susceptible to DBI and location of such images. The work puts across the schemes where managers could turn this threat of DBI into an opportunity to tell a new brand story, thereby regaining the emotional appeal for the brand. Understanding the concept of DBI would help the readers appreciate the area of emotional branding in better light.

INTRODUCTION

Marc Gobé created the concept of emotional branding based on the philosophy that a connection with a brand at an emotional level endures longer (Lafferty, 2001). Creating an emotional bond with a customer requires a company to put the needs of its customers ahead of its own needs of selling its product. Relationships with an emotional dimension are more likely to resist the temptation to defect than relationship build for the purpose of convenience (Rossiter and Bellman, 2012). Emotional branding clearly differentiates companies from their competitors and helps to create deep intrinsic relationships between the brands and consumers (Akgün, et al., 2013).

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In the times of Internet-based marketing where brands are marketed through social networks, it becomes all the more important to build connections with customers on a personal level. But, some loosely organized network of consumers, anti-brand activists, cultural jammers, bloggers, and opinion leaders, circulate disparaging images and stories about a brand. Over time, the brand-focused parodies and criticisms coalesce into a coherent set of opposing meanings that plague brands. This is considered as the “doppelgänger brand image” (Thompson, et al., 2006). With these images, the brands that have attained competitive success through emotional-branding strategies lose their trust amongst customers.

The face of marketing has changed with advancement of technology. Nowadays, consumers want to establish a multifaceted holistic relationship with a brand of their choice. Customers proactively suggest product improvements, participate in activities of new product development, write reviews on blogs and co-create whenever a situation demands. In the past, if people did not like a brand, they ignored and opted for competing products; however, with this new digital medium of internet customers voice their opinions. As digital imaging software gains wide spread diffusion, a number of brand parodies and culture-jamming satires circulate in cyberspace. They are now being recognized as a potentially serious brand image threat (Earle 2002; Walker 2003). This democratization has empowered consumers to create doppelgänger image of a brand and spread it through viral mediums on the Internet. These offensive images not just effect the company’s own brand but also shatters the confidence of a loyal customer.

This primary goal of the chapter is to explain the concept of doppelgänger brand image and its various facets. The concept is explained through various illustrations and examples to highlight the paradoxical side of emotional branding. The significance of authenticity in the brands in the growing digital ecosystem has been emphasized. Also, the chapter delves deeper into this concept by covering brands susceptible to DBI, motivations to create DBI and the location of such images. Previous research studies, which have worked on the idea of DBI, have also been described. Finally, the work puts across the strategy using which managers could turn this threat of DBI into an opportunity to tell a new brand story. An understanding of this concept will help readers better appreciate emotional branding.

FOCUS OF THE CHAPTER

The ubiquitous digital growth in the last two decades has empowered consumers with greater accessibility to information, networking and broadcasting through various media. Empowered consumers demand authenticity for any claims portrayed by brands. Any misleading or inauthentic claim can be quickly uncovered due to the vast amount of information available over the Internet. False claims can put the brand in extreme negative light. Anti-brand activists continuously monitor the activities of Machiavellian marketers and one insidious tactic can turn the positive brand image to a doppelgänger image. Doppelgänger brand image is defined as a family of disparaging images and stories about a brand that are circulated in popular culture by a loosely organized network of consumers, anti-brand activists, bloggers, and opinion leaders in the news and entertainment media(Thompson, et al., 2006, p.50).

The world Doppelgänger is a mix of two words ‘Doppel’, which in German means double, and ‘Ganger’, which means someone who is walking, or in other words, double walker or alternate ego. This concept took birth in Germany in the 1500s. The Doppelgänger brand image (DBI) is the criticism of a certain brand that has become popular through emotional branding strategies. It is an effort to plague the image of the brand through focused parodies. The DBI can provoke a sense of incongruity between the inspirational intention of an emotional-branding strategy and the profit-driven motives of its spon-

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sor. The disparaging images and stories dilute the emotional resonant meanings of the brand created through marketing activities. Some images in the past have been demeaning to the extent that the victim companies had to withdraw their products from the market.

One of the illustrations which explain the doppelgänger phenomenon in the Indian context is about the leading mobile carrier 'Airtel'. Airtel in India created a stir with its new marketing gimmick 'Zero rating platforms'. It allowed mobile users to access mobile applications of only participating/ registered app developers at zero data charges. This was against the principle of net neutrality. Net neutrality basically means that Internet service providers should enable access to all content and applications regardless of the source, and without favouring or blocking particular products or websites. Another aspect of net neutrality is to provide a level playing field on the Internet whereby, all websites can co-exist without hampering others. The digitally savvy consumer of 21st century figured out that the claim of the company was unauthentic and violated the principle of net neutrality. Under the zero rating scheme, some specific websites and applications were favoured. Net neutrality allowed everyone to communicate freely, but under this scheme access to all websites and applications would no longer be free.

'Airtel zero rating platform' was a step to compete with the similar initiative by Facebook and Reliance partnership that had resulted in the formation of Internet.org. But contrary to the beliefs, Airtel had to pay the price for its unauthentic claims by losing its immense symbolic value (Airtel- reliable network provider). A number of disparaging images went viral against the leading mobile service, see Figures 1-3.

The issue of net neutrality was blown so much that the other players in the Telecom industry who were planning to come up with similar schemes dropped the idea as parody of their brands was also being made viral. Finally, the government had to intervene and companies had to withdraw these schemes. The illustration helps to highlight the repercussion of the doppelgänger image on a company's brand

Another illustration which further explains the concept of DBI, is when KFC entered Gujarat in India in 2011. The US-based non-vegetarian fast food chain faced opposition and backlash when it first

Figure 1. Airtel 'rich people network'

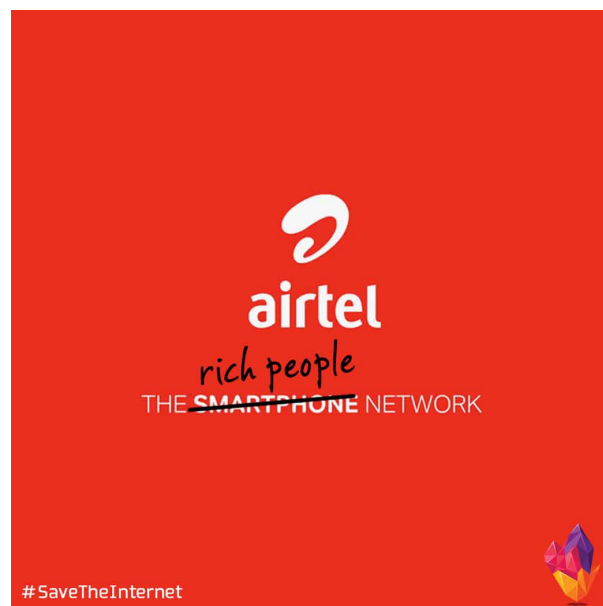


Figure 2. Vodafone 'no more power to you'

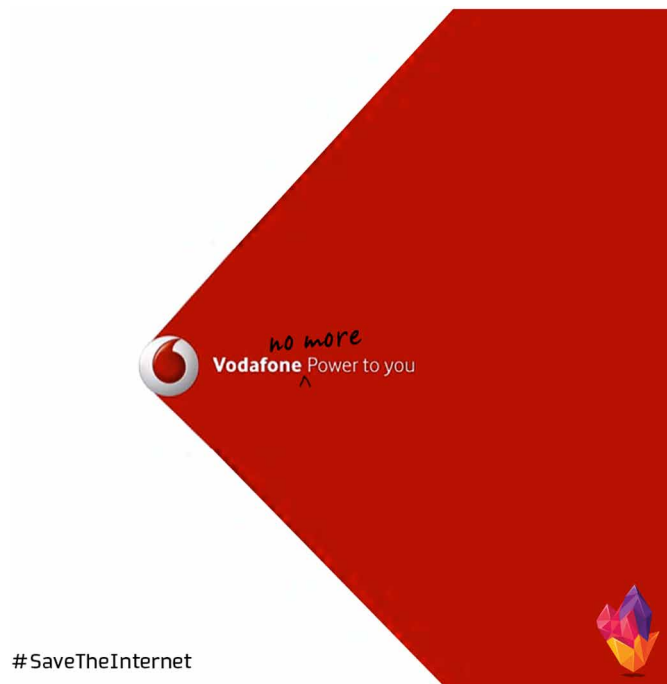


Figure 3. Aircel 'your money our possibilities'



opened its outlet in the vegetarian main land of Gujarat. Somehow, the fast food giant revised its menu and kept only vegetarian dishes. This also had counterattack on their brands image. The doppelgänger image of Mr. Kentucky was replaced by the then Chief Minister Narendra Modi publicising 100% vegetarian KFC. The loyal customers were shocked, as the geographical expansion led to the diminution of the core essence of the company for being a non-vegetarian delight.

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Consumers can be unforgiving when trusted brands seem to violate their promises (Aaker, Fournier, and Brasel 2004). The doctrine of emotional branding ironically encourages the formation and propagation of doppelgänger brand imagery due to cultural backlashes and social criticisms. It is important to take into consideration that most consumers are not anti-brand activists. However, the culture-jamming criticisms that enter into mainstream cultural discourse, lead to the doppelgänger brand image.

An example of DBI in the international context is that of the potent brand, Apple. New York city brothers, Cary and Van Neistat's expose what they called 'iPod's Dirty Secret', by making a video after they were told that they would have to pay \$255 to replace a battery for an 18-month old iPod or buy another iPod instead. Through the means of a video, they portrayed Apple as intentionally exploiting customers by not offering a replacement battery for its widely popular product. Their video spread like wildfire across the Internet, and the story was picked up by several mainstream news organizations. The resulting storm of controversy led Apple to offer a replacement battery and thereby, dramatically alter its marketing strategy (Stuever 2003).

CHARACTERISTICS OF DBI

DBIs are usually focused on well-known brands that are viewed as lacking authenticity and trying to create a false misleading emotional appeal. Brands which are famous and have high degree of familiarity are more susceptible to DBI. Business practices of renowned, large companies are always under the eagle's eyes, thus they are more likely to get attention from anti-brand activists. DBIs are targeted towards bigger brands as those campaigns are likely to get more attention in comparison to attacks on smaller brands. Thus, the more prominent a brand gets, the more its susceptibility increases towards DBI because they may fly under the radar of anti-brand activists. In addition, brands that lack iconic status (i.e., market challengers or followers) may be less susceptible to attacks on their authenticity

People who are motivated to create a doppelgänger brand image usually have a perception that the brand is being inauthentic by disguising its true nature. Like in the case of Airtel, it was trying to disguise its intentions by initially involving customers in zero rating platforms. They were trying to create an oligopolistic situation where websites would have to join the cartel artificially created by Airtel and the customers would be charged money to access some websites. Thus, anti-brand activists publicized the disparaging image over the Internet, highlighting the company's true intention.

Usually, DBIs are created as a form of individual protest and are located on an individual website or blog posts or social media pages. These images are then picked by larger online media outlet or traditional news channels. Sometimes, they are located on websites or social media pages of anti-brand activists, or hate pages created on various mediums. Example; the KFC DBI was adopted from 9gag.com and was also available on modifunny.blogspot.com.

In today's digital ubiquitous ecosystem, authenticity is a strong attribute for any organization. Given that a sea of information is available at a mere press of a button, brands need to make authentic claims. False claims can be quickly uncovered. A growing number of firms are realising that representing themselves and their products in a genuine manner is simply good business practice in the digital age.

REVIEW OF ACADEMIC LITERATURE

Although DBI is relatively new area, the two famous academic articles that have explained the concept of doppelgänger brand image are highlighted in the following section. First, is the two-year long study by Thompson et al. (2006) titled, 'Emotional branding and strategic value of doppelgänger brand image'. The article mainly proves that even though Starbucks might be having strong bottom-line and rising sales revenue, it cannot undermine the potential risks of losing its persona.

In the article, Thirty six patrons from six coffee shop were interviewed (Through the means of qualitative research, the interviewer asked them why they liked the local coffee shop without mentioning Starbucks. Every respondent replied they liked the local coffee shop because 'it was not Starbucks'. On probing further, it was figured out that customers had negative impression about Starbucks due to its DBI. People felt that Starbucks was trying to take the place of an intimate local coffee shop when in reality it was one of the famous global brands. People felt that it lacked the local flavour and the warmth offered by the next door coffee shop was missing in Starbucks. It did not have any differentiating factor and it was similar to its thousands of other coffee outlets. Also, people felt that Starbucks was driving other local coffee shops out of business. People were emotionally attached to local coffee shops and they felt that Starbucks was hampering the coffee experience, which was the reason for its DBI.

The article proves that a doppelgänger brand image provides an early warning sign if a brand starts losing its value in the market. A relatively small number of brand avoiders could be the impetus to a cultural tipping point (Gladwell, 2000) that could weaken Starbucks's brand franchise. Doppelgänger brand image functions as a diagnostic tool that can reveal latent brand image problems that could eventually blossom into a full-fledged brand image crisis. More specifically, the analysis of a doppelgänger brand image can do three level diagnoses. (1) call attention to cultural contradictions that could potentially undermine the perceived authenticity of a firm's emotional branding strategy, (2) provide early warning signs that an emotional branding story is beginning to lose its value as an authenticating narrative for consumers' identity projects and (3) offer insights into how an emotional branding strategy can be reconfigured to fit better with changing cultural times and shifting consumer outlooks. We further argue that these diagnostic insights are unlikely to be generated by conventional brand management frameworks.

The second study is an eight-year longitudinal study by Giesler (2012), related to Botox cosmetic campaigns. This study mainly reveals that DBIs can shift over time in response to changing marketing claims. The author suggests a four-step brand image revitalization process that can be applied by brand managers interested in combating the false claims of stakeholders (e.g., anti-brand activists, competitors) interested in destabilizing a brand's marketing success (Figure 4). Or the model can also be used to sustain the brand's innovation legitimacy over time.

STRATEGIES TO OVERCOME DBI

When a company is faced with a DBI, managers can use a variety of tactics to combat it, for example, fostering brand communities, and using customers to help market their brands. The first step is to manage digital cues. This should be a regular practice of a public relations team. Brand managers should carefully examine industry- and brand-related websites, social media channels and various review sites in order to anticipate any brand backlash. Nowadays, sophisticated brand-related tracking tools are available, which can easily analyse the conversations going on at the virtual level. The second step is that firms should

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Figure 4. Four-step brand image revitalization process
Giesler, 2012.

Phase	Problematization	Interessement	Enrollment	Mobilization
Managerial Action	Create new brand image that resolves competing image's nature-technology contradiction	Validate new brand image (and invalidate competing image) through socially sanctified experts	Create a network of representatives who specify new image's consumer role	Ensure that all other consumers in the network adopt the new brand image
Focus	Story Development	Authorization	Identity Performance	Diffusion/Adoption
Instruments	Technology Myths (e.g., Techtopian, Work Machine, Techspressive, etc.	Studies, tables, charts, figures, partnerships, etc.	Celebrity endorsements, specific brand personas, leading consumers, etc.	Advertising and PR, brand community practices, etc.

track and identify brand avoiders (people who are avoiding a brand due to DBI), search them on blogs and anti-brand websites to dig deeper insights. The third step is to develop and test a new story if the brand is faced with a DBI. The marketing manager should craft an entirely new story, which addresses a DBI or bypasses it entirely. They could create their own viral marketing campaigns that could put the brand in authentic light.

One of the famous and more recent examples of a brand that turned around its DBI into an opportunity to gain a strong foothold in the market is of Nestle Maggi (Instant Noodles brand). This instant noodle brand from Nestle has been the most celebrated Indian brand for decades and one of the biggest market shareholders in the instant noodles category in India. However, in 2015, a random laboratory test identified MSG (monosodium glutamate) in Maggi and its products were suddenly banned across the country. Loyal customers of the brand were extremely offended by this revelation and they took it upon themselves to destroy the brand image of Nestle. The campaign from anti-brand activists, cultural jammers, opinion leaders etc. was so intense that factories producing Maggi were temporarily closed. Millions of dollars worth of stock was destroyed. A flood of funny images on various blogs, social media websites and even in mainstream newspapers appeared. For quite a long period, these comedy memes kept on circulating on WhatsApp, Facebook, Twitter, Blogs, etc.

Nestle Maggi did not lose hope and used this opportunity to turn the tables in its favour. After proving that Maggi products were scientifically edible across various laboratories, the brand developed a new story. '#Missyou' campaign was created to show brand love bypassing all DBIs. They made the campaign viral and also released an anthem to win back the trust of its customers. Customers soon got back to their most loved brand and showered their affection by stocking even more quantities than before. Sales turned all time high and loyalty was extreme. In a small span of time, Maggi noodles were able to restore its lost image. This is how company can overcome the risks of DBI.

CONCLUSION

Consumer's attachment for a strong, specific, usage-relevant emotion such as bonding, companionship, or love towards the brand encompasses emotional branding. These strong emotional appeals tend to

give high pay-offs, especially high brand equity to the companies (Rossiter and Bellman, 2012). But on the other hand, emotional branding strategies are conducive to the emergence of a doppelgänger brand image. Sometimes, consumer's emotional bond and high degree of passion can have a counter-effect on the brand itself, if the brand has not been cultivated on rational arguments.

It takes many years for a brand to carve a niche personality for itself. Relentless effort goes into building a positive brand image in the perceptual framework of consumers. Gradually, customers associate themselves with the product and its brand attributes. But if customers do not like anything about the brand, they take the opportunity to voice their opinion. With ubiquitous technology (social networking, blogs, brand communities, etc.) that exponentially spreads the information and the availability of advance software, brand parodies can be created that hamper the image of a brand. In this digitally advancing world, marketers' false claims can be quickly uncovered. A Machiavellian marketer's insidious tactic can turn the positive brand image to a doppelgänger image.

The investment of resources in terms of time, money and effort spent to build the desirable image of the product or service can be drained if DBIs are not well-managed. Thus, in order to channelize the efforts to create an emotional appeal towards the brand, marketers need to be vigilant enough against this dark side of branding, which might hurt the emotions of the loyal and reliable customers.

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Chapter 32

Consumer–Brand Relations: An Investigation Into the Concept of Brand Hate

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ABSTRACT

This research adapted Stenberg's (2003) triangular theory of hate to explore consumer brand relationships. Authors discussed that the protean character of Consumer brand relations (CBRs) in negative way has not been explored by prior conceptualizations in consumer research. The study conceptual scheme, in conformity with Stenberg's theory, was centred on the view that three psychological processes such as motivation, cognition, and emotion interact in several combinations to govern the nature of consumers' relations with brands. Authors' conceptualized eight kinds of CBRs by considering every combination of the three underlying psychological components. Authors have adopted the scale of hate from interpersonal relationship literature and tested it in context of consumer brand relationship. The managerial and theoretical implications, limitations, and future research directions are discussed in detail.

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INTRODUCTION

Businesses enjoy many benefits by forming an image of their products/services in such a way that consumers start developing a strong emotional relationship with the brand (Albert *et al.*, 2013; Carroll & Ahuvia, 2006). This helps brands to reap benefits in the form of positive word of mouth, brand trust, repurchase intention, consumer citizenship behaviour, and so on (Batra *et al.*, 2012; Albert *et al.*, 2013; Garg *et al.*, 2015). Hence, brand is an important asset for the success of any business (Aaker, 1991). Just as the consumer's emotional connection with a brand could generate loyalty, one could also speculate the influence of a negative emotional connection of consumer and brand in the consumer's perception, brand loyalty, and on the profitability of the business (Zarantonello, Romani, Grappi, & Bagozzi, 2016).

Despite an increased interest in the relationship between consumers and brands, it can be argued that brand hate has been rather neglected and has received almost zilch amount of attention in the marketing and consumer behaviour literature (Bosse, 2014; Bryson, Atwal, & Dreissig, 2010; Dalli *et al.*, 2006; Delzen, 2014; Lee *et al.*, 2009; Romani *et al.*, 2012; Salvatori, 2007, Zarantonello *et al.*, 2016). Research on negative evaluations of products and brands is very limited, especially when compared to the existing research on positive attitudes (Zarantonello *et al.*, 2016). This asymmetry in research is understandable, particularly in the marketing field as companies and institutions are greatly interested in the practical consequences of positive forms of knowledge (Dalli, Romani, & Gistri, 2006).

However, even as it is important to study the concepts of brand loyalty and brand love, it is also important to understand why consumers dislike brands, or even develop hatred towards them. As a prevalent phenomenon, brand hate could lead to several repercussions for the brand, such as negative word of mouth, brand avoidance, negative brand image, and so on. This can tarnish the image of the brand and, hence, create a possibility of losing a big chunk of market in spite of having very good products/services. The study of brand hate and its measurement scale is therefore of stark importance in marketing.

Carroll and Ahuvia (2006) have indicated that brand hate is not the opposite of brand love. Interestingly, according to them, the lower bound for brand love is not its logical opposite (brand hate), but it is the absence of an emotional response, like satisfaction, for the particular brand (Sternberg, 2005). Marketing literature is full of studies that have examined brand avoidance, anti-consumption, brand dislike, negative emotions etc., in the past few years (Banister & Hogg, 2001; Lee *et al.*, 2009; Rindell, Strandvik, & Wilen, 2013, Romani, Grappi, & Dalli, 2012). Researchers have explored the concept of brand hate (Zarantonello *et al.*, 2016) only on the affective dimension of brand hate. A better understanding of brand hate and how it develops is necessary, particularly because of the growing complex nature of consumer-brand relationships.

This research integrates interpersonal relationship and consumer-brand relationship literature around the concept of hate and conceptualizes the concept of brand hate. Authors have adopted the 'hate' scale that is established in interpersonal relationship literature (Sternberg, 2003) and tested whether it can be applied in the context of consumer-brand relationship. Once its validity is established in consumer-brand relationship, the concept of brand hate is described as composing of motivation, cognition, and emotional components

This chapter is divided into three sections. The first section discusses literature review on the concept of hate in the interpersonal relationship and consumer-brand relationship literature. The second section describes the research methodology employed in the paper and the subsequent section offers discussion.

LITERATURE REVIEW

This section discusses the concept of hate from the interpersonal relationship and consumer brand relationship perspectives. The first sub-section outlines the interpersonal relationship literature on hate. The second sub-section offers consumer-brand relationship literature on brand hate.

Interpersonal Relationship

In 350 B.C., Aristotle compared hate and anger and discussed that former could rise without committing any earlier offense and could not cause pain to the hater. Hate can be defined as “pain that is accompanied by the notion of an external cause” (Benedictus de Spinoza, 1985). Neufeldt and Guralnik (1997) defined hate as “to dislike or wish to avoid”. However, hate is found to be different from dislike (Sternberg & Sternberg, 2008).

Gaylin (2003) referred to hate as an intense and irrational emotion. There is a disorder in perception of various researchers, which deludes thinking and needs an object to which to attach. However, all literature suggests that hate cannot be irrational (Royzman, McCauley, & Rozin, 2005). For example, if an enemy is on the verge of destroying you, your loved ones, or your country, this is a case where hate may be adaptive and a rational response to others actions. For hate to happen there must be something or someone to hate. It is still not clear whether hate always propels one to fight. A willingness to fight might be the result of fear and anxiety and sometimes as result of hate (Sternberg, 2005). Sternberg (1993) suggested that hate is a complex aggressive affect that is chronic and stable and aims at the destruction of the object of hate.

Allport (1954) viewed hatred as an emotion of extreme dislike or aggressive impulses toward a person or group of persons. Ekman (1992) defined hate as an emotional attitude which is more sustained than other emotions. It is not made up of a single emotion but several emotions (Plutchik *et al.*, 1991; Kemper, 1987; Ekman, 1992). Adding an important milestone in the study of hate, Sternberg (2003) proposed a triangular theory of the structure of hate, which suggests that hate is composed of three dimensions named as negation of intimacy (affective), passion (motivation), and commitment (cognition). Different combinations of the components of hate lead to different kinds of hate, which he named as cool hate, cold hate, hot hate, seething hate, boiling hate, simmering hate, and burning hate (Sternberg, 2005).

Consumer Brand Relationship

Since the 90s, research concerning brands has strongly developed. Negative consumer-brand relationship has been studied through constructs such as brand dislike, brand avoidance, desire for revenge, brand disgust, negative emotions, and so on (Banister & Hogg, 2001; Chaudhuri & Holbrook, 2001; Fournier, 1998; Fournier & Yao, 1997; LeeMotion *et al.*, 2009; Rindell, Strandvik, & Wilen, 2013, Romani, Grappi, & Dalli, 2012; Samuelsen & Sandvik, 1998).

Brand dislike happens when a consumer exhibits his/her negative evaluations towards a brand that could be either developed during the evaluation task or retrieved from a negative experience stored in memory (Dalli *et al.*, 2006). There are various factors which lead to the development of brand dislike, however, theoretical explanations are fragmented and sparse. Brand avoidance is defined as incidents

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in which consumers deliberately choose to reject a brand (Lee, Motion & Conroy, 2009). These studies classified brand avoidance into Experiential, Identity, Deficit-Value, and Moral Avoidance (Lee, Motion & Conroy, 2009). As a consequence of brand avoidance, consumers' withdraw themselves from any interaction with the brand (Gregoire *et al.*, 2009).

A desire for revenge is described as "customers' need to punish and cause harm to firms for the damages they have caused to them" (Gregoire *et al.*, 2009, p. 19). Here, consumer plays an active role whereas, in brand avoidance, he/she is passive and a non-confronter.

Alba and Lutz (2013) view brand disgust as a situation where consumers have been kept as hostages by the company due to local monopoly, high switching cost, or some exit barrier. In this situation, consumers' might vent out their disgust through social media, negative word of mouth, and so on.

Brand hate means opposition to the brand and could shoot up after a product/service failure (Johnson *et al.*, 2011). Romani *et al.* (2012) suggested that consumers could hate a brand in situations when the brand is not updating itself, not being ethical, and is unappealing. Hate is considered as sub-component of dislike and referred to as an extreme form of dislike. Bryson *et al.* (2013) defined brand hate as "an intense negative emotional affect towards the brand" (p. 395). It is an extreme negative affective component of attitude towards the brand. They identified antecedents and consequences of brand hate. Zarantonello *et al.* (2016) suggested that brand hate consists of multiple emotions and categorized it into active and passive brand hate. They also indicated complaining, nWOM, protest, and patronage as behavioural outcomes of brand hate.

The existing literature on brand hate is not comprehensive enough to justifiably understand the concept. Until now, marketing literature suggested brand hate as comprising of single or multiple emotions. However, as stated before, interpersonal relationship literature suggests that hate comprises of three components, namely, negation of intimacy (affection), passion (motivation), and decision/commitment (cognition) (Sternberg, 2005). Different combinations of these components of hate lead to seven kinds of hate, which are named as cool hate, cold hate, hot hate, seething hate, boiling hate, simmering hate, and burning hate (Sternberg, 2005).

Literature suggests that consumer and brand as relational partners where consumer treats brand as he/she would treat an individual in the social context (Aggarwal, 2004). Animism theory states that an individual provides human-like traits to the non-living entities (Gilmore, 1919). Advertisers have adopted strategies in which the brand is personified or anthropomorphized. Consumers show no difficulty in attributing human personality to inanimate brands or in thinking about brands as if they were celebrities or famous historical figures (Aggarwal, 2004).

This research adapted Sternberg's (2005) triangular theory of the structure of hate to explore consumer brand relationships and consequently brand hate in the marketing context. The three components of hate namely, negation of intimacy, passion and commitment come from Sternberg's theory.

Intimacy refers to the affective component of a relationship and involves feeling of togetherness, closeness, and connectedness (Sternberg, 1986). Whereas, negation of intimacy refers to the feeling of repulsion and disgust, which basically leads people to create distance from a hated individual. Certain acts by the person follow as a consequence of this repulsion and disgust (Sternberg, 2003). This negation of intimacy also exists in the context of consumer-brand relationship. Consumers can develop a distance from a hated brand because of the brands' immoral behaviour, service/product failure, and so on. The feeling of negative intimacy takes time to develop and fade.

Passion is the second component of hate, which comes out in the form of anger or fear, as a response to a potential threat. Anger might force an individual to approach and fear might force an individual to

avoid the hated object. Thus, anger and fear are the subcomponents of passion (Sternberg, 2003). Thus, passion could drive consumers to fight against the hated brand or move away in case of a perceived risk from the hated brand (Gladston, 1987, Sternberg, 2003).

Commitment is the final component of hate, which represents cognition characteristics of hate. Hater is likely to brainwash others and change their thought process so that they conceive the hated thing in a devalued way (Sternberg, 2003). Hence, this component of hate is linked with the desire to not only hurt the hated person but also to devalue him/her (Rempel and Burris, 2005; Sternberg, 2003). In the context of brand, this could be done through posting negative comments about the brand, creating websites where others could also post their negative views, through educational program, and several other methods of spreading negativity about the brand.

The concept of brand hate in this study proved to be in conformity with Sternberg's theory, and was centred on the view that the three psychological processes motivation, cognition, and emotion interact in several combinations to govern the nature of consumers' relations with brands.

RESEARCH METHODOLOGY

This section discusses the sampling method employed in the present study. It also presents the measures used and their analysis. The reliability and validity of the brand hate is also presented.

Sampling Method

Multi-stage cluster sampling was used for the collection of data where population was distributed into clusters and clusters were selected randomly (Malhotra, 2004). For this research, population consisted of residents from the national capital territory of Delhi and Mumbai, India. Researchers did not specify any product category to bias the consumer response so they can choose from any of product categories such as FMCG, Consumer durable, Banking, Insurance, etc. While evaluating the completeness of the questionnaires, it was found that 15 questionnaires had missing data. Those questionnaires were not included for further analysis. A total of 220 responses were found to be useful for further analysis.

For measuring brand hate, measurement scale was adapted using existent items from the Hate scale developed by Sternberg and Sternberg (2008) in the interpersonal context. All items were modified for adequately capturing hate in the consumer-brand relationship context. This research used the 7-point likert scale, which ranged from strongly disagree (=1) to strongly agree (=7).

The final sample composed of 45.6% men (54.4% women) where majority of respondents were young persons (62.3% less than 30 years of age). 67.6% of the respondents were single and 22.4% were married. The product categories were banking, insurance, clothes, cosmetics, restaurants, beverages, FMCG, electronics, car rental companies, and so on.

Exploratory Factor Analysis

Exploratory factor analysis was employed where Principal components analysis (PCA) and orthogonal method with varimax rotation was used using SPSS (version 16.0). The result presented that the Kaiser-Meyer-Olkin (KMO) value, which measures sampling adequacy, was 0.886 and the Bartlett's test of sphericity was ($p < .001$), which suggested the suitability of sample data for using factor analysis. On the

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basis of EFA, one item (BNI2) from the negation of the intimacy dimension of brand hate was deleted as it had a factor loading less than 0.6 (Field, 2009).

Reliability

The Brand Hate scale's reliability is within the recommended range and shown through Joreskog coefficients. All factors have a reliability coefficient greater than 0.7, which can be judged excellent (Nunnally, 1978).

Convergent Validity

Convergent validity was examined based on the factor loadings of each item of construct's measurement model using structural equation modelling, AMOS 20.0. Factor loadings of the measurement items and their error variance were used to evaluate the Average variance extracted (AVE) of each of the constructs. A minimum cut-off criteria (for standardized regression loadings ≥ 0.5 ; AVE ≥ 0.5 ; and composite reliability ≥ 0.7) was used to assess the convergent validity and was found to be within the recommended range (Refer to Table 1 in appendix) (Hair *et al.*, 2006).

Discriminant Validity

Discriminant validity is evaluated by comparing the chi-square from a free model to the constrained model (Bagozzi, Yi, & Phillips, 1991). If chi-square difference between the free model and the constrained model is higher to the theoretical chi-square, then discriminant validity holds.

Nomological Validity

Hate has been studied in link to a lot of different emotions, feelings, or behaviours in context of interpersonal relationship. In the consumer-brand relationship context, Lee and Youn (2009) found an influence of brand hate on negative word of mouth. Brand hate had been linked with indirect and direct revenge behaviour of the consumer such as brand rejection, complaining behaviour, and so on (Denzen, 2014). Due to product failure, a consumer could develop hatred towards that brand (Koenderink, 2014).

According to Dalli, Romani, & Gistri (2006), product failure can develop the feeling of dislike for the brand. Consumers do not appreciate product failures or products that are of low quality. However, when product failures accumulate, they result into the intense negative emotions for the brand in the form of brand hate (Bryson, Atwal, & Dreissig, 2010; Grégoire *et al.*, 2009). Salvatori (2007) identified that brand hate can be developed as a result of negative experiences with the product.

Brand rejection is defined as "the incidents in which consumers deliberately choose to reject a brand" (Lee *et al.*, 2009, p. 170). Studies has mentioned about the negative stimulus, which evokes the avoidance behaviour (Chen & Bargh, 1999). The consumers who are not satisfied with the brand are more likely to reject the hated brand (Denzen, 2014; Zarantonello *et al.*, 2016).

Negative word-of-mouth can be referred to as customers who privately share their bad experiences with relatives and friends to denigrate a company or to make others reconsider the relationship with the company (Grégoire & Fisher, 2006; Grégoire *et al.*, 2010). It acts as an indirect revenge behaviour to

express negative thoughts about the hated brand. It has been studied that consumers who hate a brand are more likely to spread negative word of mouth (Delzen, 2014; Zarantonello *et al.*, 2016).

Authors analysed the relation between the brand hate scale and the constructs of brand failure, brand rejection, and negative word of mouth. The measurement of these constructs is adopted from the existing scale (Denzen, 2014; Grégoire *et al.*, 2010; Tojib & Tsarenko, 2012).

Results support our hypothesis. Brand failure is linked to brand hate, which is further linked to negative word of mouth and brand rejection. Table 1 represents the loadings of the items measuring each of the three constructs (brand failure, negative word of mouth, and brand rejection). Relationships between one input to brand hate and two outcomes are given in Figure 1.

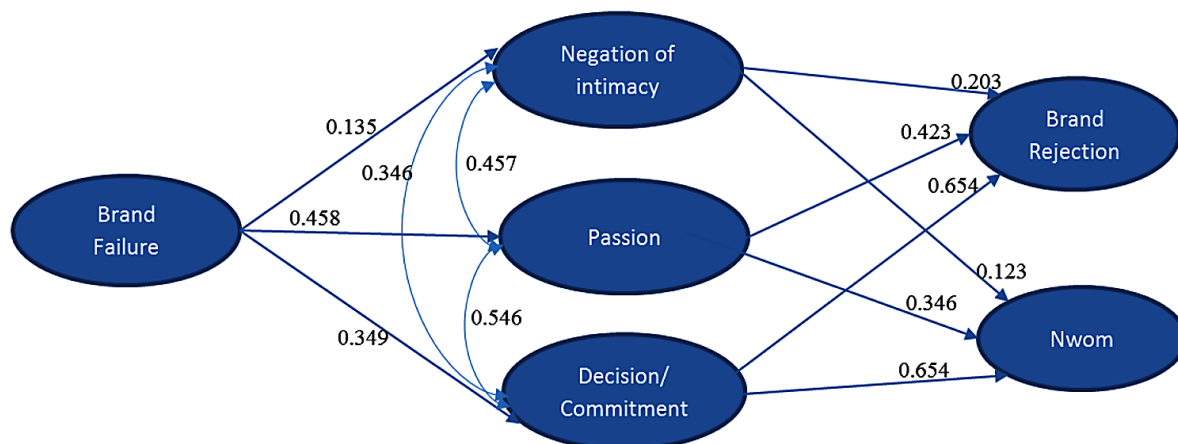
DISCUSSION

Authors have argued that Stenberg’s (2003) triangular theory of hate has its correspondence in the consumer-brand relationship domain. This research has attempted to develop a new manner of looking into consumer-brand relationship and provides a set of concepts that expand extant perspectives involving CBRs.

Consumers may show a real feeling of hate toward some brands, as demonstrated in numerous research findings. Concerning the measurement of the hate construct, this study adopted the scale from interpersonal relationship literature in the consumer-brand relationship context. The scale consisted of 28 items and three components, namely, negation of intimacy, passion, and decision/commitment. Our findings confirm that hate towards a brand is highly similar to interpersonal hate. Statistical analysis confirms the reliability and validity of the brand hate scale.

Finally, the brand hate scale predicts two negative behaviours, namely brand rejection and negative word of mouth. This study finds that severity of brand failure leads to brand hate. The use of the brand hate scale may now help managers to detect consumers who feel hate towards their brand, measure the importance and the dynamics of the phenomenon and help them propose adapted communications, loyalty programs or novel consumer segmentation schemes.

Figure 1. Test of nomological validity (path coefficient)



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Brand hate can lead to behaviours that can damage the brand image and reputation of the company and can put intense pressure on its personnel. This study shows that brand hate can be present in every product category and for every brand. It is therefore important for managers and marketers to prevent the motivations as much as possible and carefully manage the behaviours.

From our research we found that in today's cut-throat competitive environment of different brands, brand hate of a particular organisation can become the competitive advantage of the competitors so organizations should put emphasis on preventing brand failure, brand rejection, and negative word of mouth for their future growth sustainability.

These interesting results might be moderated by limitations. First, there are limited studies on brand hate, future studies could conceptualize the concept of brand hate. There is a need to explore the antecedents and consequences of brand hate. What develops brand hate among consumers? Can a consumer be in hate with a brand independent of the products that carry the brand? Or is the consumer in hate with a branded product? Does hate transfer with brand extensions? What is the role of culture in the development of brand hate? Future studies could explore the process of brand hate.

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KEY TERMS AND DEFINITIONS

Brand Avoidance: Incidents in which consumers deliberately choose to reject a brand.

Brand Disgust: A situation where consumers have been kept as hostages by the company due to local monopoly, high switching cost, or some exit barrier.

Brand Dislike: It happens when a consumer exhibits his/her negative evaluations towards a brand that could be either developed during the evaluation task or retrieved from a negative experience stored in memory.

Commitment: The final component of hate, which represents cognition characteristics of hate.

Hate: It is composed of three dimensions named as negation of intimacy (affective), passion (motivation), and commitment (cognition).

Negation of Intimacy: The feeling of repulsion and disgust, which basically leads people to create distance from a hated individual.

Negative Word-of-Mouth: Customers who privately share their bad experiences with relatives and friends to denigrate a company or to make others reconsider the relationship with the company.

Passion: The second component of hate, which comes out in the form of anger or fear, as a response to a potential threat.

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APPENDIX

Table 1. Loadings, reliability, and convergent validity of the Brand hate scale

Factor	Items	Loadings	Reliability	Convergent Validity
Negation to intimacy	I think that brand is truly disgusting (BNI1).	0.65	0.9079568	0.542039507
	I feel that one cannot trust this brand at all (BNI3).	0.75		
	I have no sympathy whatsoever for this brand (BNI4).	0.81		
	I do not feel any compassion towards this brand (BNI5).	0.8		
	This brand is repugnant to me (BNI6).	0.8		
	I have no empathy for this brand (BNI7).	0.83		
	I do not believe I could meaningfully communicate with this brand (BNI8).	0.72		
	I feel that this brand is fundamentally different in a negative way from people like me (BNI9).	0.7		
	This brand is really loathsome to me (BNI10).	0.72		
Passion	I sometimes find I cannot get the threat of the brand off my mind (BP1).	0.76	0.9228605	0.563806433
	I personally feel threatened by this brand (BP2).	0.85		
	This brand presents a clear and present danger to me and to others like me (BP3).	0.78		
	This brand is truly frightening (BP4).	0.87		
	I can sometimes feel my heart beat faster from the rage I feel when I start thinking about the brand (BP5).	0.87		
	Thinking about the brand makes me feel insecure (BP6).	0.79		
	Thinking of the brand scares me (BP7).	0.83		
	I feel intense anger when I think of this brand (BP8).	0.74		
	When I think of the brand I become very angry (BP9).	0.79		
Commitment	Consumers need to commit themselves to the fight against this brand (BC1).	0.77	0.9272664	0.552327525
	Consumers need to take an active role in speaking out against this brand (BC2).	0.74		
	I am committed to the fight against this brand (BC3).	0.76		
	We must never waiver in our fight against this brand (BC4).	0.77		
	I cannot imagine that this brand will every change its negative behaviour towards society (BC5).	0.82		
	I would join a movement that is aimed at fighting against this brand (BC6).	0.91		
	The fight against this brand is important regardless of the possible costs (BC7).	0.81		
	We have to protect ourselves against this brand by every means (BC8).	0.86		
	The public should be informed comprehensively about the danger of this brand (BC9).	0.86		

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Table 1. Continued

Factor	Items	Loadings	Reliability	Convergent Validity
Brand Failure	How severe do you think this brand is? (BFAIL1)	.608	0.7662	0.5177
	What level of inconvenience has this brand caused you? (BFAIL2)	.751		
	What level of stress has this brand caused you? (BFAIL3)	.734		
	How unfair do you think this brand is? (BFAIL4)	.629		
Nwom	I spread negative word-of-mouth about this brand. (NWOM1)	.546	0.7815	0.5017
	I denigrated this brand to my friends. (NWOM2)	.586		
	When my friends were looking for a similar service, I told them not to buy this brand. (NWOM3)	.674		
	I always tell my friends about my feelings towards this brand.(NWOM4)	.643		
	I try to influence a lot of people in not purchasing this brand. (NWOM5)	.652		
	I give to this brand a sort of positive WOM advertising.(NWOM6)	.567		
Brand Rejection	I reject services/products of this brand. (BREJ1)	.728	0.8288	0.5828
	I refrain from buying this brand's products or using its services. (BREJ2)	.821		
	I avoid buying these brands products/using its services .(BREJ3)	.838		
	I do not use products or services of this brand. (BREJ4)	.832		

Chapter 33

Fans and Brands: Delineating Between Fandoms, Brand Communities, and Brand Publics

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ABSTRACT

Although fandom has a rich history within pop culture, it is difficult to know when fandom was formed and what constitutes a fandom. In this chapter the authors define fandom and its related activities, as well as delineate it from the similar fan-brand communities of brand communities and brand publics. A typology for fan-brand communities is presented with two dimensions: 1) motivation for engagement and 2) social status and relationship type. This typology can help guide researchers, brands, and marketers in effectively managing different subcultures of fans. This chapter may be used as a starting point for further understanding of fan-brand community-based relationships.

INTRODUCTION

Hannah is a young woman who is highly involved in a community formed around a mutual love of a specific entity. Every day she checks online forums to stay up to date and is known by others in the community as *the* biggest fan. Hannah routinely participates in staking, milestones, badging, and documenting (Schau, Muñiz, & Arnould, 2009). Staking refers to activities that set oneself apart, and Hannah does so through her reputation in the Midwest region as the most dedicated and involved fan. Hannah's first milestone moment was the first event she attended; at that event, she created authentic relationships with other individuals, marking a turning point in her die-hard loyalty. Hannah excelled in badging (presenting a signifier of a milestone), spending the next month decked out in fun and cheesy gear she received at her milestone event. Hannah also commemorated the event through documenting—she live-tweeted, discussed it with all her friends, and wrote a blog post about it. Hannah is forever loyal, dedicated, and

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affiliated... with the Mini Cooper brand community. The reader may have imagined Hannah's milestone event to be a first concert or comic convention, but the event she attended was the Keweenaw MINI Rendezvous, a four-day branded event complete with music, a MINI parade drive, and a brewfest for the Mini Cooper brand community.

Hannah's relationship with the entity (Mini Cooper) and her actions within the community are similar to those of a fan within a fandom. A fandom is defined as a social network or community formed around a common focal entity, which could be a person or people (like a music band), a team, or creative content such as a TV series or literature genre. However, because the entity of Hannah's affiliation is a for-profit brand that primarily sells tangible products, the social network created is a brand community rather than a fandom. The differences between traditional fandoms and brand communities lie not only in the nature of the focal entity, but also in consumers' motivations for engagement and the nature of the relationship between community members. These distinctions are important for brands, marketers, researchers, and participants to understand.

This chapter begins by providing a brief history of the fandom construct to offer context in exploring the distinctions between types of fan-brand communities. Next, it discusses the difference between brand communities and fandoms and addresses the question of whether such a division is meaningful. If so, what are the implications for the consumers and brands/entities that make up these communities? When is the line between fandoms and brand communities blurred? Does this difference matter in the lives of consumers, and how can the structure of the fan-brand networks impact brand equity? Fandom participation has undoubtedly impacted millions of lives and has become an accepted, normalized aspect of modern-day society. Further, thousands of brands and entities have been influenced, supported, and extended by the fans that engage in their communities. But the concepts of fandoms and brand communities remain foreign to many; even those that participate in fandom activities may have limited understanding of the scope and influence of fandoms on consumer behavior and society as a whole. Often fans themselves have differing accounts of what constitutes a fandom and what it means to be a fan. As offline society and the digital landscape are converging, communities such as fandoms are uniting fans together in unprecedented ways. Understanding what it means to be a part of a fandom, as well as how fan communities develop and thrive, will ultimately allow brands and entities to better harness the power of community. This chapter proposes a new typology that delineates between the subgroups of fan-based communities through an examination of motivations for engagement as well as the related community interactions and social hierarches.

In order to develop this typology, the authors delineate between fandoms and brand communities by considering the differences and similarities in member interaction with the brand/entity as well as with other community members. The authors explore the potential impact and market outcomes of interaction with, and mobilization of, brand communities and fandoms on the brand/entity. The authors also explore the newly proposed term "brand public" and suggest that fandoms and brand communities are distinctly different from this construct as well. The digital landscape has allowed for expanded roles of the relationships in fandoms and brand communities—both between other fans/members and with the brand/entity itself—as well as an increase in a social hierarchy of the individuals; therefore, the impact of digital society on each type of community is addressed. Finally, the authors make predictions about the future of fandoms, brand communities, and brand publics and consider the implications for both brands and individuals within these fan-brand networks.

BRIEF HISTORY OF FANDOMS

One may think that fandoms are a recent phenomenon born of the internet and social networks, but that is not the case. “Fandom, in the most basic terms, is a group of fans who form social networks with one another based on their common interest in reading and watching particular texts, and the fans in turn write or otherwise produce materials for that text” (Gooch, 2008, p. 3). Fandom activities are often artistic and may extend the narrative provided by the main entity, meaning that fandoms foster co-creation activities that utilize fans’ creativity and imagination. Documented fandom has been in existence for close to eighty years, although it is safe to assume the phenomenon existed long before. Most likely these earlier communities centered around famous poets, painters, athletes, war heroes, and historic celebrities of the distant past such as Cleopatra and Julius Caesar.

The term fandom originally referred to fans of sports and the theatre. In the 1930s, the term’s meaning began to shift with the emergence of science fiction fandoms. One of the first documented fandom activities was published fanzines that included poems, songs, stories, drawings, and teleplays based on popular science fiction novels. The science fiction fandom held its first annual convention, WorldCon, in New York in 1939, where fans from across the world came to meet one another. Coordinated by fans and for fans, rather than by or for the writers or publishers of the novels, WorldCon was an event for fandom members to discuss and participate in activities of their interest regarding science fiction. At that time, the general audience of the science fiction fandom was “women... [who] were better educated than most, heavy readers and scientifically literate” (Coppa, 2006, p. 45).

In 1975, modern-day media fandoms started to emerge as more and more TV shows and movies were being produced. The first modern-era fandom was for the television series *Starsky and Hutch*, and its British counterpart, *The Professionals*, both of which featured a pair of comedic police detectives. The *Starsky and Hutch* fandom was notorious for its fanfictions, which are derivative creative stories that feature elements such as characters, settings, and premises based on the focal entity. The pair of detectives created a dynamic that lent itself to fanfiction, and the new genre was easily transferrable to other fandoms. This fandom was also one of the first to encourage the presence of a male/male relationship between the characters through writing, cosplay, and fan-art, which distinguished the fandom as ahead of its time. In many ways, *Starsky and Hutch* was a launching pad for current practices in fandom. Slowly, fandoms were starting to drift from exclusively science fiction content to any media content available, including TV, movies, books, and music. Overall, “it is difficult to trace the beginnings of the modern fan club, but it is clear that... stars such as Bing Crosby had their own fan clubs” (Théberge, 2005, p. 490). Consequently, many fans felt that the original science fiction fandom was losing its authenticity and scientific roots. Members of this original fandom were often highly educated scientists that came together to discuss and celebrate science fiction novels. With the beginning of fanfiction, members of the original science fiction fandom often called fanfiction readers and writers “nonreaders” because they were perceived to be more interested and centered on the fanzines than on the actual scientifically based novels, and they worried that fandom life was beginning to take precedence over the original fan entity. Many subgroups of fans, such as *Star Trek* fans, began to feel unwelcome in the science fiction fandom and in response created their own conventions. The first *Star Trek* convention—held in 1972—was attended by more than 15,000 people (Coppa, 2006). Suddenly, keeping up with all the fandoms and their related activities was nearly impossible; the landscape exploded from three fandoms to hundreds virtually overnight. In the 1990s, the *Forever Knight* fandom was the first to send out an online mailing list; by

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the end of the decade, the most popular websites for hosting fan communities were OneList, eGroups, and Yahoo!, officially launching fandoms into the digital age.

Presently, fandoms are celebrated as places where diverse individuals find a sense of belonging. Historically, however, fans that participated in fandom activities were considered to be geeks, nerds, freaks, weirdos, and outcasts. It was never cool to be a “Trekkie,” and fans of The Beatles were often deemed “hysterical.” In the past, being a dedicated fan did not bestow social status, and in fact may have had a deleterious effect on the fan’s reputation in general society. Media representations of fandom have bolstered the stereotype of the obsessive/stalker fan. For example, CBS’s hit sitcom *The Big Bang Theory* routinely portrays physicists Sheldon Cooper and Leonard Hofstadter as geeky and introverted. They also happen to be *Star Wars* superfans, and in a recent episode the dialogue pokes fun at fandom, the stand-out moment being when someone sarcastically remarks: “Everyone takes *Star Wars* so seriously, like if the movie is bad it’s going to ruin their lives.” A friend replies: “Is it bad? Did you hear something? Oh my god, it’s bad. Somebody kill me.” The sarcastic tone paired with a laugh track sends the message that *Star Wars* fans are off-kilter and being dedicated to a fandom is laughable. This scene, and often the series itself, makes fans the butt of the joke. Many media outlets have acted similarly in the past, helping to establish a stereotype of fans as being unpopular and silly.

The public perception of fandoms’ inherent “uncoolness” informed the culture and evolution of fandoms, developing and growing them into the massive phenomenon that they are today. Although fandoms existed long before social media, newer technological developments in the past ten years have allowed communities to network and blossom in unparalleled ways. Due to the media-fueled perception of extremity and nerdiness, it has become common for fans to be “closeted” (Hadas, 2009). In part, it is this history of seclusion that drives some of the differences in fan-brand communities. In a fandom, in order to outwardly express allegiance to the focal entity, fans had to be committed tenfold—essentially putting their social lives on the line. Leora Hadas (2009) explains this as follows: “A community (fandom)... is built up on norms, not rights. And it is easy to see how such a view would be formed in a marginalized community, working through interpersonal connections and word of mouth... it would make sense for voluntary work, vital for the community’s survival, to be awarded respect and status” (para. 6.2). Fandoms were—and still are—built on a system of trust and support typical of a tight-knit community. This created a sort of hierarchical status system within fandoms that bestowed trust to certain members. Members who were more vocal and publicly active became highly respected within the fandom, as the other fans knew the scrutiny these members were bound to receive from the outside world. Furthermore, the fear of negative social repercussions pushed many fans to adopt secluded behaviors and to disassociate their identities from the ones used in the outside world; members of fandoms often created new, anonymized fan versions of themselves. Because fans were so heavily ostracized in mainstream society, fans instead created their own world and culture that is fandom. This behavior was also a way for many fans to determine if others were truly dedicated to the cause (Peer, 2014). Marginalization forced fandoms into closely bonded communities, in which heavily involved members held norms of high respect and understanding of one another.

Fandom in the twenty-first century is a far cry from the stereotype of the geeky, obsessive, and isolated fan of the past. Now, fandom is everywhere—and fandom is *cool*. Paul Booth (2010), author of *Digital Fandom*, even attests that “it has become next to impossible to find realms of public life which are unaffected by fandom” (p. 20). The culture of fandom is growing and becoming accepted and normalized, and this power of community is impacting mainstream society. Our world’s current digital landscape has transformed the phenomena of fandom. Content is now more interactive than ever before, with

augmented reality games such as Pokémon GO and social media networks allowing anyone to connect instantaneously. Not only has the internet changed the manner in which fans organize and interact with each other, it has fundamentally changed how fandoms can impact the entity of interest.

In fandoms as they exist today, participants engage in many forms of interaction and creation. Fans are frequently becoming a part of the narrative of the focal entity in an unprecedented way. Creativity is what makes a fandom different from just being a fan. A casual fan may watch the newest episode of a series and then move on to the rest of their daily activities, while members of the fandom community will partake in creative activities related to their fandom that advance the entity's cultural narrative. These creative endeavors, which often take place on social media, include, but are not limited to, fanfiction, fan-art, cosplay, narrative databases, and shipping. Fanfictions, or "fics," are "any form of fiction which borrows important elements from other fictional works" (Banerjee, R., & Vats, N., 2015, p. 3). They continue or expand the content of a focal entity, including the characters or celebrities, within the extensions of the plotline or even by introducing original material. Fanfiction can be written in a number of genres such as romance/OTP (one true pairing), crossover/AU (alternative universe), songfic, or any of the more conventional genres (drama, historical fiction, mystery, etc.). OTP fanfictions are any fics that romantically link characters. Crossovers occur when two or more fandoms are combined within the same story, such as writing Kirk and Spock as Hogwarts students from *Harry Potter*. Songfics are stories built around the premise of a song, with lyrics used throughout as relevant to the plot. These are just a few examples of the genre-specific types of fanfictions that have gained popularity in recent years. As long as the story uses elements of a focal entity—be it characters, setting, or plot—it is considered fanfiction. Similarly, fan-art is the use of any art medium to display, honor, or further the story or entity. Cosplay is the art of dressing up as characters from the fandom entity and embodying/reenacting them. Cosplays can be simple or extraordinary, and can take place as virtually anything fans can dream up, from dressing as Katniss Everdeen from *The Hunger Games* to Optimus Prime from *Transformers*. The art of cosplaying also often entails knowing the fandom quite intimately and having the ability to embody the character being portrayed as accurately as possible by copying body movements, memorizing lines, and practicing imitation.

Fanfics, fan-art, and cosplay are physical art forms, while other fandom activities such as narrative databases and shipping are more conceptual. Narrative database is the process of analyzing the focal entity and creating a narrative from the obvious plot devices and/or taking up contextual clues to create a story that isn't directly being told (Booth, 2010). A narrative database can take the form of a literal database, like a wiki site, or can be developed through a fan's own postings on blogs or other social media platforms. The usefulness of narrative databases can be appreciated in light of a series like the *Star Wars* movies. In this series, the first movies to be released theatrically were the fourth, fifth, and sixth installments in the narrative sequence, with later movies being prequels, along with side series as well as extensions of the original movies. With confusing or complex storylines and timelines, it is helpful for fans to keep all details on track, so narrative databases are created to make a linear storyline. Lastly, shipping is any action that supports the pairing of two individuals that are a part of the focal entity, such as fans' pairing of Kirk/Spock (*Star Trek*), Brad Pitt/Angelina Jolie, Harry/Draco (*Harry Potter*), or even the shipping of Harry Styles (One Direction) and themselves. Supporting a ship can take form in many ways, such as theorizing, creating memes, producing photo edits, and generally just interacting with other shippers to further strengthen and validate the ship. Although fans have been partaking in many of these endeavors since before the digital age of fandom, the creative content produced previously was not as interactive and easily accessible to all members of fandom.

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The CW's *Supernatural* is a prime example of fandoms' growing influence on their focal entities. The show has been on for twelve (going on thirteen) seasons, and its success is due at least in part to its availability on Netflix's streaming platform and to the show's meta narratives (Romano, 2014). Netflix invites first-time viewers to watch the show all the way through from season one, as well as allowing longtime fans to re-watch the show over and over. Streaming services have created a system in which content is freed from appointment viewing, barriers for new fans are lowered, and repeat viewing is encouraged. The very nature of consumption for this type of content is shifting. It used to be that fans were likely to consume (watch, read, go to performances, etc.) the content once. But in the digital age this is no longer true; the concept of "consumption" has changed because the content and its availability is never-ending and not destroyed (Booth, 2010).

Perhaps more importantly for fandoms, *Supernatural*'s success can be uniquely attributed to its use of meta narratives, meaning that the narrative refers to itself or to the conventions of its genre within the content. *Supernatural* is a show about two brothers, Sam and Dean Winchester, who travel across the United States fighting/hunting monsters, ghosts, and demons. In season four the audience meets Chuck Shurley, a prophet of the Lord who has visions and dreams of Sam and Dean that he has written into books. Within the show, these books, self-referentially titled *Supernatural*, slowly gained an underground cult following and ultimately acquired fans and a fandom. Throughout the seasons, Sam and Dean interact with the fans, go to a *Supernatural* fan convention, and attend a *Supernatural* play put on by fans. Meanwhile, a real-life fandom of the *Supernatural* television show has emerged and is literally embodied in the fictional universe of the *Supernatural* world. The real fans have a voice in creating the narrative. Concerns and requests that the fans have expressed repeatedly within the real fandom are mirrored by the in-show fans (of the books) to Sam and Dean (S10E5). This new manner of including fans has been adopted by several other series, and this inclusion is keeping modern-day fans connected and involved, which in turn strengthens the fandoms. *Supernatural*'s success demonstrates the power of awareness and utilization of fandom activities, as well as why and how fandom communities are interacting.

The digital landscape of social media has created a space that has empowered fandoms. Creators are encouraging fans to be a part of the content, and the line between who is consuming and who is producing content has dissolved and become more of a continuum. Creators no longer view content creation as "us versus them" but as a collective "we" (Booth, 2010). Dean Winchester echoes the thoughts of modern-day producers and content creators when giving a pep talk to fans who are about to perform their own rendition of *Supernatural* as a play. He tells them, "Alright girls, I know you are all here because you love *Supernatural*. I know I have expressed some differences in opinion regarding this particular version of *Supernatural*, but tonight, it is all about Marie's vision. This is Marie's *Supernatural*. So I want you to get out there... and I want you to put as much sub-into-that-text as you possibly can." Dean is in essence giving fans permission to take *Supernatural* as their own and to create their personal narrative as fans are now doing consistently through social media, fanfiction, narrative databases, and conventions.

Technology has certainly done its part to shape fandom in the twenty-first century, but so too has the culture of everyday American society. Participation culture and its assertion that everyone has the right to contribute to the discussion and the content, regardless of an individual's involvement level, has seeped into the fandom community. In other words, anyone has the right to write fanfictions, cosplay, or partake in fandom activities equally. The current participative culture that has been nurtured on the platform of social media has changed the nature of fandom. Fandom is not only popular, it is a trend that is spreading like wildfire. Leora Hadas (2009) goes so far as to say that "fandom is more used to contending with negative stereotypes and keeping to itself lest it draw dangerous attention from media producers than it

is to coping with becoming ‘cool’” (para. 2.5). Fandom has quickly become commonplace and popular, and fans are wondering when and how it happened. Famous “Youtuber” (a type of online content creator) DanIsNotOnFire (Howell, 2012) often shares his comedic commentary on fandoms. In his video “I Will Go Down With This Ship,” he asks “when did it (shipping) get so normal?” and then asserts that he’s relatively certain fans in the 1960s weren’t crying over new McLennon (Paul McCartney and John Lennon of The Beatles) fanfictions as fans now often do over Larry Stylinson (Louis Tomlinson and Harry Styles of One Direction) fics. Although this sort of fan involvement likely was occurring in the past, it wasn’t as accessible, prominent, widespread, and culturally accepted, as it is in this example of the dedication of One Direction fans. DanIsNotOnFire voices the thoughts of many longtime fans that are not accustomed to fandom life being normalized in society. This normalization of fandom behavior has slowly been changing the typical hierarchy-driven fandom culture, shifting it more toward an open realm with no borders. The change in the social structure may necessitate a new type of fan-brand community, and the recently proposed category of brand public will subsequently be reviewed and addressed by the proposed typology herein.

Fandom does not stop with teenage girls obsessing over Justin Bieber or lifelong *Star Wars* fans waiting overnight for movie tickets. Fandom-like activities and devotion can be seen in all facets of society and life, even in the realm of more stereotypical for-profit brands. People camp out overnight to be the first customers to enter a new Chick-fil-A store, employees work at Nike simply to get access to the exclusive Nike employee store, and consumers travel across the country to visit the first Starbucks in Seattle. Hardcore fans will do almost anything for the for-profit brands they love, including forming communities around them. Be it a famous popstar or a beloved caramel Frappuccino with *extra* caramel, dedicated devotees exist and have the means to connect with each other through shared consumption, the internet, and social media. Brand communities refer to the groups comprising consumer social networks that are centered on brands that make physical products rather than fandom entities, which are normally considered to be entertainment content or celebrities. Jeep, Coca Cola, and Michael Kors, for example, all have loyal fanbases that have united into brand communities. In the next section, the authors explore brand communities as a distinct type of fandom that is developed by consumers that hold strong associations with beloved brands.

BRAND COMMUNITIES: FOR-PROFIT FANDOMS?

The concept of what makes a “brand” is difficult to define and has evolved over time. A comprehensive review of this complex term is outside the scope of this chapter and the authors’ focus on the strategic perspective to define the community surrounding a brand herein. In 1979, Phillip Kotler designated a brand as “a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or groups of sellers” (p. 442). Further research on brand equity expanded the definition of brand to “a product that adds other dimensions to differentiate it in some way from other products designed to satisfy the same need” (Keller, 2001, p. 4). As it relates to fandoms and brand communities, a brand can best be conceptualized as “a name that symbolizes a long-term engagement, crusade or commitment to a unique set of values, embedded into products, services and behaviors, which make the organization more than stand apart, but stand above” (Kapferer, 2012, p. 12). Solely based upon this definition, a fandom entity such as *Star Trek* is technically a brand just like Apple or Nike. The focal entities of fandoms are brands in this sense, but a distinction exists in which

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brand communities are centered around brands that are commodity based—such as cars, clothing, and food—while fandoms are centered around a typically more intangible and/or entertainment-related entity—such as TV shows, books, literature genres, sports, and movies. Thus, a layperson's definition regards brands as related to for-profit goods and services, rather than entertainment and creative entities.

Muñiz and O'Guinn (2001) define a brand community as one based around a structured set of social relations among admirers of a brand that are not geographically bound. Brand communities are groups of dedicated and passionate individuals, making them very similar to a fandom. They are created around the love of a product to allow consumers to communally share their enthusiasm, knowledge, and concerns. Brand communities provide a space for consumers to interact and share information about a focal favorite brand, including ways to improve or enhance the original product and thereby optimize the brand potential. Brand community members often drive the brand, becoming ambassadors, brand evangelists, and opinion leaders on the product (Keller, 2001). Marketers can depend on these loyalists to be incredibly engaged in supporting the brand, which also creates buzz for the company. A well-executed brand community can become a symbiotic system that is beneficial to all players involved. Brand communities also nurture oppositional loyalty, a term that refers to holding an adversarial view of competing brands (Dwyer, Greenhalgh, & Lecrom, 2015). One goal of brand communities from a brand perspective is "brandomization," which is the process of commoditizing the culture of fandom to cultivate a dedicated consumer base by encouraging the inevitability of participation culture (Galuszka, 2014). Brand communities are created by consumers or brands, and there is evidence of communities forming online through forums as early as the 1990s for brands such as Nikon. From generalist forums to dedicated brand websites, brand communities have predominantly existed as a space of discussion where consumers can meet and be aware of their common loyalty toward a specific brand and further interact regularly enough to allow the emergence of common values among themselves (Amine & Sitz, 2004).

Although brand communities are similar to traditional fandoms, the differentiation between these fan-brand networks is of critical interest to delineate in this chapter. Fandoms are artistic in their members' practices, such as creating fan-art and boldly expressing themselves through cosplaying. Although brand community members may proudly wear a shirt with a brand's logo, their interactions are typically linked to personal reward. Two major differences lie in the motivation for interaction within each type of community as well as the manner in which status is bestowed and manifested. Brand communities are built around information sharing and rewards, whereas fandoms are built around creative involvement. This is a vital difference—community for the sake of art versus community for the sake of benefit and advantage. Another important difference lies in the status and relationships between individuals within these communities. Fandoms are more hierarchical, while brand communities tend to be more tiered with status often bestowed by the brand or the moderator. (These distinctions will be explored in depth in the latter half of this chapter.) Additionally, brand communities and fandoms are evolving and changing rapidly, and there may be other structures to consider beyond these two established constructs.

With the advent of social media, combined with the 24-hour news cycle, the present state is one of a constant stream of never-ending information and content. In the past, consumers utilized technology to interact, but never before has information and connection been so immediate and visceral. With everyone having equal opportunity to express their opinions and allegiances to brands, brand preferences can serve to define a consumer's identity. The digital environment combined with fandoms and brand communities has paved the way for digital landscapes that diminish the development of community and member interactions. Immediate information has formed a cyclical and endless re-sharing of information

that lacks depth and originality, potentially shifting both fandoms and brand communities into a new dimension, one termed “brand publics.”

BRAND PUBLICS: SHOUTING IN A CROWD

The concept of brand publics has recently been proposed as an alternative description of the manner in which consumers aggregate, socialize, and communicate around brands in the new media landscape. Because changes in technological and communication norms have caused important shifts in brand communication and participation, it can be argued that the concept of brand communities no longer describes the type of brand-centric consumer interactions that occur across social media platforms. Brand publics can be understood as a real-life version of *The Hunger Games*. The internet, and its social media platforms, is the ever-changing arena where instead of tributes competing for their lives, consumers vie for the most followers, likes, and attention from the focal entity. Attention can shift rapidly and dramatically—we quickly forget hot debates over the color of a dress (for the record, it was white and gold) in favor of attempting the Kylie Jenner Lip Challenge. Just as with *The Hunger Games*’ tributes, a consumer never knows what crazy meme will next fix our attention, and everyone is eager to have their twenty seconds of fame (a la Alex from Target or Damn Daniel). Much like “career tributes” in *The Hunger Games*, brand publics favor the conventionally pretty, the rich, and the talented who team up, without developing an actual collective identity, to improve visibility and self-presentation (Arvidsson & Caliandro, 2016). Social bonds between members are common in brand communities; not so in the new world of brand publics. Consumers who support the same brand may be observed in a Twitter feud filled with salty hashtags and sly indirecTs to create more buzz around *themselves* and entertainment for their followers, rather than to support the focal brand or entity. Identity in a brand public is like competing in *The Hunger Games*—a survival of the fittest and a fight for the audience’s love. The internet is on the brink of making everyone in the world famous, thereby making the construct irrelevant, while breaking down the communities that brands originally enabled. The brand public is a distinct type of fan-brand community, one not brought together by information sharing or creativity like its predecessors, but instead a loosely bound group of individuals fighting to be heard over each other.

Concretely, a brand public is “largely driven by affective affiliation rather than communicative interaction” (Arvidsson & Caliandro, 2016, p. 730). Arvidsson and Caliandro (2016) set out three distinctions that outline a brand public: 1) The public is based not on actual interaction but on a continuous cycle of mediated individual interest; 2) The structure of the public is not created by discussion but by individual impact; 3) Consumers do not develop a collective identity within the public but instead act within a publicity-oriented culture. Brand publics take place within organized media but cut across all social media platforms (forums, blogs, Snapchat, Twitter, etc.) through continuation of interaction with the medium. There is no sense of community presented; rather, there are many isolated statements regarding the same topic. Consider the following hypothetical Twitter exchange typical of a brand public:

@ExampleOne: “Is someone going to tell me when I’ll stop listening to @ArianaGrande’s #IntoYou?! Because it hasn’t happened yet.”

@ExampleTwo: “I’ve been listening to #IntoYou by @ArianaGrande literally all day I kid you not.”

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Both users are fans of the same artist and are using the same platform to communicate, but instead of interacting and having a conversation, they are participating in imitation—each individual is sharing his or her opinion but is not engaging. The hashtag (#IntoYou) specifically creates an aggregation of a multitude of private perspectives in one forum (Arvidsson & Caliandro, 2016). This type of interaction is more indicative of a crowd rather than a community, as if individuals are standing in a crowd and screaming their own opinions while no one actually listens. If all Ariana Grande fans were in a crowd and @ExampleOne shouted his or her opinion to soon be followed by @ExampleTwo's shouts, both statements may be heard by only a few people within the crowd and acknowledged by even less. Because social media is conducive to this type of fleeting interaction, online communities are spiraling into a mess of people fighting for attention. These brand publics are solely running on the social currency of the current generation—likes, follows, retweets, and favorites—and fans will do anything for those numbers or for a retweet from the likes of Justin Bieber, if only to be cool and envied (Rushkoff & Koughan, 2014). The popularization of fandom combined with the fight to be heard within brand publics has redefined what it means to be a hardcore versus a casual fan, as well as broadened the opportunity for people to be a fan of anything. Both fandom and brand communities have in some spaces morphed into something that may be better described as brand publics.

Brand publics, brand communities, and fandoms all consist of fans organized around an entity, but each has important differences that are meaningful both to the participants and to the focal brands. This chapter develops a framework to better understand and classify these types of fan actions in order to delineate between the three concepts and outline separations and overlaps.

A TYPOLOGY OF THE FAN AND BRAND LANDSCAPE

Fandoms, brand communities, and brand publics all play a vital role for participants and focal brands in the modern popular culture landscape. These communities overlap and blend, oftentimes making it difficult to distinguish between each concept. The following two proposed dimensions clearly set apart these three constructs: 1) motivation and 2) status and relationship type. Motivation refers to the reason for participation, which determines the nature of participants' communication between one another as well as that with the focal entity. The relationship type dimension considers the presence, importance, and indicators of status. Table 1 is used to explicitly illustrate these two concepts for fandom, brand community, and brand public.

Table 1. A Typology for Fan-Brand Community

	Motivation	Status and Relationships
Fandom	Creative Affiliation Self-Expression	Hierarchical (earned from community)
Brand Community	Utilitarian Informational	Tiered (bestowed by brand)
Brand Public	Expressive Imitative Signaling	Oligarchy

MOTIVATION FOR ENGAGEMENT

All types of communities form around a common reason or circumstance; by definition, communities cannot exist without some connection and/or purpose (Baym, 2000). Something must exist around or occur within a group of people to form a community, whether it be a neighborhood community that is geographically based, a church community in which members share the same morals and spiritual beliefs, or a fan community that admires the same focal entity. In each type of community there exists a reason and a motivation for the engagement of the community members. The various ways in which members of fandoms, brand communities, and brand publics interact with fellow members—as well as the ways in which these individuals interact with the focal entity or brand—serve to meaningfully delineate these fan-brand networks from one another.

Fandom interactions, although quite varied, are typically creatively focused. Fan's creative self-expressions can consist of fanfiction, fan-art, narrative databases, cosplaying, and blogging (Güldenpfennig, 2011). A fandom cannot exist without a narrative, and fans use their creative interactions to enrich that story. Fans may theorize whether Louis Tomlinson and Harry Styles from One Direction are secretly in love, or speculate on the plot of the next season of a TV show. Fans actively fill in the gaps of the narrative (real or fictional) and interact with one another around these self-expressive activities, often doing so collaboratively. Fans are invested and have stake in what they believe to be true of their favorite characters, artists, and storylines. This relationship of active creation, storytelling, and artistic expression within a fandom makes a ravenously dedicated fanbase, one that pours its time and love into the focal entity.

Unlike fandoms, participants in brand communities engage mainly in the utilitarian activity of sharing information and admiration. These types of interaction enhance people's experiences with a product or service. Consumers in brand communities utilize online spaces to impart experiential knowledge, such as In-N-Out Burger's secret menu items (get those fries "Animal Style") or tips like how to clean a Jeep without scratching the vehicle's exterior paint. Fans of brands exist within a space that allows for discussion of the brand and best practices of the brand (Algesheimer, Dholakia, & Herrmann, 2005). Another common information sharing technique is the distribution of coupons or referral codes, as hardcore fans and active brand community members can spend an abundance of time hunting down the best deals. The main objective of the informational technique is to enhance each consumer's overall experience with the beloved brand simply because the fans enjoy interacting with and taking the time to enlighten other fans as well as benefiting from others' knowledge. Actions within brand communities tend to be very utilitarian and leveraged to add practical value, which ends up making a brand community a great resource for the consumers as well as for the brand itself.

Brand publics are all about participants making a signaling statement in a crowd through "interactions" (or lack thereof) that are fundamentally expressive and imitative—everyone is attempting to be the loudest and most interesting. Brand publics are unlike fandoms and brand communities in that there is little direct communication or interaction between members. The bulk of the communicated messages come from the fans to the brands (or to the general public) or vice versa instead of from fan-to-fan interaction. Very little creativity or originality is produced. It is not uncommon in brand publics to see the same beliefs or messages repeatedly. For example, a Facebook newsfeed might contain back-to-back posts from five different friends sharing the same post (Arvidsson & Caliandro, 2016). Content at some point is original but as it circulates through the brand public it loses originality and is only endlessly replayed rather than changed.

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Understanding the differences in the motivation for engagement and subsequent interactions within each of these communities is vital for companies and researchers in providing insight into best practices for communicating with fans. Knowing why and how fans engage with the brand and each other should inform the manner in which a marketer would position a brand message. Keeping in mind that brand communities thrive on information sharing could encourage an ad campaign based around an interesting informational component of a brand. As an example, a quickly growing drive-through coffee shop, Dutch Bros., is known for serving all its drinks, even the hot ones, with colored straws. Within the brand community it is rumored that these colorful straws all have meanings. If the barista puts a pink straw in the drink, then, according to the straw code, the barista thinks the customer is cute; an orange straw means mysterious; and so on. This secret code quickly became a hot topic of discussion among Dutch Bros. fans on blogs and forums, bringing buzz and customers to the coffee shops (James, 2014). Dutch Bros.'s ability to tap into the informational aspect of brand communities helped to grow the brand and the company. If companies keep in mind *how* the audience is interacting, it can offer insight into *why* the consumer cares about the brand and what can be done to foster and expand that consumer/brand relationship.

STATUS AND RELATIONSHIPS WITHIN GROUPS

Just as communities must have a motivation and reason to engage, all communities have an underlying structure of status. Neighborhood communities have class structures; churches have popes, elders, and volunteers; and so must fan communities include aspects of status and hierarchy within their members. Magee and Galinsky (2008) defines status as a “social hierarchy that exists as long as there is a differentiation across individuals or groups on any valued dimension” (p. 353). Status lies within the eyes of others and exists based on the extent to which an individual is respected or admired by others. While primarily objective, status is awarded differently throughout communities based on intragroups and intergroups (Magee & Galinsky, 2008). Social status is manifested differently in each of the three fan constructs. Status speaks to how the communities interact and are built as a whole, reflecting the purpose and basis around which they exist.

Within a fandom, social status is hierarchical, based heavily on social currency, and measured by metrics such as number of followers, closest connection to the artist, the most related events attended, and so on. Using social currency, fans vie to be recognized as the most popular fan or the biggest fan. Fans will even mock other fans for not being dedicated enough, good enough, or knowledgeable enough, thereby invalidating another fan's identity within the fandom community. One Direction fans called individuals that they deemed as “fake fans” Directionators instead of Directioners, a sly distinction that allowed fans to make fun of other, “lesser” fans openly without their knowledge (Gresehover & Oler, 2012). Although fandom tends to be friendly, there is always a competitive undercurrent where fans are striving to achieve higher status within the community. This status is clearly measured by popularity standards of follower count, favorites, and recognition. Fans hold a higher respect for other fans that have dedicated more time to the focal brand and to developing the surrounding community of the fandom. If a fan makes custom fan-art and attends a comic convention as a vendor—selling and/or volunteering—they will be more highly regarded than the average con attendee (Hadas, 2009). Likewise, a fan who has dedicated time to creating intricate and realistic cosplays will amass a group of admirers and achieve a different status level within the fandom compared with an amateur cosplayer.

Brand communities tend to have tiered status, meaning very structured and defined levels. Often these levels have actual titles for the members such as newbie, member, or expert. These titles can be self-generated by the community or awarded by the brand through purchase history, participation level, and/or length of membership in the brand community. These strict hierarchical and labeled status structures shape the community and, in part, define how members relate to one another. Motorcycle brand Harley-Davidson has an exemplary brand community composed of its avid customer base. Although the brand struggled heavily in the 1980s, the use of hierarchy and community has created a strong brand community, known as H.O.G., that allows consumers to connect in unprecedented ways and has contributed to Harley-Davidson's current dominance in the marketplace. H.O.G. membership has tiers that are bestowed by the brand (full member, associate member, life member, etc.) that facilitate higher levels of status within the community. Activities that consumers partake in vary across the membership tiers within the H.O.G. program and are determined by the level of involvement within the community—which in turn dictates member interactions and the level of respect held for each member. This highly structured set of tiers/levels is common within brand communities, making members' status clear and clean cut. Members know their own standing in the community and that of others, and further know how to achieve a higher status if desired. There is always the choice and ability to be a more influential member of a brand community by putting the extra effort into the love of a brand and advancing to the next level.

Social status is virtually nonexistent in brand publics. Everyone within the public is struggling for a voice that is unique and different, but the cycle creates a homogenized version of being “unique” that detracts from the notion of a clear hierarchy. The few opinion leaders that fuel the brand public are the only ones that may hint toward any semblance of order within the brand public, creating a sort of oligarchy. The Oxford Dictionary defines an oligarchy as “a small group of people having control of a country or organization.” It is the small group of individuals that are actually heard within the brand public that have the most influence and power over the entire brand public landscape. However, those members with control are always shifting, and so does the community's target of respect. With people simply expressing opinions, there is no interaction except for the few random viral hits that reaches everyone's radar for a very brief period of time. Everyone within a common space is already considered a part of a brand public, all on equal grounds with each other except the select few who go viral.

Delineating and accurately comprehending the different social status structures in the fan communities provides insight for brands into how the communities should be managed and understood. Conflicts can arise within fandoms due to misunderstandings in the community's culture and status structures, such as the 2008 *Doctor Who* fandom war. The *Doctor Who* fanfiction archive *A Teaspoon and an Open Mind* (T&OM) changed its policies in January of 2008; previously anyone could automatically upload fics, but the rules were changed so that every fanfiction had to be moderated before it was posted. This outraged many fans because they felt T&OM should be an open space for every member, regardless of status, to post and contribute to the *Doctor Who* fanfiction community. However, the site moderators believed it was their right to only allow the posts they approved. Moderators wanted appropriate and high-quality writings on the site and felt justified in moderating postings because they paid for the server space and volunteered their time to maintain the site (Hadas, 2009). Essentially, this debacle stemmed from misunderstanding the social status structure within the fandom community. Hardcore fans identified with the group as an organized community, feeling that moderators should have the final say, while casual fans perceived the fandom as free space of a brand public where anyone should have the right to post. The T&OM site moderators and users had a tough time interacting and resolving the situation without a clear understanding of their differences as fans and of their roles within the organization. This “war”

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demonstrates the value for fandom facilitators to have a grasp on the culturally formed status structure in the community. Understanding the different levels of involvement and the related social status provides guidance to brands in how to best engage with these powerful entities.

APPLYING THE TYPOLOGY

The typology and dimensions proposed herein suggest meaningful differences between forms of communities that are built between fans and brands. Marketers can utilize the typology to direct what type of community would be best suited to enhance the brand or entity and its relationship with its fans, consumers, and the general public. To create and cultivate a dedicated fan environment, a brand should focus on developing a narrative that will inspire fans and encourage creative endeavors relating to it. One way for brands to do this would be to repost (and give credit to) fans' work, acknowledging and celebrating it. Further, brands can run campaigns that shed light on imagination and individuality as well as get artists involved by being one of the fans, live-tweeting, being open to discussing fan theories, and involving fans in their daily lives. These activities can create authentic relationships that transform a fandom into a family. A successful brand community is developed through transparency and trust in the company. To nurture this type of community, a brand might create campaigns and promotions that inspire conversation, create incentives that allow consumers to become different "levels" of fans, and put consumers' voices into the brand by listening to the sharing of information. If a quick and short-lived community is desired, then it could be best to conceptualize the community as a brand public, complete with its ephemeral activities. Brand publics have the advantage of requiring little structure or organization on the part of the brand. A brand public may be instrumental to generate initial buzz; however, it is important to bear in mind that just as the interactions of individuals in the brand public are short and fleeting, so too may be the usage and dedication to the brand. Marketers' understanding of and respect for each different audience will directly foster a successful and enriching consumer/brand relationship.

THE FUTURE OF FANS, BRANDS, AND COMMUNITY

Present-day fandom has evolved and matured over the past several decades. To successfully harness the power that can come from fans, researchers, marketers, and brands must attempt to predict the future of fan communities, and this typology is meant to inform those predictions. The concept of brand public is new and quickly emerging, and is heavily enabled by social media. It is possible that brand communities and fandoms may be subsumed and all fan-brand interactions will shift to fit the brand public conceptualization. In fact, a blurring between these types of communities can already be observed. People are quick to label themselves as fangirls of the next cool new thing, declaring on social media that "it saved their lives" or "they're so obsessed." But unless the individual is participating in meaningful community and fan interactions within the creative narrative, his or her actions are more indicative of a brand public. This shift may not inherently mean less devotion to the brand or entity, but it certainly foretells less meaningful social interaction and relationships between the fans themselves. Alternatively, some brand communities around for-profit companies may be transforming into fandoms. With fans creating fan-art for *Converse*, writing fanfictions about Steve Jobs, and cosplaying as *Starbucks* Frappuccinos, the products are becoming focal entities of fandom infatuation. Because fandoms tend to have the rich-

est social dimension, brands and fans can achieve deep value from this type of community. To nurture fandoms, fans themselves can build a loving and meaningful community by making connections, being friendly, and continuing to create. If fans do not want fandoms to be washed away into a shallower brand public atmosphere, then fans must continue to be dedicated and *want* to keep the fandom culture alive. Further, brands and marketers should support and encourage fandom and its related creative activities in order to add value for their fans and loyalists.

CONCLUSION

The typology and its dimensions proposed herein are not exhaustive, but they do provide a meaningful framework to delineate between fandoms, brand communities, and brand publics. Fandoms are built on the basis of story and creativity; they are close-knit communities that respect the hierarchical status bestowed by social currency and by the earned effort to become the “biggest fan.” Brand communities are built upon a tiered status culture in which consumers interact mainly through utilitarian motives and for information purposes. Brand publics exist in a space of fleeting interactions, with each individual fighting to be heard and to achieve popularity. These community types overlap, and hints of each can often be observed in the others. Further, individuals are complex in their behaviors and have the capacity to participate in all three. Brands must develop an appreciation for each type of community and its nuances in order to improve value to consumers and, in turn, to the focal brand itself.

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KEY TERMS AND DEFINITIONS

Brand: A name created by an organization, person, or product symbolizing its commitment to a set of values, setting it apart from others, and creating recognition for its entity.

Brand Public: An online space for an entity held together through continuous mediating practices centered around organized collectives using hashtags or topic areas.

Community: A group of people that share particular characteristics, interactions, and/or ways of life.

Fandom: A group of people engaged in social and creative activities that are related by a commonly shared artistic or entertainment-focused entity.

Narrative: A story recounting a sequence of events.

Status: A hierarchical social position created through social differentiation across groups and/or individuals based on any valued dimension.

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Chapter 34

“Thy Kingdom Come, Thy Will Be Done”: Attaining Divine Transcendence Through Brand Fandom, Evidence From India

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ABSTRACT

Majority of prior research show that individual's relationship with a brand is dyadic. However, the primary need for human beings is to forge meaningful interpersonal relationships, and brands can act as facilitators to achieve this need. Thus, consumer-brand-consumer relationships are rather triadic, with brands acting as an epicenter around which close-knit human relationships are formed. This chapter discusses the indispensable roles of consumers' close social relationships with their brands representing a knit brand fandom of like-minded consumers who share common consumption values and attain transcendence through branded consumption. Using grounded theory analysis, we discover that Indian consumers' cultural values of filial piety, face saving, need for escapism and brand ethnocentrism act as antecedents to consumers' romantic brand love. This romantic brand love progresses into single brand devotion through the moderation of selective perception, and ultimately translates into a close-knit brand fandom, mainly if the consumers find the brand to enable self-expression. The role of brand-hero is also important in the formation of brand fandom, as brand hero can inspire consumers and bind them together to work for common interest of the brand. Brand fandom results in consumers experiencing flow and transcendence, where they experience a temporary sense of separation from the mundane and unity with a higher plane of existence.

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INTRODUCTION

Brand loyalty is acknowledged as a construct of major importance in marketing literature, and brand affect is a key predictor of brand loyalty (Chaudhuri & Holbrook, 2001). A realistic analysis of contemporary purchase behavior of consumer, however, divulges that consumer these days largely displays multi-brand or polygamous brand loyalty, where consumer allocates varying proportions of his/her total resource to multiple competing brands in a product category (Dawes, 2009). This is a state when the manifest loyalty is created more by passive situational factors (Oliver, 1999) rather than the strongly held emotional preferences (Day & Montgomery, 1999). From candies to cars, the traditional “till death do us apart” monogamy with a brand is rare in today’s marketplace. This behavior stems from the fact that several brands may satisfy a customer at any given point of time due to several attributes (Sarkar, Sarkar, & Ponnampalnam, 2015). Thus, mere satisfaction does not ascertain brand loyalty (Reichheld, 2001).

Contrastingly, some previous studies do reveal that at times, consumers do display intense monogamous behavioral loyalty to some brands like Apple Newton (Muniz & Schau, 2005) and Harley Davidson (Schembri, 2009). Muniz & Schau (2005) illustrate how Apple Newton users portrayed intense behavioral loyalty to the brand. Apple Newton fans stood by the brand in spite of Apple abandoning the brand; they never lost faith in the brand even in face of persecution and mockery by non-users, and advent of advanced digital personal assistants compared to the obsolete platform of Apple Newton. Muniz and Schau (2005) state, “This research explores the grassroots brand community centered on the Apple Newton, Supernatural, religious, and magical motifs are common in the narratives of the Newton community, including the miraculous performance and survival of the brand, as well as the return of the brand creator. These motifs invest the brand with powerful meanings and perpetuate the brand and the community, its values, and its beliefs” (p.737). Schembri (2009) demonstrates how Harley Davidson fans get deeply drawn in the brand, such that their lifestyle and existence orbits around Harley consumption. Schouten and McAlexander (1995) provide anecdotal evidence of how though Harley fans were treated as outcasts by rest of the society; Harley Owners Group (HOGs) form a uniquely distinct sub-culture of consumption, with its own set of goals, ethos, codes, values and activities that powerfully connect the consumers to Harley. These research works (Muniz & Schau, 2005; Schembri, 2009) posit that the aforementioned brands possess strongly bound communities of followers, who attribute paramount importance to the brand in their lives. An elucidation to such zealot behavior could be found in ‘brand fandom’, a closely knit community of brand fans, who engage in a distinct consumption subculture (Schouten & McAlexander, 2009).

The remaining paper is organized as: i) Review of the extant literature on brand love and devotion to theoretically understand brand fandom and the associated factors, ii) describing the methodology followed and the grounded theory study findings, and iii) discussing the theoretical contributions and managerial implications of this study.

LITERATURE REVIEW

Extant Research on Dyadic Individual-Brand Relationships

Fournier (1998) states, “At the core of all strong brand relationships was a rich affective grounding reminiscent of concepts of love in interpersonal domain” (p. 363). Prior research shows that individual’s

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relationship with brand can be conceptually analogous to dyadic person-to-person love relationship conceptualized by Sternberg (1986, 1997) which consists of three inter-correlated components namely intimacy, passion and commitment (Shimp & Madden, 1988). According to Sternberg (1986, 1997), intimacy is the feeling of closeness towards partner which is largely derived from emotion; passion includes different sources of arousals which is largely derived from motivation; commitment refers to one's cognitive decision and willingness to maintain love relationship with partner for long-term in future which is largely derived from cognition. Sternberg (1986) proposes eight theoretical love types that can be elicited depending on the presence or absence of one or more of these three components. According to Sternberg's (1986) love typology, complete/consummate love would consist of all three components. Sternberg (1997) also validates the scales to measure the love dimensions. Shimp and Madden (1988) propose eight possible consumer-brand relationship types in line with Sternberg's (1986, 1997) love typology based on the presence or absence of any one or more than one of the three love components.

According to Shimp and Madden (1988), the love components conceptualized by Sternberg (1986, 1997) are applicable in the context of consumer-consumption object relationships which would include individual's relationships with “products, brands, stores, advertisements and so on” (Shimp & Madden, 1988; p. 163). This study focuses on individual-brand love relationship. Brand liking, yearning and commitment would be the respective brand love counterparts of Sternberg's (1986) interpersonal intimacy, passion and commitment (Shimp & Madden, 1988).

Sternberg's (1986, 1997) triangular love theory, as well as Shimp and Madden's (1988) love relationship typology that states the possibility of occurring only passionate love as one love type can be criticized based on the recent research works. Prior literature states that passion is the outcome of changing level of intimacy over time (Baumeister & Bratslavsky, 1999; Sarkar, 2013). Hence, only passion without intimacy would not exist, but intimacy can exist without passion. Sternberg (1986, 1997) also states that romantic love is characterized by intimacy, passion and lack of commitment intention. *Following Sternberg's (1986) theorization, romantic brand love is conceptualized by Sarkar et al. (2012) as consisting of brand intimacy and passion.* Passionate consumption arousals are normally short-lived (Belk et al., 2003); they start increasing, reach a peak level, and gradually subside taking an inverted-U like shape (Hirschman and Holbrook, 1982). Sarkar and Sarkar (2016 a) show that the stage-wise evolution of brand love relationship starts with romantic brand love and leads to single brand devotion. Hence, it is argued that romantic brand love is the starting or base stage from which brand love would evolve. Emotional intimacy is the core of this romantic love (Sternberg, 1986), and change in one's emotional intimacy level over time creates passion (Baumeister and Bratslavsky, 1999). Passion and intimacy are highly interactive (Sternberg, 1986; 1997). Hence they would co-exist. Carroll and Ahuvia's (2006) uni-dimensional brand love scale is also romantic in nature, as it consists of emotion and passion items interweaved. The uni-dimensionality might be due to the high inter-correlation of intimacy and passion.

According to Oliver (1999), consumption affect stage is more vulnerable to switching incentives compared to the conative stage, and this conative stage is the outcome of accumulated affect. Sarkar and Sarkar (2016 a) show that at the romantic brand love stage, consumer can switch to any competing brand, leaving the romantically loved brand at any time due to the lack of any strongly-held brand commitment; thus, romantic multi-brand love can evolve into conative devotion towards a single brand in a product category through selective perception and overcoming switching obstacles. Therefore, it is conceptualized that romantic brand love is an important pre-requisite for single brand devotion to occur. This makes it imperative to investigate the predictors of romantic brand love, and the associated factors that would cause its evolution towards single brand devotion. At this point, Sternberg's (1986, 1997)

conceptualization of future commitment intention to be a cognitive component is criticized, as Oliver (1999) states that conative consumption commitment is irrational in nature; cognitive commitment is based on rational value judgment of consumption object, and conative bonding towards consumption object is stronger than rationally based cognitive commitment. *Sarkar and Sarkar (2016 a) define single brand devotion as an irrational and conative stage which is the outcome of romantic brand love.*

Brand devotion is a more intense brand relationship stage than romantic brand love for several reasons. First, brand devotion contains religious fervor towards a particular brand (Pichler & Hemetsberger, 2007; Sarkar & Sarkar, 2015; Hemetsberger et al., 2009) that romantic brand love (Sarkar et al., 2012) doesn't contain. Second, brand devotee would not be willing to switch to other competing brands leaving the focal devotional brand in a product category that a romantic brand lover can do at any time (Sarkar & Sarkar, 2016 a). Third, brand devotee can forgive the brand for any mistake committed by the brand until the mistake is very severe, and also tends to defend the brand against all odds (Hemetsberger et al., 2009).

Extant Research on Triadic Consumer-Brand-Consumer Relationships

Human beings are social animals, and have a basic need to socialize, so as to find happiness through their social bonding (Ryan & Deci, 2000). Consumption objects can act also as facilitators to the human need to socialize, by providing a thread of shared consumption values (Muniz & Schau, 2005). According to Belk (1988, p. 147) “Relationships with objects are never two-way (person-thing), but always three-way (person-thing-person)”. Ahuvia (2015) propagated this idea by presenting a conceptual argument in favor of focusing on triadic relationship where he states that “with regard to consumer behavior involving brand meanings, nothing matters more to people than other people” (p.123). This study discusses the prominent, important and indispensable role of consumers' close social relationships in their relationships with brands. Ahuvia (2015) demarcates that interpersonal relationships make the mundane act of consumption worthwhile, and help consumers find meanings in brands where consumers seek to forge meaningful brand relationships as these relationships help consumers to forge new interpersonal relationships, or enhance their existing relationships, thereby reducing their loneliness. Another motivating force that drives consumers to involve in branded consumption is that it helps consumers create or enhance their self-esteem and gain respect from others who are significant to them.

Putnam (2001) posits that ‘social capital’ is the single most important benefaction to a healthy society that should be recognized, fostered, and preserved, as humans suffer when living in silos. According to Maslow (1943), human needs for love and belonging motivate people to seek affiliations with small or large social groups, such as clubs, religious groups, professional organizations and sports teams. Any society that doesn't allow associational ties between individuals cannot be called a modern society (Featherstone, 2007). This need can also be fulfilled through brand fandom (Pimentel & Reynolds, 2004; Muniz & Schau, 2005). Also, human need for self-esteem, which involves a need for getting acceptance and recognition by others, can be fulfilled by engaging in a profession or hobby which is admired by others (Maslow, 1943). This need can also be fulfilled through conspicuous consumption, wherein consumers “purchase a conspicuous good in order to signal high income and thereby achieve greater social status” (Corneo & Jeanne, 1997, p.56) in order to be esteemed by their reference groups. Some brands are regarded in high esteem by certain social groups, and a consumption of these brands fulfills the esteem need (O'cast & Frost, 2002).

Brand fandom (Muniz & Schau, 2005) is a more intense brand relationship compared to brand devotion (Pichler & Hemetsberger, 2007; Hemetsberger et al., 2009). The reason is that brand fandom is a

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community based phenomenon where the devotees get bonded with each other through shared brand meanings (Muniz & Schau, 2005). On the other hand, brand devotion is a mere dyadic relationship with brand formed in individual's mind (Pichler & Hemetsberger, 2007; Hemetsberger et al., 2009; Sarkar & Sarkar, 2016 a) irrespective of developing any sense of community. The progression from brand devotion to brand fandom occurs when a group of brand devotees starts assigning extra-ordinary importance to the focal brand like the object of religious worshipping (Pichler & Hemetsberger, 2007). While assigning this extra-ordinary importance to brand, the devotee transgresses his/her regular social roles, and tends to become a member of the focal brand community creating social antistructure (Belk et al., 1989), or a distinct consumption subculture (Schouten & McAlexander, 2009). Thus, it is theoretically conceptualized that romantic brand love would lead to formation of brand fandom through the mediation of single brand devotion. Many associated factors would stimulate this mediation process. *Brand fandom is defined as a psychological stage where brand devotees consider brand as equivalent to religion in term of expressing self-worth, and get bonded with other brand community members through the thread of strongly shared brand meanings.*

Next, we would explain the sampling technique, data collection and analysis methods used in order to explore various factors that would trigger the progression from romantic brand love to brand religiosity via single brand devotion.

METHODOLOGY

Study Context

India was selected as the representative emerging market to conduct the study. Brand fandom requires considerable investment of financial, physical and psychological resources for continuing association with the brand (Sarkar, Sarkar and Ponnampalnam, 2015). Population belonging to low income groups would be more involved in earning their daily livelihood and such devoted investment of resources in brands would not be largely possible for them. Thus only Indian consumers belonging to higher income groups were selected for the study. More than fifty percent of Indian population is young, affluent and largely engages in enjoying branded consumption (Atwal & Bryson, 2014). This consumption enjoyment refers to hedonic or experiential consumption as described by Hirschman and Holbrook (1982). Brand love is caused by product hedonism (Carroll & Ahuvia, 2006). Hence, brand love pertains to experiential consumption. Recent study conducted by Sarkar, Sarkar and Ponnampalnam (2015) in Indian context already shows that Indians have the propensity to perceive brand meanings as equivalent to religious meanings.

Data Collection

Data was collected through semi-structured depth interviews and storytelling approach as was done by Belk et al. (2003). Cumulative theoretical sampling was done following the criteria suggested by Strauss and Corbin (1990). Interviewing was continued until the theoretical saturation of each emerging category was reached after completing 67 interviews, and only the redundant information was getting repeated. Each interview lasted on an average for 65 minutes. All interviews were audio-taped. The tapes were transcribed for coding purpose. Few respondents talked in non-English languages. However, the authors transcribed them by translating into English while keeping the meanings intact. Semi-structured depth

interviews with probing questions were considered to be useful for obtaining descriptions of how the feelings of love and devotion towards particular brands were experienced by the respondents and evolved over time following storytelling approach. The probing questions were asked depending on the flow of the descriptions given by any informant. The respondents narrated their stories of experiencing a variety of brands in various product categories.

Any respondent was conveniently selected for interviewing based on providing affirmative response to a screening question asking whether he/she had any *deep emotional feeling* for any brand (s) in any product (good and/or service) category (s). All respondents were initially contacted, informed about the study objective (academic purpose to investigate brand relationship), and asked whether they would be willing to participate in such interviews at the exit gates of various popular city shopping malls. The interested people were then asked the screening question. The respondents providing affirmative responses to the screening questions were screened and requested to give appointments at their convenient times and places (homes/offices).

The probing questions asked while interviewing were largely intended to elicit descriptions/stories containing informant's total journey of relationship with particular brand(s) during a time span leading to the current relationship stage starting from the initial brand encounter. The informants were also probed to compare and contrast their fandom brand with other competitor brands in order to reveal different shades in their brand experiences. Some examples of probing questions were 'How would you describe your association with this brand and its other fans', and 'How has brand fandom shaped your life'.

Sample Characteristics

Total 31 out of 67 informants were males. In terms of educational backgrounds (last completed education level by any respondent), the informants comprised of 10 under-graduates, 35 graduate and 22 post-graduates. Total 17 informants were non-students who completed their studies, and were running businesses, or employed. All respondents were adults (aged above 18 years), and majorly young (aged below 30 years). Love and devotion (Pichler & Hemetsberger, 2007) are experiential consumption concepts (Holbrook & Hirschman, 1982). Prior research states that experiential consumption tendency reaches the peak at mid-20s (Belk et al., 2003). Our informants' ages ranged between 19 to 30 years. Average self-reported gross annual family income range of the respondents was INR (Indian National Rupees) 743187 to INR 4619627. Family incomes were considered instead of personal incomes of the informants, as majority of the informants were students, not earning any income, and dependent on their guardians/parents to obtain consumption funds. In few cases, where the informants were income earners, family incomes were considered there also.

Data Coding

Grounded theory methodology suggested by Strauss and Corbin (1990) was used to code the data. Both inductive and deductive approaches were used. The researchers first interpreted the key properties emerging from interview descriptions inductively followed by deductive validation of the concept properties, and inter-relationships between concepts by consulting the existing literature. Strauss and Corbin (1990) state, "To discover theory in data we need theoretical sensitivity" (p. 76). Thus, deductive validation

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took place through generating theoretical sensitivity by comparing data interpretations with the extant literature. Coding was largely done paragraph by paragraph. Strauss and Corbin (1990) suggest, “One might also code by sentence or paragraph” (p. 73) instead of only word by word. In other words, any particular concept along with its properties, and relationships between concepts were emerged from comparing and contrasting different paragraphs in the transcript. The whole interview transcripts were organized into a coherent set of paragraphs for each informant before starting the coding.

Following Strauss and Corbin (1990), the generation of the initial concepts based on specific properties was done through open coding. The concepts inductively emerged from different paragraphs were finally named based on deductively matching their respective properties with relevant descriptions found in the existing literature in order to theoretically sensitize the analyses. Axial coding was simultaneously done with open coding as suggested by Strauss and Corbin (1990). Through axial coding, the causal and intervening/moderating relationships between the concepts were established. At this stage, the researchers largely focused on those paragraphs that causally linked any two concepts, or indicated any moderating impact on a causal relationship by specific moderating concept. While doing the axial coding also, the researchers first inductively explored certain relationships, and then deductively verified them with the existing literature. Final abstraction leading to the development of the final grounded theory framework was done using selective coding through “explicating the story line” (Strauss & Corbin, 1990; p. 119). In selective coding, the researchers meaningfully integrated various relationships established through axial coding to develop the final integrated grounded theory model showing all the inter-relationships. The finally validated relationships are presented in the ‘Findings’ section with supporting interview quotes and relevant literature support generating theoretical sensitivity.

Reliability Tests

Memos and diagrams were prepared while coding as suggested by Strauss and Corbin (1990). Each researcher first did each type of coding individually followed by mutual discussions. At the end of each type of coding, only those concepts and relationships were retained which were mutually agreed upon by the researchers. This was one way to ensure reliability in data analysis.

Member check (Bitsch, 2005) was also conducted by meeting the respondents second time while doing open and axial coding of their descriptions to know whether researchers’ interpretations of the descriptions were actually matching with what the informants wanted to express. To ensure reliability in data analysis, the researchers also tried to maintain the criteria suggested by Strauss and Corbin (1990) throughout the coding process. The criteria are – concept generation (open coding), establishing systematic relations between concepts (axial coding), examining the linkages between sub-concepts and key concept (brand fandom) deductively through theoretical sensitization, building variations in the concepts by including descriptions from different perspectives, specifying broader limiting conditions affecting the functioning of the relationships established, specifying the processes leading from one stage to another, and judging the ultimate significance of the findings together. Hence, the final grounded theory model developed is a process model. Verification parameters for qualitative studies described by Morse et al. (2002) which include methodological coherence, sample appropriateness, concurrent collection and analysis of data, theoretical thinking and theory development were given central importance throughout the research.

FINDINGS

In this section, the inter-relationships between emerging concepts are discussed along with supporting quotes and literature. Due to space constraint, only the most important quotes are reported out of many obtained. Strauss and Corbin (1990) state, “identifying and specifying change or movement in the form of process is an important part of grounded theory research...process may be described as stages or phases, and also as fluidity or movement of action/interaction over the passage of time in response to prevailing conditions” (p. 256). For each relationship between concepts discovered through coding, proposition or statement of relationship (SoR) is specified as suggested by Strauss and Corbin (1990).

Filial Piety

Filial piety refers to one important Confucian principle for living a human life ethically through respecting the elders within a family, and this concept originated in Chinese culture (Hwang, 1999; Zhan & Montgomery, 2003). According to this concept, relationships between seniors and juniors within a family would follow a rank order, and junior should obey the senior. The principle of filial piety is not only applicable within family, but also relies on favoring the intimate friends who are outside the immediate family. Our data analysis shows that young Indian consumers would romantically love brands sometimes in order to conform to the senior members in families which is very similar to filial piety. For example, a young house-wife explained:

I am passionate about gold jewelries. Personally I like studded gold jewelries from ‘Tanishq’. However, my mother-in-law suggests me to wear pure gold jewelries instead of studded. Her favorite jeweler is ‘Bhimji Zaveri’ which is a more than 100 years old reputed Indian jeweler largely selling pure gold jewelries. Bhimji has a traditional Indian beauty, whereas Tanishq looks more western. First time, I went to Bhimji store with my mother-in-law about three years ago. Since then, I also started liking Bhimji’s pure gold jewelries due to their traditional Indian design, though they are heavier than Tanishq’s studded jewelries. When I go to my friends’ parties, I wear Tanishq. However, I wear Bhimji, when I go to any social function accompanying my mother-in-law and other senior family relatives. (Gender: female; age: 26)

Thus, the lady likes Tanishq due to its western look, and also likes Bhimji, and wear it in order to conform to her mother-in-law, and while conforming over a period, she has also developed a liking towards Bhimji’s jewelries which is reflected in expressions like, “*I also started liking Bhimji’s pure gold jewelries*”. According to Shimp and Madden (1988), liking refers to intimacy which is the component of romantic brand love. In India, majority of married women are subject to the authority of mothers-in-law, and mothers-in-law exercise significant interpersonal control over their daughters-in-law (Bloom et al., 2001). This young woman is in a position to want to please her mother in law and is influenced by her in a variety of ways. This is one of the ways the daughter-in-law is showing symbolic compliance to mother-in-law through the wearing of specific branded jewelry, and by respecting her mother in law’s brand preference. This way she is following the family rank order (showing respect to the elder) and thus confirming to the norms of filial piety.

Another informant described:

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My father insisted me to pursue my bachelor degree in engineering from prestigious Indian Institute of Technology (IIT). Due to God’s blessing, I cracked IIT entrance examination. I completed my engineering from IIT Delhi just 2 years before. I am happy that I fulfilled my father’s dream. (Gender: female; age: 25)

The above informant is personally happy after cracking IIT entrance exam which shows his liking towards IIT. He is also happy, as he fulfilled his father’s dream which shows filial piety. Prior research investigating Chinese students’ decision making in relation to university brand selection for higher-education in New Zealand shows that students’ decision making is significantly influenced by ‘filial piety’ emotion (Chung, 2010) which is also evident in our description. Thus, the Confucian principle of filial piety is found to be predicting brand liking in Indian counterpart of emerging market also.

SoR 1: Individual’s filial piety would be an antecedent of romantic brand love.

Face Saving

Consumers in India are mostly sensitive of their social reputation and prestige (Mathur, 2010). So they indulge in ‘conspicuous consumption’ of prestige brands, which are “consumed to indicate status and as such displayed conspicuously to provide a visual representation of status” (O’Cass & McEwen, 2004, p.26). Such prestige brand consumption allows consumers to save their face in society by enhancing their reputation, integrity and dignity, as well as by confirming to the desired social expectations from reference groups (Chung & Thorndike, 2000). Indian consumers displayed romantic love towards prestige brands, as is evident from quotes below:

I love Apple because it is a brand of elite people, and signals my suave sophistication and refined tastes to the society. My friends appreciate my knowledge of Apple products and value my opinions. However, I have also purchased Xiaomi smartphone. This is also having good features at a lower price. (Gender: male; age: 21)

The above informant likes Apple due to its status signaling attribute as the brand association provides him a perceived status of opinion leader (face saving). This liking towards Apple is romantic in nature, as he likes Xiaomi also for low cost. Another informant described:

I love W Kurtas. I am a college professor, and need to wear dignified clothing to the class. My students and colleagues always praise my choice of clothing, W perfectly resonates my personality of a smart, elegant, serious yet trendy professor. I also like Neeru in important social gatherings. (Gender: female; age: 31)

The above informant romantically love both W and Neeru, as both improves her social status.

SOR 2: Individual’s tendency to save face would be an antecedent of romantic brand love.

Need for Escapism

Our data analysis shows that individual also tries to immerse into romantic brand love in order to escape from the stress factors present in daily routine life. For example, one young sales executive working in life insurance sector described:

I live a very stress-full days in every week. My job is very target oriented. Hence, at the weekend, I must come to a place where I can be relieved from my stress. Otherwise, I can't start again on Monday. I enjoy different pubs in the city on any Saturday. My favorites are Blimey, WYT and Hard Rock Cafe. However, I like the unique ambience of Hard Rock little more. (Gender: male; age: 27)

The above respondent likes different pubs to get relieved from stress. This liking is romantic in nature, and does not contain devotional brand commitment, as he switches frequently depending on his mood. However, it is assumed that the respondent's romantic liking towards Hard Rock is little more intense most probably due to the reason that the ambience of Hard Rock has remained more effective in relieving his stress. The respondent described the unique aspects of the ambience of hard rock café, such as live rock music playing, celebrity memorabilia, mementos and autographed photos adorning the walls, brand merchandises such as Hard Rock Café t-shirts, mugs, glasses and caps on display, which would create an energetic rock and roll environment. Thus, it can be deduced that perceived 'uniqueness' of brand stimulates consumers into developing affinity towards the brand.

Another informant described:

Whenever I feel stressed, I play either Pokémon Go or Subterfuge. Doing either of these really relieves my stress. (Gender: female; Age: 19)

The above informant romantically loves two alternate video game options that relieve her stress. Sarkar and Sarkar (2016 b) support that individual's need for escapism predicts sub-conscious proximity towards brands that help in escaping from mundane world in the context of Indian emerging market, and this brand proximity is same as brand intimacy which is a component of romantic brand love.

SoR 3: Individual's need for escapism would be a predictor of romantic brand love.

Brand Ethnocentrism

Prior research in the context of Indian emerging market shows that brand perceived to largely represent local cultural meanings in contrast to foreign culture or brand ethnocentrism positively influences brand proximity or intimacy in emerging market segments (Sarkar & Sarkar 2016 b). Our study finding reinforces this relationship. For example, one lady described:

I am very keen about buying quality cosmetics. I buy my cosmetics from Body Shop and Patanjali only, as both make their cosmetics using organic ingredients. I am very against using cosmetics made of inorganic chemicals which would harm my skin in the long-term. However, I would say that I use Patanjali more frequently, as Patanjali uses traditional Indian ayurvedic techniques to make its cosmetics which no other company does. (Gender: female; age: 24)

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The above respondent likes both the cosmetic brands (Body Shop and Patanjali) which is conceptually equivalent to multi-brand romantic love as defined by Sarkar and Sarkar (2016 a). She likes Patanjali cosmetics little more compared to Body Shop, as Patanjali claims that it uses “*traditional Indian ayurvedic techniques to make its cosmetics*”, which elicits brand ethnocentrism in consumer’s mind leading to brand liking. This brand liking towards Patanjali caused by brand ethnocentrism is romantic in nature, as the consumer sometimes switches to Body Shop also.

Another informant described:

I admire Tata, and I always try to buy brands in various products which are manufactured by Tata. I am little sentimental about my own country. I admire Tata, as it is a highly successful and diversified Indian conglomerate. Just 1 year before, I purchased Tata Safari (car). Before purchasing this Tata car, I test drove Hyundai car also. They are also good. However, I ended up buying Tata. (Gender: male; age: 30)

In the choice set of the above informant, there were both Hyundai and Tata. Hence, it was a multi-brand romantic love. However, the informant ended up in buying Tata car due to perceived brand ethnocentrism.

SoR 4: Perceived Brand Ethnocentrism Would be an Antecedent of Romantic Brand Love.

Single Brand Devotion

Single brand devotion is defined as a strong conative stage which is the outcome of romantic brand love, and romantic brand love is dominated by short-lived brand affect or intimacy (Sarkar et al., 2012; Sarkar & Sarkar 2016 a). Affect predicts conation (Oliver, 1999). Depending on individual’s motivation to overcome the switching incentives offered by various competing brands and focus more on particular very loved brand (s), which is called selective perceptual process, brand love can progress from multi-brand romantic love towards highly conative single brand devotional love (Sarkar & Sarkar, 2016 a) stage in a product category. According to Hemetsberger et al. (2009), brand devotion includes fervent irrational commitment towards a brand. Hence, at ideal brand devotion stage, individual would be highly motivated to consume only one particular brand in a product category by overcoming all other switching incentives. So, it is termed as single brand devotion in a product category.

One informant described:

I always wanted to get my MBA degree from a crème de la crème institute. XLRI, MDI, IMI, SP Jain, and ISB were the brands that I found to be highly prestigious, and got aspired to get admission into either of them when I was preparing for CAT and GMAT (MBA entrance examinations). While preparing for GMAT under the guidance of TIME institute, the expert coaches there made me realize that XLRI and SP Jain were exactly the kind of brands I had always dreamt about. Fortunately, I qualified the admission processes for both the institutes. Then, I visited both the institutes and interacted with their students and faculty members before taking final admission. Based on this interaction, my heart clearly chose XLRI. Faculty, infrastructure, students - all things about the institute seemed to be world class. I took admission to XLRI. Now I am going through my final semester here. I can definitely say that this institute will always remain a great contributor to my career and life. I will always recommend this institute to any management aspirant. (Gender: male; age: 24)

The above description shows how the informant romantically loved many brands (*XLRI, MDI, IMI, SP Jain, and ISB*) initially, and finally became the devotee of one brand (*XLRI*) through the process of selective perception (Sarkar & Sarkar, 2016 a). Selective perception is the process of becoming selectively focused on one or few out of many brands in a product category in terms of developing a strong conative brand attitude. The devotee perceives the devotional brand to be extra-ordinary compared to the others, and providing deeper meanings to life (Pichler & Hemetsberger, 2007). Here also the informant finally perceives that *XLRI “will always remain a great contributor”* to his life and career.

Similarly, another informant who passed out from Indian Institute of Technology Delhi (IIT-D) in 2003 (IIT is ranked as the best engineering education institute in India), and presently working as Assistant Professor at IIT itself described his feelings for IIT:

It is simply amazing how IIT contributes to not only Indian, but global intellectual capital. It has completely changed my life since I joined IIT. Whenever I get the opportunity in different conferences and seminars, I tell how IITians are contributing to the advancement taking place in various technological domains. I am very active in IIT alumni network, and will always work for it, so that it can gain a status same as MIT which is presently considered as the top engineering institute in the world. (Gender: female; age: 26)

The expressions like “*will always work for it*” points to what Pichler and Hemetsberger (2007) state as “proactive sustaining behaviors” (p. 194) which refers to the notion that a true brand devotee would proactively work for the benefit of devotional brand by perceiving it as a sacred entity, and try to prevent re-secularization of the focal brand. The true devotee considers any brand other than the focal brand as secular or ordinary, and would not simply be able to accept secularization of his/her devotional brand. Thus, true devotee engages in proactive sustaining behaviors aimed at preventing secularization of the devotional brand, and this brand devotion can be dyadic (Pichler & Hemetsberger, 2007; Hemetsberger et al., 2009).

SoR 5: Romantic multi-brand love would evolve into single brand devotion over time, and this evolutionary process would be positively moderated by individual’s selective perception.

Brand Fandom: The Triadic (Consumer-Brand-Other Consumers) Inter-Relationships

Pementel and Reynolds (2004) state that both brand fandom and religious fandom can fulfill individual’s need for self-identity, need to belong and felt mental void. Prior literature empirically shows that both brand fandom and religious fandom can help individual to express his/her self-worth, and as a result of this, individual can substitute his/her religion with brand (Shachar et al., 2011). Thus, an important characteristic of brand fandom is manifested in the displaying religious devotion to the brand which is termed as brand religiosity (Muniz & Schau, 2005).

Traditionally an individual has one religion at a time. Hence, theoretically in brand consumption context, an individual can be devoted to (x) number of brands in (x) number of different products, and would finally select one out of these (x) number of devotional brands as equivalent to religion which would score the highest on perceived self-expressive ability. Hence, individual consumer’s single brand devotion is the antecedent of brand fandom characterized by brand religiosity. As already stated, brand

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fandom is not a dyadic concept, and would occur in a brand community set up (Muniz & Schau, 2005). Prior theological research shows that importance of religion is realized by individual in a community context through group ritualism (Huber & Huber, 2012) where individual perceives *communitas* or social antistructure (Belk et al., 1989). *Communitas* refers to transgressing regular social community norms in order to join a new (brand) social group. Belk et al. (1989) state, “*Communitas* is a social antistructure that frees participants from their normal social roles and statuses and instead engages them in a transcending camaraderie of status equality” (p. 7).

Our data analysis also revealed that perceived self-expressiveness of brand plays key moderating role in the progression from single brand devotion to ultimate brand fandom, manifested through fandom’s almost religious devotion to the brand.

For example, the description given below in the context of political brands (Smith & Speed, 2011) was obtained from an active member of an Indian political party called AAP or Aam Aadmi Party (<http://www.aamaadmiparty.org/>) which has successfully created a large pool of devoted supporters who are religiously committed to the party:

I always wanted to do something good for the nation, and have a very strong passion for those organizations that work for the good of my country. I am an active volunteer for my most favorite not for profit organization called CRY that works to restore socially deprived children’s rights. I strongly admire the companies like TATA also that follows socially responsible marketing agenda. However, I have eventually realized that politics is a field that can greatly influence the socio-economic development of a nation, and a strong political identity can motivate an individual to work for the nation. My political ideologies are very strong since my college days.

When AAP came into existence, I really hoped to witness a political revolution in India. AAP’s political agenda is very transparent and ethically conducted compared to other political parties mainly due to the leadership of Arvind Kejriwal. His personality significantly motivated me to join AAP. Overtime I became an active party member, and regularly attend party meetings. Working closely with likeminded party members has made us so zealot that many a times we forget to take food and sleep timely while working. We humbly keep working towards our common mission- ‘a corruption free India’. People who do not understand our ideologies have persecuted us, and labeled us as AAPtards. I take pride in being associated with AAP and to be known as an AAPtard. (Gender: male; age: 35)

The above descriptions reflect brand religiosity which is the key property of sustainable brand fandom. First, the religion-like brand and product are perceived as highly self-expressive by devotee (Shachar et al., 2011). The informant wants to express himself through the identification as ‘AAPtard’, though it is used by the AAP haters as a derogatory term, derived from ‘retard’. Second, the devotee perceives the brand as the most sacred or supreme compared to other brands (Pichler & Hemetsberger, 2007) in various products like CRY (in not for profit category) and Tata (in consumer goods category). Third, there is a brand hero who would bind all brand community members to work together for the benefits of the fandom brand. Prior research shows that brand hero credibility impacts the strength of a brand community (Eagar, 2009). The brand hero would be a personality internal to the brand unlike a celebrity endorser of brand who can be hired externally. In the above case, the brand hero is Arvind Kejriwal. This shows that brand fandom is essentially a community based phenomenon (Muniz & Schau, 2005), whereas single brand devotion is an individual specific phenomenon (Pichler & Hemetsberger, 2007).

Brand religiosity or perceiving the focal brand as equivalent to religion in term of expressing self-worth is the key characteristic that determines the intensity of brand fandom.

The description below shows how the absence of brand religiosity among existing brand fans can weaken the brand fandom, or lead to brand community atrophy (Pimentel & Reynolds, 2004):

I was a member of Sunsilkgangofgirls.com. However, overtime I felt bored and left the community. The activities were becoming very dull and repetitive. (Gender: female; age: 19)

The impact of brand hero credibility on brand community is reflected in the following expressions also:

I am a devotee of Patanjali mainly because of the personality of Baba Ramdev. I attended one of his seminars on Patanjali yoga. A huge number of audiences in a big town hall were completely mesmerized by his speech. I became a Patanjali fan since the day, and attended several yoga seminars conducted by Baba Ramdev and his disciples. I have interacted with other Patanjali devotees in those yoga seminars who also would feel strong connection towards Patanjali, we have shared beliefs and a healthy, positive view of life. (Gender: male; age: 26)

“Yoga is a group of physical, mental, and spiritual practices or disciplines which originated in ancient India” (<https://en.wikipedia.org/wiki/Yoga>). The above description shows how the personality of Baba Ramdev (brand hero) who is the founder and chairman of Patanjali strongly impacts Patanjali brand fandom. It is brand religiosity, as the informant feels a deep mental bonding with other Patanjali devotees creating communitas (Belk et al., 1989). Our overall data analysis also shows that very few out of many existing consumer-brand relationships can achieve brand fandom stage characterized by strong brand religiosity. Another informant who completed his bachelor degree in engineering from highly reputed Indian Institute of Technology (IIT) described:

In any social gathering, I proudly say that I am an IIT alumnus. This provides me a unique and highly prestigious identity. I actively keep in touch with other IIT alumni members, and participate in different IIT meets. I no longer identify myself through my religion or caste. I am an IITian, that is my identity. Sometimes I feel that it takes an IITian to understand another one, we have a different mental lacuna. (Gender: female; age: 25)

This shows how brands like IITs can provide an identity, similar to that provided by various religious groups, to the people religiously associated with it. When asked whether the informant would perceive any brand other than IIT providing such a deep meaning in life, another IIT alumnus replied:

No, I am not so highly enthusiastic about any brand other than IIT in my life. In today’s context, brand proliferation is increasing in every sector, but brand values are not increasing at the same rate. So many brands die so quickly. Very few brands sustain overtime and become iconic. (Gender: male; age: 29)

The description reflects supremacy of IIT in the informant’s perception across numerous other product categories and brands.

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SoR 6: Individual consumer’s single brand devotion would evolve into brand fandom, and perceived self-expressiveness of brand would positively moderate this evolutionary process.

SoR 7: Brand hero (if the brand is having any internal hero) credibility would have a positive impact on brand fandom, as brand hero personality can bind the community members together through fostering brand religiosity.

The Outcomes of Brand Fandom: Flow and Addictive Transcendent Consumption Experiences

The final objective of our data analysis was to identify some unique outcomes of brand fandom that can differentiate it from all other brand love stages. Our data analysis reveals that brand fandom would generate strong flow experience in a brand community setting, and the flow experience in turn would generate transcendent brand experience. This relationship between flow and transcendent brand experiences is supported by Schouten et al. (2007). Another finding from our data analysis is that when this transcendent experience is addictive in nature, it motivates individual to engage in group brand consumption activities repetitively making brand fandom sustainable and perpetual. For example, Patanjali (<http://patanjaliayurved.org/pal/>) is a highly popular ethnocentric brand in India that commands strong brand fandom, mainly due to brand hero credibility and brand ethnocentrism as already discussed. The founder of this brand is Swami Ramdevji who is fervently respected by Patanjali community members (http://patanjaliayurved.org/pal/?page_id=9). On behalf of Patanjali, Ramdevji organizes camps where Patanjali devotees participate in yoga activities and get enlightened about ancient Indian Ayurvedic medical science. One Patanjali devotee who regularly attends yoga camps organized by Patanjali described:

Attending these yoga camps and listening to highly inspiring speeches from Ramdev gives me tremendous ecstasy. We (the devotees) do yoga in a group; we enjoy discussing about spirituality and India’s traditional medicinal wisdom. When Ramdev speaks, we listen to him being spellbound. Ramdev’s speech has a magical power that connects all of us and generates extreme passion in our minds. At the end of a camp, we get completely revived; we go back to our respective places, join our regular works and start waiting eagerly to meet again with Patanjali friends in the next camp session. Patanjali is not just a personal care brand to me. It has the ability to emotionally overpower me. (Gender: male; age: 29)

Flow experience is created in consumption context, when individual is deeply immersed into consuming brand or doing brand related activities in a group setting like, doing yoga along with others as described by the above informant. This flow leads to transcendent experiences which manifest in the expressions like- “*being spellbound*” and perceiving a “*magical power*” in Ramdev’s speech. This kind of transcendent experiences would take the individual to a higher plane beyond the regular and mundane world. This transcendent experience becomes addictive (Sarkar & Sarkar, 2016 a) in nature when individual wants to reach that higher plane again and again. The expression like “*start waiting eagerly to meet again with Patanjali friends in the next camp session*” reflects the addictive nature of such transcendent brand experience, as it takes devotee’s mind beyond the mundane world to a higher plane, and the devotee wants to feel that magical journey repetitively. Thus, the addictive nature of the transcendent brand experience fosters brand fandom, and prevents the religious bonding between brand and fans from getting secularized (Pichler & Hemetsberger, 2007). These findings get support from the literature also, as Schouten et al. (2007) state, “Achieved through intense, focused engagement in

the mastery of an activity, flow has the power to motivate people, both individually and in community, and to contribute to their psychological wellbeing. Flow is performance and experience wrapped up together in a positive, often playful, and highly fulfilling package. Most importantly for our discussion, flow produces a state of transcendence, a suspension of temporal reality, a sense of separation from the mundane, and a sense of unity with some higher plane of experience” (p. 357).

Though theoretically transcendent experience can also be generated when devotee is experiencing a brand individually or in private (Pichler & Hemetsberger, 2007), our data analysis shows that transcendent brand experience is especially addictive and richer when it is caused by flow generated due to immersing into brand related activities performed in a group setting. For example, one young Harley Davidson owner who is a member of HOG (Harley Owners Group), India described his experiences while participating in HOG rallies:

One cannot internalize the experience without being an active member of our community, or being an outsider, or just a spectator of our rally. When we do the rally parade, we thunder down the roads with a striking display of engines and flashing chrome – it feels out of the world. I never get such zeal in any other occasions that I get while taking part in Harley rallies with my Harley friends. However, I definitely enter into a trans mode also while riding my Harley alone in a long drive especially when it is raining. (Gender: male; age: 28)

The expressions like, “*it feels out of the world*” represent the transcendent experiences generated by the flow derived from biking in group. Such transcendent experience is addictive (Sarkar & Sarkar 2016 a), as it lures the person to engage in the group brand consumption act (i.e., rally) repetitively to feel the transcendence again and again.

SoR 8: Brand fandom generates flow experiences while performing brand related activities in a group.

SoR 9: Flow experience causes transcendental feeling when it reaches a peak which is additive in nature.

SoR 10: Addictive transcendent brand experience in turn reinforces brand fandom.

THE GROUNDED THEORY FRAMEWORK

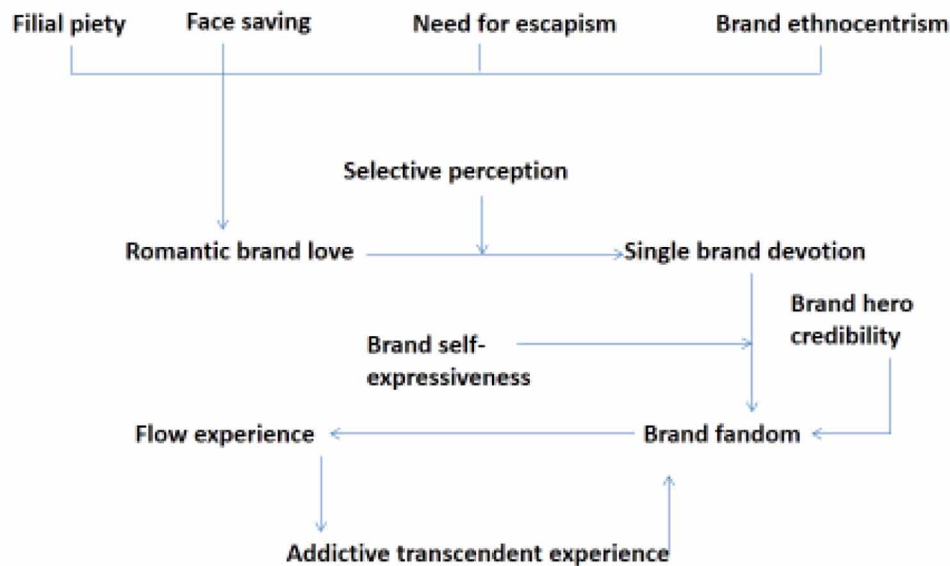
Following grounded theory framework is developed based on the above SoRs derived from the findings. Each arrow flows from an antecedent to respective outcome representing a causal relationship path. Arrow from any intervening or moderating factor points to the path relationship being intervened.

GENERAL DISCUSSION ABOUT THE STUDY RESULTS

The study has identified three main brand love relationship types namely romantic multi-brand, devotional and religious brand love, as experienced by our informants, and causally inter-connected them. Our data analysis shows that in any product category an individual’s relationship with any particular brand can be at any stage, and depending on the relevant moderating conditions the relationship would be progressing towards the next higher-order attitudinal stage. This is supported by Oliver’s (1999) theory of stage-wise attitudinal progression in consumption context. Hence, the grounded theory model developed is a *causal*

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Figure 1. Grounded Theory Framework for Brand Fandom



process model. The rate of this stage-wise progression would largely vary depending on the natures of individual, moderating factor (s), product category and brand. In this study, not all, but a percentage of total interview descriptions obtained have shown the progression from one stage to another stage. Some of the descriptions reflected only the properties of a current relationship stage, while some other descriptions reflected the nature of relationship individual would want to maintain with particular brand in future. Hence, our informants' descriptions were past, present and future oriented.

In this study different brand relationships described by the informants show the key properties of any present relationship stage, direct/indirect antecedents of the present relationship stage (obtained through the descriptions of past brand interactions), and the roles played by relevant factors in moderating certain progressions from the past to present relationship stage. As an individual progresses from romantic love towards higher-order stages, the emotional intensity of relationship increases from short-lived brand affect towards long-lasting brand conation. Oliver (1999) also maintains that cognition and affect are more vulnerable to switching compared to conative stage, and true loyalty represents pure irrational conative bonding towards consumption object. As per our findings, romantic brand love is affective; brand devotion and fandom are highly conative, and brand fandom is a strong community based phenomenon unlike dyadic romantic brand love or brand devotion. Due to *communitas* (Belk et al., 1989), the conative intensity of brand fandom would be higher than dyadic consumer-brand devotion.

THEORETICAL CONTRIBUTIONS

This study empirically extends the work on brand devotion done by Sarkar and Sarkar (2016 a), and establishes the causal link between brand devotion and fandom empirically for the first time in emerging market context. Through a theoretical analysis of the inductive findings, this article shows the stage-wise attitudinal progression from romantic brand love towards brand religiosity via single brand devotion.

This qualitative study also extends Oliver’s (1999) theoretical framework for stage-wise consumption object loyalty formation into the context of brand love and fandom, and empirically shows that Oliver’s (1999) framework would be applicable in the context of brand love attitude formation also. For the first time in branding literature this qualitative study identified three distinct stages or types of brand love that can be experienced by consumers, and also empirically established their inter-relationships. The model developed also provides insights into the roles played by relevant moderators namely selective perception and brand self-expressiveness in the stage-wise progression process.

MANAGERIAL IMPLICATIONS

Though romantic brand love is non-committed by nature (Sarkar et al., 2012), this is the starting stage of a consumer’s journey towards brand religiosity in a product category. Managers can strategically manipulate the moderators identified namely selective perception and self-expressiveness of brand in order to facilitate consumer’s journey towards brand fandom. Achieving brand fandom would be the greatest challenge to brand marketer, if the brand is not perceived as highly self-expressive in the eyes’ of selected target consumers. Making brand fandom sustainable is also a big challenge. Brand marketer should continuously reinforce the zeal among brand community members through various marketing programs stimulating flow and transcendent brand experiences in order to sustain brand fandom. Brand’s symbolic value communicated should be very rich and unique to make the target devotees’ feel addictive transcendental brand experiences. At the brand fandom stage, the brand can compete with traditional religions also (Shachar et al., 2011), as a group of devotees would intend to replace their religions with the devotional brand creating a socio-religious antistructure (Belk et al., 1989). Thus, the outcomes of brand fandom identified by our study would guide the managers regarding how to make brand fandom sustainable.

LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

This qualitative study focuses on investigating the inter-relationships between various possible brand love types in the context of only one emerging market (India). Future research should be conducted in cross-country context to prove the generalizability of the model. Hemetsberger et al. (2009) state that a devotional individual-brand relationship can also be broken due to several reasons. One important reason is the inability of brand to deliver the promises made or the lack of brand ethicality. In case of such a break-up, individual consumer might be emotionally hurt, and leave the brand permanently (Hemetsberger et al., 2009). Such emotional distress might make an individual initiating a new search for brand love starting again from romantic brand love stage. This study didn’t investigate such possible negative moderators that can hinder the evolutionary journey of brand lovers towards brand fandom which should be investigated by future research. Though filial piety has been found to be an antecedent of romantic brand love, it may be debated whether in case of filial piety, the consumer i) really likes the brand, or ii) just buy the brand to conform to the senior family member; case (ii) would be regarded as pseudo brand romance. Thus, true impact of filial piety should be investigated. Researchers’ bias might have contaminated the exploration of brand-self identification to some extent while interpreting interview quotes.

CONCLUSION

Individual-brand love relationship formation tends to follow a sequential progression in the order of romantic multi-brand love, single brand devotion and brand fandom stages. The rate of this progression is highly contingent on the conditions of intervening factors identified. Depending on the degree to which the marketer strategically induces the intervening factors, brand relationships amongst the target consumers can achieve the most intense stage of brand fandom. Brand fandom would be sustainable, if it can generate addictive transcendental experiences.

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KEY TERMS AND DEFINITIONS

Brand Ethnocentrism: Preference for brands that adhere to standards and customs of consumer’s own culture and heritage.

Brand Fandom: A closely knit community of brand fans, who collectively engage in a consumption sub-culture.

Brand Religiosity: It is an important characteristic of brand fandom, and is defined as perceiving a brand as equivalent to religion in terms of expressing an individual’s self-worth.

“Thy Kingdom Come, Thy Will Be Done”

Face Saving: Establishing and maintaining reputation in society through conspicuous consumption of prestige brands, which reflect a superior social status.

Filial Piety: Important Confucian principle for living a human life ethically through respecting the elders within a family, and previous generations. In consumption domain, this would translate into respecting the consumption culture, tastes and preferences demonstrated by one’s elders.

Flow Consumption Experience: A mental state in which consumer is completely absorbed in the activity of consumption.

Romantic Multi-Brand Love: Individual’s liking towards many brands in a product category coupled with switching tendency.

Single Brand Devotion: Individual’s strong conative bonding towards a single brand in a product (good and/or service) category.

Transcendental Brand Experience: Extra ordinary consumer experience with regard to a brand, often mystic and liminal in nature.

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Section 7

Social Media and Online Brand Communities

Chapter 35

Social Media and Online Brand Communities

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ABSTRACT

It is widely recognised that a better understanding of social media and its implications is essential for formulating effective branding strategies in evolving Computer-Mediated Marketing Environments (CMMES). However, few studies have examined how social media influences brand image in the luxury sector. The current study intends to examine whether increased exposure through social media influences brand image in technologically infused marketing environments. Drawing on extant literature from various perspectives (in areas such as marketing, information management, and communications studies), this chapter examines exposure to social media and how this influences consumer perceptions of luxury fashion brands. The current analysis develops a critical examination of social media and the perceived prevalence on brand image by elucidating overwhelming perspectives in the evolving technological marketing environments.

INTRODUCTION

Consumers have embraced the Internet and the social community it has supported in the recent past. Market research has been going through changes and developments in social communications. Social media has changed traditional brand manager–consumer relationships by empowering consumers to communicate with each other instantly (Christodoulides & Jevons, 2011). The rise of Web 2.0 has transformed the way content is generated on the Web. Previous studies have addressed social media by examining its role and influence on customer equity (Kumar & George, 2007; Dann & Dann, 2011; Kim & Ko, 2011) and purchase intention (Kim & Lee, 2009; Park, Ko, & Kim, 2010). What these studies have in common is that they consider social media sites as online applications—platforms and media that facilitate interactions amongst customers, enabling deeper relationships between them. Kim and Ko (2012), for

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example, presented a statistical analysis of social media on customer equity. Others presented illustrative statistical evidence of the influence of social media on brand relationships (McAlexander, Schouten, & Koenig, 2002; Dou, Lim, Su, Zhou, & Cui, 2010; Cova & White, 2010; Sukoco & Wu, 2010). Despite these preliminary studies in the evolving technological tapestry, much is still unknown about how social media influences brand relationships and brand images in the luxury fashion sector. Drawing from a social constructivist perspective and breaking with the trend towards quantitative research, the current chapter aims to examine consumer brand perceptions of the evolving interactive market space. Thus, the purpose of this study is to examine how social media facilitates interactions and brand relations in emerging technological environments.

Kim and Ko's (2011) work on social media and customer equity is helpful in considering the importance of social media on customer equity and brand perceptions. Kim and Ko note that "the brand's social media platforms offer venues for customers to engage in sincere and friendly communications with the brand and other users, so the brand's intended actions on the social communication scene were positively affecting relationship equity and brand equity as well" (p. 1484). Kim and Ko suggest that social media leverages and facilitates informal relationships within customer social network activities, but they offer few suggestions on how social media creates effective online brand communities. The current chapter develops this in seeking to examine how consumer participation and experiences in social media influence brand perceptions and relationships.

THE LUXURY INDUSTRY AND SOCIAL MEDIA

The luxury industry has changed significantly in the last decade; the consumption of luxury fashion goods has become more popular since "luxury" is no longer considered to be a niche for a higher level of society. Historically, the concept of luxury played a significant role in societies as a benchmark of knowledge and social class (Okonkwo, 2007). Now luxury brands as a social marker play a crucial role in our creation of identity; more people are enjoying luxury goods as a means of material comfort and personal fulfilment by associating themselves with exclusivity, craftsmanship, and uniqueness through their experience rather than monetary value (Kapferer & Bastien, 2009; Okonkwo, 2007; Yeoman & McMahon-Beattie, 2010). Today, "luxury goods" are associated with experience and indulgence, which connect with consumers.

With growing interest in using social media as a means to attract more customers through effective communications, luxury brands have started to incorporate e-business into their strategies. Viral marketing, buzz marketing, and social media marketing have become more influential marketing tools on Web 2.0 using social media platforms such Facebook, Twitter, and many others to create buzz or word-of-mouth promotion. This targets social media users, who, by being present in online communities, benefit not only from sharing news and information but also from receiving advice and recommendations from other users. Therefore, marketers focus on online brand communities, which are the Web-based communities of traditional brand communities defined by Muniz and O'Guinn (2011) as a distinct group of users without territorial limits bounded by mutual interest in a particular brand. Brand communities are seen by many academics and practitioners as great business opportunities to effectively influence customers' purchasing behaviours and to more deeply understand customers by monitoring their views and opinions (Adjei, Noble, & Noble, 2010; Kozinets, 2007; Cothrel & Williams, 2010). With global populations having an online presence nearing two billion (Okonkwo, 2010), this makes the Internet a place where

luxury brands must build a presence. Geerts and Veg-Sala (2001), in their research, revealed that selling online is a real opportunity for luxury brands. As they stated, the Internet should be considered one of the communication tools that gives brands the ability to express their identity and values and maintain the brand story. Social media offers all the means to strengthen brand values and sustain brand image.

With the appearance of e-business, luxury brands face many challenges and, at the same time, many opportunities. One of the challenges in adopting Internet strategies is that of “corporate orientation” (Okonkwo, 2010, p. 20). The emergence of the Internet requires new strategies for communicating and operating online. A predominant part of luxury companies is still struggling to understand opportunities provided by social media platforms and sees the Internet as a threat. They believe that an online presence is for advertising and selling rather than “a multi-channel for communications, branding, client services, retailing, consumer analysis, client congregation, marketing, customization and product development” (Okonkwo, 2010, p. 21). Another significant task that needs to be taken into consideration is how to represent and effectively transform brands’ personality, identity, and image. Therefore, it will be useful to investigate to what extent online brand communities influence luxury fashion brand perception on social media platforms and how brand communities on these social media platforms can be valuable in terms of improving brand perception and image in the luxury fashion sector.

SOCIAL MEDIA: CONCEPT AND DEFINITION

Prior to defining social media, it is important to underline its relationship to Web 2.0. In 1991, Tim Berners-Lee achieved the formation of a new type of network communication by connecting hypertext technology to the Internet. Shortly after that, the term “Web 1.0” was transformed into “Web 2.0,” where online services shifted from “offering channels for networked communication to becoming interactive, the two way vehicles for networked sociality” (Castells, 2007; Manovich, 2009, as cited in Van Dijck, 2013, p. 5). These changes allow users to interact and create user-generated content in the virtual community (O’Reilly, 2005). Web 2.0 is not only increasing usage of the Internet but changing the way users reach each other to share comments, thoughts, or information about a particular subject. Therefore, the new user behaviour prevalent in this Web 2.0 setting is what gives the social Web an acknowledged accreditation of existence (Berthon et al., 2012).

Social media was defined by Kaplan and Haenlein (2010, p. 60) as “a group of Internet-based applications that build on ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content.” Social media became a new online brand that influences and organises people’s lives by facilitating online interactions on individual or community levels (Van Dijck, 2013). Kaplan and Haenlein (2009, p. 60) stated that “a formal definition of social media requires drawing a line between two related concepts that are frequently named in conjunction: Web 2.0 and user-generated content.” The term “Web 2.0” is used to describe a new approach to using the World Wide Web as a coexisting platform for software developers and end users involved in modifying content and applications at the same time. Kaplan and Haenlein (2010) also describe three elements that identify social media: concept, which consists of art, information, image, or video that is passed electronically from one Internet user to another; media, which can take a physical, electronic, or verbal form; and social interface, which is community engagement, viral, or other physical media. Table 1 shows the different types of social media.

Table 1. Social media

Social Media	
SNS Social network sites	These sites promote interpersonal contact between individuals and groups. They build personal, professional, or geographical connections. Examples are Facebook, Twitter, LinkedIn, Google+, and Foursquare.
UGC User-generated content	These sites support creativity and cultural activity and promote the exchange of amateur or professional content. Well-known UGC sites are YouTube, Flickr, Myspace, and Wikipedia.
TMS Trading and marketing sites	These sites aim at exchanging products or selling them. Examples are Amazon, eBay, Groupon, and Wowcher.
PGS Play and games sites	These sites consist of popular games like FarmVille, CityVille, and Angry Birds.

Source: Dijck (2013)

The focus of this chapter is on SNS and UGC sites as they represent the basis for which online sociality and creativity have developed (Dijck, 2013). The concept of social media is generating increased interest in marketing and information management (Zarella, 2010; Johnston, 2011; Dann & Dann, 2011; Kaplan & Haenlein, 2009). For marketing, Dann and Dann (2011) note that “the principle underpinning the rise of social media as a current *modus operandi* for the Internet is an inherent belief in the value of connecting with other people” (p. 344). Implicitly, one of the driving forces of social media is the increased number of users in social media environments. Dann and Dann (2011) described social media as an interconnection between content, users, and communications technologies, which includes Facebook, Twitter, or Google+. The theory justifying social media as a growing tool for Internet technology is deeply rooted in the importance of connecting with other people. Dann and Dann (2011) portrayed social media as having three components that link with and complement one another. One element of social media is communications. This virtual infrastructure provides a coexistence between social interaction and content in real time and in the same virtual space. Examples include Facebook, YouTube, and Flickr. The second component of social media is content, which attracts individuals to the site, like photos on www.flickr.com or videos on www.youtube.com. Another component is social interaction, which connects one user with another through the site—for instance, on Facebook or Twitter. Zarella (2010) describes social media in contrast with traditional media, where, with the involvement of new technologies, anyone can create or circulate comments. Social media comes in many forms, such as blogs, social networks, and media-sharing sites. This definition of social media is supported by Uzelac (2011), who considers social media as “a give-to-get environment,” the opposite of traditional media sites. From another point of view, social media is a two-way platform, where people communicate and share information (Johnston, 2011). Blackshaw-Nazzaro (2006) suggests social media has emerged alongside sources of online information that are created, circulated, shared, and used to inform other consumers about products, brands, services, and issues.

Stokes (2008) portrays social media as media designed to be shared. Sharing means that it is easy to comment on content and to exchange information. It is also possible to view media at a lower cost. Stokes compares social media and traditional media in Table 2.

Blackshaw and Nazzaro (2004) describe social media as a variety of online information that is created and used by users in order to educate other users about brands, services or products, and other issues. The messages transmitted through social media have a great impact on consumer behaviour and influ-

Social Media and Online Brand Communities

Table 2. Traditional and social media

Traditional Media	Social Media
Fixed, unchangeable	Instantly updateable
Commentary limited and not in real time	Unlimited real-time commentary
Limited, time-delayed best-seller lists	Instant popularity gauge
Archives poorly accessible	Archives accessible
Limited media mix	All media can be mixed
Committee publishers	Individual publishers
Finite	Infinite
Sharing not encouraged	Sharing and participation encouraged
Control	Freedom

Source: Stokes (2008)

ence decision making. However, business press and academic literature have stopped short of advising marketers about how to integrate social media into marketing strategies (Mangold & Faulds, 2009). Chung and Austria (2010) suggest that social media consists of different methods of communication online, such as blogs, social networking, podcasts, company-sponsored websites, and multimedia sites. According to these authors, social media refers to the range of proceedings that involves individuals in online communications. Many authors understand social media as social network sites (Zarella, 2010; Boy & Ellison, 2007; Fraser & Dutta, 2008). For example, Boy and Ellison (2007) define social network sites as Web-based services that enable users to create a public or semipublic profile within a constrained system. They enable users to share information with other users with whom they have a connection and extend across their list of connections within the same system. Fraser and Dutta (2008) categorised social networking sites into five groups: “egocentric / identity construction social networking sites,” like Facebook or Myspace; “opportunistic,” which is based on business connections, like LinkedIn; “community-based” social networking sites, which bond users by cultural or neighbourhood backgrounds; “media-sharing” social networking sites like YouTube or Flickr, which are mostly defined not by their members, who are interested in sharing videos or photographs; and “passion-centric” social networking sites, which are based on sharing common interests and hobbies and also called “communities of interest,” the members of which are defined according to “passions” (for example, dogs, cats, cars, or movies). Marketers attempt to employ social media in marketing strategies to increase sales and profits. Regardless of the interest in social media, there is a lack of academic research to develop an understanding of social media as a new phenomenon (Kaplan & Haenlein, 2010).

SOCIAL MEDIA AND ONLINE BRAND COMMUNITIES

With the advancement of technology, social media has become available for social behaviour. In the past, social interactions enabled people to meet in person, then communicate with mail and letters. E-mail followed and now “social media” or social media platforms (Feenberg & Barney, 2003). Early online devotees believed that group interaction would improve quality of life. The very first online communities were based on independent computer conferencing systems, such as EIES (Electronic Information

Exchange System) and the Well. The success of these online communities had a great impact on developing the image of the computer. Early designers Turoff and Vallee developed software that transformed face-to-face environments into network. The main features of this software included bonding (forming online groups), tracking (listing participants' discussions), archiving (maintaining records of discussions), and warranting (ensuring participants' identities) (Hiltz & Turoff, 1993).

Some academics have debated the prospects of online communities (Barney, 2004; Borgmann, 2004; Dreyfus, 2004), developing arguments against online communities. They agree that the "spacious" form of online community is an inadequate replacement for a difficult reality. However, postmodern theorists who see in the Internet a paradigm of desirable social transformations positively evaluate online communities (Turkle, 1995). Moreover, Bakardjieva (2004, p. 12) "dismisses the general question of the possibility of online community on the grounds that our evaluation of the Internet should be guided not by the distinction between the real and the virtual but by that between human interaction and commerce." Her study of the communicative and communal use of the Internet shows many forms in which individuals meet other people and obtain knowledge of them through online communities. She believes that promoting and discovering online communities will contribute to humanistic study and shaping the Internet.

The fast growth of social media and the motivation of brand companies to get involved in social media provide a basis for online brand communities to be present in computer-mediated environments. A brand community is a community of individuals created through mutual feelings towards a product or brand (Muniz & O'Guinn, 2001). Their ethnographic study reveals three main indicators of community within brand communities: shared consciousness, shared rituals and traditions, and obligations to society. Schau, Muniz, and Arnold (2009) conducted a meta-analysis that determined four groups of practices through which value is cocreated in brand communities. Community is a main construct in social thought. Theorists and academics have focussed on the subject of community ever since the last century (Dewey, 1927; Freud, 1928; Kant, 1781/1996; Fisher, 1975; Merrit, 1966; Hummon, 1990). Apart from comprehensive studies in this area, especially in the context of consumption, community in the context of consumer behaviour has occasionally been mentioned (Muniz & O'Guinn, 2001). Muniz and O'Guinn (2001) introduced the idea of brand community as "a specialised, non-geographically bound community, based on a structured set of social relationships among admirers of a brand. It is specialised because at its center is a branded good or service." Most communities share similar features such as consciousness, rituals, traditions, and moral responsibility. In addition, as brand communities, they play an important role in the brand's social construction and heritage.

The concept of community has been examined by different scholars (Gusfield, 1978; Weber, 1978; Feenberg, 2002). For example, Gusfield (1978) proposed that it was a consciousness of kind, which means a mutual bond between the members and the collective sense of difference from others outside the community. Similarly, Weber (1978) described community as shared history, culture, and traditions, where rituals and traditions maintain the community's shared history, culture, and consciousness and instil behavioural customs and values. Another just-as-important characteristic of community is a sense of moral responsibility. It is a sense of responsibility to the community, which occurs as a collective action against intimidation. Community becomes a common understanding of a shared identity, and over time, due to emerging communication technologies, communities unite individuals with a commonality of purpose and identity without any geographical restrictions (Muniz & O'Guinn, 2001). The rapid development of social media platforms has enhanced the emergence of brand communities. "Computers construct a virtual social world with remarkable similarities to the world of face-to-face communication" (Feenberg & Barney, 2004, p. 1). The virtual world nowadays connects not only companies but also consumers by

providing access to content and communication through the Internet (De Valck et al., 2009). Examples of virtual interaction and communication tools include blogs, personal webpages, and social media networks (for example, Facebook and Twitter). These tools facilitate new forms of consumer interaction experiences, which take part in the growth and establishment of consumer-brand relationships (De Valck et al., 2009). The Internet has enabled people around the world to communicate with each other instantly despite geographical distances and different time zones. Within social media sites, users unite and create their own communities. The modern concept of community embraces the idea of a group of people bonded by culture who do not necessarily live in similar neighbourhoods (Rheingold, 1996). For a community to progress, members have to have shared feelings or belongings (Weber, 1978). Preece (2001) argued that an online community can be understood as a group of people who interact socially to satisfy their own needs or play a special role within the community. The notion of organising such a community rests on the basis of similar interests, needs, information, or even services. As the popularity of online communities grows, marketers and consumers create and encourage relationships between consumers and brands. While marketers can promote and build brands by advertising their products and services, consumers can build online brand communities and actively attract other consumers to engage in community activities. Preece (2001) suggested two concepts of understanding the development of online communities: sociability and usability. “Moderators, managers, practitioners and participants benefit from becoming familiar with these concepts. Sociability and usability form a bridge linking about human behaviour to appropriate social planning, policies and software design for successful online communities” (p. 7). There are different reasons why people engage in an online community. Some want information or support or interaction with other people, and some want to communicate their ideas or opinions. Hennig-Thurau et al. (2004) reveal eight particular factors that motivate consumers to participate in and contribute to online communities: expressing negative feelings, showing affection to other online community participants, self-enhancement, seeking advice, social benefits, economic benefits, platform assistance, and helping the company. Feenberg and Barney (2004) described online communities as “stable, long-term online group associations mediated by the Internet or a similar network.” From a theoretical perspective, brand communities improve the customer-brand dyad. The interaction within the community influences members’ perception of a brand and their opinion and attitude towards the brand. Bagozzi and Dholakia (2006) state that, according to their research, brand communities influence brand involvement, brand loyalty, and positive word of mouth. For marketers, brand communities contribute to market research or involve their members in new product development (Kozinets, 2002; Fuller, Matzler, & Hoppe, 2008). Algesheimer et al. (2005) support this notion by stating that maintaining brand communities is cost-effective and powerful.

In the past, luxury fashion companies were mostly endorsed by brand valuables and loyal customers. However, globalisation and lower entry barriers for new brands have led to stronger competition and changes in the marketplace. Certainly, globalisation and the development of ICT have made luxury brands more accessible (Kim & Ko, 2012). Now consumers can shop online, access any fashion brands, and instantly exchange brand experiences with other consumers. As a result, consumers have become more knowledgeable, more rigorous, and more resistant to influence. Consequently, many fashion brand companies have experienced technological transformation at the same time as their customers, provoking the introduction of new e-marketing tools and strategies. Web 2.0 technologies have had an especially great impact on the fashion, beauty, and retail industries (Okonkwo, 2007). Web 2.0 technologies have boosted the appearance and increased the number of online brand communities on social media (Muniz & O’Guinn, 2001; Muniz & Shau, 2005), allowing members of these communities to communicate their

ideas and opinions online, as well as share their experiences with each other. Certainly, online brand communities have become an effective tool for luxury fashion brands to establish stronger relationships with their consumers. There are two main categories of online brand communities: official and spontaneous (Brogi et al., 2013). Official online brand communities are created by fashion brand companies with the main aim of introducing their consumers to their offerings in the luxury sector and, at the same time, allowing their consumers to exchange their fashion experiences. Spontaneous online brand communities are created by their fans on a volunteer basis. With this in mind, many luxury fashion companies have created their Facebook and Twitter accounts. Simultaneously, many fashion brand fans have made their own online brand communities. Both benefit from being able to communicate with each other without any restrictions of time, place, or content by transforming old one-way communication into interactive socialising (Okonkwo, 2007; Okonkwo, 2010; Okonkwo & Assouline, 2011). Furthermore, online brand communities have a significant influence on brand reputation. As Kim and Ko (2010) state, companies that avoid using social media as part of their online marketing strategy are missing the opportunity of gaining a competitive advantage.

There is ongoing discussion around whether brands should be present on social media (Cova & White, 2010; Brasel, 2012; Bruhn, Schoenmueller, & Schafer, 2012). For example, Laroche, Habibi, and Richard (2012) support this idea as they consider social media to be a medium between brands and customers. Companies develop this relationship between brands and customers, who may then become more loyal to the brand. Today, companies and their brands should consider social media as one of their main marketing activities. Social media opens up new channels for interactions and can entirely reposition brands by facilitating interactions between customers and the organisations they interact with (Divol, Edelman, & Sarrazin, 2012). Mangold and Faulds (2009) crisply argued that social media is a new fusion of the promotion mix, while in traditional marketing communications, promotion is controlled by advertising, selling, direct marketing, and harnessing customer service tools. In social media marketing, control over the promotional mix is minimised. Now companies with a social media presence have less power to affect consumer choices. Social media platforms are independent and allow consumers to communicate with each other. Even though marketers cannot control the dissemination of information, they can still monitor and provide input to debates. The authors argued that few companies regard social media as a significant part of their promotional mix. Despite the fact that social media has an influence on the marketplace, the modus operandi in shaping relevant activities is not as effective as it can be. It is important to acknowledge that consumers perceive social media as a trustworthy source of information, more so than other aspects of the marketing mix (Foux, 2006). For example, social media sites like Facebook or Twitter enable people to “befriend” or “follow” their favourite brands and to identify germane brand communities. They can also build network relationships and exchange brand information. In 2009, Ferrero’s Nutella Facebook page was the third most popular corporate page, tallying some 4.9 million fans. Effective communication with customers made Nutella one of most successful brands on Facebook (Wasserman, 2009; Cova & Pace, 2006). There are other successful companies like Jeep or Harley-Davidson (Shau, Muniz, & Arnold, 2009) that have built their brand communities on social media platforms such as Facebook and Myspace (Kaplan & Haenlein, 2010). Brand communities support their members by sharing essential information, and they draw attention to different values. One of the functions of social media is to facilitate discussions amongst customers. Social media is an extended form of traditional word-of-mouth communications. Customer loyalty, positive word of mouth, and the ability of a company to recover quickly from negative company feedback all depend on customers’ per-

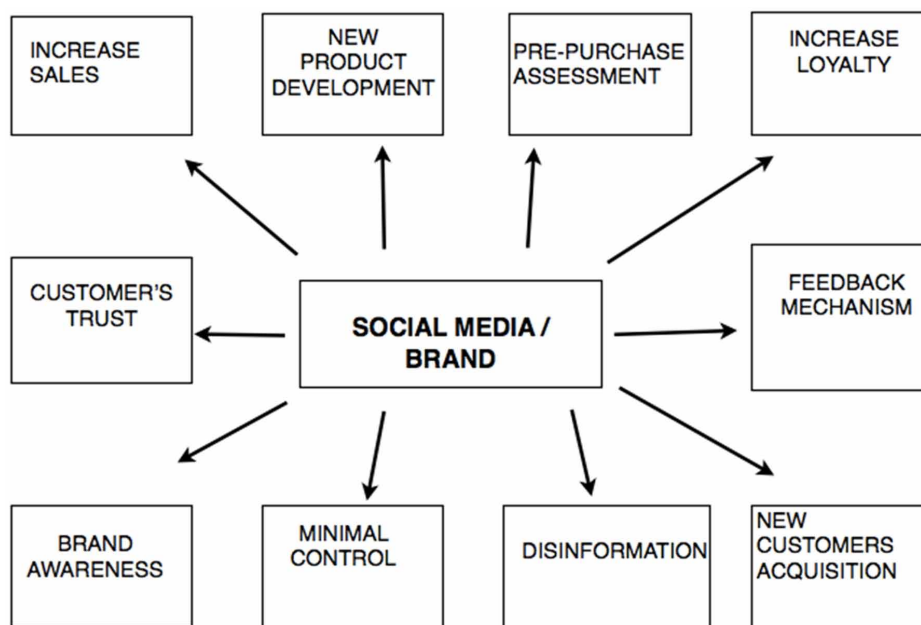
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ception of a brand's socially responsible behaviour (Costa & Menichini, 2013; Calabrese et al., 2013). From this viewpoint, online brand communities have a great influence on increasing public awareness of a company's social faithfulness.

Currently, increased usage of social media amongst consumers helps them to make purchase decisions and assess brands on the evolving Internet platform. As a result, companies can reach their customers and influence their decision-making and buying behaviour (Swain, 2009). Social media has marginalised the obstacles to the flow of information amongst people, and it is now easier for marketers to communicate with their customers and target the audiences who are not familiar with the brand. Shaver (2007) noted that companies need to build a strong social media presence in order to attract customers as they are influenced by social media. To build the relationship and gain trust and loyalty, the presence of social media requires companies to set strategies for social media presences. However, some researchers argued that brand communities based on social media could produce positive effects for brands. Kim and Ko (2010) stated in their research that social media has had a great influence on brand reputation. Others, like Fournier and Avery (2011), contradict these statements by saying that social media is not always an ideal environment for brands. Companies might be at risk (Fournier & Avery, 2011) as customers have more power than before, and companies increasingly struggle to manage information about their brand. Customers can get involved in discussions or online complaints when they are not satisfied with the brand (Kaplain & Haenlei, 2010; Ward & Ostrom, 2006). Furthermore, consumers may also produce their own interpretation of meanings and strategies associated with the brands they prefer (Wipperfurth, 2005). Hence, these consumers produce a linking value that is not always exactly what the brand strategist had in mind (O'Guinn & Munis, 2005).

Figure 1. Social media/brand

Source: authors



COMMUNITIES IN THE NEW MARKET SPACE

Community activity is portrayed as the biggest change in business in the 20th and 21st centuries (Aho-nen & Moore, 2005). From the mid-'90s, communities have been reborn and expanded in quantity and relevance; from consumers' perspectives, worldwide access to the Internet encourages online participation. On the other hand, many companies that understand the importance of these communities invest in establishing and maintaining these communities, especially in the online market space. Today, online communities represent a reaction to the lack of traditional forms of collectivisation (Schouten & McAlexander, 1995), and this form of online organisation is greatly influencing businesses (Ganley & Lampe, 2009). Current studies indicate that online brand communities influence customer relationships between brands and customers and their attitudes towards them (McAlexander, Schouten, & Koenig, 2002), as well as serving as an instrument to establish strong and enduring relationships with customers (Algesheimer, Dholakia, & Hermann, 2005; Brown, Kozinets, & Sherry, 2003). The number of social media platforms is impressive. Facebook, for example, as of December 31, 2013, reached 945 million monthly active users who used Facebook mobile products, with 757 million daily active users on average in December 2013 and 1.23 billion monthly active users as of December 31, 2013 (<http://newsroom.fb.com/Key-Facts>). Twitter counts 500 million users (<http://www.telegraph.co.uk/technology/twitter/9945505/Twitter-in-numbers.html>). LinkedIn shows 211.3 million users (<https://www.quantcast.com/linkedin.com>). The power of such online social media platforms lies in the fact that they are organised around their users (Mislove et al., 2007), with the benefit to brands to be able to utilise users' interconnectedness to reach larger audiences at a reasonably low cost. Social media platforms like Facebook, Twitter, LinkedIn, and YouTube are becoming a ground for developing strong online brand communities. A total of 76% of the companies are planning to reinforce their presence on Facebook and invest in the development and execution of social media marketing strategies (Social Media Examiner, 2011).

Facebook

As Zuckerberg (2010) stated, Facebook's mission was to build the Web where "the default is social" to make "the world more open and connected" (as cited in Dijck, 2013). In Facebook, individuals choose to become fans of a certain page. The company's aim of a Facebook fan page is to "broadcast great information in an official, public manner to people who choose to connect with them" (Facebook.com, 2011d). With millions of users worldwide, Facebook is the largest social media platform in the United States and Europe. Despite the great potential for brands, many practitioners struggle to understand what motivates consumers to interact with brands on social media platforms. Facebook, for example, proposes organisation and brand tools with which to create community-like environments within the site. Also, it offers more flexibility in terms of using different applications, and users can interact with pages on the Facebook by "liking" them. Individuals have a certain motivation behind "liking" a Facebook fan page. As suggested by Willimzig (2011), individuals become online brand members based on their feelings towards the brand. Additionally, Facebook fans join the brand community because they are loyal to the brand and also because of economic benefits, such as members' discounts and exclusive deals, or competitions organised by brands.

Twitter

Twitter's potential was forecast by executive and cofounder Jack Dorsey in New York in 2009, when he highlighted that "the company wants users and developers to shape the platform into a generic infrastructure for online communication and social interaction." Twitter appeared in 2006, when individuals were not very familiar with microblogging. However, six years later, Twitter has become the leading microblogging platform, with 500 million registered users and 88 million users per month (Dijck, 2013, p. 68). "Tweeting" has various meanings: it can be instant messaging or live discussions. If Facebook associates online activity with "sharing," "liking," and "friending," in the case of Twitter terms, "following" and "trending" take place in regard to social activity. Given Twitter's distinct characteristics (these social communication services and microblogging), the platform has the potential to greatly influence word-of-mouth branding and company-customer relationships, including brand image and brand awareness (Jansen, Zhang, Sobel, & Chowdury, 2009). The new form of electronic word of mouth (e-WOM) marketing is microblogging through social communication services like Twitter, where users describe their interests and/or share their opinions in short posts or so-called microblogs. These posts are distributed by instant messages, mobile phones, e-mails, or the Web. Google and Facebook have also integrated Twitter in their services as Twitter's brand name quickly attracts lots of traffic (Jansen et al., 2009; Dijck, 2013). Davis and Khazanchi (2008) examined the influence of e-WOM characteristics and factors on e-commerce sales using live data from a retail firm. Their work revealed that interactions amongst e-WOM postings, volume of postings, and product category were statistically significant in explaining changes in sales. Goldsmith and Horowitz (2006) evaluated consumer motivations for online opinion seeking. Their research showed influential effects resulting from enabling website visitors to share their thoughts and opinions. It is clear that e-WOM is an important aspect of a consumer expression of brand satisfaction and may have a crucial effect on brand image.

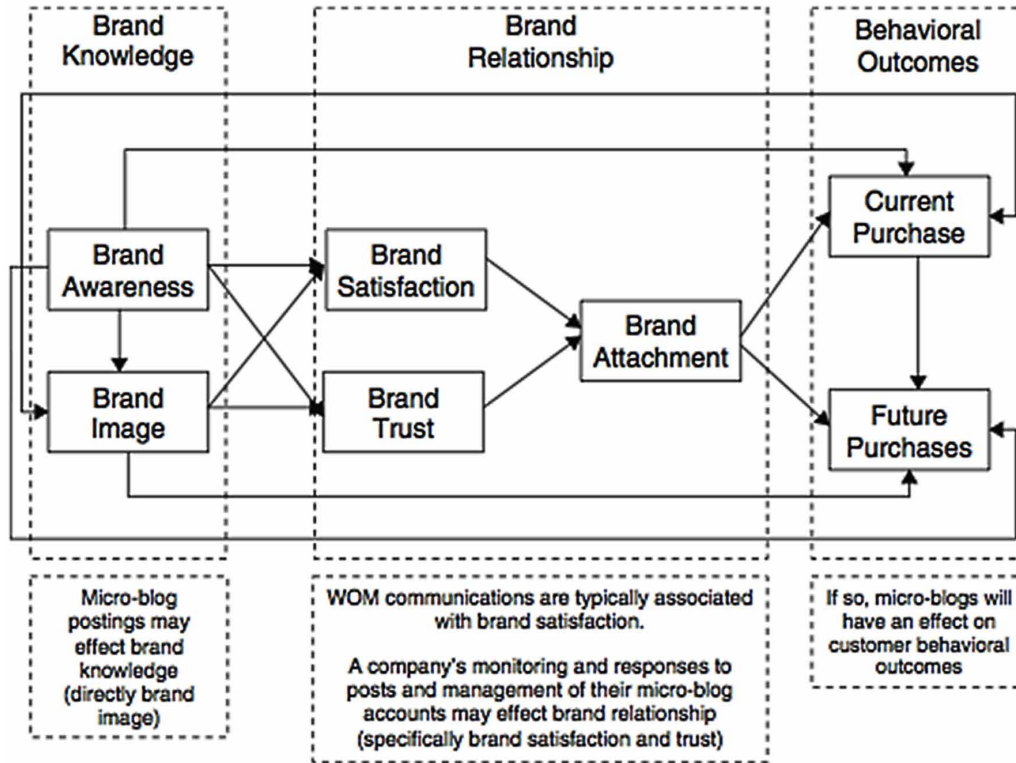
Esch et al. (2006) evaluated a branding model (in the figure above) in online branding environment. They outlined that brand image and brand awareness were affecting purchases and were initial areas where e-WOM microblogging would have a direct influence. It was proposed by Esch et al. (2006) that consumers engage with brands in a manner similar to the personal relationships they formed with people. These relationships may be the result of participation in brand communities (Muniz & O'Guinn, 2001).

YouTube

YouTube, as a content community, was established in 2005. It allows users to create their own profiles and post, view, comment, and link to videos on the site, as well as show visitors recent activity, whom they subscribe to, their friends, and comments. While the most viewed videos are produced by professionals (Kruitbosch & Nack, 2008), the most commented-on videos are user-generated (Burgess & Green, 2009). In early 2012, YouTube had 800 million unique monthly visitors compared with only one million visitors in 2005 (Dijck, 2013). Many researchers have studied the YouTube community, structure, norms, and cultures (Benevenuto et al., 2008; Burgess & Green, 2009; Snickars & Vonderau, 2009). With regard to brand-related user-generated content, videos often feature reviews, demonstrations, creative consumption, new product releases, advertisements, brand community storytelling, and coverage of brand-related events (Pace, 2008). A great number of companies use Facebook, Twitter, and YouTube as marketing tools but still struggle to understand how to create value through these media. Practitioners often discuss the return on investment (ROI) of social media platforms, underlining the

Figure 2. General model of branding (Esch, Langner, Schmitt, & Geus, 2006): components and relationship to microblogging

Source: Jansen, Zhang, Sobel, and Chowdury (2009)



complications with presenting the impact of social media marketing on sales (Social Media Examiner, 2011). Brand communities on Facebook are distinguished by particular aspects in contrast to other online communities. Kaplan and Haenlein (2010) revealed three main characteristics of brand communities on social media: First, there is social presence in the form of acoustic, visual, and physical contact, which appears between communication partners. Second, as the theory of media richness proposes, the goal of any communication is to evade the unknown and minimise the uncertainty. Brand communities in social media platforms are very well suited for settling these concerns due to a great amount of information being circulated within these communities. Third, brand communities in social media are connected to the concept of self-presentation, which means individuals wish to control the image that other people have about them in all types of social interaction. The term “sharing” reflects the values of openness and connectedness; it relates not only to distributing personal information between users but also to spreading personal information to third parties, which has become one of the benefits to the companies or brands. Social commerce was predicted to be a great phenomenon in business with regard to customer-company relationships. Organisations are using social shopping tools like “recommend” or “feedback” in their online stores and are increasingly using social media-related activities or are planning to do so in the very near future (Wesson, 2010). From the sales perspective, social media platforms offer companies a way to be in direct contact with their customers. Along with the word “social,” concepts like “participation” and “collaboration” have been given new meanings in the context of social media. “Users of content are

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supposedly ‘collaborators’ who ‘co-develop’ creative products and thus enrich communities” (Dijck, 2013, p. 12). In order to understand users’ motivations in participating and interacting on social media platforms, it is important to understand how individuals identify themselves as members of a group (Bagozzi & Dholakia, 2002). When individuals identify themselves as a part of the online community, they are most likely to join and interact within the community (Dholakia et al., 2004). There are several categories of online community members, based on levels of observations and community interactions. Table 3 presents the categories of community participants.

Understanding online participation by various users and their involvement in a community helps practitioners to segment them into subgroups, based on their level of participation (Preece et al., 2004). Members’ participation in online communities is one key element to ensure the growth and sustainability of these communities. Understanding participation benefits may help practitioners and brands to establish the most favourable approaches to attract new members and encourage existing members to build long-term relationships with brands.

BRAND COMMUNITIES AND BRAND PERCEPTION

The impact of new online brand communities is maintaining notable power over brand perceptions and companies, mostly driven by the increased growth of social media platforms through which communication is held. Brands strive to understand how social media has an impact on their brands. Internet-mediated technologies bring people together and allow them to share their common interests and make them influence the market. How can companies control the reputation of their brand in an environment that is out of their control? “The truth is that corporate marketing never had control of the brand. The ownership of the brand and its reputation has always belonged to the consumer” (Booth & Matic, 2011, p. 185). As proposed by Booth and Matic (2011), marketers should concentrate on developing Internet-based marketing products such as search engine optimisation, podcasting, or widgets apart from the most significant aspect of social media: the quality of the relationship between the brand and the consumer.

Table 3. Categories of online community users

Authors	Categories	Description
Kozinets (1999), Wang and Fesenmaier (2004a)	Tourist	Weak social ties with other members.
	Mingler	Strong social bonds with their group and contribution to community.
	Devotee	Strong ties with other members and enthusiastic participation in community activities.
	Insider	Strong bonds with other members and active contribution to the community.
Burnett (2000), Preece et al. (2004), Ridings et al. (2006)	Lurker	Takes advantage of the communities but does not contribute to the community.
	Poster	Posts information and messages and is willing to provide information and exchange social support.
Akkineu and Tuunainen (2005)	Lead user	Provides the necessary information to develop new products for their community.
	Active user	Provides valuable information for the new members.

Source: Kang (2011)

Individuals satisfy their psychological needs through their possessions, which create their self-concept, supporting and expressing self-identity and allowing individuals to differentiate themselves by their own uniqueness (Belk, 1988). According to Muniz and O'Guinn (2001), possessions function as social objects that bond individuals within a cultural group, community, or brand community. Fournier (1998) stated that consumers construct their self-identity and introduce themselves to others through their brand choices. Levy (1959) stated that people do not buy products just for what they do, but also for what the product represents; thereby, brands can represent symbols that construct the consumer's self-concept. The first introduction to the concept of brand image can be traced to 1955 (Gardner & Levy, 1955). According to these authors, the understanding of brand image was based on the social, physical, and psychological nature of the product. How customers feel and think about the brand and associate themselves with the image of brands was recognised as important. Aaker (1991) described brand image as a series of associations grouped in a meaningful way. Brand image suggests the perception of a particular brand and also the image of a company that offers a product or service. The positive experiences of consumers with a brand build a stronger relationship between them. Consumers value the brand through brand associations, even though they have no direct experience with the product or service (Aaker, 1991). Similarly, Keller (1998) suggested that brand image is a reflection of brand associations with consumer memories. He categorised brand association into four types:

1. Types of brand association: attributes, benefits, and attitude
2. Favourability of brand associations
3. Strength of brand associations
4. Uniqueness of brand associations

In addition, Kapferer (2008) stated that brands are intangible assets that create value. This is consistent with the view of Herzog and Britt (1966), who defined brand image as the sum of influences over customer experiences, packaging, name, product make, people using the brand, advertising, form and tone of advertising, and other brand associations. According to Keller (1993), many scholars have proposed different definitions of brand image, and there has been little consensus regarding the most appropriate definitions of symbolism, message, personification, cognition, and psychological dimensions (Dobni & Zinkhan, 1990). Gronroos (2010) stated that traditional definitions of "brand" exclude the customer and presume that the company creates the brand, which then influences how customers perceive brands. He believed that it is the customer who is involved in forming the brand and the brand image. Due to the increased usage of social media websites by consumers, brands, products, and companies are increasingly judged by more than one-third of social media users (Burshtein & Turco, 2010), and many brands are linked to user-generated content through search engine results (Rein, 2011). This is favourable for brand marketers to promote their brands and encourages customers to engage others by sharing experiences (Parise et al., 2008). Many authors state that the appearance of Web 2.0 allows brands to collaborate with loyal customers and, at the same time, produce a linking value for the brand (Cova & Cova, 2002). Social media allows brand owners to advertise (using viral marketing), develop products (via consumers' involvement in design process), and create market intelligence (by analysing user-generated content) (Richter et al., 2011).

Social media and brands have been studied from different perspectives. For example, Cova and White (2010) addressed the key concepts of brand community and cocreation of value as well as new trends in online community behaviour. Researchers adopted a case study strategy that was based on a

dual ethnographic and netnographic method. It was revealed that these communities may initiate a risk for companies by developing oppositions and competitive offerings. Findings indicate two reasons that drive consumers to commit to nonconventional brands: first, consumers are not getting value for their money, and second, they want to develop a project beyond the scope of traditional brands. But it seems there is much that is still unknown about how brands influence brand-consumer relationships.

Other researchers like McAlexander, Shoulten, and Koenig (2002) found consumers and marketers jointly building communities. Companies and their brands benefit from cultivating the brand community as community-integrated customers contribute by acting as brand missionaries and endorsing marketing communications in other communities. Customers emotionally attached to a community invest in the welfare of the company and are determined to further develop the company's success. Also, Laroche, Habibi, and Richard (2012) summarised debates over the activities of brands in social media. The aim of their study was to show how brand communities influence the elements of the customer-centric model. The empirical study highlighted some positive effects on customer-brand, customer-customer, and customer-product relationships. Moreover, it was found that brand trust positively affects brand loyalty. However, these studies concentrate more on customer-centric relationships and less on how brands facilitate interaction between brands and customers.

Sukoco and Wu (2010) argued that there are no studies that have discussed customers' motivation to identify and integrate into brand communities. This study proposes two main consumer motivations: self-related (which consists of enjoyment and knowledge) and social-related (which refers to affiliation and social status). The findings of this research are based on the assumption that members of brand communities support one another and become involved in community activities to update product knowledge. The study underlines the fact that marketers need to consider those motivations to facilitate and organise brand community activities. There seems to be a need to explore other motivations by using different motivation theories.

Brasel (2012) suggested that many traditional forms of brand communications are no longer relevant in the current media environment. His research showed that incidental exposure to a brand alters consumer behaviour in ways consistent with brand identity. Findings suggested that strong brand identities can retain effectiveness in the social media environment. Therefore, it would be useful to explore the multidimensional effects of brand identities on consumers' brand perceptions. Bruhn, Schoenmueller, and Schafer (2012) investigated the impact of brand communications on brand equity through social media as compared with traditional media. This empirical study showed that traditional and social media communications have had a valuable impact on brand equity and have underlined that social media communications have a great impact on hedonic brand image.

Constantinides (2004) explored how to attract and retain customers in the Internet marketplace. This research was based on identifying factors affecting online consumers' behaviours. The findings of this study have revealed three components of Web experience: functionality through usability and interactivity, trust and credibility, and attractive content of online presentations that influence online consumer behaviour. This study is very useful in understanding how Web experience components contribute in the online customer decision-making process and may help to develop attractive Internet presence for brands. To support this study, Erdogmus and Cicek (2012) researched the impact of social media marketing on brand loyalty and revealed that customers are positively influenced when brands offer advantageous campaigns, interesting content, and interactive applications on social media. However, there is a need for further exploration of the ways technologies deliver new forms of communication, interaction, and perceptions and of consumers' online behaviour.

Dou, Lim, Su, Zhou, and Cui (2010) studied brand positioning strategies using search engine marketing. The study showed that search engine results can be used as tools for creating brand positioning. The research sheds more light on the importance of SEO efforts by lesser-known brands. The study also provides guidelines for organisations willing to optimise their display rankings. The employment of search engines as free promotional tools can help companies build their brands and gain competitive advantage in the marketplace. Research by Naylo, Lamberton, and West (2012) focussed on one practice of the social media domain. The results from four studies reflect that the presence of online supporters is passively experienced and virtual and that their demographic attributes can influence consumers' brand evaluations and purchase intentions.

Kim and Ko (2011) identified attributes of social media marketing activities and examined the relationships amongst these activities. The following are five constructs of the SSM activities of luxury fashion brands: entertainment, interaction, trendiness, customisation, and word of mouth. Many luxury brands create their own accounts or communities with the purpose of communicating with customers and being able to do without any restriction in terms of time or place. Moreover, social media marketing activities provide the opportunity of minimising misunderstandings and preconceptions towards brands as well as increasing brand value and creating the platform for brands and consumers to exchange ideas and information amongst other people online. With the increased usage of social media platforms by luxury brands, Kim and Ko have chosen to quantitatively analyse the effects of social media. The results indicate that brands using social media entertain customers by offering different contents as well as social network activities, and this enables customised information searching. It also offers interactions amongst users that lead to word-of-mouth effects, including fashion and trend attributes.

SOCIAL MEDIA AND LUXURY BRAND FASHION

Luxury fashion brands have been always at the forefront of the fashion industry. With commercialisation of the Internet and the popularity of social media, which are the two-way communication platforms that allow users to interact with one another online to share information and opinions (Kim & Ko, 2010), luxury brands have started to feel the competition from lower sectors. In order to survive in a competitive environment, luxury brands have started to use social media platforms for their marketing activities. One of the earliest adopters of social media platforms was the luxury brand Burberry. Burberry is a British heritage luxury brand, founded by Thomas Burberry in 1865. It is the best known for its trench coats, which have been worn throughout British history since World War 1. Since the fashion landscape started to change, Burberry became outdated. In 2006, Burberry started to adopt digital and social media marketing. First investments were made towards digital communications—in particular, social media. Fashion shows in London with live broadcasting and in 3-D and a catwalk show in Beijing with live models mixed with holograms were turned into a social experience on the YouTube. Burberry was the first luxury fashion brand that opened its elite runway to the public and positioned the brand amongst young people and tech-savvy consumers (Phan, Thomas, & Heine, 2011). Furthermore, Burberry started to broadcast live London Fashion Week on Facebook and Twitter and positioned itself as a top influencer in luxury brand social media marketing. Burberry is a typical example of the most successful brands, promoting its brand via social media platforms like Facebook, Twitter, YouTube, Instagram, and Google+. Recent statistics attribute 15 million fans to Burberry. The brand continues to impress its consumers with its new

tactics, such as recently creating a new social website Artoftthetrench.com in partnership with Facebook to promote its brand. Users or members of this site are able to post their pictures wearing Burberry and share their brand-related stories with other members (Phan et al., 2011).

CONCLUSION AND FUTURE RESEARCH DIRECTIONS

With the rapid growth of social media platforms, brands have been trying to work out how online brand communities can be employed to help brands grow and perform even better. As with anything new, practitioners concentrate on mechanisms rather than purpose, which has created more confusion rather than a clear picture of what their business role can be and how they work.

As discussed earlier, there is debate on the subject of social media and branding activities. For example, some believe that social media is an ideal environment for companies to promote their brands, while others believe that social media is an environment for people and their friends (Fournier & Avery, 2011; Kaplan & Haenlein, 2010). This chapter offers several potential contributions on the aspects of social media platforms. Marketers may have to leverage the potential strengths of social media in the development of marketing programmes. In particular, luxury fashion brands should focus on identifying and sustaining relevant online communities.

Despite the fact that a good deal of research has been done on the influence of brand communities on brand equity and identity, the present research has indicated that social media platforms give the ability for companies and their brands to facilitate real-time interactions and provide valuable consumer feedback on products or services, as well as positioning the brands on social media platforms and receiving significant support from online communities. Furthermore, online or brand communities give new opportunities for managers to position their brands and improve their strategies for acquiring new customers.

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KEY TERMS AND DEFINITIONS

Brand Communities: A community formed on the basis of attachment to a product or marque. Recent developments in marketing and in research on consumer behaviour result in stressing the connection between the brand, individual identity, and culture of the luxury brand.

Brand Image: The general impression of a product held by real or potential consumers.

Online Communities: A virtual community that exists online and whose members enable its existence through taking part in membership rituals.

Social Media: Websites and applications that enable users to create and share content or to participate in social networking.

Web 2.0: The second stage of development of the Internet, characterised especially by the change from static webpages to dynamic or user-generated content and the growth of social media.

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Chapter 36

Social Media Brand Communities and Brand Loyalty: An Integrated AHP Approach

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ABSTRACT

The dynamic, omnipresent, and frequent on-the-go consumer-brand interactions via social media platforms are significantly changing the branding landscape. A profound comprehension of this change is crucial in assessing brand loyalty. Considering the enormous fame of social media and inherent capabilities of brand communities, the purpose of this paper is to exhibit the contributory role of Social media brand communities (SMBC) towards brand loyalty. A Survey-based empirical study involving young consumers was conducted in the selected cities of Bangalore, Kolkata, and Pune. In contrast to prior works (Algesheimer et al., 2005; Laroche et al., 2012), the authors have incorporated Analytical Hierarchy Process (hereafter AHP) in the study to implement and validate new scales. The outcomes of AHP methodology found shared consciousness and social networking as the most-preferred component and activity respectively. These outcomes would assist brand managers in the optimized allocation of communication budget and formulation of competitive branding strategies to tackle intense competition.

INTRODUCTION

(...) community is a vital human phenomenon that must be consciously preserved, promoted or protected in the contemporary world. (Fischer, Bristor, & Granier, 1996)

Stiffer rivalry, rising marketing costs, and shorter innovation life cycles have stimulated the firms to devise new ways to achieve and encash consumer relationships (Morgan & Hunt, 1994). Since last decade, marketers, and researchers have acknowledged the importance of relationship marketing in

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enhancing customer loyalty (Gomez et al., 2005; Mitchell & Imrie, 2011, Hau & Ngo, 2012). At the outset, brand community is defined as “a specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand” (Muniz & O’Guinn, 2001). Further, it furnishes novel, significant, and effective means for establishing the profound and long-term association between brands and consumers (Thompson & Sinha, 2008; Wang et al., 2012; Ahmed, 2014; Hsu et al., 2016). In relation to brand communities, co-creation activities are instrumental in nurturing strong social ties between community elements and consumers (McAlexander et al., 2002; Kang et al., 2013; Luo et al., 2015). Marketing experts commit hefty amount of time and effort to understand the role of co-creation activities in developing amicable relationships within the brand community (Nuttavuthisit, 2010; Schouten et al., 2007).

The advent of social networking technologies has rendered brand communities with an opportunity to lure new customers and retain the existing ones (Kietzmann et al., 2011). Also, social media brand communities (hereafter SMBC) constitute the underlying characteristics of non-topographically bound, high information transparency, and multi-party interactivity. Consequently, SMBC has attracted much attention, especially from brand managers as a crucial platform for consumer-brand interactions (Wirtz et al., 2013; Kaplan & Haenlein, 2010). Various brands are employing co-creation activities on SMBC to tap and comprehend consumer experiences (Alavi, 2013; Okazaki et al. 2015; Muniz & Schau, 2005).

Ethnographic studies by Muniz and O’Guinn (2001) ascertained the existence of the three conventional components of a community (i.e. Shared rites, rituals, and traditions, shared consciousness and social obligation) within brand communities. Schau et al. (2009) outlined the major thematic group of activities: community engagement, social networking, and brand use practices that led to value co-creation in such brand communities. Although previous researchers have highlighted the significance of these components and activities in fostering consumer loyalty (McAlexander et al., 2002; Muniz & Schau, 2005; Labrecque, 2014), few works has validated the constructs empirically (Laroche et al., 2012; Luo et al., 2015). Moreover, the prior investigations in this regard lacked a holistic view as it only tested the existing scales.

In response, considering the perspective of ascertaining the relevance of brand community elements (components and activities), this study follows an empirical approach to prioritizing these elements in the light of brand loyalty. Further, we formulated and validated new scales (AHP nine-point) to analyze the contributory effects of SMBC elements on brand loyalty. In order to achieve this objective, we firstly developed a network of relationships between SMBC components, activities, and brand loyalty. Then, we selected few personal grooming products (hair dryers, trimmers, perfumes, and deodorants) to test the proposed framework empirically by incorporating Analytical Hierarchy Process (hereafter AHP) methodology. The analysis was based on survey data collected from a specified sample of young consumers’ who are actively engaged in SMBC. Thus, application of the SMBCBL-AHP scale can duly contribute to the managerial knowledge regarding means and ways for attaining brand loyalty. Along the same line, the above-mentioned scale will generate novel insights for the emerging “brand community” literature in the marketing domain. The remaining sections of this article adhere to the following sequence. Firstly, we start off with a review of literature related to the core concepts of social media, brand community, and loyalty. Then, we devise an SMBCBL-AHP framework that clearly defines the relationships followed by testing and reporting of the findings. At the end, we provide a brief discussion of practical significance, theoretical, and managerial implications, and limitation and scope for future research.

LITERATURE REVIEW

Fiddling with social media accounts has become the order of the day for a majority of people (Stone, 2009). The exponential growth pattern of Social media users is regarded as the latest trend in the web domain, accounting for more than 50% of active users (Faraj & Johnson, 2011). The unique facets, unparalleled capabilities and immense popularity of social media have revolutionized marketing practices, especially advertising and promotional ones (Hanna et al., 2011; Devi, 2015). Subsequently, social media has been a key influence in shaping consumer-buying behavior (Mangold & Faulds, 2009; Kim et al., 2014; Okazaki et al. 2015) and internet usage patterns (Ross et al., 2009). Due to the significance of these differences, researchers are advocating for treating social media as a specific research area (Hu & Kettinger, 2008). Subsequently, it acts as an effective and efficient channel for businesses and the end consumer (Cheung et al., 2008; Williams & Cothrell, 2000). Therefore, businesses attempt to profit by social media as they can be used to formulate strategies for co-creation (Williams & Williams, 2008; Alavi, 2013). Moreover, previous researchers have delineated that individuals are highly inclined towards social interaction (Wang et al., 2012; Hennig-Thurau et al., 2004).

In the same lines of research, two contradictory schools of thought exist. One section of scholars claimed that weak ties are evident due to lack in proximity and absence of physical co-presence in virtual environments (Constant et al., 1996). However, another group supports the notion that such ties could unite people and foster deep levels of members' social engagement (Tardini & Cantoni, 2005). Thus, social media capabilities are optimally utilized through community-creation. In addition, it also facilitates members' contribution to meeting their social interaction needs in the best possible manner. Consequently, social media and brand community are interrelated concepts that call for a deeper exploration. In order to gather more insights on this phenomenon, we introduce the concept of SMBC in the next section, which is instrumental in exploiting the advantages of both social media and brand community.

Social Media Brand Community (SMBC)

The roots of community are believed to be derived from the spheres of anthropology and sociology. With the passing time, there have been modifications in the way communities are defined. In a generic sense, communities delineate phenomena where people assemble regularly and facilitate exchange of expressions, views, and interest (Rothaermel & Sugiyama, 2001). Previous studies recognize that social connections satisfy the individual needs of belongingness and cognition (Tardini & Cantoni, 2005). The consumer-sense of being socially connected presents an opportunity for the brand communities to prosper. A brand community is a platform for exchanging information, infusing cultural beliefs about the brand, and catering to the customer needs. Brand communities beautify the customer-brand relationships and propel customer loyalty ((Muniz & O'Guinn, 2001). Succinctly, brand communities furnish the firm with an opportunity to understand customer perceptions towards new product offerings (McAlexander et al., 2002), propagates information-sharing (Zhou et al. 2014; Jin et al., 2009), suggest ways to attract and influence their decision making (Muniz and Schau, 2005; Zhou et al., 2014) acquiring loyal customers (Brodie et al., 2013; McAlexander et al., 2002).

In spite of the lucrative benefits that brand communities offer, offline brand communities are not highly interactive mainly due to topographical considerations. So, this limitation of offline brand com-

munities leads to the amalgamation of media and technology to overcome the hurdle, resulting in the concept of SMBC. Such communities are distinct from the online communities as it uses Web 2.0 along with User Generated Content (UGC) as a platform, whereas the later supports Web 1.0. With the rising fame of social media platforms, social networking sites have become an obvious choice for the marketers to create and support brand communities (Kaplan & Haenlein, 2010; Laroche et al., 2012; Muniz & O'Guinn, 2001). However, a clear understanding of SMBC cannot be achieved in isolation with the community elements. To achieve this objective, we build on the theoretical concepts of SMBC components and activities in the following section.

Shared Consciousness

Gusfield (1978) outlines ‘‘consciousness of kind’’ as one of the primal facets of the community and explicates as the shared intrinsic association felt among community members. Shared consciousness can be attributed in a way of thinking that exceed shared perceptions or attitudes’ and contemplates a collective feeling of distinction from members of other communities (Hsu et al., 2016). Muniz and O’Guinn (2001) have ascertained that members belonging to a community experienced a strong association among themselves even if they have never met. In the same line of research, various researchers have delineated the core aspects of brand communities, i.e. legitimacy and oppositional brand loyalty from the members’ perspective in order to vindicate shared consciousness. The process of legitimating marks a distinction between the devoted community members and non-community members, whereas oppositional brand loyalty acts as a brand identifier for the community members (Englis & Solomon, 1997).

Empirical studies conducted by McAlexander et al. (2002) and Muniz and O’Guinn (2001) and have supported the presence of shared consciousness in brand communities and accordingly highlighted the role of the internet in building the same. Social media has been exceptional in driving this feeling of oneness through websites and social spaces likewise of P&G- ‘‘Being Girl’’ that promotes wellness and hygiene of adolescent girls. Therefore, members’ feeling of belongingness is enhanced as a result of their membership in the brand community.

Shared Rites, Rituals and Traditions

This is a vital component that unifies community members and represents essential social norms that bind them together. It further assists in channelizing the idea and message of the community within the community boundaries as well as beyond it (Muniz & O’Guinn, 2001). As a mode of symbolic communication, rituals and traditions carried out repeatedly in a systematic manner contributes to satisfaction among community members. Moreover, these rites and rituals add to the establishment and conservation of a community’s collective self-concept, thereby, forming community identity. In order to normalize this identity, community rules are defined along with the members expected roles so that they are aware of ‘‘how the community behaves’’. The aspect of history nourishes communities and keeps their culture alive. Cherishing and honoring the historical backdrop of a brand community facilitates in recognizing genuine believers and not an opportunity-seeker (Luo et al. 2015; Muniz & O’Guinn, 2001).

Prior works by McAlexander et al. (2002) and Laroche et al. (2012) have ascertained the presence of shared rites, rituals, and traditions among members of brand communities and marketers in the online environment. Members of the brand communities utilize elements of storytelling, brand history, shared experiences and advertising to reinforce the community culture and traditions. In addition, most online

communities incorporate linguistic forms such as emoticons, abbreviations, foster social ties, define boundaries, enact rites and rituals, follow the group-interaction norms and duly commit to the community goals.

Social Obligation

This community component embodies a felt sense of commitment or obligation towards the community as a whole, besides its members (Muniz & O'Guinn, 2001). Social obligation performs two major functions in communities which make it vital. Firstly, it affirms community survival through reasoning and acknowledging the sense of right and wrongs in the community those results in effective interaction, integration and retention of community members. Secondly, social obligation makes community members seek out assistance from one another in their consumption pattern by sharing related information. Various researchers (Muniz & O'Guinn, 2001; McAlexander et al., 2002) determined the presence of social obligation in brand communities. Moreover, reasoning and information-sharing are significantly important in the online environment wherein capabilities of social media to enhance the flow of information.

Therefore, ethnographic evidence corroborates that brand communities lead to enhanced community commonalities. As a consequence, such communities have a positive influence on social media brand communities (Laroche et al., 2012; Luo et al., 2015). Also, these communities connect individuals and facilitate sharing of substance and information. In the same lines, Rheingold (1991) stated that individuals use novel technology to perform the things they always did. Moreover, our methodology is quantitative and not the same as past ones.

Social Networking

They primarily focus on creating, engaging, and managing social ties among members of brand communities (Schau et al., 2009, Hsu et al., 2016). Social networking activities involve welcoming members, understanding their thought-processes and regulating their actions. Similarly, it contributes to a similarity of opinions among community members, thereby, enhancing homogeneity among brand communities (Schau et al., 2009, Zaglia, 2013). According to our inference, significant community components (shared consciousness, shared rites, rituals and traditions, and social obligation) can foster social networking activities. Muniz and O'Guinn (2001) have supported the existence of shared consciousness by citing logical examples, identical to the ones used by Schau et al. (2009) for highlighting social networking practices. Thus, it can be deduced that high degree of relatedness exists among these concepts. In this context, the capability of social media platforms can foster the welcoming, understanding and regulating practices.

Community Engagement

These practices fortify members' engagement with the brand community (Schau et al., 2009; See- To and Ho, 2014). It incorporates activities like identifying and documenting significant events in the brand community and developing individual brand stories. In our perspective, the idea of engagement extends beyond community involvement; it refers to the practice of joining forces with partners sharing similar goals and interests. Some researchers have the notion that new technology; especially the internet and social media hinder community engagement as people spend excessive time online, detaching them from

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meaningful social ties (Davis, 2001). Another school of thought in this regard advocates that online connections foster creation and maintenance of social ties and encourages community participation (Chu & Chan, 2009; Dertouros, 1997). In specificity, individuals who utilize online communities to accumulate information and explore interests exhibit a higher degree of social engagement (Lin, 2007; Shah et al., 1999). Subsequently, we acknowledge that social media brand communities contribute significantly towards nurturing engagement.

Brand Use Practices

This community activity concerns to the community member's propensity to assist other members with newer and better ways to use the focal brand (Laroche et al., 2012, Luo et al., 2015). These essentially include the information shared by one member with another in respect to product customization. Thus, it ensures better pertinence to their requirements. It also considers the feelings of one member towards assisting new community members. Various activities such as commercializing, customizing and grooming form an essential part of brand use resulting in the better applicability of the focal brand (Schau et al., 2009). The continuous exchange of information and resources (based on social media) among brand lovers and other community members can foster such practices. To add to it, brand community components directly contribute to value co-creation activities.

Although much importance has been associated with the brand community elements, limited studies (Chauhan & Pillai, 2013; Jha, 2014) have been carried out especially in the Indian context. Moreover, these studies were not consumer-centric thereby lacking generalization in real marketing terms. In order to provide a holistic view of SMBC, our study uses AHP model to prioritize the various community components and activities in connection to brand loyalty. Hence, the following section deals with the introduction of SMBCBL-AHP conceptualization.

CONCEPTUAL FRAMEWORK

The AHP methodology, developed by Saaty (1980, 1990), takes pairwise comparisons into consideration to ascertain the relative significance (and accordingly the priority) of various alternatives in decision-making issues involving multiple criteria. AHP at the first place arranges an unstructured and complex problem into a hierarchical model, based on a set of variables. Accordingly, decision-makers can arrive at a series of choices between the defined alternatives and criteria according to the priority rankings and trade-offs (Chang et al., 2015). AHP is a Decision support system tool and still widely accepted in various research areas due to its versatility and practicality. Numerous remarkable works have been distributed in view of AHP that includes– firm investment-options (Mohonty & Deshmukh, 1998), project management (Al-Harbi, 2001), software selection (Lai et al., 2002), franchisee selection (Hsu & Chen, 2008), brand naming (Hsu and Lin, 2013), target market choices (Tao & Qian, 2014), healthcare service quality (Aktas et al., 2015). The current piece of work is intended to devise an AHP framework for prioritizing SMBC components (based on rankings) and selecting the variables that influence Brand Loyalty. The AHP technique for this study has been adopted from Saaty (1980). In order to examine the SMBCBL-AHP framework, the personal grooming industry has been considered. The prioritizing issue was structured in a hierarchical form involving two levels; the first level for SMBC components and the second level for SMBC activities (as shown in Figure 1). The first level of hierarchy–“SMBC

components”- dealt with the relative significance of various components in delimiting brand loyalty. Consumers were inquired to state their perception regarding the components by comparing pairs of the same (e.g. “Shared consciousness” v/s “Shared rites, rituals, and traditions”) on a nine-point AHP scale. The second level-“SMBC activities”-compared the different activities in light of the components and consumer perceptions’ were ascertained on a nine-point AHP scale. Therefore, Figure 1 states the SMBCBL-AHP framework in view of the final objective to gather empirical and subjective data regarding AHP, SMBC and brand loyalty in association with the personal grooming brands.

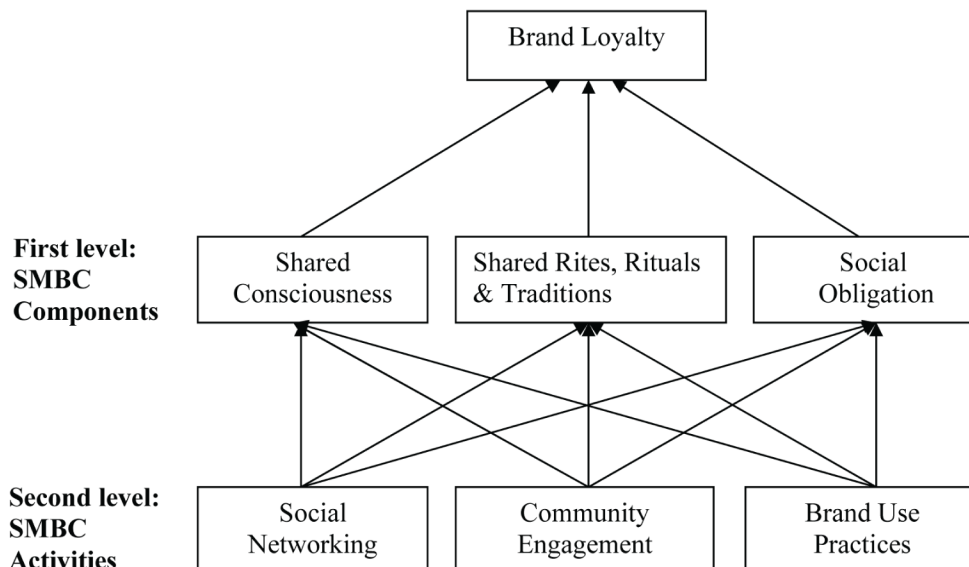
The AHP procedure mentioned in Figure 1 provides the ranking structure of SMBC components with respect to the attributes that delimit Brand Loyalty, as well as furnishing relative rankings of SMBC activities with reference to each other.

METHODOLOGY

Pilot Study

Preceding the data collection, a pilot study was conducted to examine the feasibility of the questionnaire intended for the main research. The pilot study involved 36 graduate and postgraduate students within the age bracket of 18-35 years. Consumer perceptions about SMBC and their level of associations with its components and activities were explored. In order to generate precise responses and feedback, a series of definitions regarding SMBC elements were provided. Respondents who had prior experience with brand communities were asked to recognize perceived characteristics and benefits of such community spaces. The gathered responses were codified by two postgraduate students independently. According to the findings of the pilot survey, specific modifications were made in the questionnaire and a final research instrument was developed.

Figure 1. SMBCBL-AHP framework



Sampling

Over a two-week period, the questionnaire survey was administered to consumers who were using personal grooming products regularly for the past one year in Bangalore (Southern India), Kolkata (Eastern India) and Pune (Western India). These cities were chosen to keep in mind the diverse nature of social media users that exist here. Further, the social networking usage accounted for more than 85% in the selected cities (TCS Gen Y Survey, 2014-2015). The target audience selected for the study was between the age group of 18-35 years as Lenhart et al. (2010) revealed that 73% of online teens and 72% of young adults use social media extensively. In recent times, young consumers have become highly conscious about aesthetics and hygiene quotient. To gain benefits from this feel-good factor, personal grooming products are targeting the young consumers. Subsequently, the rapid growth of the personal grooming in India compelled us to investigate this sector. In connection with the survey, generally, around one in three consumers were willing to reply in the poll. The initial screening of the respondents involved two qualifying conditions. Firstly, it was ensured that they comprehend the meaning of the jargon (SMBC components-shared consciousness, shared rites, rituals and traditions, social obligation and SMBC activities-social networking, community engagement, brand use practices and brand loyalty). Secondly, it was guaranteed that they have associations with any brand community or social networking website as our study examines the effects of such communities on the product category of personal grooming. Thus, above-mentioned conditions formed a base for deducing appropriate replies to the specific inquiries.

An aggregate of 178 consumers was approached out of which 97 consumers took an interest in the survey. In order to achieve consistency in responses, an exhaustive check was carried out and six responses were excluded– which gives a response rate of 93. The sample size for the study was restricted to less than 100 samples based on reviews/recommendations of AHP specialists and Expert Choice software. The demographic profile of the respondents is indicated in Table 1.

Table 1. Demographic profile of the respondents

Variable	Description	Frequency	Percentage
Gender	Male	49	53.86
	Female	42	46.15
Age	18-23 years	21	23.07
	24-29 years	47	51.64
	30-35 years	23	25.27
Educational background	Graduates	34	37.36
	Post Graduates	57	62.63
Annual Income	Less than 2 lakhs	14	15.38
	2 to 4 lakhs	21	23.07
	4 to 6 lakhs	27	29.67
	Above 6 lakhs	29	31.86

Questionnaire Design

In conformance to the conceptual framework represented above, the questionnaire survey was structured in two segments. The initial segment composed of three correlation sets for consumer evaluation of the significance of SMBC components like Shared consciousness, shared rites, rituals and traditions and social obligation. In order to normalize the responses and thereby minimizing biases, customers were furnished with definitions of each brand community component. In this study, Saaty (1980) nine-point relational scale of significance was considered and duly adopted in order to arrive at a meaningful conclusion. The conventional 5 point or 7 point Likert scale has not been used as AHP requires responses based on pairwise comparisons i.e. relative values. Likert scales yield absolute values, i.e. ratings for each item individually and do not take pairwise comparisons into consideration.

The next segment of the questionnaire corresponds to the second level of the hierarchy and incorporated three inquiries to evaluate consumers’ perception with antecedents of SMBC in connection to the SMBC activities. Within each of these three inquiries, were three sub-inquiries that compared social networking with community engagement, social networking with brand use practices, and community engagement with brand use practices. Once again, the judgments were in light of a nine-point relational scale of consumers’ perception. The nine point AHP measurement scale is indicated in Table 2.

An instance of the instructions and inquiries is provided in Table 3:

- **Instruction:** Please compare two SMBC activities of Personal grooming brand you utilize at a time (SMBCa-1 vsSMBCa-2) and encircle a number (1-9) to reflect your comparative relevance level i.e. Which one is more important for you?
- **Question:** How would you rate the SMBC activities like Social Networking, Community Engagement and Brand Use Practices in terms of Shared Consciousness?

The paired correlation judgements are shown in Table 3.

Table 2. Nine point AHP measurement scale

9 = Extremely relevant; 8= Very much relevant to Extremely relevant; 7= Very much relevant; 6= Moderately relevant to Very much relevant ; 5 = Moderately relevant; 4= Somewhat relevant to moderately relevant; 3 = Somewhat relevant; 2 = Equally relevant to somewhat relevant; 1= Equally relevant
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Table 3. Paired correlation judgment

SMBCa-1	1-9 Point Scale/Comparative Relevance Level in Terms of Shared Consciousness of your Personal Grooming Brand																SMBCa-2	
Social networking	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Community engagement
Social networking	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Brand use practices
Community engagement	9	8	7	6	5	4	3	2	1	2	3	4	5	6	7	8	9	Brand use practices

DATA ANALYSIS

Each consumer’s weights were calculated employing the tool of Microsoft EXCEL 2007. Subsequently, the weights were analyzed using SPSS software. As the questionnaire follows nine point scale developed by Saaty (1980, 1990), it cannot be analyzed using any other analytical tool except AHP technique. Thus, implementation of the AHP technique to the constructs of SMBC and Brand Loyalty (“SMBCBL-AHP”) involved a sequence of steps that are discussed below.

Gather Consumers’ Trade-Off Judgments for the SMBC Components and SMBC Activities Showed in the Paired Correlation Matrix.

In accordance with the above description, respondent’s paired correlation judgments for the two levels of the hierarchy were accumulated (as in Table 3). The responses were used as stimulus for devising two paired correlation matrices-initial one for the “SMBC components” and the later one for “SMBC activities”(as exhibited in Table 4 and Table 5). The paired correlation matrix for SMBC components is indicated in Table 4.

The Paired Correlation Matrix for the “SMBC components” indicates properties at the top of the left corner (Table 4). In a perspective of the consumers’ judgments, the matrix denotes numbers (in accordance with the nine-point scales) referring the importance of the elements on the left with respect to the properties at the top. A higher value denotes that the characteristics on the left are more imperative than the elements at the top. The paired correlation matrix for SMBC activities is indicated in Table 5.

For the “SMBC activities” of the hierarchy, the activities were compared with one another to determine the relative importance with every SMBC activity regarding each of the dimensions. Three paired correlation matrices were constructed at this level – one for each of the components. However, due to the confined space, an only single matrix is exhibited—for “Shared Consciousness”(as in Table 5). Consumers’ judgments were denoted as α_{ij} and β_{ij} in the cell values of the matrix. The remaining cells of

Table 4. Paired correlation matrix for SMBC components

SMBC Components	Shared Consciousness	Shared Rites, Rituals and Traditions	Social Obligation
Shared consciousness	1	α_{12}	α_{13}
Shared rites, rituals, and traditions	$1/\alpha_{12}$	1	α_{23}
Social obligation	$1/\alpha_{13}$	$1/\alpha_{23}$	1

Table 5. Paired correlation matrix for SMBC activities

SMBC Activities	Social Networking	Community Engagement	Brand Use Practices
Social Networking	1	β_{12}	β_{13}
Community Engagement	$1/\beta_{12}$	1	β_{23}
Brand Use Practices	$1/\beta_{13}$	$1/\beta_{23}$	1

the Paired Correlation Matrix were set to the inverse of consumers' comparing components (signified as $1/\alpha_{ij}$ and $1/\beta_{ij}$).

Uniformity-Checking and Estimation

Once the consumers' judgments were obtained, it was vital to check the consistency of each consumer's trade-off judgments. Consistency Ratio (denoted as CR), proportionate to the measure of Consistency Index (CI) upon Random Index (RI) was incorporated to measure the same. CI is computed as:

$$CI = \lambda \max - N / N - 1$$

where "N" denotes number of measurements and $\lambda \max$ demonstrates the greatest eigenvalue. Eigenvalues are the scalars connected with equations based on linearity (or matrix-based equations). They show the square roots of judgments, and a Consistency Index was deduced by Saaty (1980) in this regard to check for any inconsistent judgments. Similarly, the Random Consistency Index (RI) has been prepared in Table 6. Random Consistency Index (RI) is ascribed as the suitable Consistency record.

In this context, Saaty (1980) created equal grids using the nine-point scale and arrived at the arbitrary consistency record to check whether it was around 0.10 or less. The normal arbitrary consistency record of test range 500 matrices was demonstrated in Table 6. In this context, if a consumer (respondent in this case) favors A to B, and B to see that consumers cannot prefer C to A. A low CR index in this regard would imply that the ratings and evaluations are unaffected. For every consumer, the CR was computed for each Paired correlation matrix. A CR estimation of 0.10 was considered as the suitable cutoff (set 1990). The responses with a CR score comparable to or lesser than 0.10 were considered for final analysis. The random consistency index is indicated in Table 6.

Figure the Weights of the SMBC Components and Relevance to the SMBC Activities of Each Respondent

In order to assess the consistency of the consumer' responses, the result of the consumer's importance responses for each Attribute measurement acquired in phase one was noted, and the third root of the product was estimated to extract the comparative weights. After that, columns were included in the Paired correlation framework. The weights were standardized by calculating the total of the row and after that dividing individual row element of the corresponding aggregate. Similar kind of computation technique was followed for the SMBC activities. Subsequently, these values were then changed over into weights (or priority rankings).

Table 6. Random consistency indices

N	1-2	3	4	5	6	7	8	9	10
RI	0	0.58	0.9	1.12	1.24	1.32	1.41	1.45	1.49

Computing the Mean Global Weights and Prioritizing the SMBC Activities

The outcomes obtained in step-3 were then synthesized. The local weights (LW) of the SMBC Components were multiplied by the local weights of SMBC activities in order to arrive at the general global weights (GW) (as mentioned in Table 7). The mean global weight was used to rank the SMBC activities. The SMBC activity with the most prominent weight was considered as the “Top Ranking Activity to be acted upon”. The values of local and global variables are indicated in Table 7.

Ranking the SMBC Components by Extracting the Mean Global Weights of all the Respondents

The last step involves the consumers’ global weights were then found the middle value of to acquire mean global weights for each component in the row. The SMBC components were ranked depending upon the mean global weights. Consequently, effective strategies can be formulated by personal grooming brands in the context of SMBC to leverage brand loyalty.

FINDINGS AND DISCUSSIONS

The findings of the study are summed up in Table 8. Table 8 exhibited the mean importance ranking of the SMBC components. The final results reveal that the consumers’ regard “Shared consciousness” as the topmost priority component in assessing the brand loyalty of a personal grooming brand. It is evident for a brand to induce a sense of belongingness among the consumers by utilizing brand communities based on social media. In accordance with consumers’ perception, “Shared rites, rituals and traditions” (created and maintained by storytelling, experience-sharing, advertising, etc.) was the second-most significant aspect of SMBC. “Social obligation”, defined as the sense of morality and commitment towards the members of the community (Muniz and O’Guinn, 2001) was considered as the third most vital facet of the brand community component. The simplified view of the above-mentioned findings suggest that shared consciousness ranks the highest among the SMBC components followed by shared rites, rituals and

Table 7. Values for local and global variables

SMBC Components	Local Weights	SMBC Activities	Local Weights	Overall Global Weights
Shared Consciousness	0.641	Social networking	0.628	0.402
		Community engagement	0.222	0.142
		Brand use practices	0.150	0.096
Shared rites Rituals And Traditions	0.207	Social networking	0.607	0.126
		Community engagement	0.241	0.045
		Brand use practices	0.152	0.031
Social Obligation	0.152	Social networking	0.608	0.092
		Community engagement	0.203	0.031
		Brand use practices	0.190	0.029

Table 8. Ranking of SMBC components and activities

Components/Activities	Social Networking	Community Engagement	Brand use Practices	Mean Global Weight	Ranks of Components
Shared consciousness	0.393	0.149	0.099	0.214	1
Shared rites, Rituals, and traditions	0.124	0.053	0.034	0.070	2
Social obligation	0.091	0.031	0.030	0.051	3
Mean GV	0.203	0.078	0.043		
Ranks of Activities	1	2	3		

traditions and social obligation respectively. Accordingly, marketers should invest their communication budget in creating an intrinsic connection with the consumers by focusing on the shared consciousness of the brand in SMBC. In similar contexts, prior researchers have found a positive relationship between social virtual community participation and brand loyalty (Luo et al., 2015; Casalo et al., 2010; Kardaras et al., 2003). Thus, our finding is consistent with the above-mentioned studies and supports the notion that SMBC has a direct association with brand loyalty.

However, the priority rankings depicted in Table 8 are not sufficient for the purpose of fortifying brand loyalty (specific to personal grooming brands). Resource allocation in light of the company’s communication budget could be done through a proper mix of components and activities. Table 8 exhibited the shared consciousness in correlation to the brand community activities. The finding as shown in Table 8 depicted “Social networking” as the most beneficial SMBC activity while community engagement and brand use practices ranked second and third on the priority list of activities. This finding holds much importance for both companies and consumers in the sense that social networking activities would facilitate unrestricted interactions, query and problem solving, and building lasting relationships. Drawing from the prior work of Laroche et al. (2012) that found evidence of the significant impact of brand use practices on brand loyalty, through the brand trust as a mediator, however, our findings present a differentiated view. Based on our finding, social networking activities are prominently significant, more than brand use, for enhancing brand loyalty. Table 8 shows the ranking of SMBC components and activities.

IMPLICATIONS AND RECOMMENDATIONS

Various personal grooming brands spend heaps of money in extracting valuable information regarding consumers’ feedback, satisfaction scores, perception index to devise branding strategies. However, many of them are still unaware and uninterested in capitalizing social media community spaces in order to create and enhance brand loyalty. Nevertheless, an expert review advocates for the requisiteness to address consumers’ perceptions regarding SMBC for ameliorating brand loyalty (Laroche et al., 2012, Luo et al., 2015). The conventional feedback system comprises of consumer surveys aimed at the users of the specific personal grooming brands, and the questions only cover the facet of brand related components and activities of the same. Nonetheless, it is often overlooked that whether such consumers have connections with competing brands or not. Moreover, their conjectures about these brands are accordingly disregarded. Thus, the gathered data fall short to explicate the concerned dimensions and thereby is insufficient for

the formulation of competitive branding strategy. The SMBCBL-AHP methodology demonstrated in this paper acknowledges the concerned matter. When applied in good order, the relative knowledge acquired from the methods depicted in this study can significantly create and enhance brand loyalty.

Accordingly, this study adds to the existing body of knowledge regarding SMBC by extending this concept to brand loyalty, thereby, creating more insights on these relationships. The ever-growing popularity of social media has gathered the significant attention of the researchers and practitioners as a distinct area of research (Hu and Kettinger, 2008). Thus, in this respect, our study makes a valuable contribution to the theoretical understanding of the social media domain. Further, the uniqueness of our research lies in incorporating the AHP methodology to develop a multi-criteria decision making (MCDM) model that shows the contributing effect of SMBC towards brand loyalty; then empirically testing it in the context of personal grooming brands. The results of the study show priority rankings of components and activities of such communities in creating and maintaining brand loyalty. For instance, social networking is regarded as the highest priority activity affecting brand loyalty. However, the results should be interpreted carefully as it talks only about the ranks based on relative weights and doesn't deal with justifying the effects of relationships among the various SMBC components and activities. Furthermore, our study incorporates a nine-point AHP scale to measure the different components and activities that can assist the researchers and practitioners in future studies.

AHP methodology has been suitably incorporated in this paper to allow the brand managers to prioritize SMBC components and activities that furnish a competitive perspective in loyalty creation. Moreover, the added advantages of vast reach, low-cost and quick word of mouth have prompted the brand managers to tap these social media dimensions for economic returns. Consequently, every brand, almost blindly, desires their presence on social media. To their assistance, the findings of this study would show the "way to do things". Thus, applying this SMBCBL-AHP approach would provide further insights by facilitating managers to address the following questions:

- What is the personal grooming company's brand loyalty, and how does SMBC contribute to the brand loyalty in relation to its activities?
- Which SMBC component should be focused more in order to create and enhance brand loyalty?
- In light of crunch communication budget and resources, which SMBC activity should be treated as utmost priority?
- How SMBC could be effectively used as a branding tool in order to handle competitor's strategies.

Furthermore, our proposed framework allows the management to prioritize the SMBC components and the related activities that demand for improvement. The rankings herein depicts the components and activities that personal grooming brands should focus to build and maintain brand loyalty. Brand loyalty acts as a competitive advantage for the personal grooming brand and has direct associations with purchase intention. Further, it will represent a consumer's commitment to repurchase the favored brands in the future, thereby not portraying any switching behavior (Oliver 1999). In order to handle the intense competition, brands have to devise ways to sustain a competitive advantage. However, a competitive advantage demands for in-depth knowledge about the consumers' opinions and feedbacks not only about the focal brand but also its competitors. In this context, brand managers may adopt the empirically tested AHP scale (concerning SMBC and brand loyalty) to measure consumers' perception levels (e.g. through consumer surveys) to facilitate enhanced predictions about loyal consumers. Further,

the managerial adoption of the suggested scale would contribute to the understanding of social media based brand-consumer interaction. Thus, it forms a strong base for re-considering and redesigning brand community interfaces to build and enhance brand loyalty.

CONCLUSION

Limitations and Future Research Avenues

In spite of these contributions, the authors acknowledge the fact that the study bears certain limitations and subsequently propose avenues for future researchers to explore. Referring to our goals, we primarily focused on the theoretical definitions and concepts delineated by previous scholars in the brand community and social media literature. However, future researchers can consider more elements to generate a holistic view. To develop better insights, certain mediating and moderating variables such as brand type, eWOM, culture, and community structures can be empirically examined. Also, the sample size for this study was restricted to below 100 samples to eliminate fluctuations in results. However, future researchers can consider using a larger sample size to find a differentiated viewpoint.

Contrastingly, even though our findings support the notion that SMBC elements contributes to brand loyalty, still, tackling social media environment is extremely challenging. In certain aspect there exists a fair amount of risk for businesses to participate in such environment. As consumers are becoming more vocal and powerful, tough times lie ahead in front of the companies. The free flow of information relating to consumers' interaction, engagement and accessibility are difficult to monitor for companies in the dynamic online spaces (Kaplan & Haenlein, 2010). Moreover, bunch of dissatisfied consumers might involve in online complaints and protests hampering the brand image (Ward & Ostrom, 2006). Some interesting examples have been highlighted by Mangold and Faulds (2009) pertaining to such negative UGC. Thus, companies should be well aware of the pros and cons of social media activities in establishing SMBC. Subsequently, more exploration is needed by the researchers to predict negative consequences in SMBC and bring out innovative techniques for managing such community spaces in online environments.

Brand communities are characterized as a dynamic phenomena involving dynamic interaction and effects among their elements (McAlexander et al., 2002; Schau et al., 2009). Hence, researchers can trace this dynamism in the social media environment to predict the effects over time. In addition, the high penetration rates of social media platforms, enhance the convenience of executing such research studies. Accordingly, researchers are advised to conduct longitudinal studies to understand these dynamic effects in a better manner.

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Chapter 37

Social Media Effects in Virtual Brand Communities: The Case of Facebook and Twitter

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ABSTRACT

Social networking sites (SNSs) such as Facebook and Twitter are emerging as major communication channels for organizations looking for new ways of customer engagement. Although this new scenario is having a massive impact on consumer behavior and marketing strategies, very little is known about users' intentions to participate in online social networks, and the potential benefits that online social interaction could generate. This research presents a new framework integrating the advantages of two well-known approaches, the Technology Acceptance Model (TAM) and Theory of Planned Behavior (TPB), to understand the intention to participate in the SNSs. The TAM focuses more on volitional factors, while the TPB considers external influences such as social factors. The authors' framework integrates both models, and extended them with two key elements in online communication and E-commerce: privacy and trust. The framework also reflects the effects of interaction between brands and consumers on Facebook and Twitter. The new theoretical framework was tested through two cross-sectional surveys in Facebook and Twitter. The results indicate that high levels of trust, attitude and perceived usefulness can be good indicators of the adoption of a SNS. Individually, Twitter was found to be a powerful word of mouth tool, and Facebook is a good interactive channel. These findings can provide a better picture of how practitioners should develop their strategies in both platforms in order to maximize their potential.

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1. INTRODUCTION

Information systems do not seem to be just data repositories any more but are also collaborative spaces (Sharatt & Usoro, 2003), where co-creation of dialogue is at the epicenter in capturing business values (Schlenker, & Pronk, 2009). Traditionally, consumers have been looking for products that could fulfill their needs. Retailers responded to demand by initially offering the right product for the right consumer, which was then gradually developed for a customer-oriented strategy (Kotler, & Armstrong, 2007). However, high levels of competition in the current economic environment and the challenge of setting a long-term relationship have made organizations to look for new ways of customer engagement (Andersen, 2005; Casaló, Flavián, & Guinaliu, 2008; Morgan & Hunt, 1994). The locus of value creation has shifted increasingly towards providing a unique personalized customer experience, and moving away from the conventional product- and customer-centric mindset (Pralhad & Ramaswamy, 2003).

Under these circumstances, the value is not only derived from the goods or services provided, but also from the quality of the relationship with customers and partners (Schlenker & Matcham, 2005). In the early days of E-marketing, E-businesses were particularly successful when it came to developing customer relationship management (CRM) tools, using the web extensively and by targeting specific customers via the use of emails (Feinberg & Kadam, 2002). Going forward, the Web extensively has evolved into what is known as Web 2.0, with social media opening new communication channels that are currently favoring the interaction between organizations and consumers (Lloyd, 2009).

The proliferation of this new generation of software has not only transformed the Internet, but the way we communicate nowadays. Social networking sites (SNSs) such as Facebook and microblogging Twitter, are attracting millions of users who, through these platforms, are sharing content, providing opinions and engaging in online activities. This interaction is influencing attitudes towards brands and purchasing intentional behavior, which has not gone unnoticed. Businesses aim to increase their investments and presence in the forthcoming years in these platforms, as it has been reported that social media generated almost \$10.3 billion in 2011 and is estimated to grow up to \$29.1 billion in 2015 (Gupta, 2011).

Although the interest of social networking as an interactive medium is increasing exponentially, little is known about what motivates Internet users to adopt and participate in SNSs, as well as the real effects of this interaction, especially from an E-commerce perspective. This research contributes by aiming at understanding the rationale for adopting SNSs, measuring the results of this interaction and analyzing how the SNS platform affects the relationship between different stakeholders. For this purpose, this paper focuses on Facebook and Twitter, currently the two most popular SNSs.

Hence, the nature of this investigation focuses on the following three research questions:

1. What are the antecedents of intention to participate in social networking sites?
2. What benefits does consumer-brand interaction generate for organizations in social networking?
3. What are the differences between Facebook and Twitter in the two previous research questions?

The strategy proposed is to address the research questions from a quantitative approach through two cross-sectional surveys and a comparative design. Although current research is presented from an objective ontological orientation and a positivistic perspective, the novelty of the B2C approach in the SNS context requires measurement of consumer-brand interaction, which is not readily available in the literature. In order to measure the consumer-brand interaction and complete the framework, the research involved semi-structured interviews with executives of social media.

The remainder of this paper is organized as follows: The next section explains the background and builds the foundations of the research; then, the third section presents the hypothesis followed by the methodology. Subsequently, the paper presents and discusses the result of this investigation to finally outline the conclusions of the research.

2. BACKGROUND

2.1. Social Networking Sites (SNSs)

Social media has acquired an enormous popularity, bringing a variety of new user generated content applications with social networking as the standard bearer of this revolution. Although the SNSs appear to be a novelty, Boyd and Ellison (2007) dated the onset of this phenomenon to 1997 with SixDegrees.com as the first Website considered to be a SNS. Although these sites focus on different activities and interests, SNSs such as Facebook, Twitter, LinkedIn, or more recently, Google+, maintain and share common characteristics. SNSs are considered as “a service over the Internet in which individuals are able to publish a personal profile, share part of it, create, and manipulate a list of other members of this network.” (Boyd & Ellison, 2007). This definition, in addition to the ability to interact with peers, makes SNSs different from any other computer-mediated communication (Boyd, 2007).

Among these new information systems, Facebook is currently the most successful SNS. Launched in 2004, this online application allows customers and organizations to create a profile, fan pages, join networks or groups, publish through a bulletin board called “wall” or create applications to interact. Another popular SNS is the microblog, Twitter. Available since 2006, the information presented in Twitter is mixed with the news of other members that the user can follow; however, most of the content is public. Among its limited functionality, Twitter allows its users to publish messages up to 140 characters and the possibility of sharing a comment (“re-tweet”) from another member.

Organizations have seen these spaces as perfect breeding grounds to interact with their communities or users with an interest in that brand, building pseudo virtual brand communities within these social networking platforms. However, there is a lack of research about the value generated by this interaction in this new arena.

2.2. Conceptual Model

Given any of the SNSs presented above, its different characteristics such as specific functionality, privacy policy or trust beliefs towards the application, will influence the adoption and participation in a SNS. Therefore, brand communities built within these SNSs will be affected by these unique characteristics and will condition brand-user interaction. These brand communities represent a unique information resource for consumers where community managers can shape consumer discussions for the benefit of their organizations. As a consequence, this co-dialogue facilitates information exchange and strengthens the relationship with the customer through marketing strategies (Mangold & Faulds, 2009), creating commitment to the brand, therefore, leading to higher purchase intentions. Due to the nature of these social sites, this interaction implicitly spreads the message and promotes word of mouth, affecting the reputation of the brand and the community where it takes place.

Social Media Effects in Virtual Brand Communities

Figure 1 represents these principles and foundations of this research. Although it is not our intention to empirically test this conceptual model, this roadmap provides a good indication of how some of the constructs are integrated and interrelated. These factors are explained in detail in the following sub-sections.

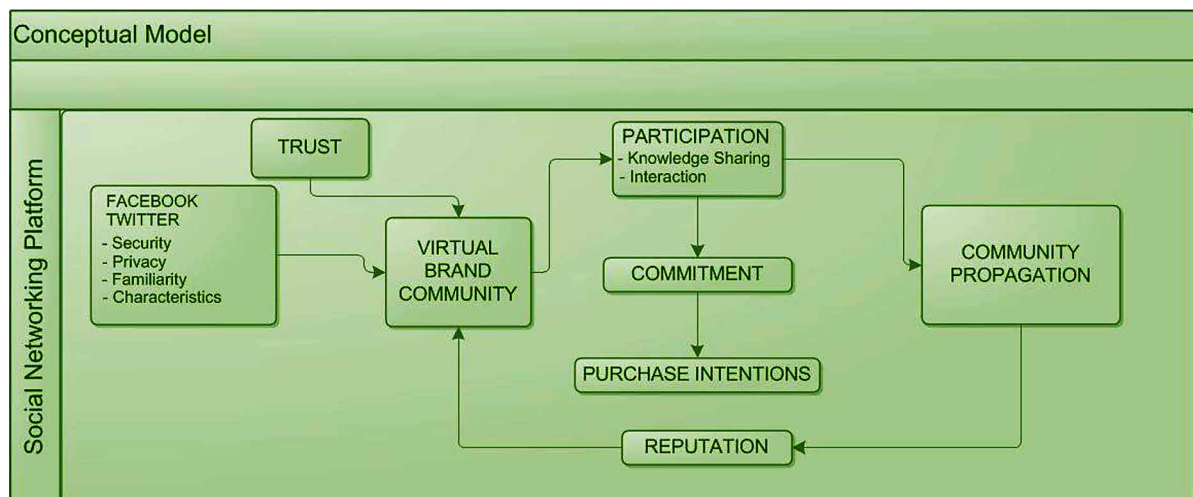
2.3. Privacy

Although current research indicates the potential and the power of SNSs as communication tools (Brocke, Richter, & Riemer, 2009), privacy, especially on Facebook, has always been an issue of concern (Acquisti & Gross, 2006; Boyd, 2008; Boyd & Ellison, 2007; Dwyer, Hiltz, & Passerini, 2007; Fogel & Nehmad, 2009; Hodge, 2006; Preibusch, Hoser, Gürses, & Berendt, 2007). The abusive practice of social networking providers, with privacy policies at the edge of the law (Boyd, 2008; Hodge, 2006) should lead users to avoid an excessive disclosure of personal information causing difficulties in the adoption of SNSs. Brocke, Richter and Riemer (2009) indicated that these threats have started to influence disclosure behavior of users, however, other studies reflect that privacy concerns are not a barrier to the use of SNSs (Christofides, Muise, & Desmarais, 2009). Nevertheless, there is still ongoing discussion regarding the impact of privacy concerns in the adoption of a SNS.

2.4. The Importance of Trust in E-Commerce

Another key element in social media is trust. Trust is an essential pre-condition of social interaction and plays a fundamental role in online environments (Gefen, 2000; Gefen, Karahanna, & Straub, 2003). Trust helps to reduce the uncertainty generated due to a lack of face-to-face interaction, which makes this consumer E-trust different and unique (Gefen & Straub, 2004; Jarvenpaa & Leidner, 1999). Because of the slow pace of regulation on the Internet and the absence of legislation for online services, many Internet users refuse to interact and provide sensitive information to E-vendors. It is because these users neither trust the communication channel nor the E-service provider (Gefen, 2000; McKnight, Choudhury, & Kacmar, 2002). Plus, in online environments such as SNS, trust should not only determine the

Figure 1. Conceptual representation of the principles and foundations of this research



amount of information disclosure, but also the development of relationships (Dwyer, Hiltz, & Passerini, 2007; Ridings, Gefen, & Arinze, 2002). Therefore, trust is a primary reason to become a member of a SNS. Thus, See-To and Ho (2014) proposed that trust is an important factor in the value co-creation process in the SNSs.

This concept has been studied by marketing researchers as a cognitive component or as behavioral intentions (Casaló, Flavián, & Guinaliu, 2008). The behavioral component is associated with the influence on the behavior of the exposure of “one’s vulnerability” in the relationship, and the cognitive component affects the beliefs that one party has on the other (Gefen & Straub, 2004). This research is concerned with the cognitive component because behavioral intentions are basically the outcome of cognitive components, a result of the attitude formed from the behavioral component and not part of the concept (Morgan & Hunt, 1994). From this approach, trust is a set of beliefs that one party will act morally correct and will behave to support the others’ interest during the relationship (Anderson & Narus, 1990; Schurr & Ozanne, 1985), again showing the importance of factors such as privacy. Hence, a positive perception of the SNS provider may influence the attitudes towards the site and the adoption of these new information systems (Gefen, 2000).

2.5. User Acceptance Models: The Technological Acceptance Model (TAM) and the Theory of Planned Behavior (TPB)

Prior to adopting a new technology, it has to be accepted, and if a system is not effective, it is not used (Mathieson, 1991). This idea has special relevance to the SNS where the content is generated by the user, and without the user’s collaboration the system becomes useless. As a result, it is paramount to understand the intention of use and the value that users, therefore, members of SNS, perceive in these new ecosystems.

The aim of the user acceptance models is to understand the intention to use (intention to participate) a technology as a predictor of the outcome behavior (participation). Although the study of the adoption of a new technology is not a recently opened research field (Venkatesh, Morris, Davis, & Davis, 2003), due to the novelty of these technologies there is a scarcity of research on the adoption of SNSs.

Shin (2010) used the Theory of Reasoned Action (TRA) to explain the effect of security, trust and privacy in social networking. However, this framework, based on attitudes and subjective norms, fails to identify unconscious decisions and factors such as the skills and knowledge of the individuals and other environmental factors (Sheppard, Hartwick, & Warshaw, 1988).

One of the most well-known models to predict intention of use within information systems research is the Technology Acceptance Model (TAM). As an extension of the TRA, the TAM was applied to technology focusing on “explanation of the determinants of computer acceptance among users” (Davis, Bagozzi, & Warshaw, 1992). The TAM was designed to explain and predict user behavior (Davis, 1989) and its foundation relies on two beliefs: perceived usefulness and perceived ease of use. These concepts can predict the desire to use the system (attitude) and influence the behavioral intention of the user (Mathieson, 1991). This framework has been successfully applied to predict the adoption of technologies such as the Internet (Moon & Kim, 2001), E-commerce (Gefen & Straub, 2000), and online social networking (Guo, Shim, & Otondo, 2010). However, the TAM does not include any variable to measure social factors, apart from the individual social ties generated.

This study embraces the idea that social interaction is influenced by social factors (Hammersley, 1995). The addition of one approach that is more social, such as the Theory of Planned Behavior (TPB),

should give a more accurate perception of the determinants of the intention to participate. The TPB predicts behavioral intention by three variables: attitude, subjective norm, and perceived behavioral control, sharing attitude and intention of use with the TAM model (Mathieson, 1991).

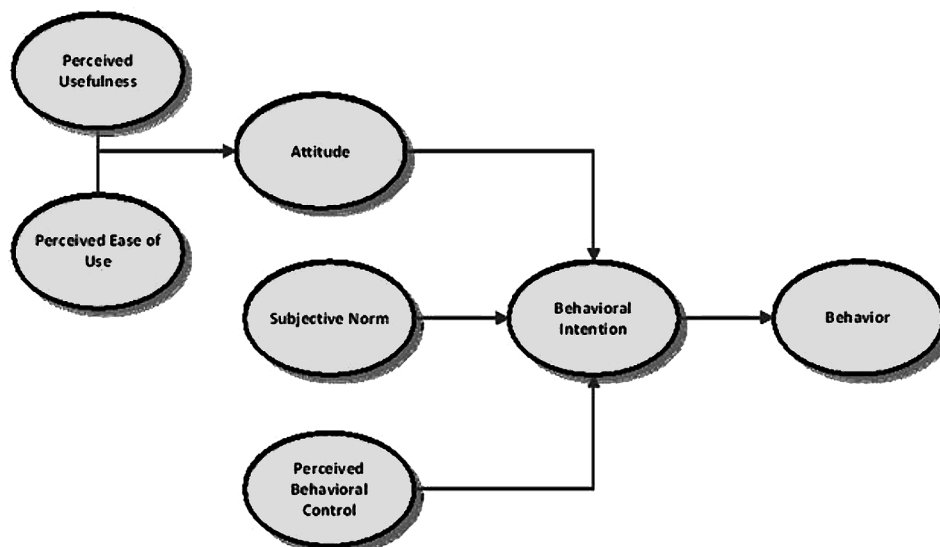
The combination of the TAM and the TPB which is proposed by Taylor and Todd (1995a), as shown in Figure 2, may offer a better picture and a more complete analysis of the factors that determine the adoption of SNSs. This framework has successfully attracted the attention of the IS research community and has been applied several times in the E-commerce spectrum (Liao, Chen, & Yen, 2007; Wu & Chen, 2005) and in virtual communities (Casaló, Flavián, & Guinaliu, 2010; Lin, 2006; Lu, Zhou, & Wang, 2009).

2.6. Participation and Virtual Communities in Social Networking

Participation is probably the best indicator that these ecosystems have been adopted and a key measure of the degree of success of the community in the long-term (Casaló, Flavián, & Guinaliu, 2008). Participation in virtual communities has a positive impact on the organization (Algesheimer, Dholakia, & Herrmann, 2005; Jang, Olfman, Ko, Koh, & Kim, 2008; Koh & Kim, 2004). It increases customer satisfaction (Casaló, Flavián, & Guinaliu, 2008), brand loyalty (Andersen, 2005) and commitment to the products of the brand (Algesheimer, Dholakia, & Herrmann, 2005; Fullerton, 2003). There are a vast number of examples of virtual brand communities in the literature such as Microsoft, Mac community and in a development community such as Java (Andersen, 2005).

Traditionally, virtual communities are an outstanding way of identifying what users like or dislike (Casaló, Flavián, & Guinaliu, 2008; Ridings, Gefen, & Arinze, 2002), but in addition to this, SNSs have been found to be a powerful tool to promote word of mouth. According to Needham (2008), organizations have found how to add value to the relationship by co-creating with the user, going from marketing at them to market with them. Several studies have analyzed word of mouth in SNSs (Needham, 2008; See-To & Ho, 2014; Trusov, Bucklin, & Pauwels, 2009), particularly in Twitter (Jansen, Zhang, Sobel, & Chowdury, 2009), but they did not investigate in depth the most popular platform, Facebook.

Figure 2. Model proposed by Taylor and Todd (1995a)



3. FRAMEWORK AND HYPOTHESIS DEVELOPMENT

3.1. Framework Completion: Semi-Structured Interviews

Due to the scarcity of research, this study employed semi-structured interviews with directors and partners of social media consultancy companies. The implementation of this qualitative methodology helped to complete the framework and facilitate the quantitative strategies in a later stage of the research.

During our interviews, we noted that all directors appreciated the opportunities that social media offer and how this market is growing. They pointed out that these environments are excellent channels to identify trends, listen to customers, receive feedback, provide content, promote new products, attract new customers, and commit current customers as well as providing an unbeatable arena for viral marketing and market research, based on customer interaction. Among the array of objectives that social media can leverage, all directors agreed that commitment to the brand and word of mouth would be among these ultimate objectives in both platforms.

3.2. Development of Hypotheses

3.2.1. Privacy

In the social networking context, privacy is defined as control over personal information, whether it be from a personal profile or as a result of the information exchange process (Shin, 2010). Several studies (Brocke, Richter, & Riemer, 2009; Metzger, 2004; Pavlou, Liang, & Xue, 2007; Shin, 2010) reflect that privacy policy influences the information we disclose. Hence, it should affect the adoption and use of a particular SNS. If members of communities perceive that their data is secured and protected, it can have a positive influence on the trust of the site. Thus, we develop the following hypothesis:

H1: Perceived privacy will positively influence trust in the SNS.

3.2.2. Trust

In online communities, trust can be understood through interpersonal characteristics (competence, benevolence, integrity) or technology characteristics (functionality, helpfulness, reliability) (Lankton & McKnight, 2008). This research draws on how the user perceives the relationship with the service provider and whether the service provider is honest in regard to the privacy policy, excluding the technological characteristics, and focusing on interpersonal relationships.

If the user perceives that the SNS provides a good service and facilitates interaction among the members (competence), takes care of members of the community (benevolence), is honest and acts ethically (integrity), the user will consider the SNS to be trustworthy and will be more likely to depend on it, influencing attitudes to the technology, and increasing the intention to use. Therefore, we have developed the following set of hypotheses:

H2a: Trust in the SNS will positively influence perceived usefulness of the SNS.

H2b: Trust in the SNS will positively influence the intention to participate in the SNS.

3.2.3. Perceived Ease of Use

Perceived ease of use is the belief that using an application will be effortless or easier than other applications (Davis, 1989). A social networking platform should provide tools that are easy to understand in order to facilitate communication among the members of the platform, providing an efficient and pleasurable experience. Davis (1989) concluded that if the user perceives the system to be easy to use, it will affect attitudes towards the technology. Based on the above, we proposed the following hypothesis:

H3: Perceived ease of use will positively influence the user's attitude towards the SNS.

3.2.4. Perceived Usefulness

Perceived usefulness is the belief that the system will be beneficial (Davis, 1989). Guo, Shim and Otondo (2010) demonstrated that if the SNS provides effective interaction among community members, it is perceived as a useful communication tool. Koh and Kim (2004) also showed that not only sociability, but usability is a significant factor to stimulate participation. Thus, these perceptions might influence the attitude towards that system. Therefore, we have the following hypothesis:

H4: Perceived usefulness will positively influence the user's attitude to participate in the SNS.

3.2.5. Attitude

Attitude is the user's perceptions created by the sum of the different beliefs to evaluate positively or negatively the outcomes of a specific behavior (Ajzen, 1991). A positive attitude to the SNS may increase the intention to participate in that virtual community. For instance, a member could believe that participation in a SNS involves risk or may damage his/her image due to the information published. However, other members could see the benefits of participation and interaction as a means to increase bonding or to obtain valuable information for achieving their objectives. Therefore, attitude may influence behavioral intentions, and we have the following hypothesis:

H5: Positive attitudes will positively affect intention to participate in the SNS.

3.2.6. Subjective Norms

Subjective norms reflect how much social factors influence the adoption and usage of new technology (Ajzen, 1991). Several researchers (Ajzen, 1991; Taylor & Todd, 1995a; Taylor & Todd, 1995b; Venkatesh & Davis, 2000) argued that there is a link between subjective norms and the intention to use the system. Subjective norms are built by people or groups who are influential to the individual and influence the motivations of that individual to participate in the SNS (Bagozzi & Dholakia, 2002). In addition, if an individual realizes that he/she shares common values with the members of the community he/she will be willing to participate in the SNS. Therefore, we have the following hypothesis:

H6: Subjective norms will positively influence the intention to participate in the SNS.

3.2.7. Perceived Behavioral Control

Perceived behavioral control reflects the degree of difficulty to adopt a specific behavior based on previous experience and predicting future events (Ajzen, 1991). This construct assumes that the user does not have complete control over her/his behavior and the situation (Ajzen, 1991). On an SNS platform, the risk associated with disclosing an opinion or personal information might limit the intention to participate. Therefore, we propose the following hypothesis:

H7: Perceived behavioral control will positively influence the user's intention to participate in the SNS.

3.2.8. Intention to Participate

This construct, in addition to all the previous factors, should predict the adoption of social networking platforms, and thus, the intention to use it. Therefore, virtual brand communities embedded within these platforms would be affected by the level of participation in the social networking site, or in other words, the intention to participate in the SNS should have an impact on the degree of participation in the community built by the brand.

Participation is often measured as an active level of involvement. Casaló, Flavián and Guinaliu (2010), however, indicated that the vast majority of the users interact passively. Users observe and read different posts, but they do not generate new content (Gefen & Straub, 2003). As a result, it was decided that we would evaluate the level of participation with two different parameters, i.e., the desire to give information and the desire to receive information. Thus, we have the following set of hypothesis:

H8a: Intention to participate in the SNS will positively influence the user's desire to give information from the brand community in the SNS.

H8b: Intention to participate in the SNS will positively influence the user's desire to receive information from the brand community in the SNS.

3.2.9. Commitment to the Brand

Several studies (Algesheimer, Dholakia, & Herrmann, 2005; Andersen, 2005; Casaló, Flavián, & Guinaliu, 2010) concluded that participation in an online community produces high levels of commitment to the community and the brand. McAlexander, Schouten and Koenig (2002) and Algesheimer, Dholakia and Herrmann (2005) suggested that the user's interaction with the brand and other members of an online community provide positive outcomes for the community and positively improve consumer's brand perception. Ho, See-To and Chiu (2013) also suggested that consumer engagement, which can be measured as desire to give information and to receive information from the brand, is positively influencing the consumer's loyalty to the brand. Therefore, we proposed the following hypotheses:

H9a: Desire to give information will positively influence the user's commitment to the brand.

H9b: Desire to receive information will positively influence the user's commitment to the brand.

3.2.10. Intention to Promote the Brand: Word of Mouth

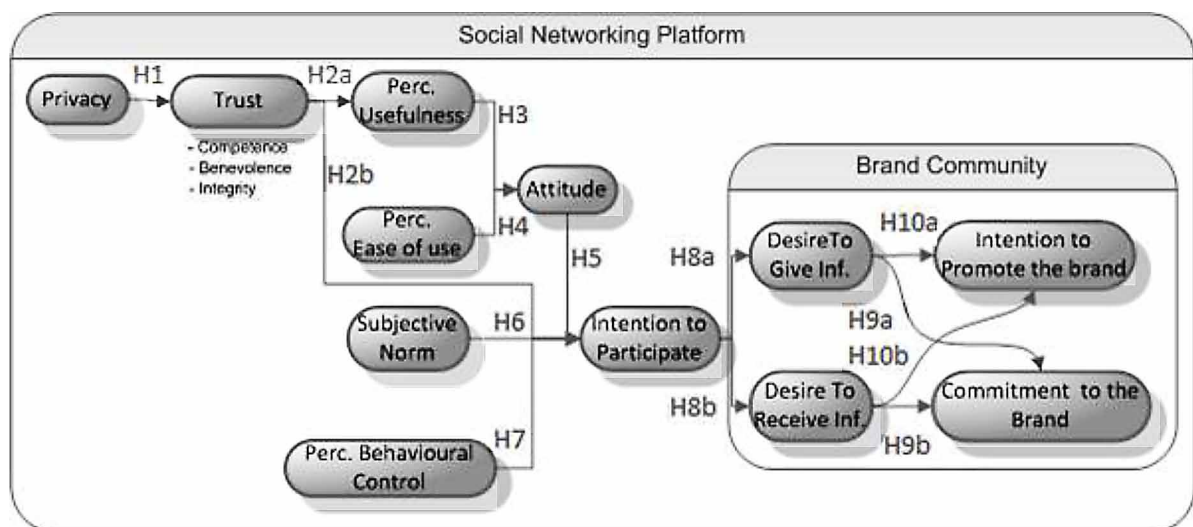
Word of mouth (WOM) is a key factor in marketing that can be defined as a communication process in which information is conveyed from person to person, affecting behavioral attitudes such as intentions to purchase (Jansen, Zhang, Sobel, & Chowdury, 2009). Counting the number of users in both SNSs, whether it be commenting on a post in the brand’s wall, clicking on “like” or re-tweeting a brand message, both SNSs seem to be ideal for allowing fans or followers to promote a brand in these communication channels. As the participation of the user increases, so should be the word of mouth. Thus, we propose the following hypotheses:

- H10a:** Desire to give information will positively influence the user’s intentions to promote the brand.
- H10b:** Desire to receive information will positively influence the user’s intentions to promote the brand.

3.3. Research Model

Figure 3 illustrates the proposed model with all constructs and hypothesis exposed in this research. The core of the framework, based on the TAM and the TPB, provides the foundations to explain the adoption and intention to participate in the SNSs. In addition, the model integrates privacy and trust with the purpose of better understanding the predictors of an SNS. As a result, intention to participate should be an excellent indicator of the degree of participation in the SNS (Casaló, Flavián, & Guinaliu, 2010). The behavioral component of this variable should influence any kind of participation in the brand communities, split into two concepts, i.e., desire to give and receive information. Finally, the model incorporates the results obtained in the interviews with the executive directors and partners, i.e., commitment to the brand and/or intention to promote the brand.

Figure 3. Research model



4. METHODOLOGY

Our proposed model was tested through two online surveys in English, one through a SNS and also conducted in a well-known online survey service provider over a period of two weeks. Although the constructs of the framework were measured independently of each other, the results were discussed together in a later stage of the research. This design provided a useful structure to analyze attitudes and behavior, making the research easier to replicate (Hakim, 1987).

4.1. Data Collection

The research targeted the population of one country, and focused on a city that could represent it. As prior research demonstrated that Zaragoza is considered as a representative city in Spain (Carrasco & Gutiérrez, 2008; Molina, Baldassarri, Cerezo, & Rubio, 1999; Moreno, Sarria, Fleta, Marcos, & Bueno, 2005; Sepúlveda, Maza, & Mantecón, 2008), we are of the view that the findings of this city can be applied to the whole population of Spain (Sepúlveda, Maza, & Mantecón, 2008). In order to obtain a representative sample, several parameters such as gender and education were taken into account to reflect the population more accurately through quota sampling data collection (See Table 1). This technique is often used in market research and provides the ability to reach the participants with the appropriate characteristics (Black, 1999). In addition, in order to limit the sample frame, this study focused on a population aged between 25 and 36. Finally, questionnaires were distributed through both SNS, email lists, and through targeting Websites with heavy traffic and online forums. All participants were informed about the purpose of this questionnaire.

A pilot test in Zaragoza was carried out and the results lead to refining, calibrating and eliminating unnecessary questions. Finally, 160 questionnaires were collected from Facebook and 119 from Twitter with a response rate of 80% and 90% respectively. After removing unfinished questionnaires (12% from Facebook, 7% from twitter), atypical cases and repeated responses, we collected 137 and 97 valid questionnaires from Facebook and Twitter, respectively. The demographics of our subjects are presented in Table 1.

4.2. Survey Instrument

In this study, we used 5-point Likert scale in our survey. The survey items were drawn from the literature related to social networking, virtual communities and marketing. In order to match the terminology of

Table 1. Demographic information of subjects

Demographic	Facebook		Twitter	
	Total Users	Sample	Total Users	Sample
Number of users	14,780	137	Unknown	97
Gender	Female: 52.8% Male: 47.2%	Female: 52.5% Male: 47.5%	Female: 38.7% Male: 61.3%	Female: 42.3% Male: 57.7%
Education background	Some high school: 20.0% High school graduate: 16.0% Degree or above: 65.0%	Some high school: 19.0% High school graduate: 13.1% Degree or above: 67.9%	Some high school: 0.3% High school graduate: 7.6% Degree or above: 92.1%	Some high school: 3.1% High school graduate: 13.4% Degree or above: 83.5%

both platforms, cross-sectional surveys were minimally customized, replacing tweet instead of comment, follower instead of friend and so forth. The survey instrument is presented in the Appendix.

4.3. Measures Validation: Reliability and Validity

Reliability provides a measure of the concept’s consistency. With multiple indicators measuring each construct, internal validity evaluates whether the different indicators of a construct aim in the same direction. As can be seen in Table 2, Cronbach’s Alpha coefficient of our constructs showed the consistency of the results for both platforms.

Face validity reflects the idea that instruments are really measuring the concepts in question. All items have been taken from very relevant papers in their respective fields or minimally adapted in the case of commitment to the brand and the intention to promote. This approach should offer adequate security so that face validity is covered.

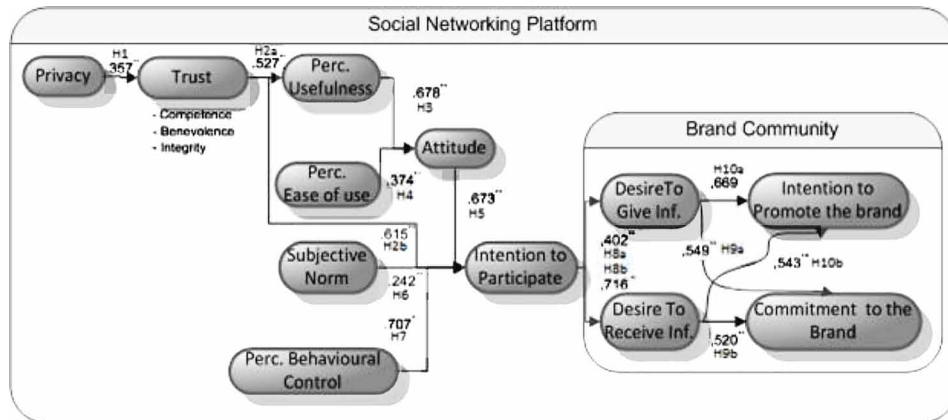
4.4. Data Analysis

The hypotheses were tested using the χ^2 -test and the relationship between the variables were measured by Spearman’s rho correlation. Our results are presented at Figures 4 and 5. Finally, we used Mann Whitney U-test and *t*-test to compare the results between Facebook and Twitter. Although the data were analyzed using a non-parametric test, the *t*-test was used to corroborate the initial findings. The data was analyzed using statistical SPSS software.

Table 2. Cronbach’s alpha of constructs

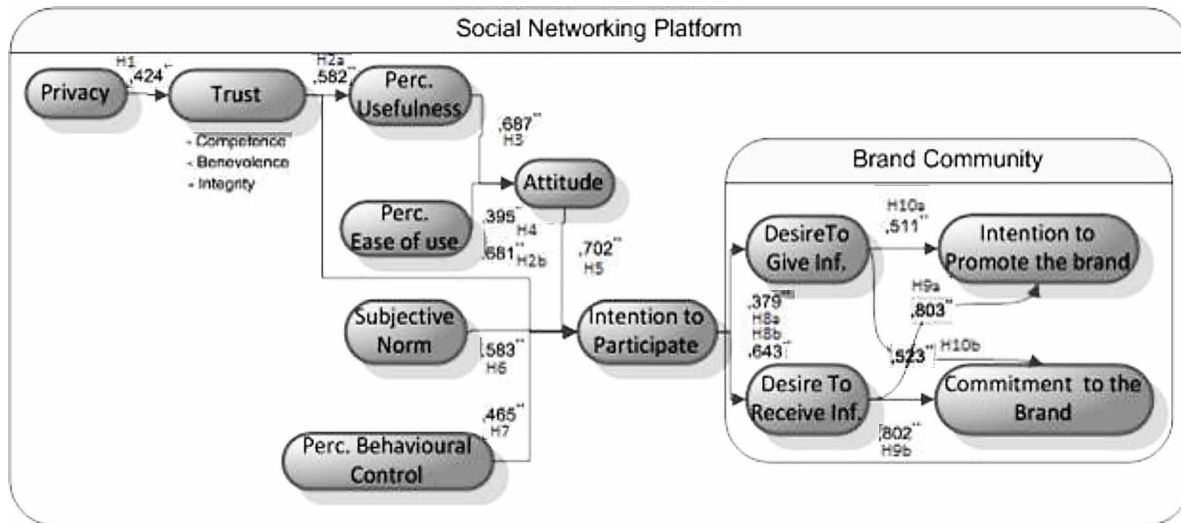
Constructs	Cronbach’s Alpha	
	Facebook	Twitter
Privacy (PRI)	0.860	0.801
Trust - Competence (COMP)	0.901	0.911
Trust - Integrity (INT)	0.899	0.858
Trust - Benevolence (BEN)	0.802	0.801
Trust	0.892	0.904
Perceived Usefulness (PU)	0.930	0.883
Perceived Ease of Use (PEOU)	0.930	0.883
Attitude (ATT)	0.925	0.905
Perceived Behavioral Control (PBC)	0.858	0.821
Subjective Norm (SN)	0.814	0.836
Intention to Participate (PART)	0.974	0.912
Participation - Get Information (GET)	0.821	0.840
Participation - Get Information (GIVE)	0.918	0.848
Commitment to the Brand (COMM)	0.845	0.889
Intention to Promote the Brand (PROM)	0.937	0.876

Figure 4. Spearman's rank correlation analysis for Facebook



Note: * p < 0.05; ** p < 0.01.

Figure 5. Spearman's rank correlation analysis for Twitter



Note: * p < 0.05; ** p < 0.01.

5. FINDINGS AND DISCUSSION

Overall, most of the responses tended to fall in the midpoint of the 5-point rating scale and users presented a positive predisposition to perceive the service provided as competent and useful, with a positive attitude towards both SNSs.

According to the χ^2 -test results, shown in Table 3, most of the hypotheses are supported for both SNSs. Regarding the TAM and the TPB, all concerned hypotheses are supported, which validates this model as a good framework to predict the intention to participate in the SNS. In accordance with the

hypothesis, trust (H2b), positive attitudes (H5), perceived behavioral control (H7), and subjective norms (H6) affect the intention to take part in online social networks positively.

However, before these findings are explained, it is worth mentioning that some hypotheses are only supported depending on individual social network. We note that the relationship between privacy-trust (H1) and giving information-promote the brand (H10a) are only supported on Facebook. The relationship between intention to participate by giving information (H8a) or receive information-promote the brand (H10b) are only significant in Twitter.

5.1. Determinants of Intention to Participate in SNS

In Facebook, the intention to participate presents a strong relationship between attitude ($\beta = 0.673, p < 0.01$), trust ($\beta = 0.615, p < 0.01$) and perceived behavioral control ($\beta = 0.707, p < 0.01$) as shown in Figure 4. Figure 5 also shows that intention to participate is more associated with attitude ($\beta = 0.702, p < 0.01$) and trust ($\beta = 0.681, p < 0.01$) in Twitter than in Facebook. Both platforms present a similar correlation for perceived usefulness (Facebook $\beta = 0.678, p < 0.01$, and Twitter $\beta = 0.687, p < 0.01$) and a low correlation with the perceived ease of use (Facebook $\beta = 0.374, p < 0.01$, and Twitter $\beta = 0.395, p < 0.01$). Nevertheless, the link appears much weaker for subjective norms in Facebook ($\beta = 0.242, p < 0.01$) than in Twitter ($\beta = 0.583, p < 0.01$). This could suggest that social pressure is not strongly linked with the intention to participate in Facebook.

In line with previous studies (Casaló, Flavián, & Guinaliu, 2010; Lin, 2006), attitudes are associated with the intention to participate in the SNS. Providing a good service and positive levels of perceived usefulness have a strong association with high levels of positive attitude for potential users, which could affect the intention to participate. Nevertheless, the data analysis indicates that the degree of difficulty of the system may not be so important in the adoption of the SNS.

Table 3. Result for χ^2 -test

Hypothesis	Facebook		Twitter	
	χ^2	Supported	χ^2	Supported
H1: PRI → Trust	< 0.001	Yes	0.144	No
H2a: Trust → PU	0.001	Yes	< 0.001	Yes
H2b: Trust → PART	< 0.001	Yes	0.008	Yes
H3: PU → ATT	< 0.001	Yes	< 0.001	Yes
H4: PEOU → ATT	0.008	Yes	< 0.001	Yes
H5: ATT → PART	< 0.001	Yes	< 0.001	Yes
H6: SN → PART	0.003	Yes	< 0.001	Yes
H7: PBC → PART	< 0.001	Yes	0.001	Yes
H8a: PART → GIVE	0.106	No	0.048	Yes
H8b: PART → GET	< 0.001	Yes	< 0.001	Yes
H9a: GIVE → COMM	< 0.001	Yes	0.012	Yes
H9b: GET → COMM	< 0.001	Yes	< 0.001	Yes
H10a: GIVE → PROM	0.004	Yes	0.116	No
H10b: GET → PROM	0.674	No	< 0.001	Yes

It is worth pointing out that association with dependent variables may differ between both platforms. Intention to participate in Facebook may be related to positive attitudes, perceived usefulness and perceived behavioral control. Along these lines, Twitter users' intention to adopt the system could be associated with perceived usefulness and positive attitudes, however the uncertainty of the environment (i.e., perceived behavioral control) only seems to be related to the intention to participate in Facebook. This study has also found that there is no relevant association of social pressure in Facebook; however, it is a significant factor in Twitter.

When both SNS were compared (see Table 4), the intention to participate was slightly higher in Facebook than in Twitter. These comparative tests also showed that Facebook is perceived to be more useful, easier to use and the consequences of a specific behavior are more predictable (from test values of perceived behavioral control). However, Table 4 clearly shows that Twitter is considered more trustworthy than Facebook, and its members presented more positive attitudes, although there is a high variance among the Twitter participants. This could be due to the heterogeneity in use among the Twitter population. The majority of Facebook users tend to log in several times a day, hence they may feel more comfortable with the outcomes of their behavior than Twitter users who (more than 50%) do not log in on a daily basis. In addition, the interviews indicated that Twitter is a more sophisticated system which could apply to a more educated population, a factor that could affect the adoption of the site.

5.2. Relationship Between Privacy-Trust and Trust-Intention to Participate

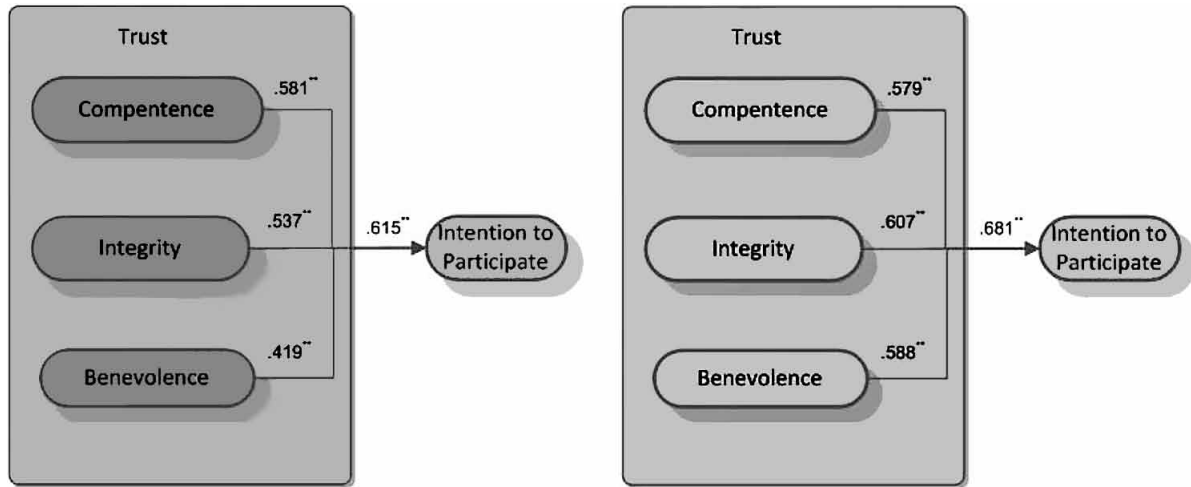
Spearman's rank correlation coefficient verifies the relationship between trust and intention to participate in Facebook ($\beta = 0.615, p < 0.01$), and especially in Twitter ($\beta = 0.681, p < 0.01$). The χ^2 -test confirms that the association between trust and intention to participate are significant in both. Although we cannot assume that one causes an effect on the other, both tend to happen at the same time.

If we analyze how the different aspects of trust (i.e., competence, integrity and benevolence) affected the intention to participate for the two SNSs, we noted that Facebook presents a more modest correlation. Although users who believe that Facebook provides a good service (competence $\beta = 0.581, p < 0.01$) have the intention to participate, and believe that this website is interested and motivated, and with regard to the well-being of the users (benevolence, $\beta = 0.419, p < 0.01$) does not seem to be so associated. On the other hand, the intention to take part in Twitter presented higher levels of integrity ($\beta = 0.607, p < 0.01$) and benevolence ($\beta = 0.588, p < 0.01$) (Figure 6).

Table 4. Comparison between constructs affect intention to participate in SNS from Facebook and Twitter

Construct	Mann Whitney U-Test (Mean Rank)		T-Test (Mean)	
	Facebook	Twitter	Facebook	Twitter
Trust	107,54	130,49	2.974	3.213
Perceived usefulness	128,31	100,86	4.012	3.521
Perceived ease of use	136,11	89,73	4.012	3.396
Attitude	107.13	118,44	3.640	3.698
Perceived behavioral control	120,06	101,33	3.559	3.299
Subjective norm	108,52	116,60	3.016	3.146
Intention to participate	114,75	110,65	3.556	3.469

Figure 6. χ^2 -test between trust and intention to participate for Facebook (left) and Twitter (right)



Undoubtedly, there is an association between trust and intention to participate in both platforms. Overall, if a user believes that the social network is trustworthy, he/she is also more likely to increase his/her intention to participate and vice versa. Similarly, the ability to provide a good service seems to present a good relationship with behavioral intentions in Facebook and Twitter; nevertheless ethical issues seem to be more related to Twitter.

However, the relationship between privacy and trust was still found to be very weak. This could be due to the fact that efficient privacy policies are not expected (Dwyer, Hiltz & Passerini, 2007) and privacy becomes less important if the benefits such as social capital or reputation exceed the cost, i.e., personal privacy (Hsu, Ju, Yen, & Chang, 2007). Moreover, the hypothesis that privacy could be associated with trust in Twitter was rejected, probably because almost all information is public, hence the privacy policy could not make the Website more or less trustworthy.

5.3. Consumer-Brand Interaction

These results are very enlightening. Users who provide information and actively interact with brands in Facebook are also committed to the brand ($\beta = 0.549, p < 0.01$) with a strong intention to promote it ($\beta = 0.669, p < 0.01$). Similarly, users with just the desire to receive information are also motivated to promote the brand ($\beta = 0.543, p < 0.01$) and feel loyal to the brand although in a less intense manner ($\beta = 0.520, p < 0.01$).

However, the numbers vary in Twitter. The desire to receive information correlated at a very high score with the commitment to the brand ($\beta = 0.802, p < 0.01$) and intention to promote the brand ($\beta = 0.803, p < 0.01$). Nevertheless, the desire to give information presented a more fragile relationship with both variables.

As can be seen in Table 5, users who follow a company in Twitter are slightly more motivated to receive and promote the brand than those who have befriended a company in Facebook. However, Facebook users are more highly encouraged to give information than Twitter users but clearly tend to spread the word around Twitter more often than Facebook users.

Table 5. Comparative results on virtual brand communities between Facebook and Twitter

Construct	Mann Whitney U Test (Mean Rank)		t-Test (Mean)	
	Facebook	Twitter	Facebook	Twitter
Desire to receive information	71,53	76,79	3.594	3.662
Desire to give information	81,79	65,19	2.974	2.594
Commitment to the brand	70,86	77,46	3.424	3.476
Intention promote the brand	66,11	83,85	3.051	3.471

On the contrary, the relation between a positive intention to participate in Facebook and a desire to give information in virtual brand communities has not been accepted. Members of the community may be only interested in receiving information or just being a fan because he/she likes to be associated with it. Previous studies (Andersen, 2005) suggested that not everyone who belongs to a virtual community is interested in that brand or product. However, these members can eventually become fans. In addition, the link between the desire to receive information and the intention to promote the brand is not significant enough to accept the hypothesis. In other words, people in Facebook who desire to receive information from a particular brand, may not be interested in spreading the message of that company whom he/she has “friended”.

In Twitter, the hypothesis that related the positive influence of providing information with the increase of the intention to promote the brand was rejected. This may be due to different kinds of usage. For instance, different users could follow a brand, not because they are interested in the brand, but only because they are interested in providing positive or negative feedbacks about their experience or they are just interested in receiving information with no intention to interact actively.

Nonetheless, user-brand interaction in social networking, whether it be active or passive, clearly entails positive outcomes for these companies. However, the specific characteristics of the social network vary the outcomes of this interaction.

When people decide to “friend” a company in Facebook, the commitment to the brand is associated with the desire to receive and give information. However, the intention to promote the brand is only related to the desire to give information. Companies whose purpose in Facebook is to increase commitment to the brand should promote the exchange of knowledge between the company and the members of the virtual community. Furthermore, if the strategy implies spreading the word around the social network, it should encourage the users to provide more information, then they will be more willing to spread the word around Facebook.

In Twitter, the desire to receive information is significant, associated with the intention to promote the brand and loyalty. Consequently, in Twitter, the practitioner may want to provide a high quality content, to increase the desire to receive information from that brand and as a result, the user will be more committed to the brand and will tend to promote the brand.

This supports the fact that Twitter is considered to be a powerful tool of word of mouth, which is also supported by the interviews and the literature review (Jansen, Zhang, Sobel, & Chowdury, 2009). However, although the association is weaker in Facebook, the hypothesis tested demonstrated that this relationship also exists in Facebook. Moreover, when a user is willing to provide information, the strength of the relationship seems greater in Facebook. This is a circumstance that should not be overlooked by organizations which try to develop virtual brand communities in these SNS.

In terms of commitment to the brand, both SNSs present a positive relationship regarding participation in virtual brand communities. However, it is worth highlighting that the desire to give information is associated with the devotion of that brand that members follow.

Overall, the initial descriptive data showed that in both SNSs, members tend to follow brands, although the number was significantly superior in Twitter. This similarity can be found for the outcomes measured in the comparative tests. As word of mouth mechanisms, members of Twitter tend to “re-tweet”, or in other words, spread the message of the brand much more than users from Facebook, although the relationship exists in both SNSs. This confirms what Jansen, Zhang, Sobel and Chowdury (2009) found, i.e., Twitter is a powerful word of mouth tool for organizations. Plus, the commitment to the brand was higher for users that follow a brand in Twitter, although the difference was less significant.

6. CONCLUSION

In summary, this research based on Facebook and Twitter has analyzed to what extent specific social and individual perceptions influence the adoption of SNSs. Secondly, the study has measured the result of user-brand interaction in SNSs, analyzing factors such as commitment to the brand or promotion by word of mouth. Plus, this study has validated our model, which is a combination of the TAM and the TPB, as a good model to predict the intention to participate in social networks, which could set the target for further research. However, additional parameters, such as privacy, might not be applied to all SNSs.

Generally speaking, the results indicated that the intention to participate in Facebook is slightly higher than in Twitter. Perceived usefulness and attitudes are associated with the adoption of SNSs, however in contrast, the perceived ease of use may not be an influential factor in any particular SNS. Individually, the uncertainty of the environment was found to be more relevant in Facebook, but, on the other hand, social factors seem to be more significant in Twitter. However, the high variance between different Twitter participants may imply that the adoption of Twitter cannot be generalized probably due to educational or professional reasons.

The research also shows that there is an association between trust and intention to participate in both platforms, which is well supported by the existing E-commerce research. The belief that SNSs provide good services could have a strong relationship with the intention to adopt a SNS. Twitter may also be considered more trustworthy than Facebook.

Lastly, the study reveals that SNSs are outstanding marketing channels, which increase customers' commitment as well as being powerful word of mouth tools. However, this research highlights some differences between the two SNSs. Overall, discussion of the findings in context may identify that Twitter could provide a better result than Facebook. Data analyzed from cross-sectional studies as well as through the interviews indicated that Twitter is an excellent platform in which companies can engage with customers and increase their awareness, if firms provide valuable information and content. However, evidence shows that Facebook users are more willing to provide information to brands which could relatively lead to higher commitment, and also, it could be a better communication channel for engaging in conversation between customers and firms.

In spite of the contributions of this investigation, there are some limitations, as the research was based in a particular country and the findings may differ in other cultures. Future research may repeat this investigation in different cultural contexts to test and extend the generalizability of the proposed

framework, as prior research has shown that cultural would have an impact on the formation of the adoption behavior (Ho, 2013).

These constraints should not undermine the importance of this study, but rather provide valuable information for further research. Evidence presented in the findings showed that marketing strategies should consider that there is a need to tailor the strategies for each platform and a combination of both can provide a better result. With the increasing interest of social networking as a medium for interaction, this research provides an array of findings and opportunities that should be relevant to marketers, academics and social networking sites.

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APPENDIX

Survey Instrument

Privacy (PRI) [Source: Shin (2010)]

PRI1: I am confident that I know all the parties who collect the information I provide during the use of Facebook/Twitter.

PRI2: I am aware of the exact nature of information that will be collected during the use of Facebook/Twitter.

PRI3: I believe there is an effective mechanism to address any violation of the information I provide to Facebook/Twitter.

Trust-Competence (COMP) [Source: Lankton & McKnight (2008)]

COMP1: Facebook/Twitter is competent and effective in providing online social networking.

COMP2: Facebook/Twitter is a capable and proficient online social networking provider.

COMP3: Facebook/Twitter performs in role of facilitating online social networking very well.

Trust-Benevolence (BEN) [Source: Lankton & McKnight (2008)]

BEN1: Facebook/Twitter acts in my best interest.

BEN2: Facebook/Twitter does its best to help me if I need help.

BEN3: Facebook/Twitter is interested in my well-being, not just its own.

Trust-Integrity (INT) [Source: Lankton & McKnight (2008)]

INT1: Facebook/Twitter is honest.

INT2: Facebook/Twitter keeps its commitments.

INT3: Facebook/Twitter is sincere and genuine.

Perceived Usefulness (PU) [Source: Kwon & Wen (2009)]

PU1: Using Facebook/Twitter enables me to acquire more information or meet more people.

PU2: Using Facebook/Twitter would improve my efficiency in sharing information and connect with others.

PU3: Facebook/Twitter is a useful service for communication.

Perceived Ease of Use (PEOU) [Source: Kwon & Wen (2009)]

PEOU1: Learning to use Twitter is easy for me.

PEOU2: The process of using Twitter is clear and understandable.

PEOU3: I find Twitter easy to use.

Attitude (ATT) [Source: Lin (2006)]

ATT1: Participate in Twitter is a good idea.

ATT2: I like the idea of participation on Twitter.

ATT3: Participate in Twitter is a pleasant experience.

Subjective Norm (SN) [Source: Lin (2006)]

SN1: People who influence my behavior would encourage me to participate in Twitter.

SN2: People who are important to me would encourage me to participate in Twitter.

Perceived Behavioral Control (PBC) [Source: Lin (2006)]

PBC1: I would be able to participate in Twitter.

PBC2: I am in control of my participation in Twitter.

Intention to Participate (PART) [Source: Lin (2006)]

PART1: I plan to participate in Facebook/Twitter.

PART2: I intend to participate in Facebook/Twitter.

PART3: I expect to participate in Facebook/Twitter.

Participation - Get Information (GET) [Source: Ridings, Gefen & Arinze (2002)]

GET1: I come to this fan apage to get information on a particular topic / I follow this brand to get information on a particular topic.

GET2: I come to this fan page to get facts on a particular topic / I follow this brand to get facts on a particular topic.

Participation - Give Information (GIVE) [Source: Ridings, Gefen & Arinze (2002)]

GIVE1: I am a fan of this page to give information / I follow this brand to give information.

GIVE2: I come to this fan page to give information about a particular topic / I follow this brand to give information about a particular topic.

GIVE3: I provide information on a particular topic.

GIVE4: I come to this fan page to share my skills and abilities with the brand and other participants / I follow this brand to share my skills and abilities with the brand and other participants.

Commitment to the Brand (COMM) [Source: Morgan & Hunt (1994)]

COMM1: This brand sees the relationship as a long-term alliance.

COMM2: I am committed to my relationship with the brand which develop the virtual community.

COMM3: I would not drop this relationship because I like being associated with them.

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Intention to Promote the Brand (PROM) [Source: Casaló, Flavián, & Guinaliu (2010)]

PROM1: I like to share posts and messages on my wall from these brands / re-tweet the tweets from these brands.

PROM2: I think it is important to share / re-tweet information from these brands with my social networking colleagues.

PROM3: I often share post / re-tweets the tweets from these brands.

Chapter 38

The Role of Online Social Interaction in the Recommendation of a Brand Community

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ABSTRACT

This chapter focuses on the growing role of consumer-brand communities in the online context and in particular brand communities in online strategy games. It explores the loyalty of community members toward the other members, as expressed by their willingness to recommend the online community externally. Using data collected from 384 gamers, this chapter suggests that the strength of the relationship with the game brand and the need to socialise are good predictors of brand community participation, as expressed by the brand community engagement and the brand community identification. Brand community participation ultimately leads to the brand community recommendation intention.

INTRODUCTION

In the last 15 years, it has been established that consumers willingly seek to interact with likeminded individuals around activities or objects that they are passionate about (Cova, 1997). They form communities focusing on a certain activity or object, which they enjoy interacting around (Koh & Kim, 2004). Communities focusing on a specific consumption activity or product, for instance coffee, are referred to as consumption communities, or communities of interest (e.g. Kozinets, 2002), whereas those centred on a specific brand, or company, are called brand communities (Muniz & O'Guinn, 2001).

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The growth and popularity of consumer communities can be in part attributed to information technologies (Madupu & Cooley, 2010). The Internet is providing a means of communication that facilitates people to find and connect with likeminded individuals that can be located in various places around the globe (McKenna, Green & Gleason, 2002). Internet mediated communications can take various forms including e-mail, chat, online video contact, forums or social media participation. Individuals demonstrate affective, cognitive and behavioural engagement both with the brand and with the other participating individuals in brand communities (Dessart, Veloutsou & Morgan-Thomas, 2015). Greater reach, synchronous communication and lack of geographical boundaries are only a few of the elements fostering peer-to-peer, brand-related communication (Thomsen, Straubhaar & Bolyard, 1998). Overall, the interactive and experiential nature of Internet mediated communications is core to sustaining many-to-many communication (Hoffman & Novak, 1996), which lies at the heart of online community literature (Hagel & Armstrong, 1997).

Online brand communities represent a specific type of communities. They are '*specialized, non-geographically bound communities based on a structured set of relations around admirers of a brand*' (Muniz & O'Guinn, 2001, p. 412), which are mediated by online technology (Porter, 2004). Online brand communities offer rich opportunities for interactions, facilitating the building, fostering, strengthening and maintenance of in-depth and lasting relationships which link consumers to a brand and with each other (Algesheimer, Dholakia & Herrmann, 2005; Bagozzi & Dholakia, 2006; Matzler, Pichler, Füller & Mooradian, 2011). In these communities, brands can act as agents for development of relationships both with the brand itself, but also with other likeminded individuals (Cova, 1997; Veloutsou, 2009). Such communities have seen their popularity increase in the last few years and they bring value for individual members (Schau, Muniz & Arnould, 2009), for the group itself (Mathwick, Wiertz & de Ruyter, 2007) and for the focal brands (Schau et al., 2009). Brand benefits include consumer commitment and loyalty to the brand (Andersen, 2005; Algesheimer et al., 2005; Muniz & O'Guinn, 2001).

The internal functioning of online brand communities has been the subject of much research in the last 10 years, as active members' participation is deemed important for the brand community's survival (Casaló, Flavián & Guinalú, 2008). Practically, interaction in online brand communities may take different forms, such as information and knowledge sharing (Wiertz & de Ruyter, 2007; Kalpana & Anandan, 2013), participation in various online activities (Hsu & Lu, 2007; Siitonen, 2007) and collective co-production (Schau et al., 2009). Such practices have been found to be driven by social and psychological need fulfilment. In the context of online brand communities, it is at least desired (Carlson, Suter & Brown, 2008; Madupu & Cooley, 2010), if not required (Ducheneaut & Moore, 2004; Hsu & Lu, 2007; Muniz & O'Guinn, 2001; Yee 2007), to relate to other individuals who are members of the group. Specifically, participants might join such communities to dispel their loneliness, meet like-minded others and receive companionship and social support (McKenna & Bargh, 1999).

Online brand community vitality and growth is crucial to its sustenance and longevity (Tsai & Men, 2013). Despite a clear understanding of the motivations to participate in online brand communities, as well as its internal engagement mechanisms, little is known about the ability of existing members to influence outsiders to join in. The role of existing members in fostering participation is a stringent issue because consumers always tend to trust peer advice over company prompting. Effects can thus be much greater. From a member point of view, promoting the community to non-members is an indicator of their loyalty toward the community and the brand (Koh & Kim, 2004). Members exhibit membership, display community engagement and actively invite new people to partake (Lin, 2010). So far, there is

little understanding as to how community participation can trigger member's intentions to recommend the community to outsiders.

This study focuses on online strategy game communities to explore the relationship between community participation and recommendation intentions. Online strategy games are particularly suited to this aim for several reasons. Firstly, online game communities seem to be conducive to higher levels of member interaction than other brand categories. Interactions are much more evident, often essential and sometimes compulsory (Cole & Griffiths, 2007). The entertainment effect combined with community-based mechanisms determinate individuals' continued participation in online entertainment communities (Deng, Hou, Ma & Cai, 2013). Secondly, research indicates that online gaming participation leads to overall loyalty toward the game and group of players (Teng & Chen, 2014). Lastly, there has been little research into strategy games in the online community literature, which has so far focused on branded goods (Algesheimer et al., 2005; Bagozzi & Dholakia, 2006; Marzocchi, Morandin & Bergami, 2013; Matzler et al., 2011) and branded services to some extent (Carlson et al., 2008). Moreover, the sheer size of the worldwide video game industry makes it one of the most attractive entertainment sectors to explore, and particularly suited to the study of online community participation as the entertainment factor plays a great role in fostering participation (Dholakia, Bagozzi & Pearo, 2004). The overall industry is valued at \$93 billion in 2013 and forecast to reach \$111 billion by 2015 (Gartner, 2013). For these reasons, the online game industry is perfectly suited to the purpose of this study.

The aim of this paper is therefore to determine the role of online brand community participation in driving member's willingness to actively recommend the community to outsiders, in the context of online strategy games. This paper first presents the theoretical foundations of this investigation, focusing on the identification of the individual's need to participate in a brand community and loyalty towards brand communities. The context of investigation, online game brand communities, is then detailed. The hypotheses of the study and the methods used to collect the primary data are subsequently developed. The paper continues by discussing the results, presenting its limitations and offering suggestions for future research directions.

BACKGROUND

Importance of Recommendation Intentions of the Brand Community

The promotion of the community (Algesheimer et al., 2005), or recommendation of the brand community to non-members who are currently outside the community is of particular importance for three reasons, which pertain to individual, community and brand benefits. Firstly, recommendations benefit the community itself. It may help to attract new members to the community, ensuring future participation and guaranteeing its survival in the long term (Casaló et al., 2008). In a highly volatile environment, where consumers' allegiance to specific brands and specific communities is unexpected and unstable to say the least, ensuring a regular and abundant flow of newcomers to the community through a network effect is key to the community's survival (Hsu & Lu, 2007).

The brand community members who act as promoters of a brand community secure individual status of influencers in the community (Trusov, Bodapati & Bucklin, 2010) and strengthen their own ties with the brand community network. It is recognised that the degree of influence that individuals can exert over the network is a key psychological driver of community membership (McMillan & Chavis, 1986)

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and that individuals achieve self-fulfilment by controlling and influencing their community at large (Obst, Smith & Zinkiewicz, 2002). By promoting the community to various potential new members, but more frequently among their closer friends and relatives (Koh & Kim, 2004), community members can feel self-worth and value.

When community members promote their virtual brand community, for instance through positive word-of-mouth behaviours, they are coincidentally promoting the brand around which their community is developed (Koh & Kim, 2004). In this way, recommending the community benefits the brand indirectly by increasing its exposure, awareness factor and creating favourable brand associations. Interestingly, loyalty toward communities of free services as well as their promotion by members has been demonstrated, indicating that members do not only feel loyal to justify a financial sacrifice, but out of sheer enjoyment, satisfaction and personal benefits (Casaló et al., 2008).

Despite the clear advantages of community members' recommendation intentions, there is limited research on the extent to which participation and social identification to an online community might influence its members in recommending it to other individuals who are not a part of the community. It is acknowledged that online brand communities are powerful interactive engagement platforms for consumer-to-consumer (C2C) recommendations within the community boundaries (Brodie, Juric & Hollebeek, 2011; Sawhney, Verona & Prandelli, 2005; Dessart et al., 2015). However, extant research fails to understand how insiders of the community promote the community toward outsiders, hence showing their loyalty to the community. For these reasons, it is apparent that the examination of the factors that are driving online brand community recommendation, as a form of community loyalty, is of interest.

Recommendation Intentions as a Dimension of Loyalty

Online communities are a context in which consumers engage in discussions aiming at influencing and informing others about products and brands (Kozinets, 1999; Muniz & O'Guinn, 2001). This study focuses on the intentions to recommend the brand community to outsiders, which is a conative aspect of loyalty.

Loyalty is a term which has been subject of a vast amount of research in relationship marketing literature, and there is an on-going discussion as to its meaning and dimensionality. For Chaudhuri and Holbrook (2001), loyalty is composed of an attitudinal and a behavioural aspect. Attitudinal loyalty is a long term commitment and preference, whereas behavioural loyalty is manifested in repeat purchases. In the online game community context, this can be translated as the repeat usage of the community (Hsu & Lu, 2007). This view of loyalty as behavioural and composed solely of repeat purchase or usage has recently been challenged. Other behavioural manifestations of loyalty have been acknowledged in the branding literature, notably in the form of voluntarily engaging in 'social promotion', for instance word of mouth, and 'physical promotion', through endorsement of the brand, display of brand symbols and logos (Bhattacharya & Sen, 2003; Marzocchi et al., 2013). Such manifestations of loyalty can be referred to as recommendation intentions, or conative loyalty (Oliver, 1999) and they are expressed through word-of-mouth recommendation (Lin, 2010).

Recommendations can be made about the brand, or the community itself. Research in the brand community area has already clearly established the potential of community participation to lead to brand loyalty and brand recommendation (Algesheimer et al., 2005; Matzler et al., 2011). In the online gaming literature, loyalty to the game brand is also perceived as an outcome of community participation (Hsu & Lu, 2007; Lee, 2010). Loyalty and thus, recommendation intentions, have more recently been found to be also directed toward the brand community (Marzocchi et al., 2013). Promotion of the brand com-

munity is an element of community loyalty that derives from community participation and other social and brand-related factors; a relationship that requires further exploration in online contexts (Lin, 2010; Marzocchi et al., 2013).

Online Brand Community Participation and Its Drivers

Being part of an online brand community manifests itself through engagement and identification with the community, as defined by Algesheimer et al. (2005). Brand community identification is associated, on the one hand, with the extent to which the individuals see themselves connected with the brand community and on the other, with the sense of belonging that the community offers to the individual (Algesheimer et al., 2005; Muniz & O'Guinn, 2001). This brand community identification has a collective nature (Tajfel & Turner, 1985), and one can recognize that it has both a cognitive and an affective character. The cognitive character, refers to the recognition of community membership (Bergami & Bagozzi, 2000), whereas the affective character refers to the emotional interpersonal relationships within the community (Ellemers, Kortekaas & Ouwerkerk, 1999).

Brand community engagement on the other hand satisfies the intrinsic need of the members to help each other and to engage themselves willingly in community activities (Algesheimer et al., 2005). These activities promote the notion of the community for the benefit of each member and the community as a whole. Brand community engagement, in particular, involves interactive interactions with the community, in an effort to obtain not only the instrumental value of the brand but also its anticipated experiential value (Mollen & Wilson, 2010). Participation in the community as seen through identification and engagement is therefore a cognitive, affective and behavioural concept which is known to lead to brand and community-related intentions and behaviours (Algesheimer et al., 2005).

Reasons leading to brand community participation are numerous and of different nature. This study focuses on brand-related and social motives. In terms of social motives, an intrinsic need for sharing and developing social ties, which can be of anonymous nature, is often expressed by community members (Ouwensloot & Odekerken-Schröder, 2008), and search for social interaction is recognised as a strong motive for playing online multiplayer games (Siitonenm, 2007). Consumers' relationship with the brand is also a strong motivator for joining online brand communities. Brands often act as agents that facilitate consumer-to-consumer relationships (Veloutsou, 2009). A relationship with the brand is defined through the feelings that are developed from the side of the consumer for the brand and the intended communication that the consumer wants to engage with (Veloutsou, 2007).

The Context of Online Game Brand Communities

This paper is set in the context of online multiplayer strategy games. Online computer games have been conceptualised as a form of playful consumption (Holbrook, Chestnut & Greenleaf, 1984). Playing online is a form of escapism from real life and a search for entertainment, through immersion in an imaginary world that players rule and create (Hsu & Lu, 2007; Siitonenm, 2007). However escapist, online gaming is rife with social interactions. These imaginary stories are co-created by gamers through high levels of interactions, and thus inherently dependent on consumer-to-consumer social interactions and collaborations (Buchanan-Oliver & Seo, 2012; Duchenaut & Moore, 2004). Social norms and need satisfaction are strong in online teams of players (Teng & Chen, 2014). Although stereotypes stigmatise online

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gamers as socially inept and unpopular, a diversity of profiles in online gamers exists and their capacity of socialising in real life and in the gaming environment is evident (Kowert, Festl & Quandt, 2014).

Online game brand communities fall under many different types of brand communities. Inevitably, they belong to the category of communities of fantasy (Hagel & Armstrong, 1997), due to their ability to meet the need of players for fantasy through their identification with roles such as warriors and knights, their participation to historical battles and so on. They can also merely be put in the category of communities of interest, due to the fact that are centred on the specific topic of gaming. Finally, they can definitely be considered as company initiated brand communities (Dholakia & Vianello, 2011), since players often subscribe in branded games websites and forums only to start playing. Nevertheless, member initiated online game communities also exist. In the wider brand community literature, little interest for far has been granted to online gaming communities. Cova and White (2010) studied the case of the Warhammer tabletop Wargame community (a strategy battle game) to analyse new trends in community behaviour. However, this research was carried out in an offline context and did not investigate behaviour reaching outside the community.

Online game brands constitute a particularly rich field for the study of online brand communities because of the particularly tight knit aspect of interactions in them (Cole & Griffiths, 2007). Although high frequency and intensity interactions among members are the Holy Grail of all online brand communities, interactions are most of the time rather sporadic, and brands struggle to engage users on a high level (Brodie et al., 2013). Online multiplayer strategy games typically encourage interaction between players, strategy games go as far as demanding it. Collaboration with other players is a prerequisite for making progress in a game, while competition between players is often encouraged (Siitonenm, 2007). As Armstrong and Hagel (1996, p. 136) put it, “participant’s real identities matter less, but the interactions with others are ‘the heart of the appeal’”. The typical player of online strategy games is well versed in social interactions via the Internet, keen to develop an online relationship with other players and exchange information (Hsu & Lu; 2007; Siitonenm, 2007). For these reasons, online games are an interesting brand to investigate.

HYPOTHESES

In order to understand the links between online game brand community participation in the context of online games, its drivers and its loyalty outcomes, a series of hypotheses are developed, based on the extent literature in (online) brand communities and online gaming research.

The kind and strength of relationships that members develop in brand communities and specific factors demonstrating brand-related behaviours of participants have been associated to a relatively higher extent in past researches. Social ties and relationships in brand communities influence consumers’ behaviour (Algesheimer et al., 2005; Carlson et al, 2008; Homburg, Wieseke & Hoyer, 2009; Quinton & Harridge-March, 2010) and more specifically their social behaviour (McKenna & Bargh, 1999), their brand related opinions and decisions (McKenna et al., 2002), as well as their perceptions and actions (Muniz & Schau, 2005).

Algesheimer et al. (2005) show that a higher quality of brand relationship leads to higher levels of brand community identification, and in turn engagement. Going further into the dimensionality of consumer-brand relationships, research shows the close bond between two-way communication and emotional exchange, and collective aspects of brand consumption such as brand communities (Veloutsou

& Moutinho, 2009). Two-way communication represents the member's willingness to hear from and give feedback to the brand and emotional exchange the feelings and closeness that they experience in relation the brand (Veloutsou, 2007).

Ultimately, strong consumer-brand relationships lead to increased brand community participation. Based on these considerations, two sets of hypotheses, H1 and H2 are proposed:

H1: Brand relationship [(a) two-way communication and (b) emotional exchange] has a positive impact on community engagement

H2: Brand relationship [(a) two-way communication and (b) emotional exchange], has a positive impact on community engagement

In addition to sustaining consumer-brand relationships, online brand communities foster relationships among members. Creating, maintaining and developing relationship with peers is a key motivational factor for joining and engaging in these groups (McAlexander Schouten & Koenig, 2002; Muniz and O'Guinn, 2001). Brand community identification is influenced by the intrinsic need for socialising (Dholakia et al., 2004) and social benefits of membership can induce members to participate more actively (Madupu & Cooley, 2010; Morandin Bagozzi & Bergami, 2013; Stokburger-Sauer, 2010). In particular, online players engage in games to feel a sense of belonging with like-minded people by playing the same game (Chang & Zhang, 2008). The more people experience a psychological need to connect with others, the more they are likely to a) engage and b) identify easily with them. Building on these elements, it is proposed that:

H3: The need for socialising has a positive impact on community participation [(a) community engagement and (b) community identification]

Some of the past research suggests that the participation to the community can lead to loyalty to the brand (Marzocchi et al., 2013). Research into online word-of-mouth evidences that virtual community activity would also be a strong predictor of community promotion to non-members (Koh & Kim, 2004; Lin, 2010; Trusov et al., 2010). This link between community participation and community behavioural loyalty also seems apparent in online game brand community study (Hsu & Lu 2007).

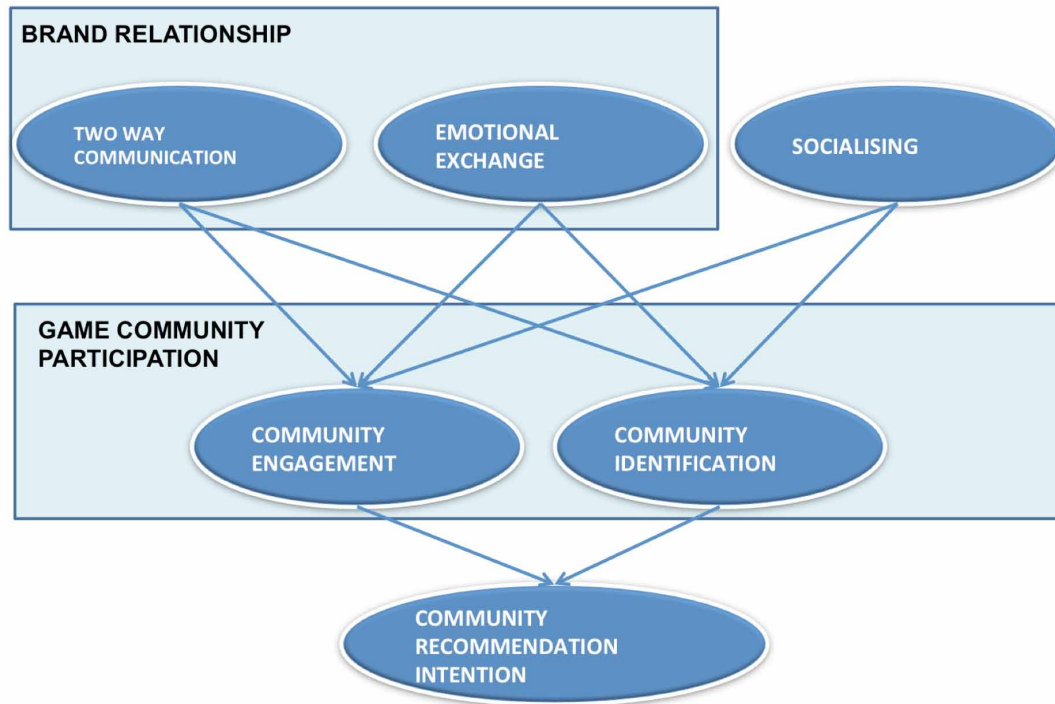
"Brand community identification" has been suggested to be a pivotal factor of enhancing members' "recommendation intentions" (Bergami & Bagozzi, 2000; Brown, Barry, Dacin & Gunst, 2005; Jang, Olfman, Ko, Koh & Kim, 2008), in the sense that identified members are interested in the success and wellbeing of their brand community and practically express their support in many ways (Bhattacharya & Sen, 2003). In addition, recommendation intentions have been positively associated with brand community engagement (Algesheimer et al., 2005; Muniz & Schau, 2007) and community participation (Woisetschläger, Hartleb & Blut, 2008; Correia-Loureiro & Pires, 2011). Engagement with the brand community leads to loyalty and satisfaction to the brand and the community (Brodie et al., 2011; Teng & Chen, 2014). Based on this rationale, the following hypotheses are proposed:

H4: Community engagement influences positively community recommendation intentions

H5: Community identification influences positively community recommendation intentions

Based on all the above-mentioned hypotheses, a research model is developed and presented in figure 1.

Figure 1. The Research Model



METHODOLOGY

The responses were gathered from Greek respondents. The Greek market is of particular interest because, despite the recession, game sales follow the European trends, and even exceed them in some cases (Diamantopoulos, 2013). Furthermore, Greece is particularly suited to the investigation of online social interactions due to their high collectivist profile, according to Hofstede’s cultural dimensions. Hofstede’s score of Greece on the Individualism dimension is 35, suggesting that it is a collectivist culture (Hofstede, 1984). Hence, the Greek market seems to constitute an ideal environment to conduct this research.

Four semi-structured interviews, following thorough back-translation recommendations (Douglas & Craig, 2007), were conducted prior to collection of the quantitative data. The aims were to gain some insight into the rationality of the model in the Greek context and to choose items that were suitable to this context. The interviewees were playing online strategy games in Greek servers and they were interviewed, three of them via online video and one face to face. The subjects were chosen to represent players with different profiles. They belonged in different age groups; each one of them was playing a different strategy game with different intensity and had been part of the community for a varied amount of years. In order to tap into this market, all the items of the identified measures that could be used in the quantitative stage were translated to Greek and back translated to English, following the back translation method (Brislin, 1986). Two academics, one native English speaker and one a native Greek speaker, both working in an English speaking University for over 15 years, checked the two English versions of

the questionnaire and confirmed that there are no discrepancies in the meaning of the questions. These discussions helped refine the translation of the items and the development of the questionnaire.

In the instrument, brand relationships was conceptualised as two way communication and emotional exchange, two way communication was measure using five items and emotional exchange was measured using four items (adapted from Veloutsou, 2007). Socialising was measured with four items (adapted from Yee, 2007). The interaction in the brand community was conceptualised as composed of brand community engagement and brand community identification, the brand community engagement was measured with four items and brand community identification was measured with four items, both measures adapted from Algesheimer et al (2005). Brand community recommendation intentions were measured with five items (two of them adapted from Algesheimer et al., 2005 and three from Zeithaml, Berry & Parasuraman, 1995). All responses were recorded using a 5-point Likert scale (1=strongly agree, 5=strongly disagree).

Quantitative data was collected through an online instrument. The respondents were approached directly in online strategy games or in forums related to a specific game. They were asked to state the strategy game they are playing and answer the questionnaire having in mind this particular game. Respondents were recruited through snowball sampling. Snowballing, or respondent-driven sampling was chosen because the population was hidden and difficult to access (Heckarthorn, 1997). Moreover, during the interviews, it had become apparent that the players had reservations in responding to questionnaires that are distributed from outsiders. The researchers identified people who were already playing strategy games, and asked them to post a letter with a link of the research instrument to their fellow online players. Individuals who played the most popular strategy games on Greek servers were primarily targeted. Some of these research ambassadors, were willing to help, and distributed the questionnaire widely, while others just completed the questionnaire and did not further distribute it. One of the researchers was also playing an online game and posted the questionnaire in this game.

Given that the questionnaire contained 27 items, and in order to respect the rule of the 5:1 ration between respondents and items (Nunally, Bernstein & Berge, 1967), a minimum of 135 questionnaires was needed. In total, 596 respondents started completing the questionnaire and 384 fully completed it, achieving a completion rate of 64.42%, which is extremely high for Internet-based surveys, usually achieving an average completion rate of 32.7% (Cook, Heath & Thompson, 2000).

The profile of the respondents is reported in table 1. Most of the respondents had been playing the online strategy game for over two years, and a lot of them were playing Ikariam. In terms of demographics, 87% of them were male, 38% were 18-24 years old, closely followed by the 25-34 years old category (32%). Gender and age split were consistent with other studies on online multiplayer games, revealing a skewness toward male participation, and an average age usually situated between 23 and 27 years old (Cole & Griffith, 2007; Yee, 2007). In terms of location and occupation, 93% of the respondents lived in Greece, and 38% of them were working full time. Most of the participants had been playing the game for over two years, and the amount of time spend playing per week largely varied, going from two to over 50 hours per week, indicating varying levels of involvement in the game itself.

RESULTS

Data analysis was conducted in two subsequent stages. The first step involved a confirmatory factor analysis (CFA), intended to test the robustness of the measurement model in detail. Structural equation

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Table 1. Demographics of the sample

Strategy Game	No	%	Country	No	%
Ikariam	183	0.48	Greece	357	92.97
Tribal Wars	46	0.12	Cyprus	5	1.30
League Of Legends	40	0.10	Other European country	13	3.39
OGame	13	0.03	US	1	0.26
Battle Pirates	12	0.03	Australia-New Zealand	1	0.26
Grepolis	11	0.03	N/A	7	1.82
Other	79	0.21			
			Occupation	No	%
Gender	No	%	Full-time worker	147	38.28
Male	334	86.98	Part-time worker	37	9.64
Female	44	11.46	Student	131	34.11
N/A	6	1.56	Unemployed	56	14.58
Age	No	%	Retired	7	1.82
18-24	145	37.76	N/A	6	1.56
25-34	123	32.03	Hours/week	No	%
35-44	69	17.97	Less than 2	25	6.51
45-54	34	8.85	2-5	68	17.71
55+	7	1.82	5-10	66	17.19
N/A	6	1.56	10-20	52	13.54
Years in Game	No	%	20-30	71	18.49
Less than 1	45	11.72	30-40	37	9.64
1-2	59	15.36	40-50	24	6.25
More than 2	280	72.92	Over 50	41	10.68
TOTAL	384	100.00			

modelling was then used to test the five hypothesised causal links and assess the fit of the full structural model with the data.

Firstly, the study follows a measure validation procedure with CFA, as suggested by Andersson-Cederholm and Gyimothy (2010) as reported in table 2. All constructs are subjected to a single confirmatory factor analysis, in order to establish the internal consistency and discriminant validity of the latent factors composing the model. The constructs are internally consistent with a Cronbach Alpha above 0.80 for all of them, which is well above the value of 0.60 usually accepted as the minimum acceptable value indicative of internal consistency (Bagozzi & Yi, 1988). The convergent validity indicators are also satisfactory, with AVE values above 0.51 and the composite reliability indicators over 0.80 for all constructs, as suggested by Hair, Black, Babin and Anderson (2010). In the measurement model, all standardized loadings are above or close to 0.56 and t-values are significant ($p < 0.01$), with the exception of the item “I am willing to give feedback to the managers of this game” of the variable two-way communication an item with a loading of 0.40, but was kept for conceptual reasons, to secure face validity.

Given that the sample size is over 250 and there are 27 items, the data fits well to the model with a Chi-square=635.64, $df=282$ (and significant as required), Chi-square/ $df=2.25$ (within the threshold

Table 2. The measurement model

	Mean	SD	St. loading
Two-Way Communication (Cronbach Alpha=.83, AVE=.53, CR=.84)			
I will be willing to be informed about this game in the future	3.51	1.04	0.73
I listen with interest to information about this game	3.41	1.18	0.84
I am more willing to learn news about my game than for other games	3.64	1.01	0.79
I want to be informed about the game	3.49	1.05	0.78
I am willing to give feedback to the managers of this game	2.99	1.23	0.40
Emotional Exchange (Cronbach Alpha=.87, AVE=.62, CR=.87)			
Over time this game becomes more important to me	1.96	1.10	0.73
Both this game and I benefit from our link.	1.94	1.16	0.82
This game is like a person with whom I am close to	2.10	1.13	0.86
This game and I complement each other	2.10	1.14	0.74
Socialising (Cronbach Alpha=.91, AVE=.73, CR=.91)			
I wanted to get to know other players	3.27	1.26	0.88
I wanted to help other players	3.37	1.20	0.81
I wanted to chat with other players	3.40	1.25	0.91
I liked being part of a friendly, casual group	3.77	1.15	0.81
Community Engagement (Cronbach Alpha=.80, AVE=.51, CR=.80)			
I am motivated to participate in the online game players' activities because I am able to support other players.	2.93	1.13	0.84
I am motivated to participate in the online game players' activities because I feel better afterwards	2.72	1.11	0.81
I benefit from following the game's rules	2.80	1.19	0.56
I am motivated to participate in game's activities because I am able to reach personal goals	2.25	1.18	0.61
Brand Community Identification (Cronbach Alpha=.83, AVE=.53, CR=.82)			
I am very attached to the group of people interested in the game	3.14	1.18	0.75
Other gamers and I share the same objectives	3.40	1.19	0.74
The friendships I have with other gamers in the game mean a lot to me	2.74	1.26	0.72
If people interested in this game planned something in the game, I'd think of it as something "we" would do rather than something "they" would do	2.96	1.14	0.70
Brand Community Recommendation Intentions (Cronbach Alpha=.91, AVE=.68, CR=.92)			
I never miss an opportunity to recommend this game to others	3.16	1.21	0.78
If friends or relatives were to search for a game, I would definitely recommend this one	3.47	1.15	0.83
I tell positive things about this game to other people	3.61	1.02	0.83
I recommend this game to people who ask my advice	3.37	1.14	0.87
I encourage the other people to join this game	3.24	1.21	0.82

2-3 that is perceived as acceptable), CFI=0.94 and TLI=0.93 (with the advice for both to be over 0.92), GFI=0.89, RMSEA=0.06 (with the advice to be less than 0.07), according to benchmarks suggested by Hair et al. (2010).

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Structural equation modelling with maximum likelihood estimation was used to test the derived hypotheses (table 3). In the predictive model, the statistics demonstrate that the data fits the model at a satisfactory level, with Chi-square=751.43, df=286, Chi-square/df=2.63, CFI=0.92, TLI=0.92, GFI=0.87 and RMSEA= 0.06. All the paths were significant at the 0.05 level.

All hypothesised relationships were verified through the path analysis. Two-way communication had a significant influence on both community engagement ($\beta=0.25$, sig=0.00) and community identification ($\beta=0.32$, sig=0.00), showing support to H1a and H1b. Similarly, emotional exchange, the second dimension of brand relationship, influences community engagement ($\beta=0.34$, sig=0.00) and community identification ($\beta=0.27$, sig=0.00). The third set of hypotheses showed equal significance, as members' need for socialising has an impact on both community engagement ($\beta=0.47$, sig=0.00) and community identification ($\beta=0.53$, sig=0.00) in support of H3a and H3b. The greater relative impact of the need to socialise versus brand relationship constructs on community engagement and identification is apparent in the β values. Lastly, hypotheses regarding the dependent variable of recommendation intentions, H4 and H5 are significantly supported. Community engagement influences positively community recommendations intentions ($\beta=0.40$, sig=0.00) and community identification influences positively community recommendations intentions ($\beta=0.25$, sig=0.00). It thus appears that the relative impact of engagement with the community on recommendation intentions is stronger than that of community identification.

DISCUSSION

The main aim of this paper was to determine the role of online brand community participation in influencing members' willingness to actively recommend the community to outsiders in the context of the online strategy games. In this endeavour, antecedents of online brand community participation were included as independent variables, and online brand community participation was mediating their relationship to the dependent variable of recommendation intention. The findings generated through analysis of the online survey data offer insight into this problem, and give a rich basis for discussion.

Table 3. Summary of SEM results

	Standardized path estimate (β)	Path estimate	CR	sig
Brand Community Engagement ($R^2= 0.62$)				
Two Way Communication	0.25	0.35	6.22	0.00
Emotional Exchange	0.34	0.30	5.30	0.00
Socialising	0.47	0.44	10.46	0.00
Brand Community Identification ($R^2= 0.69$)				
Two Way Communication	0.32	0.28	5.07	0.00
Emotional Exchange	0.27	0.38	6.42	0.00
Socialising	0.53	0.39	9.47	0.00
Brand Community Recommendation Intentions ($R^2= 0.31$)				
Community Engagement	0.40	0.41	5.11	0.00
Community Identification	0.25	0.21	2.67	0.01

Firstly, the study identifies the driving role of both brand relationships and psychological need to socialise in online brand community participation. Both exert a significant and positive influence on the participation construct. The need to socialise has the strongest effect on participation, affecting strongly both community engagement and community identification variables. The value and benefits people get from community participation are key drivers of community participation (e.g. Wiertz & de Ruyter, 2007). People seek relational and social benefits from community participation, and the findings of this study strengthen existing research into the benefits of online brand community participation that identify interpersonal interconnectivity (Dholakia et al., 2004), and social interactions (McQuail, 1983) as key determinants of community and platform-related behaviours. The fact that the context of investigation is particularly oriented toward social interactions and exhibits a strong networking and socialising value might be an indicator for the prevalence of the need to socialise to drive participation.

The role of two-way communication with the brand and emotional exchange are also of importance in generating community engagement and identification. Comparatively, two-way communication has a slightly stronger impact on community identification, whereas emotional exchange impacts community engagement more. Engagement expresses a form of participation that goes further than identification, in the sense that it involves interactions and willingness to participate in activities (Algesheimer et al., 2005). In this sense, it is understandable that emotional exchange, which is a deeper, longer term connection with the brand (Veloutsou, 2007) would impact engagement more than two-way communication, which is a more factual and informative endeavour. On the other hand, two-way communication allows better the sustenance of immediate cognitive community identification, by repeatedly bringing to mind information about the game brand and thus facilitating the identification process with the game brand community. Overall, the individual's need to socialise, as well as the strength of the relationship with the brand are good predictors of the participation of gamers in the brand communities.

Secondly, the more active the participation with the brand community, the more likely members are to exhibit positive behavioural intentions towards it, and thus recommend it to others. On a deeper level of analysis, engagement with the community has a relatively stronger impact on recommendation intentions than community identification. Engaged members are admittedly already showing interactive and behavioural predispositions toward the community (Brodie et al., 2011) and are thus more inclined to bring further this active state by recommending the community to others. Community identification remains a critical predictor of recommendation intentions, less importantly so, probably due to its more cognitive and affective nature than community engagement.

FURTHER RESEARCH DIRECTIONS

Admittedly, this study suffers from a number of limitations. Certain findings might be linked to the specific context of online gaming, such as the fact that the need to socialise is more prominent than brand relationships in driving participation. Further research could look into the generalisation of this model to other contexts where strong social needs are not as obvious. The limitation of the sample to a Greek population also brings about questions about the generalisability of the findings, and it would be useful to conduct further empirical research in various countries and settings. Moreover, issues of sample representativeness, although often inherent to brand community research, should be considered.

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Further research should also delve into differences in terms of member engagement and participation and its impact on recommendation intentions, as community members are known to vary in terms of participation and engagement levels.

CONCLUSION

The results of this study suggest that the individual's need to socialise as well as the strength of the relationship with the brand are good predictors of the participation of gamers in the brand communities, both in terms of the engagement they have with the community and the degree to which they identify with the community. Furthermore, it confirms previous findings suggesting that the more active the participation with the brand community, the higher the likelihood of the member to recommend it to others (Lin, 2010; Teng & Chen, 2014).

Study findings contribute to online brand community research in several ways. Firstly, they clarify the relative importance of brand-related versus psychological drivers of online brand community participation, showing that the need to socialise has a stronger impact than existing brand-relationship in driving member's participation. Secondly, a clear link between internal community participation and external recommendations is determined, showing the importance of internal engagement and identification processes in generating increased loyalty to a group to the point of recommending it to externals. Social bonds created in the community settings through participation are strong enough to lead members to recruit further members through community promotion. Lastly, by choosing the under-studied context of gaming brands, this study expands the applicability of brand community frameworks beyond traditionally researched brand categories.

Managers who want their company initiated community to grow should recognise that embedding in the community practices the opportunity to the members to engage in the community and identify with it will facilitate the further development of the community. Since the need to socialise was found to be the most important factor in terms of inducing members' participation, marketers should provide an environment rich in opportunities for interaction and simultaneously try to facilitate these interactions. This way, marketers have increased potential to create in-depth and enduring relationships among and with the players, which in turn can be used as a toolset to gain benefits for the game brand and game brand community. The fact that engaged community members show willingness to recommend the community to outsiders further suggest that managers should try and foster these behaviours, either by incentivising them, or by increasing engagement and identification potential of the community. Furthermore, in the face of the recent cross-industry gamification trend, the reach of this study's findings go beyond the gaming industry boundaries. Managers eager to engage in the gamification of their current product or service offering through various applications and technologies will benefit from the results of this study. They should help them devise engaging solutions with high recommendation potential, and thus instantaneous reach and impact.

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KEY TERMS AND DEFINITIONS

Brand Community Participation: Participation in the community is composed of identification and engagement and is a cognitive, affective and behavioural concept.

Community Recommendation Intention: Recommendation of the brand community to non-members who are outside the community, which represents a form of loyalty to the community.

Consumer-Brand Relationship: Social ties between consumers and brands, composed of a two-way communication dimension, and emotional exchange (Veloutsou, 2007).

Need for Socialising: An individual's intrinsic motivation to seek and develop social interactions.

Online Brand Community: 'Specialized, non-geographically bound communities based on a structured set of relations around admirers of a brand' (Muniz & O'Guinn, 2001, p. 412), which are mediated by online technology (Porter, 2004).

Online Game Brand Community: Online community focused on a specific online game.

Online Multiplayer Strategy Games: Video games played on the Internet and which are capable of simultaneously supporting a large number of players.

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Chapter 39

Social Media Mining for Assessing Brand Popularity

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ABSTRACT

Businesses seek to analyse their customer feedback to compare their brand's popularity with the popularity of competing brands. The increasing use of social media in recent years is producing large amounts of textual content, which has become rich source of data for brand popularity analysis. In this article, a novel hybrid approach of classification and lexicon based methods is proposed to assess brand popularity based on the sentiments expressed in social media posts. Two different classification models using Naïve Bayes (NB) and SVM are built based on Twitter messages for 9 different brands of 3 cosmetic products. In addition, sentiment quantification have been performed using a lexicon-based approach. Based on the overall comparison of the proposed models, the SVM classifier has the highest performance with 78.85% accuracy and 94.60% AUC, compared to 73.57% and 63.63% accuracy, 80.63% and 69.38% AUC of the NB classifier and the sentiment quantification approach respectively. Specific indices based on classification and lexicon approaches are proposed to assess the brand popularity.

1. INTRODUCTION

In the past decade, the interest in brand analysis of business sector have increased. Companies seek to collect and analyse their customer feedback to gain useful information that can be used to improve their products and services and compare their brand's popularity with the popularity of competing brands and enhance their performance.

Brand popularity is an important issue for many brands and their consumers. A brand is a name, term, sign, symbol, design, or collection of these to distinguish products or services of one vender or a gathering of sellers to separate them from those of competitors (Kotler, 1996). Whereas popularity as viewed by (Rana, 2015) is a situation or statues when many people like some things, implying the

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preference of a group of people or the general public. Hence, brand popularity is the accumulation of brand goodwill and market acceptance over time (Kim & Chung, 1997).

Brand popularity positively affects brand performance and brand image and can enhance the confidence of customers in making purchasing decisions (Kim & Chung, 1997; Aaker, 1992). The popularity associated with perceived quality can provide value to the brand, which will increase the probability of choosing the brand among alternative brands (Aaker, 1992). In addition, brand popularity affects product evaluation in diverse ways, including uniqueness, positive attitude, perceived quality, manufacturer esteem, and purchase intention (Whang, Ko, Zhang, & Mattila, 2015). Popular brands have more loyal customers, while less popular brands have fewer customers, who are not considered as loyal (Ehrenberg, Goodhardt, & Barwise, 1990). The popularity of using social networks in recent years has led to creating a huge amount of textual data, which has become a rich source of data for brands. Recommendation, comments and word-of-mouth can have a substantial influence on the brand popularity. Therefore, the brands can benefit from social media data to get information about their popularity and the popularity of their competing brands.

The use of social media, such as blogs, micro blogs, discussion forums, and multimedia sharing sites, has increased in all aspects of life, especially in the business sector. Social media is defined as a "...group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user generated content..." (Kaplan & Haenlein, 2010). Nowadays, social media networks have become a rich resource of data for organisations and institutes where people can express and share information, their opinions and thoughts freely without restrictions. Organisations can collect and analyse these data to gain helpful information for a given issue. This information can be used by organisations to monitor their brand's performance and compare it with their competitors, evaluate their marketing strategies, and analyse how their products and services are received by the consumers (Alshukri, Coenen, Li, Redfern, & Wong, 2014). However, these data are in an unstructured and in informal form that make brands unable to react to feedback and make decisions quickly. To address these challenges, it is desirable to provide an approach to assess brand popularity effectively in a brief time. Social media mining technique can be used to collect and analyse these data.

Social media mining is defined as the operations of representing, examining, and extracting patterns with meaning from the data available in social media (Zafarani, Abbasi, & Liu, 2014). Mining social media can help in developing the business and building new business strategies. The large amount of user-generated data available in social media can be used for data mining to extract knowledge (Pippal, Batra, Krishna, Gupta, & Arora, 2014).

Sentiment analysis technique is one of the most popular data-mining approaches used in analysing social media data to analyse people's sentiments, opinions, emotions, and attitudes about different entities, such as products, services, organisations, companies, individuals, topics, and events and includes multiple fields, such as machine learning, natural language processing (NLP), information retrieval, computational linguistics, and text mining (Beigi, Hu, Maciejewski, & Liu, 2016).

In the current research, we focused on how to use social media mining techniques to develop a novel data-mining approach to assess brand popularity. In this paper, brand popularity is defined as the extent to which a brand has positive word of mouth on social media from the consumers. Existing literature on assessing brand popularity has been reviewed in the following section. We then presented our methodology to assess the popularity of specific brands using sentiment analysis techniques, followed by an experimental analysis of the proposed approach. The paper is concluded with a discussion on the results of the experimental analysis and possible future works.

2. LITERATURE REVIEW

Many market research companies are concerned with the customer comments about products and services in social media. Some of these companies measure brand popularity such as YouGov BrandIndex tracks public perception of thousands of brands across the world every day. YouGov measures the brand popularity as part of their BrandIndex, named as Buzz (YouGov, 2017). ForeSee calls brand popularity as WoMI (Word of Mouth Index) (ForeSee, 2015). Traditionally, marketers obtain feedback about their products and services by sending questionnaires and surveys to their customers, or they had to host focus group discussions to uncover deeper insight about their companies. The paper-based method is not an effective method, where only a very small customer base can be reached and their answers in the survey may not be a true reflection of their feelings about a brand (Hridoy, Ekram, Islam, Ahmed, & Rahman, 2015). In addition, collecting customer opinions using conventional methods can be an expensive and time-consuming task (Younis, 2015).

There are previous studies that have attempted to assess popularity from social media and websites based on the numerical feedback of users, such as rating, liking, commenting and sharing activities (Chua & Banerjee, 2015), number of followers (Zadeh & Sharda, 2014; Alwagat, 2013; Das, Syiem, & Kalita, 2014), number of tweets, number of likes (Mazloom, Rietveld, Rudinac, Worrying, & van Dolen, 2016) number of comments (De Vries, Gensler, & Leeftang, 2012), and number of visitors (Azad, Islam, & Hoque, 2014), as shown in Table 1. The following section presents these studies in detail.

Mazloom, Rietveld, Rudinac, Worrying, & van Dolen (2016) proposed an approach for identifying which aspects of brand posts determine their popularity. They collected data about a collection of fast food brands from Instagram. They used the number of likes the post received as the measure of the brand popularity.

In another research, Chua and Banerjee (2015) checked the extent to which vividness and interactivity of brand posts as well as provision of incentives are related to their popularity on Facebook. They collected data about a set of the top 50 businesses in Singapore and assessed popularity based on the number of likes, comments, and shares. Their findings showed that the vivid brand posts and increasing interactivity of brand posts were more likely to become popular, whereas those brand posts that provided incentives were unlikely to become popular.

Azad, Islam, & Hoque (2014) conducted a study to find the popularity of websites and customer satisfaction of overall selling and buying on customer to customer (C2C) websites. Data were collected from different websites and from the users of the websites. The popularity measure based on the number of visitors was accessed for each of the websites for a duration. The results revealed that four websites are more popular in terms of Bangladesh ranking. It was found that the young users of Bangladesh are more active on websites for buying and selling their products.

Zadeh and Sharda (2014) investigated brand post popularity based on the number of followers for 120 major brands that are from distinct categories of products and services and among most brands that actively post tweets on Twitter and have the most followers.

Das, Syiem, & Kalita (2014) presented a study to find the popularity index of different politicians from Twitter using MapReduce. They measured the popularity of politicians by counting the number of tweets that contain associated words for each person as well as the number of followers.

Alwagat (2013) investigated the popularity of Saudi Arabia telecom companies from their profiles on Twitter. The research considered three telecom companies, which are Saudi Telecom Company (STC), Mobily, and Zain. This study evaluated the popularity of these companies by considering their follow-

ing on Twitter in different regions and cities. They concluded that STC is more popular in most of the provinces of Saudi Arabia and has observed exceptional growth in profit and market share.

Furthermore, De Vries, Gensler, & Leeflang (2012) focused on which drivers can enhance the number of likes and the number of comments to enhance brand post popularity. They collected their data from different social networking sites for 11 international brands that were actively posting content at their brand fan pages on a social networking site from different product categories.

The numerical feedback of users is not a good indicator for measuring brand popularity where the actual textual reviews are ignored and cannot provide customer details regarding why the popularity is high or low. This method potentially discards valuable text information that may affect a consumer that reads the review and their average may cannot reflect the actual quality of the product or service. Numerical feedback cannot exhibit much variance on reviews, where most of them have been found to be extremely positively skewed. In addition, they cannot be effective measures where many reviews have mixed positive and negative opinions even if the overall rating is either positive or negative (Pai, 2008). To avoid these problems, the authors propose using sentiment analysis as an approach for brand popularity analysis.

Using Twitter sentiment analysis has been widely used in research. However, there is a lack of brand popularity analysis studies by using Twitter sentiment analysis. For instance, in research by Najmi, Hashmi, Malik, Rezgui, & Khan (2015), an experimental study was conducted to propose a product ranking system that determines brand popularity. This system used sentiment analysis of product reviews to rank a product among similar comparable products, which can facilitate decision-making for online

Table 1. Brand popularity analysis techniques in social network

Author	Brand Analysis	Method of Analysis	Source of Data	Scope of Work
(Mazloom, Rietveld, Rudinac, Worring, & van Dolen, 2016)	Collection of fast food brand.	Number of likes	Instagram	Propose approach for identifying which aspects of brand posts determine their popularity.
(Chua & Banerjee, 2015)	The top 50 businesses in Singapore.	Number of liking, commenting and sharing activities.	Facebook	Check the extent to which vividness and interactivity of brand posts as well as provision of incentives are related to their popularity.
(Azad, Islam, & Hoque, 2014)	Some Consumer-to-Consumer (C2C) websites.	Number of visitors accessed each of the websites.	Different websites, and users of the websites.	Find popularity of the websites and customer satisfaction of overall selling and buying on the C2C websites.
(Zadeh & Sharda, 2014)	Some major brands.	Number of followers.	Twitter	Investigate brand post popularity.
(Das, Syiem, & Kalita, 2014)	Politicians popularity index predictions.	Number of tweets and followers.	Twitter	Find the popularity index of different politicians.
(Alwagat, 2013)	The Saudi Arabia telecom companies.	Number of followers.	Twitter	Investigate the popularity of Saudi Arabia telecom companies.
(De Vries, Gensler, & Leeflang, 2012)	Some international brands from different product categories.	Number of likes and comments.	Different social networking sites.	Determine drivers that can enhance brand post popularity.

shopping users. The sentiment analysis in their research was done using Support Vector Machine (SVM) classifier. The results show that the proposed system using sentiment analysis can provide an effective and reliable online shopping experience when compared with similar approaches.

Rana (2015) proposed using Twitter data to measure the popularity of any given user parameter like products/persons by integrated sentimental analysis, a location-based system, and ontology. This research used Sentiword.net, which is a popular lexical resource for sentiment analysis. The proposed location-based popularity scaling can be used for different analyses, such as sentiment analysis, product marketing, trend identification, event detection, and election forecasting.

Furthermore, Setiawan (2014) attempted to define the best mobile phone provider to be used by Indonesians. They measure popularity based on customer satisfaction. The data is extracted from Twitter, and the sentiment polarity is determined using a naïve Bayes (NB) classifier. The results show that the companies must have had a lot of users, and they may still not know the quality they provided. In addition, the company can define the quality of the service if it can process the opinions of customers using text mining.

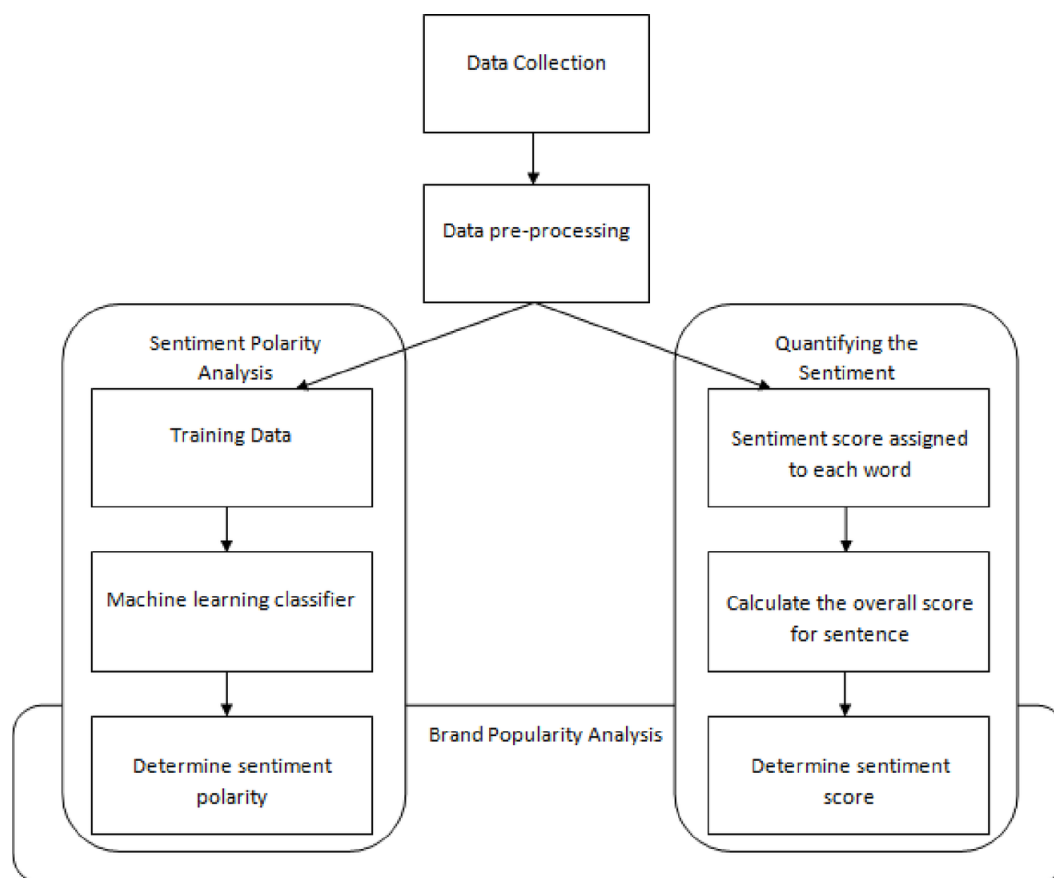
There is a dearth of studies on brand popularity assessment using sentiment analysis. Most previous studies sought to explore how sentiment analysis can be used for different purposes in the marketing domain. Their results refer to the effectiveness of using sentiment analysis approach to achieve their study's goals. Some researchers focused on sentiment analysis from social media (Anjaria & Guddeti, 2014; Younis, 2015). In addition, some researchers focused on sentiment analysis from reviews websites (López Barbosa, Sánchez-Alonso, & Sicilia-Urban, 2015; Rafi, Farooq, Noman, Farooq, & Khatri, 2015). Moreover, some studies were focused on using machine-learning techniques for sentiment analysis (Soliman, Elmasry, Hedar, & Doss, 2012; Barbosa & Feng, 2010; (Zhang, Cheng, Liao, & Choudhary, 2011), where others used a lexicon-based approach (Kulkarni & Lingayat, 2015; Mostafa, 2013).

This study is similar to previous studies in its attempt to use a sentiment analysis approach for brand popularity analysis. This study differs from the previous studies in demonstrating how sentiment analysis can be used to develop a feasible and reliable approach to measure brand popularity. In contrast to previous studies based on numerical raters, the proposed approach utilizes the valuable textual information. Our approach enables brands to monitor their popularity and use these measures to make important decisions about improving their services. The methodology applied in this study is based on machine-learning techniques combined with lexicon based technique for Twitter sentiment analysis. In our view, it is important and necessary to develop an approach to assess brand popularity and demonstrate its benefits and drawbacks. The proposed research seeks to address this need.

3. METHODOLOGY

The methodology of developing a data-mining approach to assess brand popularity depending on analysis of customer feedback and opinions that they express on Twitter using text-mining techniques is divided into three parts, as shown in Figure 1. Part 1 presents the methodology to develop a model to identify consumer sentiment polarity regarding a product. Part 2 will describe the methodology of quantifying consumer sentiment, and Part 3 is brand popularity analysis.

Figure 1. Methodology flowchart of brand popularity assessment



3.1. Sentiment Polarity Analysis

3.1.1. Data Collection

In this study, Twitter has been proposed as the resource to collect data. The authors propose two methods to extract data from Twitter. The first is using the Twitter application programming interface (API) tool; this tool allows developers to collect data from Twitter users. Twitter provides two types of APIs, which are representational state transfer (REST) and streaming. The streaming API provides data in almost real time and supports a long-lived connection, whereas the REST API is rate limited and supports short-lived connections. In this work, the streaming API is used, as it allows access to a global stream of Twitter data that could be filtered as required (Twitter, 2016). The second method is using the web services such as Talkwalker; Talkwalker is a web service for ‘real-time search’ on twitter and other social media to search for specific keywords.

3.1.2. Data Pre-Processing

Data pre-processing is to prepare the data for building classification models. It involves cleaning the tweets from unwanted content that cannot be used to determine sentiment, such as deleting irrelevant tweets, duplicate tweets, re-tweets, advert tweets, additional white space, usernames, URLs, numbers, punctuation, and hashtag marks while retaining the users' own words and cleaning tweets containing multiple opinions about multiple brands.

After the data pre-processing steps, text-mining pre-processing needs to be performed. This includes:

- Transforming uppercase to lowercase;
- Tokenisation, which is a process of splitting the original text in the form of sentences into words, phrases, or other meaningful elements called tokens;
- Stop-word elimination, which is removing the most common words that have no useful information to facilitate text mining;
- Generating n-grams, which create term n-grams that are a series of consecutive tokens of length n in a document;
- Stemming from which is the process of retrieving the stems or root words by removing prefixes, suffixes, and confixes that exist in every word.

Finally, the text data will be converted into a matrix, which will present the word vector model that shows the frequency of occurrence of each word for each sentiment polarity.

3.1.3. Training Dataset

After pre-processing the data, each tweet is labelled manually as positive, negative, or neutral. The labelling is performed by the one person and verified by another person to reduce any biasness or error in labelling. Each tweet is marked as 1 for positive sentiment, 0 for neutral sentiment, and -1 for negative sentiment.

3.1.4. Classifier Learning

Sentiment classification task requires a classification algorithm to train a classification model such as Support Vector Machine (SVM) algorithm (Cortes & Vapnik, 1995; Mullen & Collier, 2004) or learn a set of rules such as association rule mining (Ashrafi, Taniar, & Smith, 2007; Daly & Taniar, 2004; Shelke, Deshpande, & Thakare, 2017) and decision tree algorithms (Quinlan, 1986; Dixit, Pal, Temghare, & Mapari, 2017).

In this research, two supervised machine learning algorithms - SVM and Naïve Bayes (NB) are used due to their popularity and superior performance in sentiment classification (Chavan, Manjare, Hegde, & Sankhe, 2014; Kaur & Vimala, 2016; Vaghela & Jadav, 2016).

To test the accuracy of the classification model and estimate the statistical performance of a learning operator, A K-fold cross validation is suggested which is a common approach to validation. The cross-validation method splits the data into the testing and training sets. In the K-fold cross-validation method, the data are divided into K subsets; one is retained as the testing dataset, and the remaining $k - 1$ subsets are used as training datasets in the first run. Then, the cross-validation process is repeated

k times, with each of the k subsets used exactly once as the testing data and the remaining as the training data. Finally, the accuracy of the algorithm is the average of the accuracies obtained in the K runs (Duwairi & Qarqaz, 2014).

The classifier evaluation is required to select the best model for sentiment classification by comparing and evaluating the performance of different machine learning classifiers on the training and test datasets. The algorithm with the highest performance is then applied to the data. The evaluation criteria used for each algorithm are:

- The accuracy is the percentage of instances that are classified correctly. The formula of accuracy is:

$$Accuracy = \frac{(TP + TN)}{(TP + TN + FP + FN)} \quad (1)$$

The precision for each class is the number of instances that are classified correctly, as the true class out of all the instances classified as that class. The formula of precision is:

$$Precision = \frac{TP}{TP + FP} \quad (2)$$

The recall for each class represents the number of correctly classified instances of a class out of all the instances of that class. The formula of recall is:

$$Recall = \frac{TP}{TP + FN} \quad (3)$$

The F-score or F-measure is the weighted average of the precision and recall. The formula of F Score is:

$$F = \frac{2 * (precision * recall)}{(precision + recall)} \quad (4)$$

The error rate is the estimation of the probability of misclassification according to the model prediction. The formula of Error rate is:

$$Error\ rate = 1 - accuracy \quad (5)$$

or:

$$\frac{FP + FN}{TP + TN + FP + FN} \quad (6)$$

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- The ROC curve for the SVM and NB classifiers illustrates the model performance and accuracy. The ROC is used for display and evaluation of the performance of the classifier. The TP rate is presented on the y-axis and FP is presented on the x-axis. The area under the ROC curve (AUC) is a single index summarizing the ROC. The values of AUC range from 0 to 1, where 1 is the best and perfect performance (Bekkar, Djemaa, & Alitouche, 2013) where:
 - **True Positive (TP):** Correct positive prediction;
 - **False Positive (FP):** Incorrect positive prediction;
 - **True Negative (TN):** Correct negative prediction;
 - **False Negative (FN):** Incorrect negative prediction.

This evaluation process may include modifying different attributes for each of the algorithms to increase their performance.

3.2. Quantifying the Sentiment

Quantification of sentiment aims to estimate the strength of positive and negative sentiments expressed in given texts. It enables quantitative analysis of comments. It relies on a lexicon of sentiment words. Each has a pre-defined score, which can be used to calculate the overall score of a sentence. In this work, the authors propose to use a sentiment quantification approach to quantitatively analyse brand popularity. The sentiment quantification steps include the following.

3.2.1. Data Collection

The same data that have been collected from Twitter for sentiment polarity analysis is used here.

3.2.2. Data Pre-Processing

The data pre-processing steps are performed, which comprises deleting irrelevant tweets, cleaning tweets containing two different opinions about varied brands, deleting duplicate tweets and re-tweets, deleting advert tweets, removing usernames, removing URLs, removing hashtag marks while retaining the words, and removing additional white spaces.

3.2.3. Sentiment Quantification

The sentiment quantification process is based on a lexical approach to classify social web texts and estimate the strength of positive and negative sentiment expressions. In this study, SentiStrength (SentiStrength, 2016) is used for sentiment quantification. It uses two scales: from 1 to 5 for positive and from -1 to -5 for negative to classify a text where 5 is most positive and -5 is most negative. It uses a dictionary of sentiment words; each word in the dictionary is given a positive or negative score within one of these two ranges, which is its sentiment strength, initially assigned by a human. For each text, SentiStrength reads and splits it into words. Then, the lexicon is checked for each word to determine whether it matches any of the sentiment terms. The associated sentiment score is retained if a match is found. Finally, the highest positive and negative score for the words are assigned as the overall scores for a text.

The evaluation criteria used for the sentiment scoring process are accuracy, precision, recall, the model F-measure, error rate, and draw ROC for SentiStrength performance.

3.3. Brand Popularity Analysis Approach

Brand popularity analysis can be performed using the models described in earlier sections. The models can be applied on real-world data to obtain various popularity indexes as explain in the following sections.

3.3.1. Positive/Neutral/Negative Analysis

In the sentiment polarity analysis step, two types of analysis for each product is suggested. The brand-wise comparative analysis, which determines the popularity of each brand for a specific product in each year, and the year-wise comparative analysis, which determines the trend of the brand popularity for a specific product over the years.

It is performed by calculating the popularity index for each brand for a specific product and specific year as the following formulas:

$$\text{Popularity Index } PI^{ijk} = PT^{ijk} - NT^{ijk} \quad (7)$$

where:

PT = number of positive tweets

NT = number of negative tweets

i = the specific brand for which PI is calculated

j = the specific product for which PI is calculated

k = the specific year for which PI is calculated

These formulas calculated for each brand, product and year.

3.3.2. Sentiment Score Analysis

In the sentiment score analysis step, brand-wise and year-wise comparative analysis can be performed. In brand-wise comparative analysis, the most popular brand for each product and each year are determined, the brands are ranked twice: once based on the average positive scores and once based on the average negative scores, while year-wise comparative analysis uses the average positive and negative scores to determine the trend of popularity for each brand for specific product over the years. The formulas are:

$$\text{Average Positive Score } POS_{avg}^{ijk} = \frac{\sum_{t=1}^n R_t^{ijk}}{N^{ijk}} \quad (8)$$

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where:

R_t = Positive score of a single tweet

N = Total number of tweets

i = the specific brand for which POS_{avg} is calculated

j = the specific product for which POS_{avg} is calculated

k = the specific year for which POS_{avg} is calculated

and:

$$\text{Average Negative Score } NEG_{avg}^{ijk} = \frac{\sum_{t=1}^n S_t^{ijk}}{N^{ijk}} \quad (9)$$

where:

S_t = Negative score of a single tweet

N = Total number of tweets

i = the specific brand for which NEG_{avg} is calculated

j = the specific product for which NEG_{avg} is calculated

k = the specific year for which NEG_{avg} is calculated

These formulas calculated for each brand, product and year.

4. EXPERIMENTAL EVALUATION

4.1. Sentiment Polarity Analysis

The data used for developing the classification models were collected from Twitter on tweets of three cosmetic products (foundation, lipstick, and mascara) of nine cosmetic brands (Benefit, Chanel, Clinique, CoverGirl, Dior, Lancôme, MAC, Maybelline, and Revlon) over the last seven years (2009–2015). The data pre-processing and text-mining pre-processing steps are performed as mentioned in the methodology section using RapidMiner (Hofmann, & Klinkenberg, 2013) text-mining tools and Python scripts. After the pre-processing steps, a total of 6,000 tweets were labelled manually for training and testing the classifier models. The experiment dataset has 2,444 positive, 1,994 negative, and 1,562 neutral tweets, as detailed in Table 2.

Table 2. Manually labelled experiment dataset for classification model development

Brands	Foundation	Lipstick	Mascara	Total
Benefit	240	121	277	638
Neg	61	46	115	222
Nu	67	15	64	146
Pos	112	60	98	270
Chanel	312	404	145	861
Neg	70	69	53	192
Nu	103	135	10	248
Pos	139	200	82	421
Clinique	263	129	150	542
Neg	67	50	55	172
Nu	73	12	18	103
Pos	123	67	77	267
CoverGirl	234	126	222	582
Neg	68	54	72	194
Nu	72	10	66	148
Pos	94	62	84	240
Dior	248	159	169	576
Neg	65	81	58	204
Nu	66	9	22	97
Pos	117	69	89	275
Lancome	218	100	160	478
Neg	65	46	52	163
Nu	92	2	35	129
Pos	61	52	73	186
MAC	227	299	177	703
Neg	122	101	82	305
Nu	50	106	39	195
Pos	55	92	56	203
Maybelline	308	159	358	825
Neg	110	62	133	305
Nu	105	16	122	243
Pos	93	81	103	277
Revlon	468	203	124	795
Neg	111	72	54	237
Nu	207	29	17	253
Pos	150	102	53	305
Total	2518	1700	1782	6000

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A k-fold validation method with $k = 10$ was used for the experiments. The cross-validation method splits the data into training and testing sets. In the 10-fold cross-validation method, the data are divided into 10 subsets; one is retained as the testing dataset, and the remaining 9 subsets are used as training datasets in the first run. Where each subset contains 600 tweets. Then, the cross-validation process is repeated 10 times, with each of the 10 subsets used exactly once as the testing data and the remaining as the training data. Finally, the accuracy of the algorithm is the average of the accuracies obtained in the 10 runs.

The results of the performance evaluation matrices for SVM are shown in Table 3. The average accuracy obtained was $78.85\% \pm 1.30\%$. In addition, the ROC and AUC metrics for SVM classifiers for each class are shown in Figure 2.

Figure 2 shows the ROC and AUC metrics for each class of SVM classifier. The neutral class is the main area of performance decline because it has the lowest AUC value (93.62%) compared to 94.11% and 96.06% for the positive and negative classes, respectively, whereas the AUC metrics for all classes combined with each other is 94.60%, which indicates that the classifiers did well.

The results of the performance evaluation matrices for NB are shown in Table 3. The average accuracy obtained was $73.57\% \pm 1.83\%$. The ROC and AUC metrics for NB classifiers for each class are shown in Figure 3.

Figure 3 shows that the ROC and AUC metrics for each class of NB classifiers. The positive class is the main area of performance decline because it has the lowest AUC (78.78%) compared to 79.41% and 83.71% for the neutral and negative classes, respectively, whereas the AUC for all classes combined is 80.63%.

The SVM classifier performance was significantly higher than that of the NB classifier as shown in Table 3.

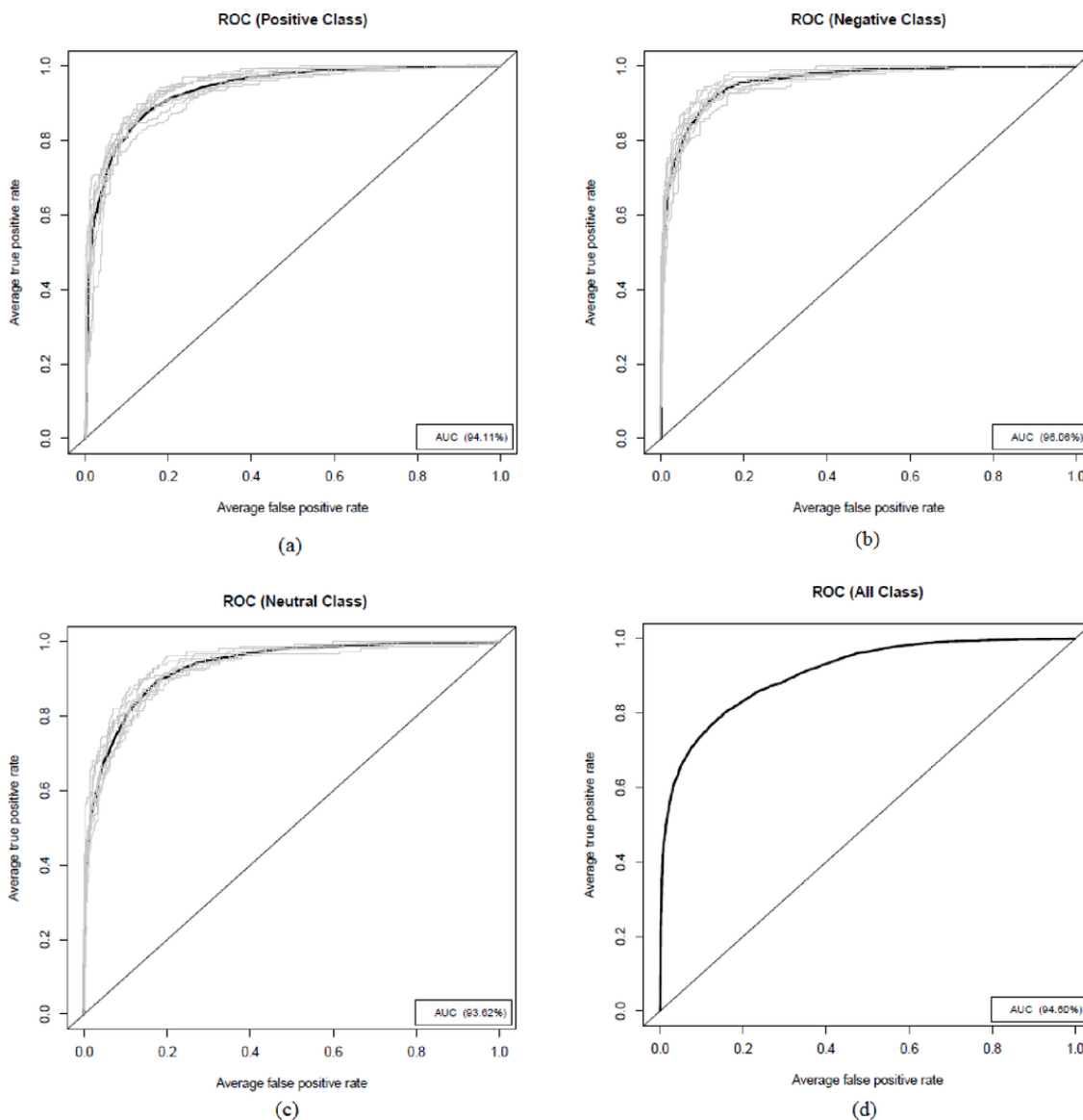
4.2. Sentiment Score Analysis

The dataset used for this analysis is the same experiment data used polarity analysis. In addition, the data pre-processing steps as presented in previous were performed, which comprises of deleting irrelevant

Table 3. SVM and NB classifiers performance

	SVM			Naïve Bayes		
	Positive	Neutral	Negative	Positive	Neutral	Negative
Precision	71.76%	93.21%	84.03%	81.50%	63.43%	74.56%
Recall	93.17%	50.96%	83.15%	67.76%	73.18%	80.99%
F-measure	81.08%	65.90%	83.58%	74%	67.96%	77.64%
AUC	94.11%	93.62%	96.06%	78.78%	79.41%	83.71%
Accuracy	81.17%	85.17%	87.90%	79.13%	80.04%	82.60%
Overall Accuracy	78.85%			73.57%		
Error Rate	0.2115			0.2643		
AUC for all classes	94.60%			80.63%		

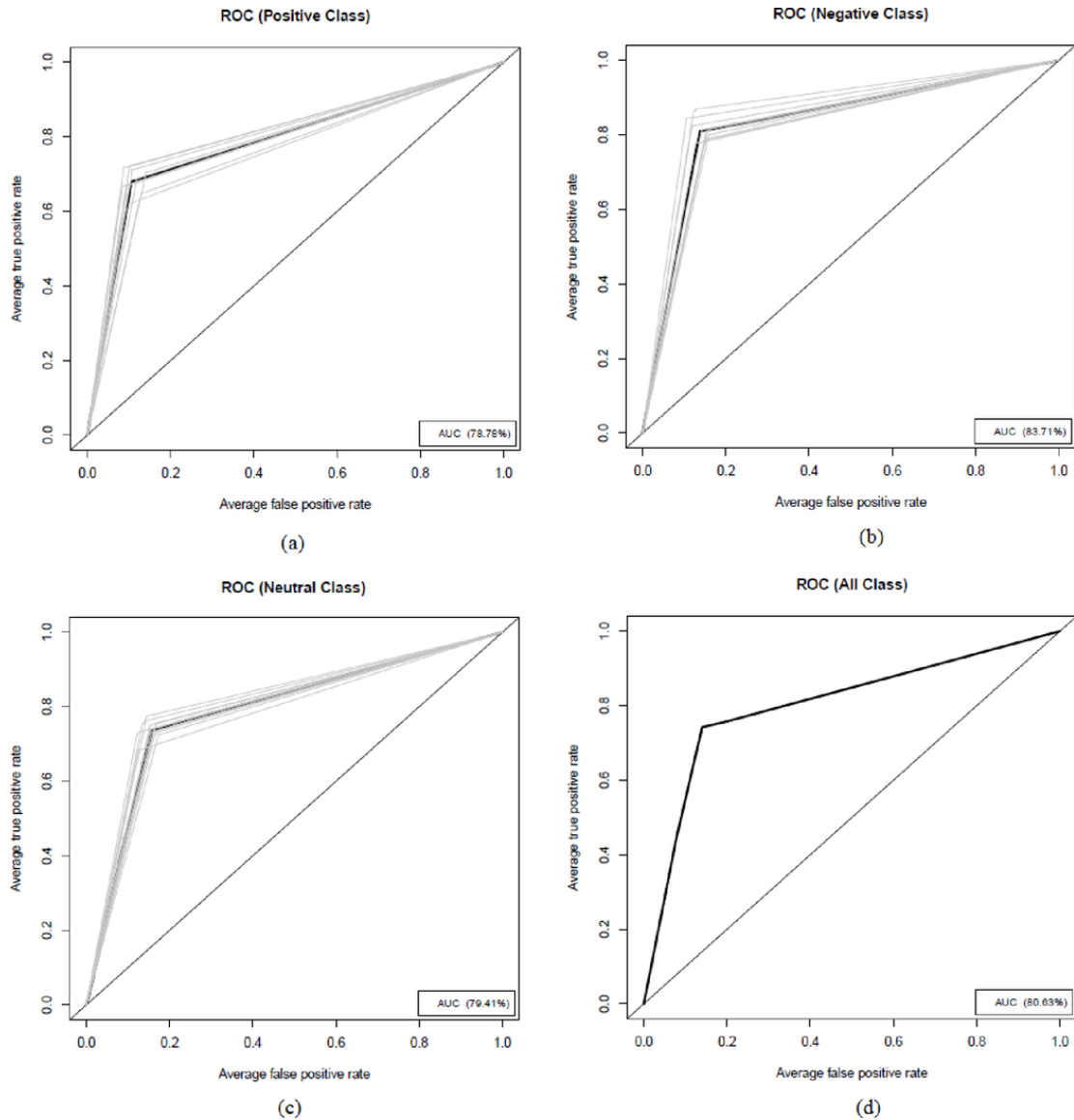
Figure 2. ROC curves of SVM classifier for: (a) Positive class; (b) Negative class; (c) Neutral class; and (d) All classes



tweets, cleaning tweets containing two different opinions about varied brands, deleting duplicate tweets and re-tweets, deleting advert tweets, removing usernames, removing URLs, removing hashtag marks while retaining the words, and removing additional white spaces.

SentiStrength was used to perform sentiment quantification to estimate the strength of the positive and negative tweets (SentiStrength, 2016). For each text, SentiStrength reads and splits it into words. Then, the lexicon is checked for each word if it matches any of the sentiment terms. The associated sentiment score is retained if a match is found. The highest overall sentence score is either the highest negative or highest positive score for the constituent word as well as the group of sentences, where for

Figure 3. ROC curves of Naïve Bayes classifier for: (a) Positive class; (b) Negative class; (c) Neutral class; and (d) All classes



an individual sentence, the maximum positive or negative score is taken. In addition, SentiStrength does extra steps including:

- Correct the spelling, so that if the word has repeated letters, it will delete the repeated letters and create a dictionary word;
- Check for boosters that are used to strengthen or weaken the sentiment of the following words (e.g., 'very good' is stronger than 'good');

- Check the idiom list to identify the sentiment of common phrases and give it the new score as phrase instead of individual word score;
- Check for negation word to negate its following sentiment words;
- Check for letter duplication added to words to give a strength boost to the sentiment words by 1 (e.g., ‘I am happyyyyyy’ expresses more happiness than ‘I am happy’);
- Check emoticons to distinguish extra sentiment (e.g., :) scores +2);
- Check exclamation marks and repeated punctuation that boost the strength of the preceding sentiment word;
- Ignore negative sentiments in questions (Thelwall, 2013).

Finally, the highest positive and negative score for the words are assigned as the overall scores for a text.

The SentiStrength algorithm provides two scores: one positive and one negative. In order to compare its performance with the performance of the previously presented classification algorithms, these two scores are converted into sentiment classification by calculating the summation of the two scores. If the summation result is positive, the tweet is classified as “positive”; if summation result is negative, it is classified as “negative”; and if the summation results equals to 0, it is classified as “neutral” as shown in Table 4.

The sentiment quantification is performed and the result is to compare and evaluate its performance on the experiment dataset with the performance of the SVM classifiers. The evaluation criteria used are accuracy, precision, recall, F-measure, AUC, and ROC. The sentiment quantification performance is presented in Table 5.

The ROC and AUC metrics for the sentiment quantification for each class are shown in Figure 4.

By comparing the previous performance metrics of sentiment polarity and sentiment score analysis, as shown in Figure 5, it is clear that the sentiment polarity using SVM has the highest performance with 78.85% accuracy and 94.60% AUC compared to the sentiment polarity using NB and the sentiment quantification using SentiStrength with 73.57% and 63.63% accuracy, respectively, and 80.63% and 69.38% AUC, respectively. In addition, the SVM has the lowest error rate at about 21% compared to NB and to SentiStrength at about 26% and 36%, respectively, which indicates that the SVM classifiers classified better than other models.

Table 4. Examples of tweets show the SentiStrength scoring classification

Tweets	Label	Positive Score	Negative Score	Pos + Neg	Assigned Class
I do not love Chanel’s mascara.	Neg	1	-3	-2	Neg
I need a good foundation that is full coverage Clinique does not work	Neg	2	-1	1	Pos
i need to find a good foundation cheaper than my Lancome one.	Nu	2	-2	0	Nu
what’s a good alternative for Dior Airflash foundation?	Nu	2	-1	1	Pos
Chanel foundation is the best thing ever	Pos	2	-1	1	Pos
I am obsessed with Chanel lipstick best texture and pigment	Pos	2	-3	-1	Neg

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Table 5. The sentiment quantification (SentiStrength) performance

	Positive	Neutral	Negative
Precision	60.60%	23.60%	81.90%
Recall	86.50%	9.20%	78.30%
F-measure	71.20%	13.10%	80.10%
AUC	73.96%	49.35%	84.82%
Accuracy	69.20%	66.90%	83.10%
Overall Accuracy	63.63%		
Error Rate	0.3637		
AUC for all classes	69.38%		

Figure 4. ROC curves of SentiStrength for: (a) Positive class; (b) Negative class; (c) Neutral class; and (d) All classes

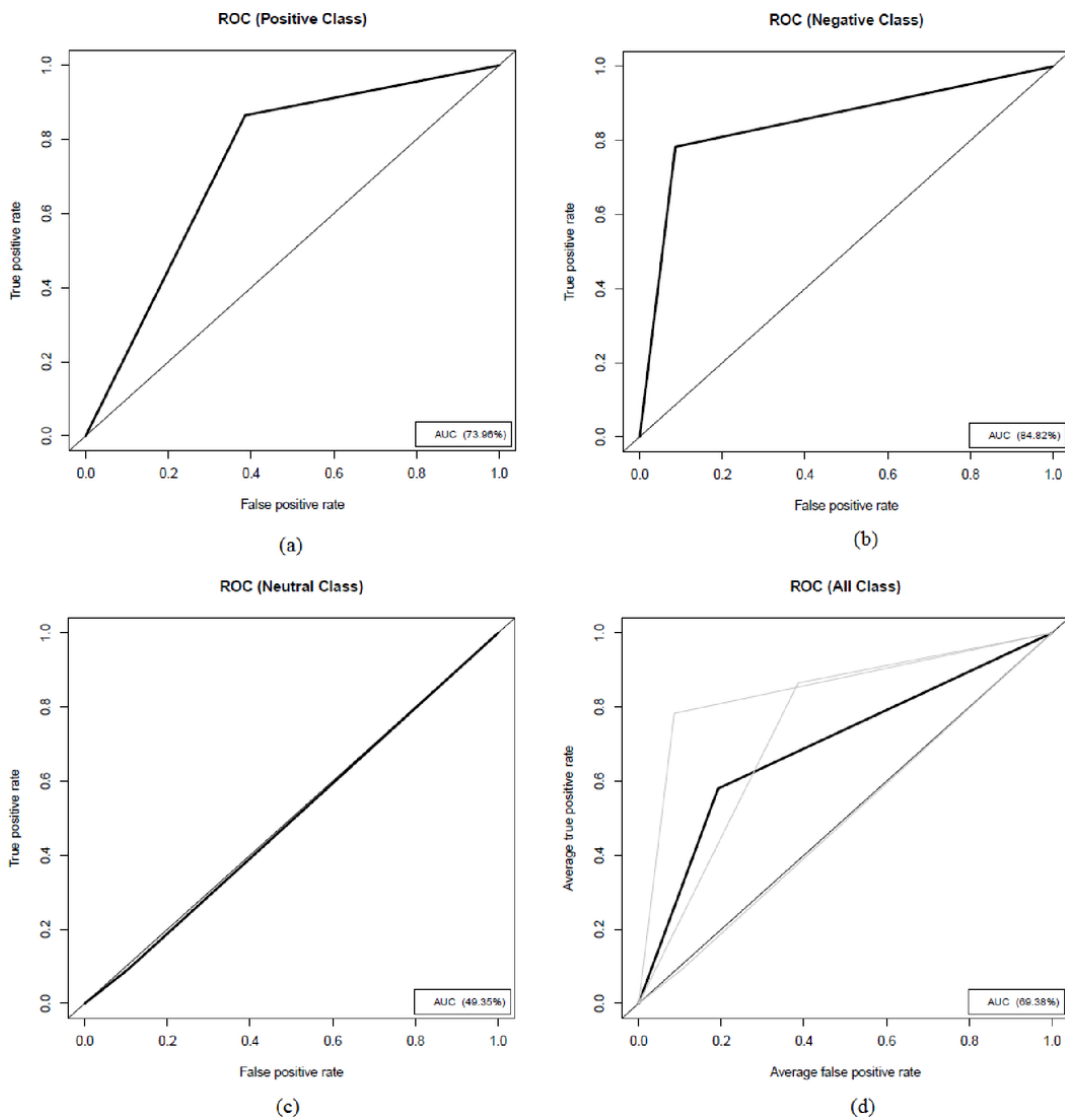
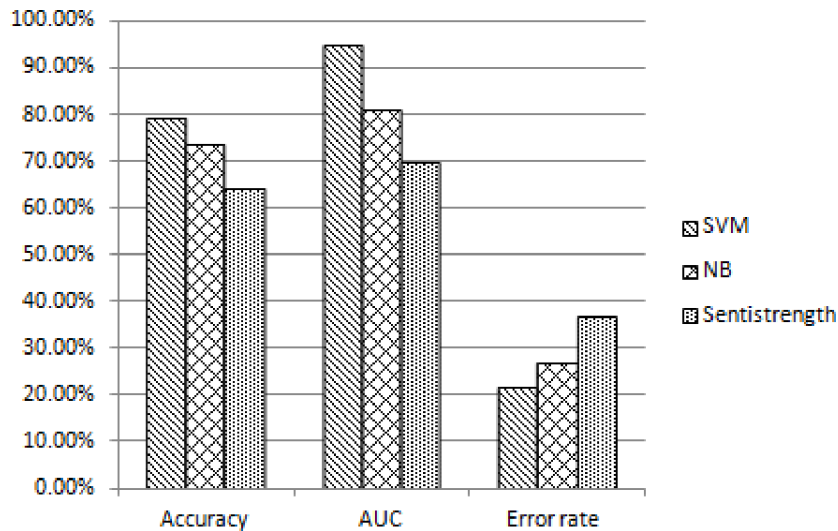


Figure 5. Performance metrics of SentiStrength, NB and SVM classifier



The performance indexes, as shown in Table 5, indicates that sentiment quantification model performed poorly in classifying the neutral class as it has the lowest F-measure and AUC values compared to the same index values for the positive and negative classes.

The overall weak performance of the sentiment quantification method using SentiStrength results from not using grammatical parsing to disambiguate between different word senses, such as ‘Is the Chanel foundation good?’ is neutral when it has no answer, but SentiStrength classifies it as positive when it contains the word ‘good’. Similarly, ‘what is your favorite lipstick? Do you like Chanel?’ has the same problem. The idiom table can also be used for a brute force approach, such as the word ‘like’ can be used as a comparator (e.g., ‘my dior foundation looks like it’s close to running out’) or can express a positive sentiment (e.g., ‘I like dior foundation’). In addition, it cannot detect sarcasm, such as ‘Maybelline makes their mascara look good on tv, too bad my lashes do not look like that lol’ - this sentence is negative, but SentiStrength classifies it as neutral. In addition, it cannot detect the object of an expression of sentiment such as ‘I want to try that Clinique foundation but I do not like liquid form one bit’ - this sentence is neutral, but SentiStrength classifies it as negative as contains ‘not like’. Additionally, the methodology proposed to convert two scores given by SentiStrength into one classification could contribute to the poor performance which is subject to verification through further experimentation in future.

5. CONCLUSION

In this research, the authors proposed an approach for brand popularity assessment based on mining the user-generated content in social media using sentiment analysis techniques.

Two machine learning algorithms, SVM and NB were implemented for sentiment polarity analysis and their performance were compared. In addition, sentiment quantification based on a lexicon based method was conducted and compared the results with the sentiment polarity analysis results. The SVM was found to predict the popularity more accurately than the lexicon based method. Even though the performance

of the SVM is better in classifying the polarity in comparison to the lexicon based method, the lexicon based sentiment quantification method has some advantage over the polarity classification. The lexicon based approach provides a more detailed representation of the sentiments expressed in each tweet. Additionally, lexicon based method does not require a lot of text preprocessing steps, faster to implement, and easier to explain to business decision makers. Nevertheless, utilizing both machine learning based classification method and lexicon based sentiment quantification method is recommended. The use of both of these methods ensures the correctness of the analysis as well as provides deeper understanding of consumers' sentiment.

In the future, a comprehensive model can be made incorporating other social platforms like Facebook, Google+, LinkedIn, etc., for a more reliable popularity assessment. The proposed approach can also be adapted to include multiple languages rather than English alone. Furthermore, the same approach can be followed to develop recommender systems for the consumers to recommend the best products to purchase.

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Chapter 40

Creating Cultural Analogues in Virtual Communities Through Branding

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ABSTRACT

This chapter shows how cultures construct analogues of actual environments, societies, communities, and the individuals who compose them. Analogues replace actual in human perception. Analogues engender further cultural development and renewal that produce higher order analogues in which the original actual may submerge into oblivion. Brands have evolved from representations of property to representations of consumers, but always expressing cultural value. As components of cultural discourse, brands have become an important mode of consumer communication, identifying and distinguishing consumers as social objects within consumer market culture. Virtual communities have evolved from telephonic verbal communication to highly interactive electronic media. Throughout this evolution, virtual communities have been analogues of actual communities to the extent that technology permits. Greater technological detail brings greater detail in the production of analogues. eBranding offers identity components in virtual consumer culture environments for transfer to actual consumer culture environments, resulting in brand viability and marketing success.

INTRODUCTION

The term analogue as used here means a similarity or parallel in relationship. The critical analogue is culture, which is a system of representations, signs used as substitutes for actual objects or concepts for the purpose of communication. In the actual world, objects and concepts have relationships. By analogy, their representations hold the same relationship. Through culture, the reverse also obtains: A relationship established between representations extends by analogy to the objects or concepts represented. The latter process is critical to branding consumers in either actual or virtual environments. The greater analogic relationship, however, is between the entire actual and virtual environments. Culture governs the structure

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and interrelationships among representations in any environment but especially virtual environments. By analogy, representations in virtual environments hold the same relationships as the represented objects or concepts in actual environments. The reverse also obtains: Relationships established between representations in virtual environments extend by analogy to objects concepts in actual environments. Utilizing brands as consumer representations, relationships established between consumers in virtual environments extend by analogy to consumers in actual environments.

This chapter discusses brands as critical design elements in virtual communities. All human behavior communicates, including brand consumption, which is so important to consumer culture that any electronic environment without brands will seem unrelated to any actual environment. The increasing use of electronic technology in marketing communication requires that marketers understand the culture of consumption and the function of brands as consumer communication. This understanding will enable marketers to create effective electronic environment designs for product and brand trial, and to integrate electronic environments with other marketing communication.

This chapter is about the evolution of brands and virtual communities, projecting that evolution into future trends. The chapter begins by discussing the evolution of brands from representations of property rights to representations of consumer properties. The next section discusses the evolution of virtual communities. The following sections discuss culture generally, the system of meanings in consumer culture, culture in virtual communities, communicating culture through products and brands, and branding consumption. The final section discusses future trends, a continuing evolution in which marketers design virtual communities that include brands to give consumers a sense of being in those communities.

EVOLUTION OF BRANDS

Brands are signs, components of system of symbolic representations that largely constitutes culture. They have always expressed value, which is subjective. The origin of brands is cloudy. Centuries ago in traditional Indian marketplaces, some merchants already used tokens to distinguish their products from competitors' commodities. Through such use, brands asserted greater relative value to buyers. Brands have also been statements of property, i.e. the right to possess, use, enjoy and dispose of an object. Such use asserts not only that an object carries subjective value, but also that the value belongs to the owner and no others Brands have been necessary to distinguish objects that were difficult to distinguish by their own inherent properties, attributes or characteristics that had subjective value. Brands further developed into statements of the outcome of product use when the attributes that cause the outcome were difficult to distinguish. That is, brands evolved to represent the expected subjectively valued outcome of human interaction with products. Through the entire evolutionary process, brands have been components of conventional social communication.

Originally, brands most often occurred in the context of the objects to which they were attached in actual environments. By association, brands primarily represented objects and secondarily the outcome on the environment of interacting with the objects. Contemporary brands, however, most often occur within the context of marketing communication. That is, brands most often occur within the context of the system of symbolic representations that constitute the analogue world of culture. Therefore, consumers interpret brands based upon the context of communication more than upon product use or relationship with the producer.

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Even products have become components of the system of representations. During the rapid industrial expansion after World War II, relatively high wages permitted workers to acquire greater amounts of the products that the sizzling economy was producing. Advertising and promotion encouraged increasing acquisition by setting goals and standards for the developing consumer culture. Product possession represented the achievement of those goals and standards. Marketing communication set the rules for achievement. High wages provided an accessible route paved by those rules. Industrial consumer culture transformed products into consumer representations in the cultural analogue. Brands provided incremental representational distinctions within the system.

In marketing communication, brand display is often independent of product depiction. Even when marketing communication does depict a product with which a brand is associated, the depiction is not the actual product (Mick, 1986) but rather an analog, a cultural representation with its own cultural meaning derived from cultural context. Within marketing communication, brands acquire meaning by association with other culturally meaningful symbolic elements of the analogue world. Indeed, marketing communication is critical to managing brand meaning. To the extent that brand meaning is connected to the actual product at all, brand meaning derives from the cultural meaning of the product or its symbolic representation.

McCracken (1990) has explained how marketing communication transfers cultural meaning to products, which then transfer meaning to consumers who use them. In fact, the actual product is a peripheral element in meaning transfer, important chiefly because consumers generally cannot acquire the brand without acquiring the product. Acquiring the actual product is one of the culturally legitimates brand possession. The success of counterfeits demonstrates the greater importance of brands in relation to products.

Because contexts give brands significance and because brand contexts usually do not include any product, brand consumption is independent of product consumption. Consumers consume brands without consuming the product that increasingly serves as a mere vehicle for the brand. Products are minor communication media among an array of others. Contemporary marketing communication identifies the target segment and creates an analogue comprising symbolic elements that represent the target's attributes. Consumption of a product type is only one of those attributes. By association in the context of marketing communication, brands represent the attributes of their target consumers' analogue. In consuming brands, the outcome that consumers expect is that by interacting with brands, the represented attributes will accrue to them in actuality.

Contemporary brands generally do not represent products; they represent consumers. This chapter discusses brands as consumer designations in the context of online interaction for constructing analogue environments. This perspective does not apply to all brands in all situations. In some cases, brands represent the products or objects to which they are attached. Indeed, this use of brands is critically important to e-commerce. In other cases, brands represent relationships that exist between consumers and products, consumers and producers, and consumers and resellers. This chapter, however, examines brands as representing consumers' cultural, social, psychological and philosophical relationships. In other words, the focus is on brands as they represent consumers, their relationships with other consumers, with themselves and with the rest of the world.

All brands represent a relationship between consumers and an environment. However, brands differ on which environment, which aspect of that environment and which consumers they relate. In online environments, consumers cannot physically inspect and evaluate the products or services offered. Branded products and services afford consumers assurance of certain specific attributes and standards of quality. This is a return to the early period of branding in the actual marketplace in which consumers looked to

brands for assurance (Editors 1988). With the possibility of counterfeit products and services, however, a branded web site affords further assurance. The policies of Amazon.com and eBay have made them into recognized brands that represent a secure relationship, as did tokens in traditional Indian marketplaces centuries ago, but with online entities as analogues of human sellers.

Such brands assure that physical interaction with a product or service will result in a desired modification of the physical environment. However, these brands do not represent the modification of the physical environment. Rather, they represent assurance from the seller. To succeed in a competitive environment, any competitor must meet consumers' non-compensatory decision-making criteria. Assurance becomes a standard that all brands must meet. When all brands represent the same level of assurance, a parity situation exists in which consumers assume assurance.

Ironically then, when all competing brands represent assurance, none of them distinctly represents assurance within the framework of consumers' decision-making criteria because the market itself represents assurance. Each brand carries equal assignation of assurance in relation to competing brands. Effectively, each brand is synonymous with every other competing brand. Further, competing brands will likely match any successful product or performance change that any other brand introduces. Therefore, brands lose their capacity to represent distinctions in product features or performance, i.e. they become discursively worthless.

Consumers, however, will still use brands discursively to represent identities and distinctions in constructing their own cultural analogues. The new distinctions will be consumer-created. Although consumers may report product or performance distinctions where none exist, the actual distinctions they create are analogues to those among consumers themselves. Consumers distinguish, compare and identify themselves, projecting those distinctions, comparisons and identities onto the brands they choose. Consumers brand themselves and each other in creating virtual communities (McWilliam 2000). The challenge for brand managers in the parity environment, then, is to represent distinctions among consumers. Those distinctions are based not only on cultural categories (Pennington 2006), but also upon culturally accepted and prescribed methods for dealing with experience and for modifying environments.

The following sections discuss relationships among consumers, and how brands represent those relationships as analogues in virtual communities. The discussion treats online behavior as occurring in a cultural environment, with recognizable and detectable patterns of behavior. It builds upon previous work on marketing in virtual reality, presence in virtual environments and methodology for distinguishing idiosyncratic behavior from shared patterns. Further, it builds upon previous work on brands as a non-verbal language in consumer culture and the semiotics of brands in consumer discourse. This chapter explains how brands provide the forms, patterns and symbols with which consumers deal with the electronic environment as an analogue of the actual environment. The result is an e-culture, analogous to actual culture, in which brands represent consumers and their interrelationships.

VIRTUAL COMMUNITIES

Although Lynd's (1939) definition of culture referred to inhabitants of a geographical area, communication theorists of the early twentieth century had already argued that electronic communication could create communities independent of geographic contiguity (Susman, 1984). Electronic media began the progression toward virtual communities by breaking the geographic boundaries altogether. Although people could still share characteristics with others in their geographic communities, electronic media il-

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luminated, fostered and developed shared characteristics with others in distant communities. Culture was no longer bound by geography. The new analogue-environment was one of cultural and social location. Behavior in response to the analogue-environment of social and cultural location, however, continued to occur in the actual world of the geographic environment.

A characteristic of industrialism is the use of technology not only to adapt to and modify environments, but also to create environments that could not have occurred naturally. The beginning stage of industrial technology created new tangible, physical environments. Media technology marked the creation of primitive intangible analogue-environments. Further development of technology created more sophisticated analogue-environments, virtual environments. In virtual communities, people can group themselves by choice more easily than they can in geographic environments. Presence, the sense of being in an environment (Gibson, 1977) depends up the range and detail of sensory inputs the environment provides and on the ability to effect change in the environment in real time. Vividness and interactivity, respectively the range and detail of sensory inputs and the ability to effect changes, provide a greater sense of presence in the cultural and social environments. Further, they allow human behavior in the actual world to have consequences in the analogue-environment. The result is that consumers in the actual world respond to a analogue-environment with behavior in the actual world that has consequences in the analogue-environment.

Virtual communities comprise the inhabitants of analogue e-locations constructed through digital technology. Consumers' sense of presence in analogue e-communities depends, in part, on the vividness of the online experience. The concept of vividness refers to the range and detail of sensory inputs that technology provides. But vividness also refers to the sense of social location, which depends upon the range and detail of social inputs. Cultural discourse through the system of symbolic representations provides those social inputs. All societies define, identify and distinguish social concepts through the representational system. However, actual communities can attach representations to actual social objects, i.e. people. But any representational system is useless unless its representations function in the absence of what they represent, that is, unless the symbols construct an analogue. In virtual communities, that quality is imperative because actual social objects cannot occur in virtual communities. Only their representations can occur.

In virtual communities, just as in actual communities, consumers organize and deal with their experience by creating and choosing sets of forms, patterns and symbols. They create a culture that makes experience meaningful. As social concepts within the online culture, consumers choose forms, patterns and symbols to place themselves in relation to other concepts of the online culture. These forms, patterns and symbols constitute the social dimension of online cultural representations. (Representations of a background environmental context are another dimension.) These representations may coincide with cultural representations from an actual social environment. But such a coincidence is not imperative because in any environment, actual or virtual, the choice of representations is arbitrary. Their meanings derive from consistency of use (Pinker, 1994). Any new representation in a virtual community, just as in an actual community, must establish a history of use consistency to acquire meaning.

The vividness of the virtual community depends not only on the technology but on the cultural significance of the content as well. Technology must provide range and detail of a meaningful cultural environment for user to accept it as an analogue, which is critical to evoke a sense of cultural presence. The virtual community must include a range of representations sufficient to accommodate the discursive needs of members. In actual communities, material goods constitute a code through which members define themselves (Baudrillard, 1988). Members utilize goods as symbolic representations.

The online environment is composed only of signs, not actual goods. For the online environment to be culturally meaningful in the actual environment, the signs must conform to the material cultural code of the target. Because they are culturally meaningful, the range of representations of material goods in the online environment must be as expansive as the range of actual material goods in the actual environment.

Studies of virtual communities (VCs) treat VCs as purely abstract, i.e. intangible, unavailable for physical sensation. Although VCs form through the mediation of tangible electronic devices, Bagozzi & Dhloakia (2006) assert that VCs themselves are available for sensation only as verbal text. The significance of meaning of verbal text may be shared through social or cultural convention. But except in the reader's imagination, verbal text lacks both the range and depth of sensory inputs and the interactivity necessary for a sense of presence. Indeed, as discussed in the literature, VCs call attention to the mediating role of technology that users must fail to acknowledge for a sense of presence to occur. Except for the visual evidence of verbal text, then, VCs are not only impersonal but also intangible in the human sense that the technology that connects members also separates them. From this perspective, the only tangible attribute of VCs is the technology that mediates them. Or as Marx (1967) observed, relationships increasingly occur between objects rather than between people.

Memmi (2006) discusses virtual communities as a progression of the movement away from *Gemeinschaft*, the traditional community based on location, and toward *Gesellschaft*, modern communities based on association (Tönnies, 1963). However, the association-based character of virtual communities reflects technological limits that are disappearing rapidly. Increasingly, technology affords development of communities based on virtual locations, which implies a potential for a movement toward *e-Gemeinschaft*. Pentina, Prybutok & Zhang (2008) have noted the similarities between real-life and virtual communities. Even before the emergence of contemporary high-speed, high-resolution multi-media capable technology, Rheingold (1993) observed that people in virtual communities relate to each other very much as they do in actual communities. Hagel & Armstrong (1997) noted the congruence in the characteristics of actual and virtual relationships. Ngyuyen, Torlina, Peszynski and Corbitt (2006) observed that social relationships in virtual communities reflect off-line relationships.

VCs draw members for a variety of reasons. Sindhav (2011) noted the use of VCs for vicarious consumption or simply as a leisure pursuit. Hagel & Armstrong (1997) listed sharing and establishing resources, trading and living fantasies and motivations. Citing uses and gratification theory and social psychology literature, Pentina et al (2008) list several motivations, including social integration, achieving goals, economic exchange and status enhancement. They point out that members with stronger social motivation to join also identify themselves with the VC more strongly. Further, people join VCs to fulfill communication needs (c.f. Gupta & Kim, 2007; Memmi, 2006). Recognizing the necessity of communication, Bagozzi and Dholakia (2006) define VCs as mediated social spaces in the digital environment that allow social collectives to form and be sustained primarily through ongoing communication processes.

A virtual brand community (VBC) forms to provide identity for members (Lin, Bing & Min, 2011). The purpose and activities of VBCs constructs, maintains, reinforces and modifies a cultural identity based on a symbolic representation of shared attributes. The VBC is a reference group that establishes relationships with other culturally defined groups. Any brand community creates, recognizes, accepts and endorses the intensive and extensive definitions of the brand through examples, metaphors, similes, allegories and other literary devices. Pretenders to brand identity must accept the group consensus or face expulsion. Members continually monitor group judgments to maintain their qualifications and renew their memberships. Deviation beyond latitudes of acceptability result in rejection and ostracism. Studies of VBCs tend to treat them as self-contained and self-sustaining (c.f. Lee & Kang, 2013; Wang, Chan

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& Yang, 2013). But VBCs have no capacity to identify except within the context of other VBCs and other cultural groups. All cultural groups can only identify in relation to other cultural groups. Without implicit recognition and acceptance of other groups, VBCs studies tell us nothing because any VBC must stand in distinction to every other group.

All human behavior communicates (Watzlawick, Bavelas & Jackson, 1967). Further, all products of human behavior communicate. Verbal text is only one category of artifact. Any evidence of human interaction with the environment is an artifact that communicates. Technology is a component of the environment. Evidence of interaction with technology communicates. In VCs, the purpose of interaction with technology is to create artifacts that not only communicate but also create a new environment. Users feel present in virtual environments when they cease to be aware of the mediating role of technology. A sense of presence in a VC depends upon the interactivity and vividness of the VC. Vividness demands a richness of detail in communication. The greater the range of communication forms, the greater the likelihood of a sense of presence in the VC. According to Chen, Wu & Chung (2008), social presence enhances intimacy and shortens psychological distance, easing uncertainty from the lack of physical contact. Therefore, the capacity for detailed communication is essential for forming and sustaining satisfying VCs.

Yet Memmi (2006) suggests that vividness be a criterion for excluding telephony from consideration as a VC. He also suggests that telephony be excluded from consideration as a VC because the technology is long established. If the purpose in studying VCs is to study recent technology only, then telephony can be excluded. However, newer technology and techniques integrate actual voice communication, such as voice-over-Internet protocol (VIOP), with other forms of audio-visual communication. Projecting new design considerations for VC development must include telephony. Most important, voice communication, whether actual or synthetic, contributes to a sense of presence by making more inputs available for sensation.

According to Preece (2000), a VC is a community of people with common interest of shared purpose, whose interactions are governed by policies in the form of tacit assumptions, rituals, protocols, rules and laws, and who use computer systems to support and mediate social interaction and to facilitate a sense of togetherness. In essence, Preece has defined a culture sustained through the use of computer systems. This is an e-consumer e-culture in which both products and brands communicate cultural information. That is, products and brands are the social hieroglyphics that Marx (1967) described.

VC studies have derived categories based on analysis of participants needs: shared interest, relationship building, transaction and fantasy (Hagel & Armstrong, 1997; Talukder & Yeow, 2007). But these categories are not mutually exclusive. This chapter concerns marketing communication within VCs. Therefore, the principle category of concern would seem to be transaction. However, relationship is, in fact, the dominant concern. In the absence of face-to-face interaction, Pentina et al (2008) found that the affective component of social identification is the strongest determinant of action based on information from the group. Social identification is what Song & Kim (2005) define as knowledge of belonging to certain group that has some emotional value. For marketing communication, meeting relationship-building needs is an effective route to meeting transaction needs.

Yet studies often exclude relationships from their research designs. For example, Daugherty, Li & Biocca (2001) and Li, Daugherty & Biocca (2002) conducted product-trial studies in which they applied consumer experience in virtual reality to product use in actual reality. But as Ritson & Elliot (1999) pointed out, marketing-study methodology often excludes by design the context within which a product is used and which gives the product its meaning. In the studies cited above, the product was a camcorder,

which is most often used within a social context. Therefore, a study of product use in virtual reality that excludes any social context ignores product meaning. In other words, a valid virtual product trial must occur within the context of a VC.

A complete sense of virtual community depends upon the completeness of features and attributes available for sensation. A sense of presence depends upon vividness, which comprises not only the range of senses the environment stimulates, but also the amount of detail available for sensation (Pennington 2006). An environment that conspicuously lacks expected detail fails to elicit an empirical sensation of reality (Pennington 2001). An environment that fails to offer visual and auditory sensation of social objects is unlikely to elicit social presence for a sustainable sense of community.

The terms virtual community and virtual brand community were poorly chosen because they disregard a rich body of literature on human social organization and interaction. The VC is actually a virtual society within which the VBC is a clan with a brand as its totem. For example, even a casual reading of Geertz (1973) exposes the attributes of clans as identical to those of VBCs, with relationships between VBCs analogous to the perceived relationships between brands. VBC members utilize the brands to represent themselves intellectually to others in the virtual society or VC system. Studies that show strong loyalty to VBCs support Durkheim's (2001) observation that most direct and intimate allegiance is to the clan. Bonds to the larger society are slack and weak. VCs and VBCs are analogous to and even extensions of social groupings in actual societies. Although political science may discuss contemporary societies as pluralistic, consumer culture has evaded examination according to common cultural patterns. As Durkheim (2001) noted, complexity may obscure elementary forms, but it does not eliminate them. Therefore, any adequate study of VCs and VBCs must recognize cultural characteristics.

CULTURAL ENVIRONMENT

Culture is not an isolated independent variable with occasional limited effects, as most marketing research treats it. Culture is a paradigm, a worldview, a unifying theory of interrelated concepts comprising all social experience. Early social science literature considered culture to be "all the things that a group of people inhabiting a geographical area do, the ways they do things and the ways they think and feel about things, their material tools and their values and symbols" (Lynd 1939). The relation between geography and culture stems from traditional communication forms that required physical proximity. With contemporary communication technology, culture is geographically boundless.

We can only observe culture through its manifestations, i.e. the system of symbolic representations. Through that system, we can identify culture operationally by observing patterns that not only account for but also shape individual behavior within groups. Culture is the shared, learned patterns of thoughts, feelings, appetites and behaviors, based upon a climate of values, for organizing or adapting to the natural and social environments (Pennington 2001a). We recognize culture through the artifacts of those patterns that coincide with those of a group. Thoughts, feelings and appetites may be cultural, but until an individual manifests them through overt actions, they cannot constitute the communicative discourse that identifies the individual with and within a culture, and distinguishes her from other individuals and cultures. Culture provides the forms for overt actions in the system of symbolic representations.

Through the system, culture creates an imaginary environment. People live within natural, actual environments. But they learn to interpret and interact with those environments mostly through culture. Culture defines not only what is in the environment, but also what can be in the environment. In other

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words, culture defines the concepts. Further, culture defines the interrelationships among concepts. Everything within shared human experience has cultural definition. Therefore, everything within shared human experience is representative of a cultural definition. Members of a culture interpret their environments according to cultural definitions. They interact not with the components of an actual environment, but with representations of cultural definitions.

Interactions with actual environments are culturally prescribed and occur through the system of representations. But they do occur in an actual environment, although filtered by cultural definition and interpretation. Culture members are incapable of acknowledging the mediating role of culture. They have a cultural sense of being in the environment. But they also actually are in the environment. This strong role of cultural representations facilitates the sense of presence in virtual environments. Reproducing the representational system online elicits interpretations congruent with off-line representations, giving culture members a sense of being in the environment, i.e. presence. However, the other side of the coin is absence; culture members fail to acknowledge that technology has removed them psychologically and emotionally from the actual environment. This failure to acknowledge absence facilitates the transfer of brand consumption patterns between virtual and actual environments.

Perhaps without realizing that they were doing so, marketers have studied culture for many years. The study of consumer behavior is a study of culture, as is the study of values and lifestyles, psychographics and other common research areas. These areas are not outside of culture, but rather integral components of culture. Although we can inquire legitimately into the effects of culture on behavior, we can inquire just as legitimately into the effects of behavior on culture. The patterns we observe in the artifacts of human behavior or that we elicit through research are evidence of cultures and subcultures. The greater the commonality of occurrence, the more confident we are that we have found evidence of a culture. The distinguishing commonalities within larger patterns are evidence of subcultures.

In marketing, when we observe commonalities in behavior, we call the groupings segments rather than cultures. But even common demographic groupings reflect cultural concepts and definitions. We study categories of age, sex, income, education, taste etc. because they are culturally significant. Each category attribute stands in a distinct cultural relation to other attributes of the same category. Each attribute has some distinguishing pattern of thought, emotion or behavior made tangible through an associated representation, a culturally designated and recognizable object, symbol or object as symbol. These objects and symbols allow community members to identify, compare and distinguish their roles in relation to others. In consumer culture, the objects and symbols are products and brands.

CONSUMER MEANING

In consumer culture, “consumer” is a paradigmatic class of all those whose marketplace activities that go beyond the satisfaction of material needs and wants. Consumption is a discursive process of identity and distinction that entails interrelationships. The use of physical objects may be necessary for interacting with the physical environment to achieve physical outcomes. But in consumer culture, the objects and outcomes carry value that is secondary to what the objects and outcomes represent culturally, which is relationships with the environment. Consumers communicate relationships through marketplace activity and marketplace signs, which are the consumer culture system of symbolic representations. Because all human activity communicates (Watzlavick, Bavelis & Jackson, 1967), those who are not consumers, i.e. those who merely utilize objects, also communicate through marketplace activity. But for consum-

ers, communication plays a major role in that activity. As a paradigmatic class, consumers are distinct from those who are not consumers. As a paradigm example, each consumer is identical to each other. But within the class, further classifications permit consumers to compare and distinguish themselves.

All consumers are not alike, as any beginning marketing student knows intuitively. Some distinctions have tangible foundations. To say that a consumer is female is one such distinction that implies not all consumers are female. Physical attributes determine whether a consumer is female, but those attributes may often elude observation. Consumption allows identity with or distinction from that attribute, which is discrete and has a binary opposite: male. Consumer culture provides representations for either attribute that replace the natural physical attributes and facilitate communication through consistency of use.

Some distinctions have less tangible foundations. To say that a consumer is feminine is such a distinction within the paradigmatic class, which implies that not all consumers are feminine. This distinction also has a binary opposite: masculine. But feminine is not a discrete attribute; one consumer can be more or less feminine than another. And a consumer can be male and feminine or female and masculine. Although tangible and observable, the distinctions between feminine and masculine, and the degrees of those qualities, are not physical characteristics. Behavior patterns prescribed by a cultural code define femininity and masculinity. Further, although feminine and masculine are binary opposites, they are only the poles for a range of positions of a continuous variable. Consumer culture provides a range of representations adequate to consumers' needs for positions along the scale. As consumer need for distinction increases, consumer culture, through marketing, provides a finer scale of incremental distinctions by increasing the number distinguishing representations, mostly brands.

Within consumer culture, categories of consumers actualize their attributes through a specified code. Consumption objects are components of that code (Douglas & Isherwood, 1996). Without the objects that the code specifies, a consumer is a cultural commodity with no identity. In fact, without the specified objects, the consumer is not even a consumer, but merely an indistinguishable human being. To consumers using the code, people outside the code are no more distinguishable than kernels of corn. All non-consumers look alike, quaint and perhaps interesting, but irrelevant.

Within the code however, consumers face a continuing process of identifying, comparing and distinguishing themselves. As the market becomes saturated with a paradigm class of consumption objects, the object class itself loses the capacity to distinguish among consumers. In the use of such objects, consumers once again become cultural commodities. When all consumers have automobiles, for example, they cease to be consumers because consumption specifies a relationship, which supposes the possibility of distinction. When an object class loses the capacity to distinguish, the code then requires an additional object class to communicate distinction. However, because object acquisition and storage has a practical limit, the code of consumer culture has created a symbolic distinction within paradigm classes, i.e. brands.

COMMUNICATING E-CULTURE

The core of culture is communication (Hall, 1969). Culture provides consumers with a system of symbolic representations, an inventory of meaningful objects and signs with which to communicate and recognize concepts and relationships. Because culture is learned and shared, dissemination depends upon access to communication. To disseminate culture, formal institutions and organizations tend to utilize formal

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mechanisms such as schools, churches and other formal meetings. Products and signs acquire and retain meaning through explicit definitions and expressions.

Although consumption is not a formal institution, it is a significant form of cultural communication. Within consumer culture, consumption is an act of encoding, decoding and deciphering that requires mastery of the consumption code (Bourdieu, 1984). This cultural code specifies the use and display of artifacts as cultural representations (Douglas & Isherwood, 1996). Through shared experience, consumers learn to use products for artifactual communication (Mick, 1986). Consumption is the process of consumers communicating their cultural identities (Levy, 1986). The communication takes place not only between consumers and producers but also between consumers and others, even reflexively between consumer and self (Nöth, 1988; Williamson, 1978).

Because consumer culture is informal, its communication mechanisms are also informal. Artifacts acquire meaning, i.e. representational value, through implicit definition and expression. Consumers acquire competence in cultural meanings through repetition of informal contact similar to language acquisition outside of formal education. All culture is text in the sense that all shared human behaviors represent something. They at least represent sharing itself. As in verbal language, collocation and context give meaning to representations. As cultural representations, consumers themselves acquire meaning through collocation and context.

Before the advent of mass communication, the dissemination of culture tended to be limited to those within a geographic area in which people had regular interpersonal contact. Oral tradition tended to insure cultural stability. Early recorded communication tended to be time-based; the same message was available to many generations of receivers with little change in content. Spatial and temporal limits on communication determined cultural boundaries. Mass communication laid the foundation for virtual communities by expanding the boundaries of communities and decreasing the importance of oral communication in disseminating culture. Culture defined media and their relationships to other cultural concepts. Media disseminated the culture that gave rise to them and within which they operated (Pennington, 2000b).

In the early 1920s, Lippman (1965) noted the insertion of a pseudo-environment between man and his actual environment. Media technology created the analogue-environment by presenting another mode in the system of symbolic representations, a mode that expanded the inventory of representations. Because humans responded to the analogue-environment as a representation of the actual environment, the consequences occurred in the actual environment. Media then disseminated representations of those actual-world consequences within the context of the analogue-environment to which humans responded further with actual-world consequences. This was the beginning of not only the sense of being in an actual environment through technological representations, but also the lack of a sense of absence from the actual environment. The situation was ideal for the emergence of consumer culture and marketing. Mass media disseminated analogue-environment culture in which consumption of specific products, and increasingly brands, were the appropriate behaviors for dealing with analogue-environment experiences.

BRANDING CONSUMPTION

Most human behavior involves interaction with either a physical or social object. Every interaction modifies the physical or social environment in some way. Gibson (1977) used the term “affordance” to mean the result of interaction with an object, that is, the modification of the environment. Every affordance is a potential brand. A company web site is a cultural tool that affords consumers the ability to acquire

other cultural tools. The result of interacting with the web site includes information, in the sense of uncertainty reduction, and acquisition. The company name brands the specific triadic relationship that binds the consumer, the object (the web site) and the interaction result.

As morphemes in consumer-culture system of representations, brands convey meaning. And as in other forms of communication, brands as morphemes can convey more than one meaning, depending on collocation and context. Fournier & Alvarez (2012) note that brand relationships require two parties. In the acquisition process, brands often mean the relationship between the consumer and the branded product. They can also signify the relationship between the consumer and the producer. The fundamental qualities of such relationships are trust and assurance that interaction between the consumer and the branded object will afford the desired modification of the actual physical environment.

However, a general assertion that all brands signify a relationship between a consumer and a company may overstate the importance of that relationship. In the consumption process, a brand signifies another relationship. Once a consumer has acquired the brand, it belongs to the consumer, not to the marketer (Schultz & Barnes, 1995). The consumer owns the right to possess, use and enjoy the brand. It is the consumer's property. From that point at least, the brand stands for a triadic relationship that does not include the marketer. Often, the triadic relationship includes a resulting modification of a social environment.

Holt (2004) asserts that consumers participate in cultural myths through brand consumption. In fact, however, brands are analogues for qualities that consumer culture values. The culture treats the attributes attached to consumers as if they were independent of consumers. Through brand consumption, consumers incorporate qualities, signifying their roles in relation to other roles. Consumers do not so much form an emotional bond with the brand as with the role that the brand identifies. The consumer no more forms an emotional bond with the brand than a plumber forms an emotional bond with the word "plumber," no matter how much he or she may enjoy that occupation. The mention or display of a personal identity word or brand attracts the consumer's notice. Plassman, Ramsøy & Milosavljevic (2012) note that seeing or hearing one's own name draws attention to a context of interrelated elements. A name may be more specific to a consumer than a word or brand, but its purpose is the same: to identify and distinguish. Because consumers construct identities through brands, they pay attention to mentions and displays that include their brands just as they do to their names.

Semiotics distinguishes among three types of signs. An icon shares a physical resemblance with what it represents. An index has a strong association with what it represents through co-occurrence. A symbol is purely arbitrary in what it represents. What brands represent is intangible, abstract. Therefore, physical resemblance between the brand and what it represents is not possible. A sign that becomes the concrete form of an abstract concept becomes the symbol of that concept. For example, good aesthetic taste has no tangible form. But Starkist, through the persona of Charlie the Tuna, utilized indexes and symbols of good taste to make a point about tunas that taste good as opposed to tuna with good taste. In the process, they imbued the brand with both meanings of good taste. In this case, the brand represented both the product and the consumer. The brand became a symbol of a product that tasted good to consumers with good taste.

The word "plumber" has an intensive meaning, which represents the qualities or characteristics that an object, in this case a social object, must have for the word to apply accurately. The word applies to a social and cultural role. The word also has an extensive meaning, which is all of the objects to which the word accurately applies within a culture, i.e. all those who play the specific role. Similarly, a brand has an intensive meaning, which is the qualities or characteristics of the cultural role it represents. A

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brand also has an extensive definition, which is the set of all consumers who play the cultural role that the brand represents and, therefore, who meet the requirements for brand acquisition.

Even in modern economic systems with great division of labor, culture expects multiple roles. A plumber may also be a parent, baseball player, golfer, photographer, conservationist, and more. Each word represents a different cultural category with various attributes, qualities, characteristics or specific roles. Single individual may fit into all of those categories, each with its own attribute of role, such as centerfielder or duffer. Consumer culture expects individual consumers to communicate their fit into multiple categories, each with specific respective attributes, through multiple brand consumption.

Marketing communication serves as a lexicon of brand meaning (McCracken, 1986). However, for the consumer code to have any meaning outside of the purely lexical, it must have some relation to actual experience (Pennington 2002). This is fundamentally important to marketers because to continue providing consumers with cultural meanings, marketers require revenue generated by consumer spending. Although consumption as culture is merely symbolic, the viability of the culture requires the actual-world consequence of purchase.

Marketing communication composes a analogue-environment. Attitude change based upon marketing communication is a response to the analogue-environment. The results of that attitude change can have consequences in the actual environment. Brands consumed in the actual environment effect attitude change by communicating about the actual consumer rather than about an endorser selected by a marketer. The relationship between brand and actual consumer can establish, ratify, reinforce or modify attitude toward the brand that is a response to the analogue-environment.

Meaning established in the analogue-environment enables consumers to recognize relationships in the actual environment. Consumers refer to marketing communication for trust and assurance that a brand signifies actual, specific social and cultural qualities. Integrity is an antecedent of trust, which is a precursor to transactions (Mayer, Davis & Schoorman, 1995; McKnight, Choudhury & Kacmar, 2002). Brands that establish integrity of meaning are likely to realize transactions in the actual world. Therefore, integrated communication is essential to the management of brand meaning.

Through technology, consumers can enter the analogue-environment to form virtual communities (VCs). They bring their cultures with them, contributing to the system of representations in the online environment. Their contributions increase the social presence within the VCs by increasing the social vividness of the environment, i.e. they increase the range of social inputs available for perception. Further, consumer inputs increase the interaction possibilities for other VC members not only in number but also in type, i.e. emotional and psychological. Expanding participation in VCs requires an expanding range of representations for cultural discourse. The text of words alone is inadequate. As in actual environments, consumers in VCs utilize objects and brands as representations. Brands are especially well suited for consumer representation because the only value that have in any environment is purely representational. Further, brands constitute a substantial part of the off-line representational system in consumer culture. Brand use within VCs, therefore, contributes to the sense of social presence and detracts from the sense of absence.

Products can convey virtually any cultural meaning (McCracken, 1986). But brands have even greater capacity to convey meaning because, as symbols, that is their only capacity. Consistency of use establishes meaning (Pinker, 1994). Holt (2004) asserts that myth brands must violate that principle periodically. But he has actually misinterpreted the market change. Brands signify cultural roles rather than entire myths. Consistency of signification requires periodic adjustments in the cultural symbols associated with that role. Just as the Morton Salt girl, Betty Crocker and Aunt Jemima have undergone

periodic symbolic modifications to retain their value as specific cultural representations, consumers undergo periodic symbolic modifications to their cultural representations. To maintain consistency of use within a cultural role, a brand must match the symbolic changes culture associates with that role.

FUTURE TRENDS

From a cultural vantage, the distinction between actual and virtual is illusory. Much of the sensory input from the ostensibly actual world consists of human modifications to environments. People rarely encounter any environment untrammelled by human activity. All evidence of such activity communicates. Because culture dominates human lives, even wilderness carries cultural definition. The complex sets of definitions and relationships organize experience into expected worlds. The mediating role of culture is so ingrained that people are unaware of culture. They cannot acknowledge or even comprehend that of which they are unaware. Culture presents environments that people recognize through both formal and informal processes of indoctrination in cultural theory. The sensory cues from environments, even the completely untouched, evoke the interpretations learned and shared through culture. Humans experience what they are supposed to experience, which is what culture has placed in their minds. Actual and virtual are merely differences in technology, distinct vehicles that communicate identical cultural worlds.

Whether culture mediates nature or vice versa is irrelevant because people cannot escape mediation. The mediation process produces analogues of originals, which most often are analogues produced by prior mediation. Especially in consumer culture, people occupy meta-environments that continuously construct new appearances from the materials of prior appearance. Nature might present a new appearance, but people quickly incorporate the novelty into the worlds of conventional cultural concepts and relations. Designers may create original appearances that nature would not, but people eventually define those appearances in terms of relations to known appearance. People give it conceptual definition, which is always virtual. All appearances mediate conceptual occurrences. The tangible world of consumer culture is an analogue of the conceptual world that people occupy. The actual inspires the virtual. The virtual becomes the actual. The process continues in an ever-evolving circuit.

Culture provides the shared framework or schema for interpreting experience. Any experience comprises current sensory inputs perceived and interpreted according to previous experiences and interpretations, which are not components of the actual environment but of the analogue. Consumers respond to their interpretations of an actual environment, not to the actual environment itself. They respond to the analogue. In a virtual community environment, which is quintessential analogue, consumers similarly respond to their interpretations of the environment, not to the signs or other stimuli that compose the environment. They are present in a second-order analogue. Whether the environment is actual or analogue is irrelevant because to the consumer, the interpretation is always actual.

What we call actual and virtual are only facets of a single, integrated culture. The distinction between them, and the assumption that the two are distinct, is characteristic of a certain cultural view. For the purpose of defining and specifying, western European culture fragments the world to a greater degree than other cultures. Human interaction with the environment, however, is seamless. People may organize their activities according to culturally prescribed classifications and boundaries of defined events, but such organization must be learned. We view actual and virtual communities as distinct because our culture teaches us to expect distinction. In fact, consumers tend to integrate the actual and virtual, what Sheth & Solomon (2014) call fusion, using technology to expand their presence in a way similar to how Belk

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(1998) proposed that they extend themselves through the use of objects, that is, technology. Although he did not propose that consumers distinguish between their extended selves and actual selves through object use, Belk (2014) now proposes that consumers do distinguish between their actual selves and their extended selves when technology provides access to expanded environments. To consumers however, the expansion of presence through technology is like the expansion of perception from a cloudy day to a clear day: The clear day merely affords the opportunity for a greater range of sensory inputs.

The integration between actual and virtual is especially important in cultures presently acquiring digital technology. Schultz & Barnes (1995) showed a shift in control of market communication from seller and producer in mass media to consumer through digital media. The form of the consumer-controlled market is similar to traditional markets that do not utilize communication media. The difference is a matter of personal logistics. Traditional markets required buyers to transport themselves physically for presence in specific geographical locations. The emerging form through digital media affords digital transportation to digital locations that can be faithful, real-time representations of geographic locations. In well developed and established consumer cultures, the traditional market often has disappeared. The new consumer-controlled digital market communication appears as an innovation that requires learning and adjustment. In newly digital cultures in South America, Africa, much of southeast Asia, and other areas, the new form means only improved access to markets without any adjustment in form. The new networks and relationships that Malthouse & Schultz (2014) discuss are traditional networks and relationships with digital faces.

Presence is not an objective sensation. Consumers fail to acknowledge mediation of culture, which includes technology, because they cannot acknowledge such mediation when they are subjectively integrated or fused with their environments. Their relationships with their environment are the appearances through which they construct identities. For a full sense of presence, their environments must acknowledge and recognize them. Whether biological or cultural, recognition depends upon specific forms. In consumer culture, brands are principle components of form. Whether in the nature-generated or human-generated environment, brands and their interrelationships form the analogues of consumer identity. Consumers establish their subjective presence with environments by becoming the analogues of various brand combinations according to brand grammars. Environmental response confirms their presence. Objective presence does not elicit response. Therefore, it lacks social interactivity and vividness necessary for complete presence. Subjective presence, especially through brand consumption, socially locates consumers in environments.

Virtual communities offer marketers a richer opportunity to collect data on consumer choices and respond rapidly in modifying the environment. As I have discussed previously (Pennington, 2001a), marketers can collect data on consumer choices and probabilities of occurrence based upon previous consumer choices and consumer attributes. An important consequence is that online environments afford marketers the possibility of more timely upgrades to the symbolism surrounding the cultural roles that brands signify.

As opposed to traditional media, interactive electronic media afford marketers greater control over brand meaning with greater input from consumers. Brands acquire meaning from the contexts within which they occur (Pennington, 2004a). With traditional media, marketers can control the cultural signs in message presented, but they have limited control over the context within which the message occurs. Marketers can select media, vehicles and even time, but they cannot select the surrounding content. Rather, they select based upon previous or proposed content. But content rarely matches perfectly the

message of marketing communication. Interactive electronic media afford marketers complete control over content with the opportunity to create a sense of presence.

A list of universal cultural concepts available for branding has already been compiled. Osgood, May & Miron (1975) have listed concepts common to dozens of cultures. They have also provided a list of modifiers to distinguish further the relationships among concepts across cultures. Within any culture, all concepts have distinguishing properties or attributes that allow identification and distinction according to the cultural code. Within consumer culture, brands are cultural markers critical to identifying and distinguishing cultural concepts in both actual environments and virtual communities. Further, brands afford unlimited expansion of distinguishing increments within the code.

I have discussed previously an approach to computer-assisted design (CAD) for consumer-generated virtual communities (Pennington, 2001). The vividness and interactivity available in those virtual realities evoke the sense of presence (Pennington, 2004). Both articles discuss giving tangible form to virtual communities, i.e. taking virtual communities out of the realm of imagination and making them available for sensation. Previously, making social objects available for sensation has been a challenge. Increasingly, electronic games offer a solution to that challenge by using avatars to represent players. The technique extends easily to consumer avatars.

Avatars are the tangible features users give themselves to make themselves available for sensation by others in the time and space of online environments. Song & Kim (2005) define avatars as a graphical representation of a user in virtual environment. Observers do not sense the actual person as object. But through cultural definition, observers in the actual world do not sense actual objects. Rather, they observe only the appearances of cultural representations in time and space. Just as consumers in actual environments, avatars in virtual environments convey information to identify and distinguish themselves through conspicuous consumption of brands.

Brands are a key component of the cultural signification process. As such, brands do not always compete with each other. To say that one brand of deodorant is masculine makes no sense unless another brand can be not masculine, i.e. feminine or neutral. However, to the extent that culture recognizes degrees of masculinity, one brand can signify a greater or lesser degree of masculinity than other brands. For example, one brand can be “the best a man can get.” In order to establish such significance, marketing communication must associate a brand with observable behaviors and artifacts culturally designated as corresponding to the degree of a quality.

Formerly, virtual environments afforded consumers reduced risk in identity construction trials because technology allowed them to hide their actual selves. But as consumers increasingly integrate their worlds, avatars in the digital world carry the identities of their constructors. The avatar is an analogue, and a social response to the analogue is a response to the self. In e-branding the consumer, the market affords identity critical to presence not only in the virtual world of digital technology, but also in the actual world of biological fact. Marketers who realize this seamless fusion will be better capable of serving consumers. By providing brands that represent valued relationships, marketers will enable consumers to make themselves present in social worlds.

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KEY TERMS AND DEFINITIONS

Analogue: A relational equivalent of forms. An equivalent may take a form similar to an original, differing in scale or degree, or may take a completely distinct and arbitrary form. But the equivalent is perceived as a substitute for the original.

Brand: An arbitrary sign that represents qualities and relationships in consumer culture.

Culture: The organizing principles of a social group for defining concepts and relationships in an environment.

Interactivity: The capacity to effect real-time changes in an environment, which modify subsequent sensory inputs from the environment.

Presence: The sense of being in an environment. Philosophically, this can apply to any kind of environment. In digital environments, the degree to which users fail to acknowledge the mediation of technology.

Virtual: Technologically generated forms in digital environments that are functionally equivalent to actual forms in natural environments.

Vividness: The quality of producing a broad range of sensory inputs.

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Chapter 41

Social Identity Matters: Social Media and Brand Perceptions in the Fashion Apparel and Accessories Industries

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ABSTRACT

Fashion brands' online presence provide a platform for customers to supplement social identity based on associations with brands, and ultimately this can shape brand perceptions among customers through promised functional and symbolic benefits. Social media has matured into the prime channel for regular interactions and the development of brand-customer relationships that enrich social identity. Drawing on social identity theory, the current chapter examines how the evolving social media platforms impact on brand perceptions in the fashion apparel and accessories industries. The chapter focuses on theoretical implications and managerial implications. The concluding section offers some significant roles that social media and social identity may play in keeping up with the design and development of marketing communications programmes.

INTRODUCTION

Throughout the years, marketing logics and developments have evolved to accommodate a whirlwind of evolving innovations that belong to the fashion industry. The dynamic nature of marketing means fashion companies are relentlessly on guard for the next groundbreaking development (Jayachandran, Gimeno & Varadarajan, 1999; Lusch, 2007; Vargo & Lusch, 2004; Webster, 1992). One case of a sought-after phenomenon that has dramatically revolutionised today's society is the technological Millennial approach to communication. Long gone is the reliance on traditional marketing, as one-way communication is rendered obsolete and makes way for the dominance of two-way interchange (Houman Andersen, 2001;

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Ozuem, Howell & Lancaster, 2008). Multinational corporations have, as a result, embraced the likes of Internet technologies along with their varied manifestations, such as social media, in adopting platforms that their brands can use to contribute content to followers (Evans, 2012; Hoffman & Novak, 1996; Zarrella, 2009). This has sparked vast literature on the progression of social media and the potential it has in leveraging various aspects of daily life (Fischer & Reuber, 2011; Hanna, Rohm & Crittenden, 2011; Hoffman & Fodor, 2016; Huy & Shipilov, 2012; Kaplan & Haenlein, 2010; Kietzmann, Hermkens, McCarthy & Silvestre, 2011; Michaelidou, Siamagka & Christodoulides, 2011). Other studies have examined the premises of employing social media as part of a brand's marketing scheme (Luo, Zhang & Duan, 2013; Naylor, Lamberton & West, 2012; Simmons, 2008; Tuten & Solomon, 2014).

Kim and Ko (2012) addressed the success of social media marketing activities in enhancing customer equity for luxury fashion brands. The study revealed the degree to which luxury fashion brands have prevailed from employing social media marketing activities including entertainment, interaction, or word of mouth. The findings demonstrated a positive correlation between the application of social media marketing and subsequent purchase intentions and customer equity within the luxury fashion industry. However, the study paid limited attention to a demographic age that is familiar with social media and able to produce pertinent feedback that enhances the accuracy of research results. An annual demographic analysis of social media usage compiled by Pew Research revealed that the highest rate of usage in 2014 was exhibited by those aged between 18 and 29 years (Duggan, Ellison, Lampe, Lenhart & Madden, 2015). In spite of the extensive literature dedicated to expanding the knowledge of social media, few studies have examined how social media has impacted on the fashion industry, particularly within the Millennial generation.

Social media is a development of the World Wide Web that began gaining ground between the late 1990s and early 2000s, gaining worldwide prominence by the late 2000s (Dewing, 2010). Yet before delving into the profound significance social media has exerted globally, the course of events leading up to its inception is considered

The initiation of the World Wide Web began in the early 1990s upon Tim Berners-Lee linking hypertext technology to the Internet. This allowed for one common worldwide foundation to be formed, whereby networked communication was born (Van Dijck, 2013). The consequent evolution of Web 2.0 brought about social media. Web 2.0 is described as consisting of two features that help define it: microcontent and social media. Microcontent comprises pieces of content that express a primary idea. Such pieces cover much less information than websites and may take the form of blog posts, comments, or small images. These are designed for easy upload, reuse, and stimulating participation. The second feature of Web 2.0, social media or social software, consists of platforms organised around the framework of connecting people to one another. The microcontent produced by multiple users creates a page of shared interests that different users can access to bond with one another (Alexander & Levine, 2008). In time, the growth of Web 2.0 prompted the birth of two-way communication platforms and the flow of user-generated content, which is today identified as social media (Arora, 2014; Fuchs, 2014; Gillies & Cailliau, 2000; O'Reilly, 2005).

A study conducted by Statista further affirms the significance social media has gained across the fashion industry (Statista, 2016). This study emphasises the sheer 'clout' that virtual channels have when it comes to the fashion domain through the integration of social media throughout London Fashion Week. The show is a highly anticipated bi-annual fashion trading weeklong event, and in 2014 it generated over half a million mentions on social media. The majority of these mentions emerged over Instagram.

Reports show that user access to fashion brands online is set to reach over one billion users by the year 2020 (Statista, 2016). These figures demonstrate the ongoing unification social media has brought about within the fashion world, as more brands race towards social networking sites to attain followers. By moving to online channels, fashion brands have a greater prospect of being portrayed as an original brand based on their online presence, and it facilitates a widespread connection with Millennials on a personal level. Brand-customer relationships develop at a fast-paced rate, as brands endeavour to elicit customer loyalty, and customers, in turn, attempt to associate with such brands to acquire the promised relationship equity they are perceived to offer (Lemon, Rust & Zeithaml, 2001; Kim & Ko, 2012; Vogel, Evanschitzky & Ramaseshan, 2008).

Drawing on social identity, this study examines how social media creates an online brand community and consequent relationship equity that customers pursue in enhancing social identity. Social identity theory holds that individuals seek to allocate themselves or others according to social categories (Tajfel & Turner, 1986). Individuals trail the groups that guarantee positive recognition and ultimately enhance the self through association (Ashforth & Mael, 1989; Hogg & Terry, 2000). Numerous studies have explored the tendency of customers to identify with particular brands in forming a desired social identity (Arnett, German & Hunt, 2003; Bhattacharya & Sen, 2003; Lam, Ahearne, Hu & Schillewaert, 2010). Consumption can be a significant attribute within an individual's journey to build an identity for his/her own self, as well as for others (Elliot & Wattanasuwan, 1998; Kleine, Kleine & Kernan, 1993). The consumption of popular culture has been recognised as a paramount contributor to the attainment of social status or social placement for individuals. Fashion, a major segment of present pop culture, has manifested as a prominent facilitator of social enhancement (Barron, 2012). Fashion brands are pursued by consumers with the intention of embracing individuality that, in fact, complies with a universal standard of social classification. People seek to individually speak, behave, or dress in a manner that is perceptible and significant, but that simultaneously resides within putative group norms. A consumer is placed amid two forces, the individual/psychological influence of personal opinions and preferences, and the public/social weight of uniform beliefs and attitudes (Burke, 2006; Carlson, Suter & Brown, 2008; Nowak, Szamrej & Latané, 1990).

A fashion brand's online presence provides a platform for customers to supplement social identity based on associations with brands, and ultimately this can shape brand perceptions among customers through promised functional and symbolic benefits. Social media has matured into the prime channel for regular interactions and the development of brand-customer relationships that enrich social identity. Consumer touch points have accordingly been recreated to incorporate more than physical exchanges. Rather, brand-customer interaction has ensued beyond the point of sale and into a virtual realm of open interchange (Edelman, 2010; Fromm & Garton, 2013) that has become second nature to the Millennial generation. This study contributes to current research on social media in a number of ways. While existing literature discusses the use of social media as a marketing tool, such literature fails to acknowledge the Millennial age in examining the impact of social media on brand perceptions within the fashion industry. By evaluating the influence of social media as a marketing instrument among fashion brands, the findings of this study advance the literature on the effects of social media on the Millennial generation, and this cohort's dependence on social identity in further connecting with brands. This study also contributes a foundation for fashion brands to build on for future research, which might look at how social media accounts can be appropriately handled in targeting consumers. The outcome of this research identifies how social media has imprinted on Millennial brand perceptions in the fashion industry.

BACKGROUND

The fashion industry ranges from apparel and accessories, perfumes and cosmetics to watches and jewelry. This vast industry has been globally valued at 3 trillion US dollars (approximately 2.4 trillion pounds) with a compound annual growth rate of 2 per cent. Positive market figures are anticipated to resume with industry growth projected across major regions such as China, Europe, the USA and India, to name a few (Statista, 2016). As the fashion industry engages a wide scope of sectors, this study focuses on the use of social media among the Millennial generation exclusively within the apparel and accessories sector.

In a study conducted by Deloitte on the global fashion and luxury market in 2016, the apparel and accessories sector demonstrated more than 80 per cent of revenues recorded in the industry for the years 2014 and 2015. Consequently, the expected market trends for 2016 demonstrated a 59 per cent increase in the apparel and accessories sector worldwide (Deloitte, 2016). These figures can be expected to materialise among top billionaire players such as Zara (Inditex), LVMH, and H&M, among others (Statista, 2016). The Swedish brand H&M was ranked one of the world's most valuable brands with annual revenues of over 20 billion US dollars (approximately 16 billion pounds) as of mid-2016, while boasting a six per cent revenue growth (Forbes, 2016; WSJ, 2016). Its major competitor, Zara, demonstrated similar success with annual revenues of over 15 billion US dollars (approximately 12 billion pounds) and a 13% revenue growth (Forbes, 2016). Zara redefined the fast fashion industry with its two-week turnover of trends and products infiltrating its worldwide 2000+ brick-and-mortar and online stores. Zara's online presence has peaked over the years as its social media pages amass global chatter among millions of followers (Statista, 2016; Economic Times, 2016). Parent luxury fashion company LVMH (Moët Hennessy Louis Vuitton) has likewise asserted its place in the fashion industry with frontrunners Louis Vuitton and Christian Dior dominating the market in fashion apparel and leather accessories among the luxury sector (LVMH, 2016).

Social media has empowered the fashion industry with the free-flow of content shared between brands and consumers worldwide. Brands are able to penetrate international markets through the likes of Facebook, Instagram and fashion blogs that document the latest runways, campaigns and trends to an active audience. Brand followers likewise share their own content among brands and consumers. This two-way interchange and freedom in exchanging content has allowed brands and customers to connect, customers to express affiliation to brands, and online fashion communities to develop. Such a platform of communication enables vast brand exposure and awareness among worldwide social media users. H&M was recorded to have an average of over eight million engagements of likes, retweets and comments across its social media pages over a one month period, demonstrating the scope of market saturation social media can achieve (Forbes, 2015). Luxury brands Chanel, Louis Vuitton and Christian Dior were placed in the top most influential luxury brands on social media worldwide as of October 2016 (Statista, 2016). The implementation of social media as a promotional technique has served as a gateway to market prominence as brands are given the opportunity to reach global customers on an intimate level.

As affirmed by Van Dijck (2013), upon the initial development of social media, "participatory culture was the buzzword that connoted the Web's potential to nurture connections, build communities, and advance democracy" (p. 4). Such universal engagement has propelled the immense growth of social media into worldwide cultures. A study conducted by Statista (2016) demonstrates the magnitude of social media as a defining phenomenon of the present time, with a global penetration rate of 31 per cent. Instagram, a photo-based application and social networking site, has solely yielded a 21 per cent global reach as of 2013, merely one year after its launch. This figure measures considerably well when

paralleled with the 45 per cent reach Facebook (introduced in 2004) generated over a nine-year span (Statista, 2016). Social media has infiltrated a generation of devoted users of the Millennial age, as more than 80 per cent of users are aged between 18-29 (PewResearch, 2016). Fashion leaders Zara and H&M have prevailed among the Millennial age group (Forbes, 2012), whose use of technology has grown to embody social media as a key communication portal. By utilising social media as a major delivery approach, such brands are able to considerably impress their weight within the Millennial market.

The Millennial Generation is defined as a demographic cohort born between the early 1980s and the early 2000s. This generation differs remarkably from previous groups, as the Millennial perception of communication is that it is conveniently available and instant; therefore, obstacles such as time or geography do not impinge upon the presence of technology (Strauss & Howe, 1991; Lingelbach, Patino & Pitta, 2012; Rainer & Rainer, 2011). Global boundaries are diminishing as the use of the Internet empowers the Millennial age as a consumer group defined by homogeneous behaviour (Moore, 2012). Millennials worldwide are able to relate through identical behaviour and consumption patterns due to the network of mass media. The relevance of social media is only expected to grow with continuing consumer dependence on the network to which it caters, and newfound proficiency amongst brands in delivering a unified message worldwide is also set to evolve (Stephen & Galak, 2010; Mangold & Faulds, 2009; Prensky, 2001). Such characteristics justify the worth of social media as a phenomenon that merits exploration.

CONTEXT AND FOUNDATION

Social media has shrewdly manoeuvred its way into people's lives over the past decade. While it may have commenced with the prime intention of socially linking people together, it later developed and was described using broader definitions spanning from connecting individuals to connecting industries. The extensive exploration of this communication portal through numerous studies has generated multiple definitions, all of which tend to highlight a parallel overview: social media comprises Internet-centred platforms that enable and promote a free flow of user-generated information (Kaplan & Haenlein, 2010; Safko, 2012; Kietzmann, Hermkens, McCarthy & Silvestre, 2011; Hanna, Rohm & Crittenden, 2011; Luo, Zhang & Duan, 2013; Ngai, Tao & Moon, 2015; Stokinger & Ozuem, 2015).

Kaplan and Haenlein (2010) define social media as a "group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of user generated content" (p. 61). This, much celebrated, definition has prevailed in acknowledging the key role of social media in facilitating the movement of content across a shared floor. Safko (2012) outlines a comparable explanation whilst emphasising the efficiency social media facilitates in allowing human interactions and relationships to develop. Social media has cultivated an environment driven by an open exchange between networks of users. Ngai, Tao and Moon (2015) recognise the capacity of social media networks to form relationships, but they also discuss the potential of networks to influence career prospects. Building on this progression of explanations, social media can be defined as an evolving phenomenon that continues to mature across society.

Mayfield (2008) describes five characteristics of social media, which are 1) participation that stimulates sharing, 2) openness, which eliminates barriers and enables free-flow of information, 3) conversation generated from the public stream of content shared, 4) community that develops from open interactions, and 5) connectedness, which describes the network created between users. Kietzmann et al. (2011) have

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likewise categorised social media into seven similar functional blocks and these are 1) identity, which considers the degree to which a user is willing to reveal his/her identity, 2) conversation, which considers the level of communication between users, 3) sharing, which is the degree of content circulating between users, 4) presence, which refers to the access given to display available users, 5) relationships reflect the extent of users relating to one another, 6) reputation considers the degree to which users can identify their stance within settings, and finally 7) groups refers to the ability to form or belong to a community. The functional blocks that social media is built on create its flexibility in producing an open environment that consolidates worldwide users and progresses relationships.

Before proceeding to the next section, it is imperative to address the connotation of social media with regard to social networking sites. While social media and social networking sites are frequently used interchangeably, the two terms hold separate meanings. Social media generally concerns collective construction and the circulation of media on a large scale, which can include countless applications and services such as social networking sites, wikis or podcasts, to name a few (Collin, Rahilly, Richardson & Third, 2011; Dewing, 2010; Weinberg & Pehlivan, 2011). Social networking sites are web-based services, which are a part of social media and are crafted for sharing media between networks of users (Collin, Rahilly, Richardson & Third, 2011). Boyd and Ellison (2008) define social network sites as “web-based services that allow individuals to 1) construct a public or semi-public profile within a bounded system, 2) articulate a list of other users with whom they share a connection, and 3) view and traverse their list of connections and those made by others within the system” (p. 211). Social networking sites comprise websites such as Facebook, Instagram or Twitter that characteristically require users to primarily register on the website and create a network, after which content can be shared with networks of connections. The virtually interactive platforms that social media create have induced a shift in the web towards a more people-driven community, whereby regular users influence the content produced (Berthon, Pitt, Planger & Shapiro, 2012; O’Reilly & Battelle, 2009; Smith, 2009). Account holders now have the liberty of broadcasting (receiving) any message on a global scale with the click of a button. This self-expression encourages a dynamic and democratic setting through which users feel more inclined to engage and share their own opinions (Susarla, Oh & Tan, 2012). This study focuses on exploring how social media has influenced Millennial brand perceptions through different marketing methods.

SOCIAL MEDIA AS A MARKETING TOOL

Companies have recognised the opportunity to deploy social media as a marketing tool within business operations (Fischer & Reuber, 2011; Luo, Zhang & Duan, 2013; Mangold & Faulds, 2009). This communication portal has compelled organisations to combine different marketing strategies, such as outbound marketing (dispensing promotional messages) with inbound marketing (receiving consumer messages through social media), to achieve an optimised balance of promotion (Smith & Zook, 2011). By triggering viral chatter and gaining vast exposure, social media has prompted brands to capitalise on potential connections in establishing strong brand-customer relationships within brand communities, while amassing critical customer feedback (Chiu, Hsu & Wang, 2006; Enders, Hungenberg, Denker & Mauch, 2008). Creating brand-customer social ties evokes an exchange of resources, such as trust between users, and facilitates a shared vision for companies that extend beyond overpowered geographic distances and broken organisation-customer barriers (Ngai, Tao & Moon, 2015; Heinonen, 2011; Tsai & Ghoshal, 1998).

In implementing social media within organisational marketing strategies, certain axioms are applied in designing attractive platforms for consumers. These axioms allow companies to reflect on each nation's local economic, political, and cultural stance in communicating with users on social media, while also maintaining consistency of content produced at a global level (Berthon, Pitt, Planger & Shapiro, 2012; Hinz, Skiera, Barrot & Becker, 2011). As such, social network activities ensure memorable content that customers worldwide can relate to. Brands utilise corresponding touch-points in connecting with customers throughout the day and ultimately ensure incessant brand awareness (Ashley & Tuten, 2015; Tsimonis & Dimitriadis, 2014).

Viral Marketing and eWOM

Companies have assumed stealth marketing by employing procedures such as viral marketing to promote brands in a subtle manner (Kaikati & Kaikati, 2004; Martin & Smith, 2008; Roy & Chattopadhyay, 2010; Ozuem, Borrelli & Lancaster, 2016). Viral marketing is defined as "the process of getting customers to pass along a company's marketing message to friends, family, and colleagues" (Laudon & Traver, 2015, p. 381). This web circulation thrives on the free-flow nature of social media. One form of viral marketing that has predominantly flourished offline as an eminent promotional technique is word-of-mouth (Katz & Lazarsfeld, 1955). Word-of-mouth (WOM) has been defined as the exchange of information on a particular subject among consumers (Arndt, 1967; Kaplan & Haenlein, 2011; Stern, 1994).

Buttle (1998) describes WOM according to five characteristics: valence, focus, timing, solicitation and intervention. Valence considers the positive or negative force WOM may impress on receivers with regard to a brand. According to a study by File et al. (1994), WOM can be appropriately managed to produce a desired effect among customers. The second characteristic Buttle (1998) addresses is the focus, which the brand adopts in influencing customers through the management of WOM. Timing refers to the use of WOM as a pre-purchase or post-purchase evaluation amongst consumers. Solicitation discusses the potential of customers to accept WOM and this may be influenced by the intervention of spokespeople, or celebrities hired by the brand. In most cases, WOM is assumed to occur naturally among customers who share brand experiences, and this consequently creates trails of chatter that diffuse across multiple receivers (Anderson, 1998; Bone, 1995; Herr, Kardes & Kim, 1991; Von Wangenheim & Bayon, 2004). However, brands have managed to exert their own influence over handling WOM, particularly through virtual outlets (Biyalogorsky, Gerstner & Libai, 2001; Godes & Mayzlin, 2009; Mayzlin, 2006).

Amid the influx of shoppers seeking social media for brand review evaluations, word-of-mouth has gradually transposed to online channels to become electronic Word-Of-Mouth (eWOM), whereby customers are exposed to a greater magnitude of user inputs (Cheung & Thadani, 2012; Chu & Kim, 2011; Trusov, Bucklin & Pauwels, 2009). Bearing in mind that virtual communications cannot completely replace the conventional way of physically communicating, still such means can be employed as an adjunct to evolving consumer behaviour (Kozinets, 1999).

Chevalier and Mayzlin (2006) undertook a study to evaluate customer dependence on eWOM. This study compared sales of the same products from different websites. The results demonstrated a discrepancy between the businesses in terms of sales of the same products generated, as the website with more positive feedback submitted on those products generated more sales. Positive eWOM exhibits the capability of shaping customer purchase decisions. However, Schlosser (2005) demonstrates that negative reviews also significantly influence buyer behaviour by discouraging potential customers whilst swaying current customers that have a positive stance towards the brand.

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Electronic word of mouth enables an accumulation of customer feedback that evidently adds to the image of a brand, and shapes a customer's screening process (Chakravarti & Janiszewski, 2003; Delarocas, 2006; Dhar & Chang, 2009; Trusov, Bucklin & Pauwels, 2009). Consumers have gradually come to refer to and rely on eWOM to make purchase decisions. Typically, the consumer decision process involves different stages, beginning with need recognition, information search, evaluation of alternatives, purchase, and post-purchase evaluation (Solomon, 2012; Liang & Huang, 1998). De Valck, van Bruggen & Wierenga (2009) conducted a study to explore the impact of virtual communities on the consumer decision processes. The findings reveal that substantial virtual interactions weighed on a number of the phases involved within the decision process; largely the first three stages and the final stage of the process through the retrieval, supply, and discussion of information. According to this study, the open flow of information communicated via virtual platforms has exposed users to ample levels of information, through which customers are able to retrieve choices within their needs recognition, information search, alternative evaluation, and supply experiences in the post-purchase stages.

Brand Communities and eWOM

The convenience of sharing knowledge online has shaped the flow of eWOM among Millennials and has facilitated the rise of online communities and brand-customer relationships (Gruen, Osmonbekov & Czaplewski, 2006; Taken Smith, 2012; Veloutsou & McAlonan, 2012). Social media interactions have developed into a dialogue of communication between brands and customers, and among customers, as online communities are formed through back and forth user exchanges (Hung & Li, 2007; Mangold & Faulds, 2009; Miller, Fabian & Lin, 2008). Companies have advanced this dialogue by creating brand communities that intensify brand-customer relationships and grant customers the opportunity to bond with one another, eliciting a sense of belonging (Robards & Bennett, 2011; Veloustou & Moutinho, 2009). A tribe of followers is consequently founded based on shared behaviours or preferences around a particular brand (Cova & Cova, 2001).

Muniz and O'Guinn (2001) define brand community as "a specialised, non-geographically bound community, based on a structured set of social relationships among admirers of a brand" (p. 412). Consumers are gathered under one umbrella of brand devotees irrespective of geographic distances.

According to Schau, Muniz & Arnould, 2009, brand community can be categorised into four value-creating activities:

1. Social networking, which centres on building and maintaining relationships within the brand community.
2. Impression management, which involves managing a positive brand image both within and past the brand community.
3. Community engagement, which ensures continuous interaction among members and brand.
4. Brand use, whereby the brand regularly shares guidance for greater utilisation of the product.

Brand communities on social media have given companies the advantage of establishing brand impressions that are communicated across global networks. A triad of interchange between brand-customer and customer-customer has advanced to produce an unrestricted environment for continuous engagement, relationship growth and, in the long run, customer loyalty (Fischer, Bristor & Gainer, 1996; Luo, Zhang & Duan, 2013; Muniz & O'Guinn, 2001; Sheth & Parvatiyar, 1995). Amid the instant communication

of social media, brand-customer interaction is escalated as more frequent engagement propels satisfaction, trust and commitment among followers (Jang, Olfman, Ko, Koh & Kim 2008; Kim, Choi, Qualls & Han, 2008; Wirtz et al., 2013). Consistent brand-customer interchange further impels brands to reinforce the brand image among consumers, and evidently create an attractive environment that drives purchase intentions (Adjei, Noble & Noble, 2009; Lipsman, Mudd, Rich & Bruich, 2012).

It is through social media that brand-customer interactions are put on display for the entire brand community to see. Companies are progressively attentive in maintaining and creating positive customer experiences and customer engagement (Dessart, Veloutsou & Thomas, 2015; Gu and Ye, 2014; Ozuem, Howell & Lancaster, 2016). According to Gummerus et al. (2012), a study was conducted on customer engagement with a company Facebook profile. The findings of the study showed that members of online brand communities were predominantly drawn to connect with a brand to seek help or express approval. Brands benefit from creating inviting environments that encourage customers to reach out when given the chance.

Fournier and Lee (2009) identify the development of brand societies as competitive business strategies engineered to produce pools of admirers that sustain stronger brands. This band of followers takes on the role of a buffer, whereby every individual openly demonstrates support for his/her community. An interactive community facilitates the strength of brand impressions beyond the place of purchase into a society of individuals that, in turn, act as ambassadors in further extending the brand name (Dobele et al., 2007; McAlexander, Schouten & Koenig, 2002). Online brand community members are exposed to large-scale global networks that embody diverse demographics, thus enlisting worldwide users under a common union of social integration. Relationships are formed across worldwide customers that have diverse backgrounds but share a similar devotion or following towards a particular brand, and who institute a strong community solely based on that devotion (Brown, Broderick & Lee, 2007; Jones, 1998).

Reference Groups

The degree of influence customer interactions is capable of exerting on receivers depends on the credibility and expertise of the sender (Gilly, Graham, Wolfenbarger & Yale, 1998; Sweeney, Soutar & Mazzarol, 2008). Messages produced by opinion leaders or reference groups hold higher appeal and exert greater influence on consumer brand judgments (Flynn, Goldsmith & Eastman, 1996; Senecal & Nantel, 2004). A reference group is defined as “that group in which the actor aspires to gain or maintain acceptance: hence, a group whose claims are paramount in situations requiring choice” (Shibutani, 1955, p. 563). Shibutani (1955) portrays the modern world as consisting of mass societies that have been segregated into communities of social groups run by different communication systems, ultimately identified as reference groups. Such social groups have today been utilised in the marketing realm as a means of influencing consumers by assigning more than just a functional use for products. Such products are instead assigned a symbolic significance (Ekinici et al., 2011; Englis & Solomon, 1995; Escalas & Bettman, 2005; Levy, 1959). Today, Hogg et al. (2009) comparably highlight the significance the social environment imposes on consumption through consumers’ symbolic interaction with brands that they perceive and interpret to be embraced or rejected within different social groups. The symbolic value that a brand is believed to deliver weighs heavily on consumption behaviour.

Reference groups may be normative in the sense that family members, friends and peers influence one another through direct interactions. They may be comparative when, for example, public figures set benchmarks that individuals aspire to (Carmeli & Schaubroeck, 2007; Childers & Rao, 1992; Kelley,

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1952; Li & Su, 2007). Marketers have long used the exploitation of the demographic, psychographic and cultural characteristics of public figures as a tactic of reference groups (McCracken, 1989; Escalas & Bettman, 2003; Amaldoss & Jain, 2008; Choi & Rifon, 2012; Seno & Lukas, 2007; Ozuem and Tan 2014). The aspirations of consumers to achieve the perfect self and to belong within a specific social group further drive their idolisation of celebrity figures (Amos, Holmes & Strutton, 2008; Atkin & Block, 1983; Choi & Rifon, 2012). Association with such figures brings them one step closer to achieving their lifestyle objectives. A study conducted on the impact of celebrities using social media to endorse a brand found that the greater the following a celebrity had, the bigger the resulting product exposure and buying intention towards that brand (Jin & Phua, 2014). Social media users are drawn to, and follow, brands that reflect the people those users strive to be and emulate through overt consumption of brands. Customers become more committed to virtual communities that not only assist in product research, but more importantly they become attached to communities that enhance their social needs (Dholakia, Bagozzi & Pearo, 2004; Pentina, Prybutok & Zhang, 2008).

Within the presence of brand communities, the consumption of brands surpasses their functional use. Brand acquisition becomes symbolic as social gratification is experienced and emotional fulfilment is achieved from the brand (Cova, 1997). Self-identification, group identification and involvement in a brand community add to the emotional attachment customers foster for brands. The more emotional feelings are elicited, the greater the prospect that customers will maintain a relationship with the brand (Hwang & Kandampully, 2012). Social media further intensifies customer immersion as the brand assumes a customer-centric approach to generating value within a community built on the principal notion of active engagement with customers (Huy & Shipilov, 2012; Sashi, 2012).

SOCIAL IDENTITY THEORY AND SOCIAL MEDIA

Social media has granted individuals a large platform in relaying identities (Bagozzi & Dholakia, 2002; Bargh & McKenna, 2004; Dholakia, Bagozzi & Pearo, 2004; Hogg & Raid, 2006; Pentina, Prybutok & Zhang, 2008; Hennig-Thurau, Gwinner, Walsh & Gremler, 2004; Kane, Alavi, Labianca & Borgatti, 2014; Veletsianos, 2013). By route of social media and subsequent online brand communities, current and aspirational customers are emboldened in voicing affiliation with a brand and consequently augmenting self-presentation. Consumers seek to rely on brands, among the public network of social networking sites, to enhance the self. Customer engagement is consequently heightened and relationships are formed within brand communities as such interchanges promise customers the symbolic benefit of social placement (Algesheimer, Dholakia & Herrmann, 2005; Ma & Agarwal, 2007; Ren et al., 2012). Individuals are more compelled to express affiliation with a brand that empowers them to climb the ladder of social enhancement.

Social identification of the self is comprised of two identities, personal and social. Personal identity refers to an identification of personal characteristics; whereas social identity considers a collective identification of the group that the individual belongs to (Luhtanen & Crocker, 1992; Nowak, Szamrej & Latané, 1990; Onorato & Turner, 2004). Individuals seek to enhance both identities by embracing behaviour that accentuates their individuality; however, this is an individualism that is socially commended. Customers pursue brands that convey personal attributes while maintaining societal compliance over a public scale. Drawing on Onorato and Turner's (2004) study to investigate the weight individu-

als place on either identity, their findings revealed that greater importance is placed on social identity, since personal identity has more of a context-driven, variable nature. Individuals altered their behaviours according to societal standards, especially within circumstances involving high salience. Conspicuous situations influenced individuals to assert behaviour that complied with the salient identity.

Social media is a prime example of a public setting that may exert such social influence. The consolidated global network of users, under a common platform of user-generated content, encourages individuals to express any personal opinion or preference. However, personal identity is shared under the premise that it parallels the salient identity held by the public (Clement & Krueger, 2002; Haslem, Oakes, Reynolds & Turner, 1999; Hogg & Turner, 1987; Kietzmann, Hermkens, McCarthy & Silvestre, 2011). Individuals adopt social media as a platform to enforce social inclusion by expressing identical behaviour among the desired social group.

Turner, Oakes, Haslem & McGarty (1994) describe social identity theory as “self-categories that define the individual in terms of his or her shared similarities with members of certain social categories in contrast to other social categories” (p. 454). Social categories are used as a means of social classification or identification. Individuals form definitions of themselves based on the characteristics of the groups they follow (Hogg & Abrams, 1988; Hogg, Terry & White, 1995). The self-definition formed by an individual arises from the social categories he/she pursues. Individuals identify themselves with groups of similar social categories that grant them a sense of social consensus from being affiliated with that group (Jenkins, 2008; Tajfel & Turner, 1986; Trepte, 2008). Such social consensus ensures a sense of belonging, and reinforces self-identity. Individuals chase social identification within groups to establish prominent inclusion that is socially recognised (Ashforth & Mael, 1989; Hogg & Terry, 2000). Social identification foments value among individuals as affiliation with the desired group stimulates public perception and inflates an individual’s identity.

Bearden and Etzel (1982) demonstrated a connection between social influence and subsequent consumption behaviour in a study that explored influences between public-private consumption and luxury-necessity dimensions. The findings revealed a significant influence of social reference on the public consumption of luxury products. Motivation for consuming certain products may be elicited through functional values; however, non-economic values are also drawn from investing in the purchases of a particular brand (Arnett, German & Hunt, 2003; Kleine, Kleine & Kernan, 1993; Laverie, Kleine & Kleine, 2002). Brands are built on foundations of an image and personality that is communicated to the public through brand equity (Aaker, 1996; Keller, 2012). The image of a brand is associated with the brand community it has manifested, and with particular consumers that fit into particular social collectives. Customers seeking to identify with certain groups or consequent statuses may resort to brands and brand communities to advance personal image based on brand equity (Argo, Dahl & Manchanda, 2005; Gurau, 2012; O’Cass & McEwen, 2004; Bearden & Etzel, 1982). For instance, individuals may adopt pronounced fashion or luxury brands in depicting a level of wealth and establishing identification with a certain socio-economic status.

The desire to establish social consensus among a particular social group drives individuals to exploit brand association across a public platform, like social media. Online brand communities retain a vital presence for consumer assertion of affiliation. Interestingly, brand-customer connections are strengthened as consumers publicly identify with brands in pursuit of building a self-identity based on what that brand represents (Bhattacharya & Sen, 2003; Escalas & Bettman, 2005). Customers form distinct relations with brands through their personal pursuit of gaining the desired social identity.

SOCIAL MEDIA PLATFORMS

Social media constitutes various Internet-based services enabling audiences to partake in user-generated online interactions; such services range from blogs, wikis and social networking sites, among others (Dewing, 2010; Weinberg & Pehlivan, 2011). Social networking sites especially gained prominence amid recent generations, particularly empowering consumers' open exchange within a formerly restricted market (Bernoff & Li, 2008; Bolton et al., 2013; Dutta, 2010; Hansen, Dunne & Shneiderman, 2010). The likes of Facebook, Twitter and Instagram, as well as blogs have assumed a platform role that has permitted the free-flow of user-generated information among consumers, but also the interchange between companies and customers. While Facebook and Twitter have amassed pronounced success, this study will focus on the surge that visual social networking sites such as Instagram and lifestyle blogs have gained in the fashion industry.

Instagram

Social networking sites have created and accelerated dynamic communication settings in which users interchange globally within seconds. This has compelled marketers to adapt accordingly via the utilisation of such platforms to promote corresponding brands. One noteworthy social networking site, Instagram, has ensured its mark in generating significant influence, and it has caught the attention of marketers worldwide (Holmes, 2015; Miles, 2014; Kerpen, 2015; Richards, 2015; Macarthy, 2013). Instagram began in 2012 as an easy, direct photo-sharing application and later expanded into a website, allowing universal users to connect through pictures. Almost overnight, Facebook had acquired the application, and Instagram boasted the adoption of over six million users within a six-month period (Holmes, 2015; Miles, 2014). Its simple purpose and layout demonstrated vast success as the mere sharing of photos birthed a fascination for communicating with appealing visuals that ultimately spoke louder than words.

As the name indicates, Instagram revolves around the notion of capturing an 'instant', and sharing it. Unlike Facebook or Twitter, the central theme employs visuals rather than words, aside from the caption or hashtag, which is part of the post. A hashtag acts as a form of categorisation so that any user searching a topic will be exposed to a considerable volume of images. In addition, through the use of a hashtag, the image is shared beyond a line-up of followers (Miles, 2014). The publicity one shared post is capable of accumulating within moments not only underlines the clout the social networking site carries, but also highlights the speed of communication the world has embraced. Print or broadcast ads alone can no longer sustain as effective promotional tools, whilst timely announcements on social media are circulated, dissected and forgotten within the hour. Marketers have thus assumed their place in such platforms to remain relevant among customers (Kerpen, 2015; Richards, 2015; Macarthy, 2013). Considering the immediacy of Instagram, brands from consequent dynamic industries have found their presence within this progressive portal an effective match in relaying fleeting messages.

One industry that has especially reveled in the use of Instagram is the fashion industry. The nature of immediate and relatively momentary crazes that swarm social networking sites before receding behind the next craze is proportional to the unceasing evolvment the fashion industry is known for. Fashion brand marketers are able to apply this instant marketing tool as a means of promoting ever-changing fashion trends while receiving immediate feedback (Kim & Ko, 2012; Wolny & Mueller, 2013). A brand profits

from painting the exact image it wishes to depict on a more intimate level with customers. Instagram serves as a channel for brands to interact with, amid key prevailing moments in pop culture to remain relevant among the consuming masses.

Blogs

Apart from operating their own social networking sites and using reference groups, brands have taken the approach of liaising with bloggers to further influence customers (Colliander & Dahlen, 2011). Weblogs or blogs began as dated virtual writing tools for personal use before expanding into globally influential social networking sites run by bloggers of various demographic and geographic backgrounds. Blogs serve as outlets for any potential bloggers to document life activities, share opinions and feelings and also create relationships with readers in a community (Hsu & Lin, 2008; Kumar, Novak & Tomkins, 2004; Nardi, Schiano, Gumbrecht & Swartz, 2004; McKenna & Pole, 2008; Singh, Veron-Jackson & Cullinane, 2008). This further shapes social identity as readers shadow such blogs as part of an attempt to obtain belonging within a group or community (Dholakia, Bagozzi & Pearo, 2004; Farrell & Drezner, 2008).

The blog environment of free-flowing information within a friendly setting has uniquely captured the attention of marketers to further promote brands, as the open nature of blogs, similar to other social media platforms, has minimised the power a brand has over its own reputation (Simmons, 2008). Blogs are believed to cover four different strategies of communication including evaluation, embracing, endorsement and explanation. Endorsement in particular has become popular as marketers have begun to send bloggers complimentary products which they subsequently indirectly promote through the public use of the product on their blog. Ultimately this may grow into a compensated agreement between the brand and blogger whereby the blogger is expected to mention the brand on a regular basis (Kozinets et al., 2010). Devoted followers are indirectly fed brand promotions via third parties they occasionally refer to for general advice.

The additional buzz of a brand generated through supplementary websites such as those of bloggers boosts visibility and allows for further perceptions of brands through eWOM (Weinberg, 2009; Huang, Shen, Lin & Chang, 2007). Evidently, as users more frequently visit blogs for reference, bloggers gain prominence among users (Colliander & Dahlen, 2011; Rettberg, 2008). Para-social interaction involves the fantasy of having a relationship with a media personality (Horton & Wohl, 1956). While the theory of para-social interaction initially originated from media personalities seen on television or heard on the radio, the following para-social relationship a viewer establishes on television can be paralleled to the relationship a computer-mediated user forms with a brand spokesperson or blogger on social media. Repeated encounters drive customers to develop a strong bond of trust and association with media figures (Ballantine & Martin, 2005; Hoerner, 1999). A study administered on the degree of influence an online personality inflicts on readers indicated that eWOM is received with more credibility and effectiveness when delivered by a particular brand or website representative (Thorson & Rodgers, 2006). Bloggers develop into instrumental reference groups as the pin-up example of trending actions. As consumers develop social identification in which people identify themselves with social groups, consumer behaviour is assessed by brands and reference groups that allow for ideal placement of personal social identity according to model group norms (Langner, Hennigs & Wiedmann, 2013; Liu & Hu, 2012; Van Knippenberg et al., 2004).

SOCIAL MEDIA ADDED VALUE ON BRANDS

Brand salience is considerably elevated through social media, as one mention of a brand is expected to travel across a global network of receivers. Brand communities accordingly flourish to accommodate wider customer engagement and commitment that progressively fosters into brand loyalty (Chaudhuri & Holbrook, 2001; Chauhan & Pillai, 2013). Companies advancing into a customer-centric environment of users stimulating substantial content require an adjustment of brand promotion that accentuates brand-customer interchange. Considering the paramount importance of brand and customer interactions on social media, managing customers has become an increasingly crucial asset, which is managed comparably to other company assets (Blattberg, Getz & Thomas, 2001; Da Silva & Alwi, 2008; Hollebeek, Glynn & Brodie, 2014; Malthouse et al., 2013; Sashi, 2012). The widespread interchange facilitated through social media develops brand perceptions and brand equity that is communicated to all customers alike across prevalent platforms (Keller, 2009; Naylor, Lambertson & West, 2012). Worldwide users receive the same brand messages that ensure identical brand presentation across all audiences.

Brand equity represents the incremental value that a brand name adds to the product (Feldwick, 1996; Park & Srinivasan, 1994; Rangaswamy, Burke & Oliva, 1993). Keller (1993) further elaborates on this explanation in noting that “a brand is said to have positive (negative) customer-based brand equity if consumers react more (less) favourably to the product, price, promotion, or distribution of the brand than they do to the same marketing mix element when it is attributed to a fictitiously named or unnamed version of the product or service” (p. 8). A brand has succeeded in establishing strong brand equity once it exerts a profound impact on a customer that a similar marketing mix approach under a different brand name did not have.

Keller (2001) describes four building blocks that make up customer-based brand equity. These blocks are achieved in sequence and begin with brand identity, established through creating brand salience. Brand salience is described as the brand awareness customers have, and the degree to which they are able to identify a brand. The second block is brand meaning, which involves the perspective image customers have towards a brand or brand image. Brand meaning includes brand performance, the functional aspect of the product belonging to the brand, and brand imagery focuses on more of a symbolic approach to how the customer is fulfilled mentally, emotionally or socially. This may include aspects that consider the demographic and psychographic characteristics of a typical customer, the channel through which the brand is sold, the history and personality of the brand and the overall manner in which the brand is portrayed to customers.

The third block is brand responses, which refers to judgments, in terms of the quality or advantage a brand holds, and feelings, in terms of the favourability felt from consuming or being associated with the brand. The fourth and final block is brand relationships, which considers brand resonance and the degree of commitment, loyalty, or engagement a customer may build with a brand (Keller, 2001). The relationship a customer establishes with a brand involves a series of steps from the point at which a customer first becomes aware of a brand to when he/she benefits from it functionally or symbolically, and creates a perception of it. It also extends to the moment at which the customer forms feelings towards a brand, and interacts with it well enough to form a connection.

Aaker (1996) identified a similar method to determine brand equity called The Brand Equity Ten. This proposes four classifications to denote how the customer perceives a brand, and a fifth classification, which measures market behaviour. The first category is labelled loyalty and comprises how much a customer is willing to pay for a brand and consequently how fulfilling the experience of consuming

the brand was for the customer. The second category, perceived quality/leadership, involves what the customer believes will be achieved in terms of functionality and, more importantly, recognition from investing in the brand. The third set is called association/differentiation, which involves key factors that distinguish the brand from other brands within the same industry. The next set considers value, and this is mainly centred on notions of what the brand physically offers in return for the price paid. This category also considers brand personality and how the customer deems the brand by defining the typical customer. Finally, this measure comprises organisational association, which focuses on the credibility and reliability of the company. Lastly the awareness set reflects on the extent to which a brand is recognised, remembered and truly considered in the market (Aaker, 1996). This brand equity measurement attempts to pinpoint how a customer primarily assesses a brand, according to different categories, before proceeding to consumption.

After the initial awareness stage of a brand, a perception of the potential advantages of using that brand is drawn from the brand image, before an acquisition is made following customer recognition and evaluations of producing brand equity (Aaker, 1991; Biel, 1993; Kirmani & Zeithaml, 2013; Bong Na, Marshall & Keller, 1999; Ozuem, Howell and Lancaster, 2016b). Lemon et al. (2001) consider customer equity to be at the heart of any effective business strategy that ensures long-term success. Customer equity is driven by value, brand and relationship equity. Value equity comprises the price, quality and convenience of consuming a brand. It also refers generally to how a customer evaluates a brand depending on the perception of what is forgone in exchange for the value of the brand. Brand equity is believed to entice, serve as a reminder of the brand, and construct customer attitudes towards the brand. Finally, relationship equity ascertains the emotional bond and the prospect that a customer returns to the brand. Relationship equity may be strengthened by how the brand has promised to enhance social identity through consumption (Lemon et al., 2001). The foundation of brand equity is considered through the potential social media exhibits in generating brand awareness. Moreover, whether by conceptualising the brand through an ideal customer or considering the possible personality that brand personifies (Hoeffler & Keller, 2002; Brakus et al., 2009; Valette-Florence et al., 2011), the brand image that is drawn from a customer's outlook is the chief reflection that embodies brand perceptions in this study.

Social media retains a reach that extends beyond brand communities to touch on prospective customers. The potential of online platforms drives companies to follow suit in the adoption of social media as a vital portal for communicating brand messages (Tiago & Verissimo, 2014). The widespread chatter social media is capable of steering induces awareness and enriches brand knowledge among potential customers (Barwise & Meehan, 2010; Hoffman & Fodor, 2010; Weinberg & Pehlivan, 2011). Wider brand recognition through exposure triggers reassurance among customers as the presumed risk of interacting with and purchasing from the brand is reduced (Huang, Schrank & Dubinsky, 2004). Brand awareness assumes the role of a foundation and paves the way to the development of brand equity. Thus, a brand lacking in awareness is subsequently bereft of equity, as it holds no value among consumers (Hakela, Svensson & Vincze, 2012; Kumar & Mirchandani, 2012). Exposing a brand through multiple platforms, amid the interactive global interchange of social media, manifests brand awareness that underpins the development of a brand's equity. Once a brand has attained initial attention, the ensuing step comprises delivering an identifiable brand image that an audience can grasp, relate to, and retain for later use. Park et al. (1986) identified three stages in managing a brand image commencing with the introduction stage, during which a brand establishes its image and positioning in the market. This allows it to distinctly communicate itself to customers. The second stage, the elaboration stage, centres on developing and augmenting the brand image to create value that is superior to, and provides an edge over competitors.

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Finally, the fortification stage aims to build a consistent image fit for sheltering all subsequent products produced under the following solitary image of a brand. Companies may have succeeded in accentuating brand images through offline outlets; however, the advent of presence and communication through social media has pushed brands to evolve brand promotion in accordance with online channels.

Aaker and Joachimsthaler, (2000) describe brand identity as “a set of brand associations that the brand strategist aspires to create or maintain. These associations imply a promise to customers from the organisation members” (p. 45). Brand identity represents the core that remains consistent to the company and customers throughout a brand’s evolution into new domains such as social media; and hence it acts as the connection between brand and customer (Aaker, 2004; Ghodeswar, 2008). However, the core that forms brand identity consists of exclusive brand associations. The brand image entails a series of associations of a brand carried in the memory of a customer. Brand association begins with brand awareness as certain brand nodes are initially realised and, with repeated exposure, more information is assembled around the brand (Keller, 1993). Based on the following accumulation, customers construct a meaning around the brand.

Social media allows a brand to translucently communicate its own identity through direct communication while offering transparency to its followers via communal interaction, and subsequent customer profiles. It is in the marketers’ hands to generate and maintain brand associations that leave a positive impression and distinguish the consequent brand from competitors (Aaker & Keller, 1990; Pitta & Katsanis, 1995; Andzulis, Panagopoulos & Rapp, 2012; Bolton et al., 2013; Huang & Sarigollu, 2012; Kaplan & Haenlein, 2011; Vermeulen & Seegers, 2008). Another study has shown that such virtual presence exposes brands to a greater chance of expression and richer brand associations, impacting brand evaluations and purchase intentions (Naylor, Lamberton & West, 2012). Brand-mapping techniques have been constructed to assist companies in identifying the associations customers hold of the brand (John et al., 2006). Brands may apply such techniques in generally evaluating where they are positioned in customers’ minds.

As social media depicts the brand on a larger scale, brands must remain mindful that exposure and engagement stretches beyond committed customers to a wider audience (Kozinets et al., 2010; Singh & Sonnenburg, 2012). Thus, appropriate brand presentation and association is exceedingly crucial to users that are less familiar with the brand. Organisations have succeeded in leveraging social media as a means of accentuating brand associations, and evidently brand perceptions, through the publicity of spokespeople and celebrity endorsers (Cornwell, Roy & Steinar, 2001; Cornwell, Weeks & Roy, 2005). The use of influential reference groups creates brand associations that are retained in customers’ minds and are evidently associated with the attainment of social consensus. The greater prominence that brand associations are able to exert, the greater chance a brand can expect to have in achieving strong brand equity and a competitive edge (Cheng-Hsui Chen, 2001). Another association of brand image that influences perceptions is brand personality. Brand personality has been defined as “the set of human characteristics associated with a brand” (Aaker, 1997, p. 347). As part of digesting a brand, consumers tend to anthropomorphise brands in an attempt to further relate to the label on a human level and to better envision and grasp an identity. This also helps them to evaluate the brand in terms of a status enhancer and social group admission (Maehle, Otner & Supphellen, 2011; Plummer, 2000; Wee, 2004). As a brand establishes an image with human traits constituting a personality, and as it depicts this through boundless platforms via social media, a global consumer perception is drawn (Parker, 2009) that brands are significantly able to manipulate through the widespread communication of social media. Consumer preference further grows as the brand becomes easily identifiable and distinguished

and as the symbolic values the brand personality imbues allows customers to extract it from a market of competitors (Biel, 1993; Freling & Forbes, 2005). The subsequent surge of preference in a particular brand emanates loyalty and induces emotion towards that brand. Brands are continually in pursuit of expanding interactions with consumers, beyond the point of purchase, into grounds of connection and emotional brand-customer bonding (Malar et al., 2011; Whan Park et al., 2010; Gobe, 2010). Fashion brands have assumed increasingly active roles on Instagram through posts that communicate the latest trends, campaigns and collaborations that feed into the ultimate fantasy of the brand. This approach has enticed customers as communication transpires past the product into a deeper and more authentic feature of the people, time and effort devoted to creating the outcome of the brand that customers see. Brands have thus acquired a more intimate nature in reaching and relating to customers. Emotional branding, as such, takes on an angle of richer interchange that inspires and manifests into a relationship with customers (Thompson, Rindfleisch & Arsel, 2006; Roberts, 2006). The overall emotion-stimulating brand experience further evokes contentment and loyalty (Brakus, Schmitt & Zarantonello, 2009; Sung & Kim, 2010). According to a study performed on potential influencers of brand equity, the method in which a brand communicates itself coupled with consumer interference, through their own input and promotion, enhances brand equity (Valette-Florence et al., 2011). Social media is thus applied as a complement to a brand's strategy in building a presence and image among viewers.

MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

The outcome of this paper is that it offers an insight into a relatively unexplored area of how social media influences brand perceptions in the fashion industry, particularly among Millennials (Colliander & Dahlen, 2011; Gensler et al., 2013; Kim & Ko, 2012; Moore, 2012; Singh & Sonnenburg, 2012; Taken Smith, 2012). This chapter suggests that there is much for the fashion industry to be optimistic about in reaching customers through social media.

The content produced by brands on Instagram is a chief contributor to the reaction a brand can obtain from recipient Instagram users. A relevant and consistent presence ensures the right message is being delivered to customers. Social networking sites such as Instagram are best used as tools to connect with customers despite physical distances. This helps to keep the brand relevant in the minds of consumers, while reminding customers to revisit the brand. It should be regarded as a complement to traditional channels. Instagram, for example, can be used to entice customers, develop relationships and to draw them to the website or, more conventionally, to stores. Fashion brands have employed print broadcast as prime marketing portals for decades. Visual campaigns are promoted through costly magazine spreads on a frequent basis. The fashion industry would benefit from employing social networking sites in promoting never-ending new collections, seasons, runways and campaigns that define the fashion businesses.

Prior to adopting online channels, communication between brands and customers was limited to the traditional channels of print, television, or in-stores. Brands assumed the role of relaying messages through one-way channels, and customers accordingly received those messages (Hanna, Rohm & Crittenden, 2011; Kaplan & Haenlein, 2010; Ngai, Tao & Moon, 2015; Ozuem, Howell & Lancaster, 2008). The conception of social media induced a shift in these dynamics causing consumers to possess more power. Brands have transferred communication to the virtual realm in being active pursuers of customers. This chapter presents a richer understanding of how social media has developed in the fashion industry. Industries are moving at a quicker pace and the fashion sector has become the frontrunner in

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generating a rapid turnover of ever-changing trends to feed the relentless demand of consumerism. This chapter demonstrates the significance of social media as a marketing tool in remaining relevant within the modern world, as traditional methods can no longer sustain such power. This study contributes to the existing literature on marketing to the technologically savvy generation of Millennials (Kilian, Hennigs & Langner, 2012; Moore, 2012; Taken Smith, 2011). This age has grown with the presence of technology and resorts to social media for regular interaction. Brands may find social media beneficial for communicating with such customers in real-time. However, Millennials use offline channels as well, and view social media as a complement to traditional brand outlets. Companies should be mindful of creating an online presence that is in keeping with a brand identity. Brands should reconsider handling social media as a separate entity. Rather, social media should be integrated as a key aspect of a marketing strategy. The content produced through social networking sites represents the brand DNA aligned to fit the entire personality of the brand. This chapter highlights the importance of integrating online channels into business operations when employing social media as a marketing tool among Millennial ages.

This research contributes to the literature on the application of social identity theory within virtual platforms (Bagozzi & Dholakia, 2002; Ozuem, Thomas & Lancaster, 2016; Dholakia, Bagozzi & Pearo, 2004; Hogg & Reid, 2006; Pentina, Prybutok & Zhang, 2008). It acknowledges the motivations behind the use of social media by consumers for social benefits. Social media extends beyond providing a common portal between brands and customers. Rather, it acts as a platform for the two to further relationships. Continuous interaction manifests in a society of casual triad interchange that facilitates belonging, and establishes the symbolic benefits of brand association. This chapter demonstrates that individuals enjoy the pursuit of specific brands to express their sense of belonging to a social group or status. Connecting with a brand becomes a vital facet to satisfy the personal needs of inclusion within a society, but additionally, to flaunt that association to others. Social media provides the public podium of expressing affiliation and fulfilling social identity through brand communities. Brands can profit from offering customers such non-economic values.

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KEY TERMS AND DEFINITIONS

Brand Perceptions: Perceptions of the potential advantages, disadvantages or overall image portrayed from consuming a certain brand.

Celebrity Endorsement: The use of public figures in advancing a product or brand in the market.

Fashion Industry: A global enterprise that involves the production, retail and consumption of clothing.

Identity Theory: Social identity theory considers how individuals may classify themselves or others according to certain social categories.

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Internet: Globally interconnected networks.

Millennial Generation: A demographic cohort born between the early 1980s and the early 2000s and raised in a technological age where communication has become globally boundless.

Social Media: Social media comprises Internet-centred platforms that enable and promote a free flow of user-generated information.

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Chapter 42

The Impact of EWOM Referral, Celebrity Endorsement, and Information Quality on Purchase Decision: A Case of Instagram

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ABSTRACT

This study aims to explore factors that have impact on purchase decision on a social commerce, viz., social media Instagram. Thus, several dimensions namely eWOM referral, celebrity endorsement, information quality, brand satisfaction, brand trust and brand attachment are identified and examined. This research uses SEM method and LISREL 8.80 application. Data was collected using questionnaires with Likert scale. The result from 350 respondents shows that a significant positive correlation exists between eWOM referral and purchase intention, information quality and brand satisfaction, information quality and brand trust, brand satisfaction and brand attachment, brand satisfaction and purchase intention, brand trust and purchase intention, brand attachment and purchase decision, and also between purchase intention and purchase decision.

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1. INTRODUCTION

Social media is a group of Internet-based applications that are built on Web 2.0 ideology and technology that allow information creation and exchange of the Internet users (Kaplan and Haenlein, 2009). The rapid growth of gadget development has been subsequently followed by the fast development of software applications which leads to social media as a new communication trend. Social media allows users to socialize with each other and interact without space and time limitation.

The Internet and social media opens wide opportunities for consumers to engage in social interaction on the Internet as well as for trading companies to conduct a new way of marketing. According to Muniz and O'Guinn (2001) in Kaplan and Haenlein (2009), some companies are already using social networking to support brand community's creativity. In addition, the social media platform has become an integral element for companies who want to develop a deep online customer relationship (Chen, Fay, and Wang, 2011). The marketing trend is known as the social media marketing which concerns the relationship which companies ought to change from "trying to sell" to "making connections" (Gordhamer, 2009). Businesses that engage consumers with social media is known as social commerce which is shaped into a dynamic and profitable e-commerce (Hajli and Featherman, 2014). They further stated that social commerce could create an environment in which consumers turn into brand ambassadors. Another definition of social commerce comes from Paul (2009) in Adiputra (2013) who stated that social commerce is part of e-commerce that uses social media as an online media that supports social interaction and user contributions to help online purchase and sale of products and services.

One of the social media that supports social media marketing is Instagram. According to Lisa Pomerantz, senior vice president of global communications and marketing Michael Kors, Instagram can connect companies with fans and inspire fans with nice pictures with a message in it. Furthermore, according to the Pew Research Center, Instagram is social media with the most rapid growth.

According to Kotler (2000), purchase decision is a problem-solving process that consists of analyzing the needs and desires, information search, selection sources appraisal towards purchase alternative, purchase decisions, and behavior after purchase. Previous researches were not yet able to demonstrate the influence of social media, viz., Instagram from more than one aspect, on purchase decision. An example is the work of Dyah (2014) and Sari (2015) that discussed only the impact of celebrity endorsement of Instagram towards purchase intention. In addition, Goor (2012) and some articles on <http://blog.business.instagram.com/> examined only the content and marketing strategy using Instagram, without explaining how the content and marketing strategy affect purchase decision. On the other side, companies have had beliefs towards Instagram as media to apply marketing strategies as supported by Simply Measured (2015) which found that in Q4 2014 86% of leading brands in the world are already using Instagram. Therefore, given the current belief and practice of these many companies, it is intriguing to observe and discover whether the belief and practice of using Instagram actually meets its underlying goal viz., have significant impact towards customers' purchase decision. Hence, this study aims to explore aspects of Instagram, one of the existing and relatively popular social media these days, that could have significant correlation towards purchase decision.

2. SOCIAL MEDIA (INSTAGRAM) AND COMMERCE

Social media is divided into various forms such as social networking, Internet forums, weblogs, social blogs, micro blogging, wikis, podcasts, pictures, video, rating and social bookmarking (Kaplan & Haenlein, 2009). The increasing development of gadget technology makes the development of social media increase rapidly. One quite noticeable example is that the role of the conventional mass media to inform news already began to be replaced by social media given that social media has also evolved from a media to get in touch with family and friends to a media for consumers to obtain information about the company and the products sold. (Shankar et al., 2011 in Paquette, 2013).

Through social media, companies can promote their products and form communities or online groups for consumers who like their brands (Kaplan & Haenlein, 2009). In addition, social media platform has become an integral element for companies who want to develop a deeper online customer relationship (Chen, Fay, & Wang, 2011). According to Gabisch and Gwebu (2011), social media is a valuable forum in the construction of a brand relationship with consumers. Social media marketers use all those types of online social media in persuading and influencing consumers to buy or use their company's products and services. By using online communities, marketing through social media, or so-called social media marketing, have different strategy with traditional marketing in building brand image. Social media marketing makes the communication between companies and consumers became closer by presenting their brands rather than controlling their brand image (Gordhamer, 2009). According to him, social commerce can create an environment where consumers are turned into brand ambassadors.

Next, according to Fisher (2010), the adoption of social networking introduces new components in e-commerce. Fisher (2010) divided those components into six categories namely social shopping, rating and reviews, recommendation and referrals, forums and communities, social media, and social advertising. Each component has its own challenges and advantages for the online shopping experience.

Instagram is one of social media-based social networking. Instagram has many features such as feature to take, edit, and share post in the form of picture or video, feature to tag people, and feature to explore picture and video that can be assisted using hashtag information. This photo-sharing application was launched in October 2010 and took about 19 months to reach 50 million users. In 2012, Instagram was bought by Facebook and in September 2014, the user reached 150 million.

3. BRAND RELATIONSHIP AND CONSUMER BEHAVIOUR

Brand is a differentiator between products. According to the Law of the Republic of Indonesia Number 15 of 2001 on Brand, Chapter 1, Article 1, Paragraph 1, brand is a sign in the form of images, names, words, letters, numbers, color composition, or a combination of those forms that is able to distinguish one product from others and used in trading activities. Brand is also used by the company to provide evidence in the form of fixed standards, especially for companies that do not have the opportunity to develop relationships with customers continuously (Palmer, 2001 in Rizki, 2011). According to Kotler (2003) on Rizki (2011), brand plays important roles for producer as: identification means to facilitate the handling or tracking products; protection means towards features or unique aspects of products; identification means for satisfied customers for re-purchasing; means for creating associations and unique meaning to differentiate the product from competitors; competitive advantage through legal protection, customer loyalty and unique image; source of financial return especially future revenue.

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One that supports the formation of consumer emotional bond to products or brands is social media. According to Gabisch and Gwebu (2011), social media is a valuable forum in forming brand relationship with consumers. Marketers can interact with consumers frequently, and can form friendship or personal relationship through social media (Turri, Smith, and Kemp, 2013). Brand relationship serves a number of functions by providing a resource for consumers to make decisions, to meet their needs, and to motivate them to purchase the product. (Turri, Smith, & Kemp, 2013).

Consumer behaviour is an element in marketing activities that need to be well-understood by companies. Therefore, observing consumers behaviour is important to understand consumer's mind concerning company's product or brand. According to Schiffman and Kanuk (1997) in Ghoniyah and An (2013), consumer behavior is a process through which user do searching for, buying, using, evaluating product, service or idea, and act after its consumption.

Brand relationship elements such as brand satisfaction, brand trust and brand attachment (Esch et. al., 2006 in Lesmana, 2012) have an important role in affecting consumer behavior, especially in purchasing (Rekarti, 2012). A good relationship between consumers and a brand can give a positive impact as the consumer feels close and familiar to the brand. Therefore, the relationship between brand and consumers must be maintained so that consumers continue to use the brand despite in a form of different product. Customer satisfaction is the objective need to be achieved in business so that it requires marketers to accurately identify customer needs and develop products that meet the expectation of customer (Lancaster et al., 2005 dalam Palagan, 2012). According to Perner (2009) in Palagan (2012), knowledge of consumer behavior in purchasing a product can help marketers in developing marketing strategy. Therefore, marketers will gain better understanding about consumer behavior that helps them to meet customer needs effectively and increase consumer's loyalty to their product and services.

4. RESEARCH CONCEPTUAL MODEL

In developing the conceptual model, we adopt several theories as underlying rationale for the relationships among dimensions.

4.1. EWOM Referral and Its Relationship to Consumer Behaviour

Electronic word of mouth (eWOM) is positive or negative statements made by potential customers, current customers or former customers, about the product or the company via the Internet (Hennig-Thurau, Gwinner, Walsh et al., 2004). EWOM message is an important means for consumers to obtain information about product quality and service quality. (Chevalier & Mayzlin, 2003). Additionally, the eWOM message can also effectively reduce the risks and uncertainty perceived by the consumers when purchasing a product or service, which means eWom may affect in consumer purchasing decisions (Chatterjeje, 2001). The product review that consumers write on the Internet is the most important form of eWOM communication. Consumers tend to search for product reviews on internet in order to get information about a particular product. The online review searching will eventually build an interest in purchasing (Jalilvand & Samiei, 2012). The engagement of consumers in eWOM through social media is reflected in three behaviors, namely seeking opinion, giving opinion, and the opinion passing (Flynn et al, 1996; Themba & Mulala, 2012). Based on previous research, eWOM referral has a correlation with the behavior of consumer in seeking opinion. Opinion seeking behavior is performed by consumers who seek

information and advice from other consumers when making purchasing decisions (Chu & Kim, 2011). Thus, the following hypotheses can be proposed as follows:

Hypothesis 1: EWOM referral influences on purchase intention.

Hypothesis 2: EWOM referral influences on purchase decision.

4.2. Celebrity Endorsement and Its Relationship to Brand Relationship and Consumer Behaviour

Celebrity endorsement is recognized as a potential means in brand communication, where the celebrities are considered to have greater power than the anonymous models Carroll, 2008). According to Debiprasad Mukherjee (2009), celebrity endorsement is considered as a winning formula in brand marketing and development. Marketers believe that the use of celebrity affect the effectiveness of marketing, brand recall and recognition, as well as purchase intent and action of consumers (Spry, Pappu, and Cornwell, 2009).

For marketers, celebrity can be a valuable asset. A study by Chan, Ng, and Luk (2013) discussed the aspects related to celebrities based on previous research. A celebrity can give testimonial about the benefit of using certain product or services, support products or services, or act as spokesman of the endorsed product for a long period of time (Blackwell et al., 2006). Frequently, marketers chose celebrity who is interesting, trustworthy, or has expertise in area related to the brand image (Hakimi et al, 2011). Celebrities who are well-known and have good skill will make the consumers have more desires to purchase the advertised brand (Ohanian, 1991).

According to Shimp (2003), endorser celebrity can be an artist, entertainer, athlete, or well-known public figure recognised by people for its skill or expertise in an area that can support the brand he/she promoted. In this context, the endorser celebrity is a celebrity who supports the brand through social media marketing. The use of celebrity endorser can influence the consumer's response towards a product that can make them consider purchasing a product without enforcement. With that influence, consumers will have positive perception towards the product (brand satisfaction). Furthermore, if they are able to buy the product, they will purchase it in the future (Shimp, 2003). Thus, the following hypotheses can be proposed as follows:

Hypothesis 3: Celebrity endorsement influences on brand satisfaction.

Hypothesis 4: Celebrity endorsement influences purchase intention.

Hypothesis 5: Celebrity endorsement influences purchase decision.

4.3. Information Quality and Its Relationship to Brand Relationship and Consumer Behaviour

Information quality is consumer's perception towards information quality from a product that is provided by e-commerce website (Park & Kim, 2003). Perception is a process of accepting, selecting, organising, and giving meaning towards received stimuli (Pareek, 1983; Milton, 1981; Maskuri, 2010). According to Robbins (1991) on Maskuri (2010), three factors that influence perception are perceptors, target and situation. The characteristic of the observed target can be influenced by what target perceive towards movement, sound, size, or other attributes possessed by the target that will form its perspective. Therefore, the authors propose the following hypotheses:

Hypothesis 6: Information quality influences on brand satisfaction.

Hypothesis 7: Information quality influence on brand trust.

Hypothesis 8: Information quality influence on purchase decision.

4.4. Brand Relationship and Its Relationship to Consumer Behaviour

Satisfaction is a psychological response of customers as a result of a comparison between expectation and perceived reality after consuming a product (Kotler, 2000). According to Engel (1990) in Sreejesh (2014), brand satisfaction is the result of a subjective evaluation of the consumers where consumers are satisfied with the selected brand and that the brand is in line with their expectations. Brand attachment is defined as a psychological variable that expresses affective relationship to the brand that is durable; it states the relationship of psychological closeness to the brand (Lacoeuilhe, 2000 in Louis and Lombart, 2010). When customers are satisfied, they might gain certain attachment towards products' brand. Additionally, they might also have intention to buy the product in the future. Thus, the authors propose the following hypotheses:

Hypothesis 9: Brand satisfaction influences brand attachment.

Hypothesis 10: Brand satisfaction influences purchase intention.

In business, trust is usually called brand trust. Brand trust is consumers' tendency to believe that the brand can keep the promise with respect to its performance (Fuller et al, 2008 at Yana and Siti, 2011). According to Chaudhuri and Holbrook (2001), brand trust is the desire of consumers in general who believe in a brand because it can meet the requirements and have the necessary skills to function. Meanwhile, according to Lau and Lee (1999) in Lesmana (2012), brand trust is the desire of consumers who rely on the brand, in a situation of risk, as they have expectations that the brand brings positive things. This could add customers' attachment on the brand. In addition, this could also lead towards consumers' intention to buy the product. Therefore, the following hypotheses can be proposed as follows:

Hypothesis 11: Brand trust influences brand attachment.

Hypothesis 12: Brand trust influences purchase intention.

According to McAlexander (2003) and Thomson (2005) in Rekarti (2012), brand attachment creates connections and it could predict how often a particular brand is purchased in the past and will be purchased in the future. Thus, the authors conjecture the following hypothesis:

Hypothesis 13: Brand attachment influences purchase decision

4.5. Relationship Between Consumer Attitude and Behaviour

One of the fundamental aspects of consumer behavior is consumers' intention to buy. According to Keller (2013), consumers' intention to buy could be expressed as the probability whether consumers would buy product of a brand or switch from one brand to another brand. Another study suggested that the interest to buy is a function of the monetary deliberation, not only of behavior (Rizwan, Qayyum, Qadeer and Javed, 2014). Thus, affordability is an economic aspect that could affect the intention regardless the

product price. The Theory of Reasoned Action (TRA) developed by Martin Fishbein and Ajzen Icek is a model of social psychology theory that fundamentally explains the factors that drive human behavior. They suggested that a person’s actual behavior could be determined by considering his/her prior intention along with the belief that the person would have for the given behavior. Thus, the authors propose the following hypothesis:

Hypothesis 14: Purchase intention influences purchase decision.

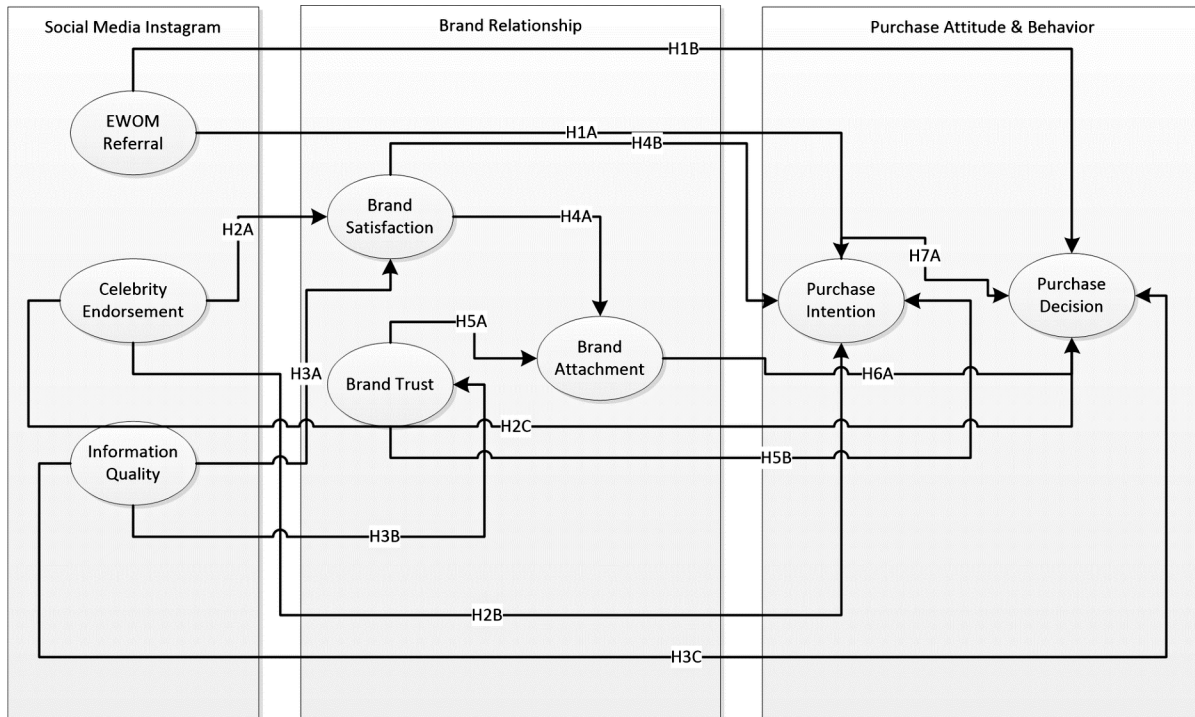
Therefore, all hypotheses can be formulated as Figure 1.

5. METHODOLOGY

5.1. Data Collecting Procedure

This research was quantitative and used a survey technique that was developed based on the research conceptual model (Figure 1). Before the questionnaire was distributed, readability test was performed towards 10 people with different educational background. The indicators were also reviewed by academician with marketing background. In order to get as many samples as possible, the questionnaires were distributed online using Google form.

Figure 1. Conceptual Model



5.2. Instruments

In the questionnaire, there are 8 dimensions with the total 35 statements (see Appendix) that contain all of the indicators in this research, each of which should be scored by the respondents for their agreements. For each statement, a Likert scale of 1 to 5 is provided to rate each indicator. Scale 1 is used to express “strongly disagree”, scale 2 is used to express “disagree”, scale 3 is used to express “neutral”, scale 4 is used to express “agree”, and scale 5 is used to express “strongly agree”. EWoM referral dimension is represented by 4 indicators. Celebrity endorsement dimension consists of 4 indicators. Information quality dimension has 6 dimensions. Brand satisfaction dimension is represented by 4 indicators. Brand trust dimension consists of 4 indicators. Brand attachment dimension has 5 indicators. Purchase intention dimension is represented by 4 indicators. Lastly, purchase decision consists of 4 indicators.

6. RESULTS

6.1. Respondent Demographics

From the data collection, the authors obtained 350 respondents. Table 1 shows the demographics of the respondents who completed the questionnaires in this study.

6.2. Data Analysis

First step to perform data analysis with LISREL is making a path diagram. This requires the following steps: changing raw data into data PRELIS, opening the path diagram, calling PRELIS data, and determin-

Table 1. Respondent demographics

Sex	Respondents	Profession	Respondents
Male	75	High School Student	10
Female	275	Student	293
Age	Respondents	Employee	41
16-20	180	Unemployee	6
21-25	163	Last Education	Respondents
>25	7	Junior High School	10
Following Online Shop	Respondents	High school	240
1-5	185	Bachelor	98
6-10	74	Master	2
> 10	91	Salary	Respondents
Instagram Experience	Respondents	< 1 millions	123
<1 year	50	> 1 millions	227
1-3 years	225	Location	Respondents
> 3 years	75	Java	289
		Non Java	61

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Table 2. Test of Univariate Normality for Continuous Variables

Test of Univariate Normality for Continuous Variables						
Code	Skewness		Kurtosis		Skewness and Kurtosis	
	Z-Score	P-Value	Z-Score	P-Value	Chi-Square	P-Value
ER1	-0.960	0.337	-0.083	0.934	0.928	0.629
ER2	-1.222	0.222	-0.282	0.778	1.573	0.455
ER3	-2.044	0.041	-1.759	0.079	7.273	0.026
ER4	-2.505	0.012	-2.269	0.023	11.422	0.003
CE1	-0.649	0.516	-1.173	0.241	1.798	0.407
CE2	-0.225	0.822	-0.540	0.589	0.342	0.843
CE3	-0.704	0.482	-0.612	0.540	0.870	0.647
CE4	-0.893	0.372	-1.230	0.219	2.310	0.315
IQ1	-0.845	0.398	-1.614	0.107	3.318	0.190
IQ2	-1.288	0.198	-0.324	0.746	1.764	0.414
IQ3	-0.385	0.700	-1.871	0.061	3.648	0.161
IQ4	-1.189	0.234	0.231	0.817	1.467	0.480
IQ5	-1.180	0.238	-0.091	0.927	1.401	0.496
IQ6	-0.720	0.472	-0.671	0.502	0.968	0.616
BS1	-1.288	0.198	-0.991	0.322	2.641	0.267
BS2	-0.959	0.337	-0.951	0.342	1.825	0.402
BS3	-1.379	0.168	-1.220	0.222	3.390	0.184
BS4	-1.573	0.116	-1.801	0.072	5.718	0.057
BT1	-1.102	0.270	-1.325	0.185	2.969	0.227
BT2	-0.753	0.452	-0.759	0.448	1.142	0.565
BT3	-0.983	0.326	-0.991	0.321	1.949	0.377
BT4	-1.127	0.260	-0.136	0.892	1.290	0.525
BA1	0.389	0.697	-1.008	0.313	1.168	0.558
BA2	0.997	0.319	-2.613	0.009	7.824	0.020
BA3	1.074	0.283	-2.767	0.006	8.810	0.012
BA4	0.171	0.864	-1.468	0.142	2.183	0.336
BA5	0.771	0.441	-2.674	0.007	7.746	0.021
PI1	-1.961	0.050	-1.074	0.283	4.999	0.082
PI2	-1.583	0.113	-0.636	0.525	2.912	0.233
PI3	-1.407	0.159	-0.144	0.886	2.000	0.368
PI4	-1.391	0.164	0.284	0.777	2.015	0.365
PD1	-0.625	0.532	-0.338	0.735	0.505	0.777
PD2	-0.498	0.619	-0.915	0.360	1.086	0.581
PD3	-1.363	0.173	-1.059	0.290	2.978	0.226
PD4	-1.026	0.305	-0.730	0.466	1.586	0.452
Relative Multivariate Kurtosis = 1.239						

Table 3. Test of Multivariate Normality for Continuous Variables

Test of Multivariate Normality for Continuous Variables							
Skewness			Kurtosis			Skewness and Kurtosis	
Value	Z-Score	P-Value	Value	Z-Score	P-Value	Chi-Square	P-Value
253.687	44.799	0.000	1605.126	23.314	0.000	2550.499	0.000

ing the exogenous-endogenous variables. Next, to identify the model the degree of freedom (df) should be greater than the number of parameters to be estimated. The df in this research is 510. There are several criteria that must be met in using SEM method viz., sample size, data normality (Hair, Black, Babin et al., 2009), and offending estimates. The minimum sample size for 35 indicators is 350 (Kline, 2005). Data normality can be tested by looking at the value of the P-Value Skewness and Kurtosis that must be greater than 0.05 after previously changing the data type into a continuous multivariate. Normality test results of this study can be seen in Table 2 and Table 3.

It can be seen that the research model is not normal in univariate where the P-Value of ER3, ER4, BA2, and BA3 ≤ 0.05 . In addition, the P-Value for multivariate test is 0.00 which is less than 0.05. Therefore, the authors decided to replace Maximum Likelihood (ML) estimation with Diagonally Weighted Least Squares (DWLS) estimation (Soreh and Gorji, 2014; Kline, 2005) to perform parameter estimation and the subsequent steps. Next is testing the offending estimates. Offending estimates are negative error variances for existing constructs (Hair et al., 2009). The test results offending estimates from this study can be seen in Table 4 that exhibits there is no negative error variance and no correlation coefficient is greater than 0.9.

Next is to test the measurement model. First is to conduct validity test that assesses whether a variable measure what it should measure. According to Hair, Black, Babin, and Anderson (2009) variables have good validity to construct if the T-Values greater than or equal to the critical value (≥ 1.96) and according to Sharma (1996) the standardized loading factor is greater than or equal to 0.60 (≥ 0.60). Based on the validity test results, ER3, ER4, CE1, CE4, IQ3, and IQ6 has loading factor below 0.6. Thus, those indicators are declared invalid and removed from the study, both for the overall reliability test and subsequent data processing. Second is to perform reliability test that evaluate the consistency of a measurement where high reliability shows that the indicators (variables observed) have a high consistency in measuring the construct / latent variables. According to Hair, Black, Babin, and Anderson (2009), for SEM measurement, reliability can be assessed using Construct Reliability Measure (CR) and Measure Variance Extracted (VE). Reliability of the construct is good if CR value ≥ 0.70 and VE value ≥ 0.50 . Based on the results of the reliability test in this study, ER has a CR value under 0.7 while IQ and BS have a VE value below 0.5. However, the value is still acceptable when CR is greater than 0.6 and VE is greater than 0.4 (Fornell, 1981 in Huang et al., 2013).

Last is to test the structural model. It is performed by evaluating the GoF between data and model (Hooper, Coughlan, and Mullen, 2008). The results are shown in Table 5.

It can be seen that the Chi-Square and Chi-Square divided by degree of freedom (df) has values beyond threshold, however this could be disregarded as Chi-Square statistic nearly always rejects the model when large samples are used and data could be considered normal (Hooper, Coughlan & Mullen, 2008).

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Table 4. The test results offending estimates from this study

Code	Errorvar	R²
<i>ER1</i>	0,45	0,38
<i>ER2</i>	0,34	0,53
<i>ER3</i>	0,58	0,31
<i>ER4</i>	0,76	0,17
<i>CE1</i>	0,67	0,27
<i>CE2</i>	0,31	0,64
<i>CE3</i>	0,42	0,49
<i>CE4</i>	0,74	0,25
<i>IQ1</i>	0,70	0,29
<i>IQ2</i>	0,68	0,22
<i>IQ3</i>	0,98	0,19
<i>IQ4</i>	0,47	0,27
<i>IQ5</i>	0,52	0,28
<i>IQ6</i>	0,71	0,10
<i>BS1</i>	0,44	0,44
<i>BS2</i>	0,27	0,63
<i>BS3</i>	0,36	0,44
<i>BS4</i>	0,51	0,41
<i>BT1</i>	0,33	0,63
<i>BT2</i>	0,15	0,81
<i>BT3</i>	0,39	0,52
<i>BT4</i>	0,24	0,66
<i>BA1</i>	0,40	0,58
<i>BA2</i>	0,48	0,57
<i>BA3</i>	0,47	0,60
<i>BA4</i>	0,27	0,74
<i>BA5</i>	0,49	0,55
<i>PI1</i>	0,51	0,35
<i>PI2</i>	0,40	0,36
<i>PI3</i>	0,31	0,54
<i>PI4</i>	0,24	0,63
<i>PD1</i>	0,30	0,60
<i>PD2</i>	0,31	0,66
<i>PD3</i>	0,43	0,51
<i>PD4</i>	0,38	0,51

Table 5. Goodness of fit of CFA and Structural Model

Indicator	Results	Standard	Source
Chi-Square χ^2	1092.23 (P = 0.0)	Bergantung pada df (P>0.05)	
Relative χ^2 (χ^2/df)	1092.23:359 (3.04)	3:1 (3)	Kline, 2005
RMSEA	0.06	≤ 0.07	Steiger, 2007
GFI	0.96	≥ 0.95	
AGFI	0.96	≥ 0.95	
RMR	0.052	Kecil	Tabachnik & Fidell, 2007
SRMR	0.062	≤ 0.08	Hu & Bentler, 1999
NNFI	0.96	≥ 0.95	
CFI	0.96	≥ 0.95	

6.3. Hypotheses Testing Results

Table 6 shows the the hypotheses tests (T-values) based on the results of the structural model testing by using LISREL. Of the 14 hypotheses tested, only 8 hypotheses were accepted, while 6 others were rejected.

7. DISCUSSIONS AND IMPLICATIONS

7.1. Theoretical Implications

H1: ER-PI (accepted) and H2: ER-PD (accepted).

From the testing result of hypothesis H1, we find that EWOM referral from ‘comment’ and ‘tag people’ feature in Instagram influences customer purchase intention towards the corresponding brand. The ‘comment’ and ‘tag people’ feature enables Instagram users to see how many people are interested in the product. This finding shows that—for Indonesian people represented by the sample—attention, appraisal, and other positive responses about a brand influences Instagram user’s purchase intention. There is a tendency of people who intend to buy product online to check beforehand how many people are interested in that product and to search the product review from other customers.

Based on the hypothesis H2 test result, EWOM referral indirectly influences customer purchase decision. This finding supports the theory of reasoned action of Ajzen (1991). The theory stated that external factor does not directly influence people’s behavior. This finding also supports previous study of Jalilvand and Samiei (2012) that was conducted in automobile industry in Iran. The study found that searching activity of the online reviews builds customer’s interest in purchasing a product of certain brand in Instagram.

H2: CE-PD (rejected), H3: CE-BS (rejected) and H4: CE-PI (rejected).

Table 6. Hypotheses tests based on the results of the structural model testing

Hypothesis	T-Value	Significant/ Insignificant	Conclusion
H1: ER → PI	2.11	Significant	Hypothesis Accepted
H2: ER → PD	0.72	Not Significant	Hypothesis Rejected
H3: CE → BS	0.33	Not Significant	Hypothesis Rejected
H4: CE →PI	0.15	Not Significant	Hypothesis Rejected
H5: CE → PD	0.89	Not Significant	Hypothesis Rejected
H6: IQ → BS	6.38	Significant	Hypothesis Accepted
H7: IQ → BT	9.05	Significant	Hypothesis Accepted
H8: IQ → PD	0.22	Not Significant	Hypothesis Rejected
H9: BS → BA	2.87	Significant	Hypothesis Accepted
H10: BS → PI	2.83	Significant	Hypothesis Accepted
H11: BT → BA	1.48	Not Significant	Hypothesis Rejected
H12: BT → PI	3.14	Significant	Hypothesis Accepted
H13: BA → PD	3.83	Significant	Hypothesis Accepted
H14: PI → PD	4.37	Significant	Hypothesis Accepted

In this study, it can be observed that celebrity endorsement has no influence on brand satisfaction, purchase intention, nor purchase decision. Based on this study’s finding, looking at a trusted and attractive celebrity endorsing a product does not provide enough force for the individual to build satisfaction, purchase intention or purchase decision.

This finding has different result with marketer’s believe stated in Spry, Pappu and Cornwell’s (2009) study. Marketers believe that celebrity have significant role in improving marketing effectiveness, brand recall and recognition, as well as purchase intention and action of consumers. In addition, this study’s finding does not align with the previous study (Mukherjee, 2009) that stated that celebrity endorsement is the winning formula for brand marketing and development. O’Mahony and Meenaghan (1997) stated that alignment between the celebrity image and the related brand is desired by consumers However, this study contradicts that phenomenon in the case Instagram case in Indonesia.

H6: IQ-BS (accepted), H7:IQ-BT (accepted) and H8:IQ-PD (rejected).

Siau and Shen (2003), in their study, developed a model of trust building in mobile commerce context and they included information quality as one of the component that affects customer trust to perform e-commerce activities. Meanwhile, Loiacono et al. (2002) found that information quality, combined with functional-fit-to-task, was one of the important factors that drive consumer to purchase a product from a website. Both studies show that information quality has correlation in customer trust and purchase decision. This study aligns with the previous study in term of brand trust; however, we found that in Instagram case in Indonesia, information quality has weak correlation with purchase decision which can be concluded that information quality does not influence customer purchase decision.

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As for brand satisfaction factor, some previous studies (Wen et al, 2008 and Park and Kim, 2008) found that information quality has a direct and positive impact on customer satisfaction. This study's finding aligns with those studies. We find that information quality influences brand satisfaction.

H9: BS-BA (accepted) and H10: BS-PI (accepted).

As for hypotheses H9 and H10, the finding is consistent with Lesmana's (2012) finding. This study and the previous study (Lesmana, 2012) both find that brand satisfaction influences positively to brand attachment.

Besides trust, many studies in e-commerce found that customer satisfaction was the main factor that influences customer's purchase intention. One of the studies is Adji and Samuel's (2014) study that found there was significant correlation between trust and purchase intention. Although there were different indicators and object of study, both yielded the same result, i.e. the dimension of satisfaction and trust influences purchase intention.

H11: BT-BA (rejected) and H12: BT-PI (accepted)

The previous study of Lesmana (2012) found there was strong positive correlation between brand trust and brand attachment. However, the finding in this study is in contrast with his finding. Eventhough this study uses the same four evaluation indicators this study receives different result. In this study, we find that brand trust has weak positive correlation to brand attachment, hence we conclude that brand trust does not influence brand attachment. It is likely that the difference is because this study investigates Instagram while his study examined Twitter. The nature of Instagram and Twitter is different on how the way information is represented, delivered, taken into action and perceived as benefit to user. Twitter focuses on text based information while Instagram uses pictures as the main information.

Meanwhile, brand trust is confirmed to have direct influence to user's purchase intention. Many have believed that trust dimension is one of the main dimensions that have strong correlation to purchase intention; for example, Gefen's (2000) study that discussed trust in online world. In tourism sector, Ponte et al. (2015) studied the impact of trust to customer purchase intention through travel website.

H13: BA-PD (accepted)

The findings show that brand attachment influences purchase decision. Customer's decision to buy a product is influenced by the degree of attachment toward the underlying brand. This finding supported the study of McAlexande (2003) and Thomson (2005) in Rekart (2012). This finding also implies that brand attachment is an important factor that should be utilized by sellers who uses Instagram as it has direct effect on purchase decision.

H14: PI-PD (accepted)

This study found that there is strong correlation between purchase intention and purchase decision that purchase intention influences purchase decision. This finding is aligned with the previous studies that also used Instagram social media (Prabowo, 2013 & Sandrakh, 2013).

7.2. Managerial Implications

The results show that eWOM referral has direct impact towards purchase intention while information quality has direct impact towards brand satisfaction and brand trust. These results could give directions towards online shops or companies which use Instagram as marketing media. First, since eWOM referral has direct impact towards purchase intention, companies should optimize the feature 'comment' in order to filter unnecessary or unfavorable comments. Thus, it is expected that Instagram users would get more concern and more positive feeling from others about a particular product that would lead to higher intention to buy. Second, companies should pay more attention towards figure captions in Instagram such that the completeness, conciseness, understandability and relevance of the captions could support proper information delivery towards the users so that they perceive the information as in good quality. From the hypotheses testing it can be inferred that captions with such qualities would likely have impact towards brand satisfaction and brand trust.

8. CONCLUSION

This research aims to examine the impact of Instagram social media as a marketing media towards purchase decision. From 14 hypotheses, 8 were accepted and 6 were rejected. Thus, this research conforms that eWOM referral and information quality have indirect relation towards purchase decision. EWOM referral has relation towards purchase decision via purchase intention while information quality has relation towards purchase decision via brand satisfaction and via brand trust. Interestingly, celebrity endorsement is found not having impact towards purchase decision either directly or indirectly. It has no relation towards any brand relationship dimensions, purchase intention or purchase decision.

Brand relationship dimensions namely brand satisfaction and brand trust have indirect relation with purchase decision. Brand satisfaction has indirect impact towards purchase decision via brand attachment and via purchase intention. Brand attachment and purchase intention has direct relation with purchase decision. Similarly, brand trust also has indirect impact towards purchase decision via purchase intention.

9. LIMITATIONS AND FUTURE RESEARCH

This research could not get the list of Instagram users who follow at least one online shop account. The authors only got an estimation of Instagram users in Indonesia i.e., circa 18 million. Conceptually, the convenience sampling used in this research could not generalize finding in the samples towards its population. Thus, further research might be conducted for better generalization of sample data towards its population. In addition, as this research uses Instagram users' point of view, a further research to examine companies' perspective in using Instagram as its marketing media would complement this study result and thus provide a more complete elaboration on this topic.

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APPENDIX

Table 7.

Indicator	Code	Description
EWOM REFERRAL		
Get concern from others (Sari, 2012)	ER1	Consumer receives forms of care, pride and satisfaction from other consumers about a product of a brand.
Get positive feeling (Sari, 2012)	ER2	Consumer receives positive feelings expressed by other consumers for a product of a brand.
Economic incentive (Sari, 2012)	ER3	Consumer receives an amount of information—related to discounts, promotions, and other information related to economic incentive—about a product of a brand that is expressed by other consumers.
Platform assistance (Sari, 2012)	ER4	EWOM is suitable as a medium for the implementation of social commerce and social media marketing of a product of a brand.

Table 8.

Indicator	Code	Description
CELEBRITY ENDORSEMENT		
Visibility (Dyah, 2014)	CE1	Celebrity who becomes the brand model in the product image posted by a brand is popular.
Credibility (Dyah, 2014)	CE2	Consumer is confident of the celebrity who becomes the model of a product of a brand in the image posted by a brand.
Attractiveness (Dyah, 2014)	CE3	Celebrity who becomes the model of a product of a brand in the image posted by a brand is appealing.
Product match up (Dyah, 2014)	CE4	Celebrity’s profile who becomes the model of a product of a brand matches the profile of the endorsed product.

Table 9.

Indicator	Code	Description
INFORMATION QUALITY		
Completeness (DeLone and McLean, 2003)	IQ1	Good information quality is provided so that product description in the caption of an image posted by a brand is complete
Conciseness (DeLone and McLean, 2003)	IQ2	Good information quality is provided so that product description in the caption of an image posted by a brand is concise
Accuracy (DeLone and McLean, 2003)	IQ3	Good information quality is provided so that hashtag used to complement the description of a product in an image posted by a brand is accurate
Undestandbility (DeLone and McLean, 2003)	IQ4	Good information quality is provided so that image posted by a brand to promote its product or brand image is easily understood
Relevance (DeLone and McLean, 2003)	IQ5	Good information quality is provided so that brand’s product description written in the image’s caption is highly relevant to the image posted by a brand
Currency (DeLone and McLean, 2003)	IQ6	Good information quality is provided so that the brand frequently posts images in one day

Table 10.

Indicator	Code	Description
BRAND SATISFACTION		
Decision (Lesmana, 2012)	BS1	Consumer is satisfied with the decision taken related to a brand
Experience (Lesmana, 2012)	BS2	Consumer has satisfying experience related to a brand
Function (Lesmana, 2012)	BS3	Consumer is satisfied with the utilization of media to promote the brand
Service (Lesmana, 2012)	BS4	Consumer is satisfied with the services provided by a brand

Table 11.

Indicator	Code	Description
BRAND TRUST		
Delivery (Lesmana, 2012)	BT1	Consumer trusts the information delivered by a brand
Statement (Lesmana, 2012)	BT2	Consumer trusts the statement given by a brand
Action (Lesmana, 2012)	BT3	Consumer trusts a brand's action
Benefit (Lesmana, 2012)	BT4	Consumer trusts that the brand gives benefits to consumers

Table 12.

Indicator	Code	Description
BRAND ATTACHMENT		
Brand self-connection: Bond (Lesmana, 2012)	BA1	There is a bond between consumer and brand
Brand self-connection: Emotional (Lesmana, 2012)	BA2	There is emotional bond between consumer and brand
Brand prominence: Mind (Lesmana, 2012)	BA3	The brand is prominent in consumer's mind
Brand prominence: Feel (Lesmana, 2012)	BA4	The brand is prominent in consumer's feeling
Brand prominence: Memory (Lesmana, 2012)	BA5	The brand is prominent in consumer's memory

Table 13.

Indicator	Code	Description
PURCHASE INTENTION		
Information seeking (Sandrakh, 2013)	PI1	Consumer wants to find more information about a product of a brand as he/she has intention to buy the product
Intention to understand (Sandrakh, 2013)	PI2	Consumer wants to understand more about a product of a brand as he/she has intention to buy the product
Intention to try (Sandrakh, 2013)	PI3	Consumer wants to try a product of a brand as he/she has intention to buy the product
Intention to buy (Sandrakh, 2013)	PI4	Consumer wants to buy a product of a brand

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Table 14.

Indicator	Code	Description
PURCHASE DECISION		
Think (Palagan, 2012)	PD1	Consumer thinks deeply about his/her decision of buying a product of a brand
Feel (Palagan, 2012)	PD2	Consumer develops an emotional feeling in buying a product of a brand
Distinguish (Palagan, 2012)	PD3	Consumer distinguishes a product of a brand from other brands in his/her decision of buying the product
Choose (Palagan, 2012)	PD4	Consumer chooses a product of a brand from other brands in his/her decision of buying the product

Chapter 43

Children Using Social Media to Connect With Others and With Consumer Brands

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ABSTRACT

Children's use of social media affects their interactions with consumer brands. Because children's social media use is a part of people's increasing use of social platforms to communicate and share content with each other, it is important to understand how children are using such platforms as sources of market-related information. This is because children's socialisation as consumers depends upon their accessing a range of market-related information sources, and social media platforms are envisaged to facilitate such access. Children's interactions with consumer brands are governed by interaction processes, and such processes shape the relationships that children may form with brands. Understanding these interaction processes will provide insights for parents, educators, and business marketers seeking information as to how the next generation of consumers use social media for market-related activities.

INTRODUCTION

Children connect with others in their social relationships, and this is how children build their identities and gain social skills (Oyserman, Elmore et al. 2012). Such social connections enable conversations about aspects of the world, and this in turn enables children to actively construct their world (Gergen 2009). Because social connections involve constant communication, within this connecting are possibilities for people including children to change how others think about the world (Gergen 2009).

Social media technologies offer people easy ways of communicating globally with each other (Schultz and Peltier 2013), and the speed of uptake of such technologies is unprecedented. The growth in the numbers and the scale of social media networking sites as ways for people to communicate and share

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their lives is demonstrated by examples such as “more video uploaded to YouTube in one month than the three major networks in the USA created in 60 years” (Hoffman and Novak 2012; pg.69).

Clustering social media sites into three groups provides a more systematic way of envisaging how people engage with social media; so for example Facebook is a social network; Twitter and tumblr are both microblogging sites; and YouTube is a content community (Smith, Fischer et al. 2012). There are continuing new entrants to the social media space, so it is far from saturated, and such entrants seem to attract large numbers of users quickly, e.g. the site Zynga with the social game known as “CityVille” achieved status as the fastest growing game of all time, moving from zero to 100 million users in a mere 43 days (Hoffman and Novak 2012). Internet websites such as Disney’s Club Penguin, offered to very young children and that offer limited social experiences, have been available for some time. However, other websites that are part of the social media ecosystem (Hanna, Rohm and Crittenden 2011) e.g. such as YouTube, have only recently focused on spaces for children to consume content and to socialise.

So people’s social media use can be envisaged as actively shaping their social connections, and such use has relevance to how children connect socially with each other too. Additionally, children’s consumer development relies upon their acquisition of social, cognitive, and physical skills (John, 1999) so their social media use can be conceptualised as influential upon their consumer development too. This is because social media technologies allow the breakdown of communication barriers between geographically and socially dispersed communities (Barber 2013), and the breaking of these barriers facilitates much easier social interaction, social influence and idea exchanges between people.

This Chapter offers a perspective on children’s use of social media to connect with each other, and to form relationships with brands such as celebrity or person brands. The topic is an important part of the technology conversation about how such use relates to children’s acquisition of market-place knowledge and skills.

This Chapter is divided into four parts. Part one identifies important issues and discusses how children use social media to connect with others and with consumer brands for their identity development projects. Part two takes a uses and gratifications perspective to show how children make personal gains by using social media. Part three draws the discussion together from Parts one and two and proposes some solutions including an interaction typology for children’s brand interactions using social media.

The final part of this Chapter discusses the implications of children’s use of social media for such purposes, discussing how children’s brand interactions on social media begin to shape their subsequent brand relationships.

BACKGROUND

The possibility of enabling brands to be involved in pathways of influence between consumers networking on social media is an attractive idea for consumer brand marketers, because of the potential for increasing consumer-brand engagement (Hollebeek, Glynn et al. 2014). However, managing brands in the social media space is a key challenge for marketers, because of the constantly evolving, real-time interactions among consumers that might involve brands, and over which brand marketers have little control (Gensler, Volckner, Liu-Thompkins and Wiertz 2013). Thus, because people’s social media interactions are known to involve consumer brands, such interactions should be envisaged as collective, co-creation activities among people involving many brand authors of a brand’s story, and some of these authors are consumers (Gensler, Volckner et al. 2013). Further, because children’s development as consumers is so socially-

directed (Hayta 2008), then it is envisaged that children's social media interactions with consumer brands may also involve co-creation activities, such as sharing and commenting upon a brand to their Facebook friends, or appropriating brand materials for generating content (Christodoulides, Jevons et al. 2012).

Academic researchers already know that children participate as users on social media sites (Dunne, Lawlor et al. 2010), and that such participation involves behaviours such as creating an online identity, for example, which provides children with a social outcome, acceptance by peers. However, nothing much is known about children's other, quite specific social media behaviours such as liking, following, commenting on, or creating particular content, and what is known has been drawn from studies involving college students (Park, Kee and Valenzuela 2009), or young adults (Joinson 2008).

Children's access to various internet tools has increased too, particularly since schools are also fostering technology skills. However of the many studies undertaken of internet participation, most were notable for the heavy use of the internet by university students. For example, of all internet usage by 92% of adult New Zealanders in 2013 (World Internet Project, AUT University, 2013), four out of ten stated that social networking sites are important to their daily lives. Thus children's social media participation is a relatively new area of inquiry, and is an important topic because of how the Internet and the associated Web 2.0 developments (including social media sites) are available for children's use, and because children are growing up in an online environment (Dunne, Lawlor et al. 2010).

MAIN FOCUS OF THE CHAPTER

Issues, Controversies and Problems

Children's development as consumers relies upon their acquisition of a constellation of attitudes and skills (John, 1999) and much is known about this process in "offline" contexts. Not much is known about how children's use of social media might facilitate such attitudes and skills acquisition, and what might motivate children to engage in such use.

In a recent study (Jones, 2015) interviewed children (ranging in age from 11 to 14 years) about their social media use for connecting with friends and with brands. The children's experiences provide the context for the following discussion focusing on children's use of social media for identity construction. Links are drawn between these personal identity development projects as motivating factors for children's use of social media.

Children Use Social Media for Identity Construction: An Important Aspect of Their Consumer Development

The larger notion of "identity" refers to the traits, characteristics, social roles and social relationships that a person has, plus that individual's social group memberships; all these things taken together define "who a person is" (Oyserman, Elmore et al. 2012). Considering the terms 'identity,' 'self,' and 'self-concept' as nested elements (Oyserman, Elmore et al. 2012) helps when thinking about how children are using social media to connect with others and with brands, doing work to reflect their self-concepts (Hollenbeck and Kaikati 2012). The notion of self-concept is derived from identity, and can be described as the complex of identities (people possess more than one "identity"), that comes to mind when a person thinks about her or himself (Oyserman, Elmore et al. 2012).

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Developing a concept of oneself relies upon access to connections with others (such as friendships) and access to materials that are easily appropriated and used to display one's identity (such as aspects of brands e.g. photos of favourite fashion items). Children's social connections with others contain significant social interactions that shape their notions of self-concept. Children's adeptness at using digital tools enables them to form friendships and to gain information (Ahn 2013) in market-related contexts (Nairn, Griffin and Wicks 2008), and such behaviour helps reinforce already existing social relationships. For pre-teen and early teenage children, creating and maintaining such relationships is important, because friendships are more important than family relationships (Antheunis, Schouten et al. 2014). So, it is expected that children in this age group will be using the tools available on e.g. Facebook that help them maintain their friendships. In a recent study (Jones 2015) investigating 11 to 14 year old children's social media use, Facebook use is described by a child user below in such "keeping up with friends" terms:

...Seeing what other people are doing...It keeps you up kind of...I suppose after you've gotten a friend on Facebook it's like you do almost have a connection like...I suppose it's almost like you know them, like you see what they've done and stuff, like photos and it's kind of like you do know them...Most of them have a Facebook, like one friend has only recently just got one, but the only reason she did it was so that she could try and get more votes for a competition she was entered in...

Keeping up with friends on Facebook probably demands more of the child than just "seeing what other people are doing", and it is expected that children in this age group (11 to 14 years) will be using the tools on Facebook for more interactive tasks. For example, undertaking activities such as influencing others via posting "likes" of friend's posted content, such interactions signifying more importance for children than adults because of the importance of peers' opinions in children's social networks (Antheunis, Schouten et al. 2014).

Children's social media participation could be facilitating the continual renewal of their identities, because of the way in which content is easily appropriated for use in identity formation, and the opportunities that social media provides for children to interact with and think about content that could be relevant to their current identity. Such participation activities would include doing things such as belonging to a particular group (e.g. belonging to a brand fan group on Facebook such as being a fan of Coca-Cola), liking particular brand pages, or posting photos or other information about themselves that includes branded content for example, to show aspects of their identity. The following quote shows how a young social media user constructs an aspect of her identity (hairstyle) by copying the style of a celebrity:

...but you know also like you know, I keep using like Cara Delevingne always wearing her hair like this, which is why I always bring my hair down because Cara Delevingne doesn't wear her hair up, you know I wear headbands because Cara Delevingne wears headbands that's cool...

Such identity-forming activities of children can be envisaged as the child being influenced because of the links being constantly established between her or himself and the consumer brand (Hollenbeck and Kaikati 2012). So what the brand stands for symbolically (Charon 1998), is appropriated by children to indicate aspects of identity, and this development task continues through adolescence (Hughes and Morrison 2013). Therefore, some aspects of brands that children are interacting with when participating on social media such as following grunge fashion, or copying Cara Delevingne could be helping them to form a self-concept. Since older social media users are known to use brands and products as cues

(Hollenbeck and Kaikati 2012) to present themselves socially on e.g. Facebook, then it is expected that children will participate in social media in this way too. So since children appropriate aspects of consumer brands to help them form a sense of identity, and since children's learning about brands develops in social relationship contexts (Diamond, Sherry et al. 2009), then the social relationship contexts characterising social media should provide another medium through which children can perform the identity formation tasks that are part of becoming a consumer (Chaplin and John 2005).

Finally, such social media participation might be giving the children much more agency (or freedom) in constructing their identities (Hughes and Morrison 2013), and this could be motivating for children, encouraging them to keep using social media platforms such as Facebook. The social aspect of identity development is important too, because identity is formed in social contexts (Oyserman, Elmore et al. 2012), and social media could be offering children ideal social contexts. Such contexts include relationships such as group memberships (e.g. ethnicity, gender, or a member of a Facebook group), family roles such as being the oldest child, or being a sporty person or a "massive nerd", such as someone who likes Dr. Who, and shares this on Facebook. Such social contexts of identity formation can also be seen in how online brand communities form, in order to bring brand users into a social group so they can share product (or service) information, knowledge and experiences, and to foster identity among group members (Wang, Butt and Wei 2011).

Children connecting with brands by using social media, then, forms the other side of their consumer development, so what follows next shows how such connections are forged.

Children Use Social Media to Connect With Brands: An Important Aspect of Their Identity and Consumer Development

Social media offers children many more opportunities to connect with brands (Antheunis, Schouten and Kraemer 2014), so understanding how children interact with brands in this environment provides rich insight helping our understanding of children's consumer socialisation (John 1999). Understanding how children are using social media to connect with brands is important as their experiences may give insight into the ways that they behave with consumer brands in the future.

Such interactions can be characterised by their evaluative or descriptive qualities which relate to the level of complexity that children engage in when interacting with brands on social media. More complex interactions that children engage in tend to involve consumer brands in more evaluative and relational ways, shown by the quote below from a recent study (Jones, 2015) on children's social media use asking who the children like and follow on Facebook:

...I love Taylor Swift. I like her music. She's like really inspirational. I reckon like her songs tell a story and they have a learning behind them kind of thing, like a lot of songs do, but they are just different. I like how she does the whole country thing, quite pitchy...

The quote shows how the relationship the child has with the singer is shaped. An evaluative statement is made first about her relationship with the singer by saying "I love Taylor Swift". For children to make these kinds of evaluative statements about e.g. person brands a basic level of internalised brand knowledge must exist, showing that a person brand such as a singer can be "loved" as a celebrity in an objectified way. Such internalised brand knowledge could be acquired from a range of sources, and signifies successful brand learning which is a necessary part of children's socialisation as consumers

(Achenreiner and John 2003). In the example shown previously, the child's interaction tendencies with the brand 'Taylor Swift' show how children relate to consumer brands by making certain decisions about a brand and the potential interactions with it. For children to relate to consumer brands on social media then, their internalised brand knowledge needs activating so that they can evaluate the brand and how closely it might "fit" with, for example, their developing self-concepts (Chaplin and John 2005).

Social media users actively generating content for posting and sharing online are known to utilise brand-related materials ((Christodoulides, Jevons et al. 2012). Such content, known as UGC (user-generated content) offers a way for people to participate online, but not much is known if children participate on social media sites in this way. It is not known which factors could encourage such participation, or what the outcomes could be for the children creating such content, or for their relationship with a brand.

What is known is that teenagers and young adults (aged 16 to 25 years), can be inspired to create content and share stories using social media if such topics are made manageable, relevant to them (such as climate change), easy to check-in with, and visually interesting (Greenhow 2008). There are four main groups of general factors thought to be relevant in motivating social media users to create brand-related UGC; co-creation, empowerment, community, and self-concept (Christodoulides, Jevons et al. 2012), but the social factors of self-concept, self-expression, identity shaping and creativity are probably the most relevant motivators for children's participation in this type of activity.

Because of children's participation in using internet technology tools such as social media platforms, and the resultant gains in new media literacy skills fostered by such use (Ahn 2013), it is expected that children would have the capabilities to create UGC if they wished, but whether such material would be brand-related, and positive for the brand, is not known. So while UGC may offer possibilities for encouraging children's social media participation, nothing is known about what benefits children might derive from participating on social media in this way, or of any reciprocal benefits to consumer brands of being used in this way. What follows next is a discussion of children's social media use from a "uses and gratifications" perspective (Dunne, Lawlor et al. 2010), to explain some of the personal gains that children make from using social media platforms.

Children Use Social Media for Personal Gratifications: A Uses and Gratifications Perspective

This perspective, also known as U and G theory, focuses on the gratifications, or benefits that attract audiences to various types of media, and then hold their attention (Dunne, Lawlor et al. 2010). The perspective takes account of the type of content that is likely to satisfy an audience's social and psychological needs. Essentially, the uses and gratifications theory focuses on what people actually do with media. U and G theory has been used across a range of research settings, especially in the study of mass media and media content, such as the study of radio, television, and print media for example (Dunne, Lawlor et al. 2010), but until the reviewed studies, not in a social media context. Of the six domains commonly assessed within U and G theory, the most useful in the social media context are likely to be the domains that build understanding of children's motivations for using social media, and that offer a way to measure the gratifications that children obtain from such use. Previous research from the perspective of U and G theory (Park, Kee et al. 2009), found that college students (university age; 18 to 29 years) used Facebook (and joined Facebook groups) primarily to find information and to socialise with friends. Adding to their self-status and wanting entertainment were the other uses (or motivations) that students said they had for joining a Facebook group. Some of these reasons should be similar motivators then for children

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to use social media platforms, but because children are still forming relationships with friends and have strong needs for peer acceptance (Antheunis, Schouten et al. 2014), socialising and communicating with friends are expected to be the primary reason for use. Popular communication topics amongst children are expected to be discussions about celebrities (person brands) because such topics enable children to maintain their friendships in less risky ways. That is, discussing a celebrity with friends on social media enables children to maintain “declarative distance” in their conversations by reading what friends are saying and agreeing, or by simply “watching” a celebrity on platforms designed for this (e.g. tumblr or YouTube). The following quote shows a young user’s motivations for watching celebrity activity on tumblr. Such “watching” activity enables her to learn more about the celebrities (person brands) by following them through other links in the social media ecosystem:

...My favourites would be my two, of my OTP (*one true pairing) my favourite ship, it would be Tyler Oakley and Troy Sivan...It's not like you know, refresh my feed so you get a post. You know, just like you know you can tell if he's in Australia, you can tell, and they'll post, if like their new video is up, it'll be on YouTube, it'll be on tumblr, I'll see that he's got a new video up, I'm like oh cool...*

Children’s participation on social media by using the “following” tool available on social media platforms such as tumblr or Facebook provides a practical way by which children can indicate their affinity for someone or something (such as a consumer brand). Such following behaviour constitutes influence (Goggins and Petakovic 2014), because it shows childrens’ affiliations with either people or content. So, for children to behave in this way, there must be some link with either improving the quality of their friendships (Antheunis, Schouten et al. 2014), or with portraying their self-concepts, because there are risks attached to publicly show that one is following someone or something. In these situations, children are likely to portray themselves as positively as they can (Dunne, Lawlor et al. 2010), following people or content known to be acceptable to their reference group, or that helps them express who they are (Clarke 2009).

However, some of what is known about adult’s use of social media from the U and G perspective (Karnik, Oakley, Venkatanathan, Spiliotopoulos and Nisi 2013) shows that adults’ reasons for joining Facebook groups (e.g. such as a music sharing group), are more diverse than those found in the children’s study (Dunne, Lawlor et al. 2010). Girls in the Dunne, Lawlor et al. (2010) study used Bebo primarily for communicating with their friends, for creating an identity, and for entertainment. In contrast, the adults in the Karnik, Oakley et al (2013) study were primarily using the Facebook group to discover new content and cultures; to interact socially, use content by listening, and for nostalgia reasons (pg.823). Some of the adult reasons for use could be classified as entertainment, such as watching and consuming content, and this use is similar to what the girls in the Bebo study reported (Dunne, Lawlor et al. 2010).

Watching social media content (such as person brands’ fashion) was found to be a more prominent characteristic of social media use for children who tend to be more passive social media users (Jones 2015). That is, such children obtain gratifications from watching specific celebrity content, as depicted in the quote below:

...I suppose I kind of do, like everyone, I suppose over in America now it's winter kind of like fall and they are all kind of into leather pants and stuff at the moment, like the Kardashians and stuff, they are all wearing leather pants and, yeah I suppose...

So, social media reasons for use (or gratifications) can be diverse, and such diversity would be expected between children and adults. However, because children are more engaged in formative tasks such as making friends and identity creation, their uses of social media may be more complex than adults in terms of what they want to obtain. For example, creating and managing identity is potentially a more complex task for children than for adults, especially with children's need for peer acceptance, so it could be that children's use of social media reflects their preoccupation with one or two formative tasks that adults have already negotiated. If this is so, then the gratifications that children obtain from such uses of social media could be more difficult for them to achieve. Nothing is known about this, although the study of girls using Bebo did report that they obtained peer acceptance (Dunne, Lawlor et al. 2010) and that this social outcome was linked to the use of Bebo for identity creation and management (pg.54).

In summary, the uses and gratifications perspective (U and G Theory) involves three uses; achievement, enjoyment, and social interaction (or gratifications sought; Dunne, Lawlor et al. 2010). Whether or not such gratifications are obtained is not reported (e.g. Chuang 2015), but the social interaction gratification/use makes sense, and reflects other work using the U and G perspective to argue for people's motivations to use social media. The U and G perspective makes visible children's and young people's motivations for using social media, framing these in a gratifications sought and obtained perspective (Dunne, Lawlor et al. 2010). The perspective is helpful in extending understanding of the reasons why children might be motivated to use social media, and for providing a framework to evaluate the outcome of such use.

Drawing together the preceding perspectives of children's use of social media for identity construction, for connecting with brands to help their identity projects, and for uses and to obtain gratifications, an interaction typology is proposed next. The interaction typology depicts processes by which children engage in brand interactions and how such interactions shape their brand relationships, whilst at the same time connecting with others.

Children Using Social Media: An Interaction Typology

The modes of interaction that characterise children's brand interactions on social media shape children's brand relationships. That is, such modes provide pathways of influence for children with consumer brands, and such influence can be seen in a typology of relationships (Fournier 1998) that children construct with consumer brands (Jones 2015). For example, children who interact with brands in more evaluative ways (e.g. making decisions to appropriate brand materials for identity formation), form brand friendships that can be described as "compartmentalized" (Fournier 1998; pg.362). Such friendships offer lower intimacy conditions but high socio-emotional rewards, and can be entered into or exited from easily. Such a friendship type with a consumer brand makes sense in the social media context explained here, when seen from the perspective of how easily children will follow or unfollow a person brand on social media especially if the brand has violated some internal criteria the child might be using (Jones 2015).

Direct interactions that children have with brands such as person brands are increased with the integration of social media and new formats for television, such as reality television shows (Tingstad 2007). With these new media formats, developments in advanced viewer connectivity with the celebrity person brand are made possible because of social media platforms, so children have the opportunity to interact directly with a favourite celebrity on a real-time basis. Such interactions are easily seen with television shows such as *The X-Factor* in New Zealand, where audience members easily interact with the show and its pop star hopefuls using Twitter during the performances, or posting to the show's Facebook page. Practical experience suggests that such direct interactions quickly build interest and foster high

levels of emotion among audience members at the time, and this can be evidenced by comments made to Twitter by audience members when things go wrong on a reality show, such as dissatisfaction with a judge's decision. Such integrated use of social media with reality television may increase the speed at which some children are willing to interact directly with e.g. a celebrity brand. Other children will use social media sites as part of a larger brand community to communicate their dissatisfaction with brand activities as this young social media user demonstrates:

...No, but what I did was I made a Reddit account just to post that, and so I like posted it on like Artemis Fowl like discussion page and I just posted it on there and I haven't looked at it since or posted anything else on Reddit, I just wanted to get it out there...

So, new media formats such as reality television such as "Pop Idol" (Tingstad 2007), or the more recent X-Factor reality shows in New Zealand, offer children social interaction opportunities, enabling them to directly experience the idol brand.

Such social interactions with brands move beyond treating children as passive receptors of advertising information, into a much more active dialogue offering children many opportunities to build links with brands.

However, children also use social media to watch consumer brands and this implies a passive, or distant orientation, but such watching activity provides children with social learning opportunities. Using social media to watch consumer brands can be influential too (Jones 2015) as depicted in the following quote from a young YouTube user:

...Well I get quite some influence from just someone I watch who does video games, and I've gotten some views from him, some point views and yeah so he influences me, yeah, to do...

Watching even a minor celebrity on YouTube helps children learn about aspects of the brand (in the quote above, the young user is learning about how a video game developer creates and promotes his games), and from such watching, increases his knowledge of gaming promotion.

So, children's interactions with person brands on social media by watching such brands can be influential, prompting some children into relating with these brands. Such outcomes are achieved because some children use a "watching with purpose" mode for their social media brand interactions (Jones 2015). These are the children for whom watching with purpose translates into relating to a brand. These are also the children who tend to approach their brand interactions by simultaneous interactions of describing and then evaluating brands for their usefulness to the child. Such mixed interaction modes prompt children to move past just watching brands for e.g. entertainment, towards more relational interactions with them. So, children using "watching with purpose" interactions tend to transform their watching more easily into relating to brands. Watching consumer brands on social media is influential in itself, and the children who tend to move easily from watching to relating are those using a wider range of social platforms, illustrated by the following quote from a young social media user:

Um I didn't find them on tumblr first, I found them on Youtube and they make really, really funny videos and I like their videos a lot. And then I found they had tumblr and I'm like great I can stalk them now and blog them on tumblr and Facebook and Twitter and those...

For children who watch brands without relating, such interactions imply passivity. However, watching brands alone still provides social learning opportunities, and the results from a recent study (Jones 2015) show that such children may need to learn more about brands before they are prompted into more relational interactions. That is, more explicit watching with learning might be necessary to prompt children to relate to brands more easily.

More complex brand interactions that children engage in using social media involving evaluative elements, and “watching with purpose” (Jones 2015), show that children using such modes of interaction are testing brand relationship possibilities. Watching with purpose can be described as a form of courtship (Fournier 1998), enabling children to test out the relationship provisions using a trial period of brand watching, e.g. on YouTube. Such watching, if proven satisfactory to the child, will translate into a more committed brand relationship characterised by more influence wielded by the brand to shaping the child’s responses to brand-related content (Jones 2015).

Therefore, an interaction typology for children’s use of social media for brand interactions can be depicted as consisting of several elements. The micro-element of brand evaluation for its usefulness to the child is followed by a decision-making element; either to relate to a brand or to “watch a brand with purpose” (Jones, 2015). Both decisions show the nature of children’s relationships with brands. That is, these interaction processes are important and not all are used at the same time and also do not occur in a linear fashion.

SOLUTIONS AND RECOMMENDATIONS

This Chapter helps make visible children’s use of social media for interactions with consumer brands. Such interaction processes reflect processes of influence, and these processes can be seen to be shaping children’s relationships with consumer brands (Jones 2015). These processes are of interest because of the potential for explaining how children’s social media use contributes to the broader processes of children’s consumer socialisation (Jones 2015).

Children’s interactions with consumer brands are clearly not limited to interacting with brands only within family relationships. The consumer culture that children live within encourages their interactions with brands because of the rapid changes in media technologies, marketing and branding practices towards children, which intensifies their exposure to consumer brands (Nairn, Griffin et al. 2008). Thus, children’s experiences in advanced consumer economies enable them to participate in intense relationships with consumer brands for a range of purposes, and this Chapter has discussed how children construct such brand relationships via their use of social media.

Implications for Parents, Educators, and Policy Makers

Social, educational and public policy matters may be informed by this Chapter. The children who participated in this research represent one of the first consumer groups growing up in a time shaped by their use of the internet. Such use includes social media platforms, and this Chapter shows that children do participate in social media to interact in consumer markets. Such a topic is of interest to parents, educators, and public policy makers because of the way in which consumer brand owners may be informed by the research as to how they can encourage children’s increased participation in brand relationships.

Parents have an interest in the research from the perspective of educating their children about consumer markets and branded goods, while educators may be interested in understanding the processes by which children interact with brands on social media. Such understanding may offer educators and policy makers' opportunities to foster social-good projects, such as helping children learn how to manage money in conjunction with a banking brand.

Public policy makers seeking to regulate aspects of the internet may be interested to learn how children actually use web 2.0 social media platforms for brand interactions. Such information may assist policy makers to formulate policy guidelines or codes of practice seeking to provide protection for social media using children. Such guidelines may be adopted by marketers to guide their own codes for operating in children's markets.

Implications for Technology Marketers

This Chapter discusses the interaction processes that children use to interact with brands on social media. These processes will be of interest to marketers, especially to those offering branded products and services in children's markets. The discussion provides information about how emerging, technologically-literate consumers interact with brands via the use of social media. Such information may have predictive value for marketers, because of the insights offered into how today's emerging consumers expect to interact with brands using new technologies such as social media. This Chapter sheds light on the interaction behaviour of a group of young consumers, and such information provides opportunities for marketers to understand some of the micro-interactions of children with consumer brands.

FUTURE RESEARCH DIRECTIONS

Children using social media for interactions with consumer brands are part of the first group of young people who have grown up with digital devices, and full access to the Internet. Such freedom of use is envisaged to change how children will relate to consumer brands when they become older consumers, compared to how young people interact with market-related information such as brands now. Understanding and predicting how today's children will expect to interact with consumer brands as they become adult consumers provides an area for further research.

The policy implications of understanding the processes of children's' interactions with consumer brands using social media provide an alternative research direction. Policy responses at the macro level are needed to guide businesses as to how they may use social media platforms to connect with children. Presently, in many advanced consumer economies, business marketers self-regulate their internet activities with regards to children.

CONCLUSION

This chapter has shown how social media use is important in identity construction and identity development in children. Social media use is important to children in their development as consumers, allowing them to connect and interact with others. The chapter has provided insights into the children's'

interaction processes with each other as well as the various celebrities and brands in the marketplace. There are several implications outlined at the end of this chapter surrounding the use of social media for parents and educators in terms of their interactions with other children, and for corporates outside children's' family and friends.

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KEY TERMS AND DEFINITIONS

Blog Page (Tumblr): The home page with a user’s profile, allowing the user to create microblogs and post to their page.

Comment (Facebook): Commenting on another’s posted content.

Facebook Friends: Contacts that a user has added to their own network or responded to invitations to “friend” another user, thus increasing their network.

Facebook News Feed: A continuously updated content stream posted by other users in a user’s network or from pages that a user has “liked”. Main way for users to keep up to date with what people in their network are doing, saying, posting, sharing, liking, & who they are following.

Facebook Page: User created home page; consists of a profile photo & other details users choose to share.

Fandom: Virtual equivalent of a brand community.

Favourite (Twitter): Equivalent of the Facebook “like”; a user’s followers see content that a user has “favourited”.

Following (Facebook): Tracking other users or other favourite content.

Following (Twitter): People active on Twitter that a user has elected to follow; Followers - the people who are following a specific user.

Instagram: Social photo sharing site; users interact with shared photos by “Like”, comments, or follow. If a user follows another then the other’s photos show up in (your) photo stream. Instagram users have #hashtags and use these in similar ways to Twitter. Instagram is designed for mobile use.

Like (YouTube): Viewers can signal their approval of video content in the same way as the Facebook “like”.

Like/s (Facebook): Signifying agreement with or liking another’s posted content.

Messages (Facebook): Creating and sending or receiving messages “in-house” using the Messenger app.

Notifications (Facebook): Visual reminders of messages or activity by others relevant to a user’s network.

Post (Facebook): Uploading content to one’s own page or posting a comment or message to another page.

Posts (Tumblr): Content generated by users and uploaded to their home page. Followers of the user see the posts.

Promote/d (Twitter): Users promoting content (possibly commercial) to their network.

Randoms: Unknown people inviting a user into their network; invitations are often refused.

Reblog (Tumblr): Equivalent of the Facebook share; followers in a user’s network will see content that a user has reblogged to her/his home page. The more “reblogs” of content a user gets the greater their influence in the community.

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Reddit: Social news website and forum whose stories are socially curated and promoted by site members. Reddit uses “threads”, storylines relevant to specific topics. Reddit has “subreddits” and these are sub-communities each with their specific topics. Members submit and vote on content before such content is shared to the “front page”.

Reply-to: Twitter equivalent of a message replying to a user.

Retweet: A user’s microblog shared by another user to her/his own followers on Twitter.

Share (Facebook): Enabling other people in one’s network to see content by activating a “share” function.

Snapchat: Snapchat is a photo messaging application, designed for mobile, whereby users can take photos, make videos, add their own text and drawings, and then send the content to a “controlled” list of recipients in their social network. Photos sent to a recipient “self-destruct” after about 10 seconds unless the recipient takes a screenshot.

Tagging (Facebook): Identifying another user in a photo that has been posted to one’s own page.

Tweet: The microblog written by a user on Twitter. Limited to 140 characters.

Twitch: Twitch is an online social gamers site, created for the gaming community. It is one of the world’s largest video streaming platforms, uses live streaming of games, organises competitions, providing “streamers” and “broadcasters” with the opportunity to develop and play video games with others. Has achieved 100 million unique monthly viewers (2014).

Wiki: A website or database developed collaboratively by a community of users, allowing any user to add and edit content. The children will refer to “go wiki something”, which is the contemporary equivalent of the old “go look something up in the dictionary”.

YouTube Channel: Content creators pay a fee for their own “channel”, to which they upload video content.

YouTube Subscribers: Viewers paying a fee to subscribe to a content channel.

YouTube Views: Refers to people watching a posted video; the more “views” for a content creators video, the better regarded is the content.

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Chapter 44

Building the Force: Enacting Fan Brand Community Through the Star Wars BB–8 Droid Builders Club

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ABSTRACT

This chapter examines the Star Wars fan community who creates screen accurate BB-8 replicas is explored in depth. Builders undertake the creation of characters through emergent technology such as 3-D printing. The members work together to create these replica characters and immerse completely in the process of the character's formation. We studied online fan community forums and social media groups where participants engage with and support one another as they build full-sized Star Wars characters. Second, this chapter applies the BB-8 builder community to an established framework for brand community, which is extended to include the passionate and committed communities formed by fans around entertainment franchises. Brand (or franchise) characteristics are related to community characteristics, which are then in turn related to fan brand community. Finally, conclusions for the academy and practitioners are discussed based on the examination of this community in relation to the theoretical framework.

INTRODUCTION

The creation of a customer-led brand community has been called the “holy grail” of marketing as consumers immerse themselves in the brand and form a self-regulating community to support their chosen brand (McAlexander, Schouten, & Koenig, 2002). By definition, a brand community exists when consumers join together and share consumption experiences online and in person outside of the purview of the parent company (Cova, 1997; Dholakia & Herrmann, 2005). Harley Davidson is often held as the

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classic example of a brand with a powerful brand fan community, as is the Jeep brand, yet this phenomenon exists across many product categories. Fans of *The X-Files*, a television show that ran from 1993 to 2002 and again in 2016, was another popular brand with a strong brand community (Kozinets, 1997). Members of the fan community engaged heavily with the brand, including creating a name for themselves (X-Philes), suggesting the creation of RPG (role-playing games), and finding ways to incorporate the themes and mythologies from the show into their own lives (Kozinets, 1997). Shortly after the release of the New Volkswagen Beetle in 1998, fans and critics alike turned to the Internet to discuss the merits and shortfalls of the new car (Brown, Kozinets, & Sherry, 2003). Similar activities were also seen following the release of *Star Wars: The Phantom Menace* (Brown et al., 2003) where fans gathered online and analyzed the new movie in great detail, often comparing the newer film to the originals in the series in an attempt to “decode George Lucas’s cosmology” (Brown et al., 2003).

MAIN FOCUS OF THE CHAPTER

This chapter consists of two principal areas of focus. First, the *Star Wars* fan community focused on creating screen accurate BB-8 replicas is explored in depth. This discussion includes insights from the online fan community forums and social media groups where participants engage with and support one another as they build full-sized *Star Wars* character. Builders undertake the creation of the character through emergent technology such as 3-D printing. Members work together to create these character replicas and immerse themselves completely in the process of the character’s formation. This participation involves the commitment for many to purchase 3-D printers and learn how to use them to design and build the character for participation. This chapter also includes insights gathered from the annual official fan convention, *Star Wars Celebration*, where members meet in the real world and honor the franchise. The complexity of the tasks and the commitment required are described in detail. Second, this chapter applies the BB-8 builder community to an established framework for brand community (Humphrey Jr., Laverie, & Rinaldo, 2016), which is extended to include the passionate and committed communities formed by fans around entertainment franchises. Brand (or franchise) characteristics are related to community characteristics, which are, in turn, related to fan brand community. This type of self-organized community are arguably the most vocal and motivated ambassadors for an entertainment brand. Finally, conclusions for the academy and practitioners (namely franchise stewards) are provided based on the examination of this community in relation to the theoretical framework. The overall objective of these three chapter components is to apply this existing framework to a nascent fan brand community and provide a vibrant, real-world example of how franchise creators and stewards can coexist with fan communities that replicate screen accurate artifacts as part of a self-formed and self-regulated online and offline community.

Issues, Controversies, Problems

This article is relevant to the following issues and controversies that entertainment brand franchise owners may have with self-organized fan groups and fans replicating what is seen on screen (and owned as intellectual property by the franchise owners):

- **Franchise Owners Protect Intellectual Property:** Franchise owners want to protect their intellectual property and character likenesses for commercial purposes.
- **Fans Seek Franchise Experiences:** As fans wish to deepen their experiences with a franchise, they seek ways to identify with the brand and others in the fan community.
- **Technology Has Complicated Fandom for Brand Stewards:** It facilitates fan organization and the ability to recreate screen-accurate artifacts, such as costumes, settings, or creatures and robots. This complication opens the franchise to directions and implications not intended by the creators.
- **Franchise Owners Need to Consider Control:** They must decide how tightly they enforce protection of intellectual property and if they embrace fans who co-create the experience for themselves and other fans.
- **Fan Created Replicas Drive Engagement:** These creations can serve as positive word of mouth at fan events and charitable undertakings.

The Star Wars Fandom

Star Wars serves as a rich franchise for fan brand community that includes forty years of storytelling in different forms of media; these media include film, TV, web series, books and comics, fan conventions and events, console video games/mobile apps, theme park attractions, and toys/collectibles (Lucasfilm Ltd., 2016a, 2016b, 2016c, 2016d, 2016e, 2016f, 2016g, 2016h). Fandom can range from the casual fan, who only views the movies in the theater as they come out, to the highly engaged fanatic, who strives to consume all Star Wars media and merchandise. In the latter category, a coveted and high commitment product type is the full-sized, commercially produced character statue, which can cost from \$2,499 to close to \$10,000 (Sideshow Toys, 2016).

Modern day Star Wars fandom has seen a revival since the Disney purchase of Lucasfilm Ltd. in 2012 (Miller, 2015). Other than books that depicted extended stories and an animated television series, fans had not enjoyed an anchor Star Wars product, namely a new film, in nearly a generation. With the release of the first new film in years, *Star Wars: The Force Awakens*, fans enjoyed their first cinematic Star Wars experience since 2004. Despite the lack of films, loyal fans continued to celebrate the franchise through a yearly gathering known as Star Wars Celebration. Star Wars Celebration differs from the popular international Comic-Con fan gatherings in that the focus is purely on Star Wars (ReedPop Events, 2016). Comic-Con is a yearly event that originally focused on comic books and the consumption of comic culture, but the event has expanded out to include panels and events related to specific franchises, including TV shows, movies, and web content (Comic-Con International, 2016). No single franchise dominates Comic-Con, and franchises work within the framework of a shared convention and multiple fandoms.

The yearly multi-day Star Wars Celebration event alternates between the United States and Europe and features celebrity and expert panels, autograph sessions, interactive experiences, and cosplay (costume role play where fans dress up as their favorite Star Wars characters). Additionally, the franchise stewards use this avenue to launch new trailers for their television series and film installments. Most of the panels with filmmakers and talent are streamed online through the Star Wars YouTube channel, so franchise fans can learn the latest details and see the new trailers with the in-person audience (spreading the excitement of new announcements globally). Through this yearly gathering, fans and the franchise

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stewards embrace the love for the movie universe and co-create an immersive experience that allows the fan community to thrive. By celebrating the brand together, fans bond. A positive brand outcome from this investment in an official event is significant word of mouth. As of November 2016, 109k Instagram posts are related to Star Wars Celebration events (Instagram, 2016). Fans join with the brand and create memories that are shared with the larger fan community and public, and online channels spread the excitement exponentially. This social reach far exceeds what could be accomplished by paid media alone, and the authenticity and enthusiasm of fans are spread far and wide through this word of mouth.

Within the larger Star Wars brand community, there are smaller, more specialized circles of the fan community. Key groups include organizations that build replica uniforms of the evil empire or the heroic rebellion. Additionally, individuals may choose to dress as other inhabitants of the Star Wars universe, such as alien species. One branch of fans falls outside of the cosplay format, the droid maker community. Maker refers to an individual that is involved in creating rich 3-D artifacts using 3-D printers (Jong & Bruijn, 2013), and these creations can include items inspired by entertainment franchises. One way in which members of the droid maker community embrace the brand is by building screen-accurate replicas of the Star Wars droid characters. The first droid builders group that emerged as part of the fandom was the R2-D2 Builders Club, which supported its member base in building screen-accurate replicas of the character who appeared in all of the first six movies and the television extensions. These builders use their screen-accurate replicas for fan conventions as well as publicity and charity events related to the franchise. At one of the Star Wars Celebrations held in Europe, droid builders mentioned to Lucasfilm executive Kathleen Kennedy that they were available should the filmmakers need assistance on the new film. When preparing production for Episode 7, Star Wars executives took them up on their offer and hired members of this organization to build droid characters for the screen as full-time production team members. This type of creative sourcing indicates that Lucasfilm Ltd. embraces the fan creators and that the co-creation of the franchise has cross-pollinated from fan to film.

The Star Wars Maker Fan Brand Community

For the Star Wars franchise, the newest fan community to emerge centers on the BB-8 droid from *Star Wars: The Force Awakens* (BB-8 Builders Club, 2016b). From the initial promotional efforts showing new characters from the movie, this club has iterated and evolved its approach to contributing to fandom. Initially, a Facebook group was set up to facilitate the building of the new BB-8 character (BB-8 Builders Club, 2016a, 2016b). The Facebook group format was chosen as it allows members to be added or removed at the control of administrators and moderators, and content could only be seen by approved group members. Additionally, Facebook groups allow members to access files from a central area; these files include club FAQs, social norms established by the community, and the location of the files necessary for building a character with a 3-D printer. This fan community, both online and offline, shares its affinity for the series, the character BB-8, and the community it has built. This group shares characteristics with traditional brand communities, which have been described as featuring “a shared consciousness, rituals and traditions, and a sense of moral responsibility” (Muñiz Jr. & O’Guinn, 2001, p. 412). Members who violate the shared norms, such as commercialization of the end creations, may be banned from the community. While this may be different from other communities, the founders implemented these rules to respect the intellectual property of Lucasfilm Ltd. and increase the likelihood of the group’s continued existence.

The Star Wars BB-8 Builder Club Maker Fan Brand Community: A New Adventure Awaits

As with many new movies in an existing series, new characters are frequently introduced with little to no information about the characters' roles in the larger narrative of the franchise universe in promotional advertisements and film trailers. This was the case for the preview marketing leading up to the much-anticipated seventh episode of the film series, *Star Wars: The Force Awakens*. The teaser trailer for the film was unveiled on November 28, 2014, and it consisted of short bursts of imagery featuring the main characters from the upcoming film (Star Wars, 2014). No context was provided for these new players, but one character immediately stood out to the most dedicated of Star Wars fans. In a scene that lasted only 2.5 seconds, a small volleyball-like character with a dome head was shown rolling and beeping frantically through a desert-like setting (Dornbush, 2014). The character was unique to the Star Wars lore as the design of the droid had not been seen before in other franchise-related media. Whereas R2-D2 and other astromech droid characters were traditionally canister-shaped with a half-dome head, this new character resembled an orange and white soccer ball with a head dome atop it. Further, the character's movement was accomplished by rolling the bottom ball portion while the dome head stayed upright, despite what appears to be great speed in the trailer. Few details were available to provide context for what fans were seeing, and Lucasfilm Ltd. extended the mystery and excitement by keeping the character name a secret until several weeks later when character names were released through *Entertainment Weekly* in the form of 1970s-style Topps Star Wars trading cards (Breznican, 2014). The mystery surrounding the character continued to build for months, increasing the excitement around the larger reveal. At the 2015 Star Wars Celebration keynote panel, director J.J. Abrams and Lucasfilm Ltd. President Kathleen Kennedy revealed a working, free-rolling version of the character (Breznican & Lee, 2015). While studio executives and the moderator stood on stage, the small character rolled out to thunderous applause, pausing to beep interactions with the legacy Star Wars droid character, R2-D2. This display of the character demonstrated that the character had truly returned the movie series back to more practical effects.

While this larger reveal was significant to many members of the audience, for one group of fans, having more information on the character and the larger narrative was unnecessary. Those context-free 2.5 seconds from the initial 2014 trailer were enough to spark a new fan community, the BB-8 Builders Club (BB-8 Builders Club, 2016b). Organizers joked through the hashtag, #NotBuildingBB8, that they could not undertake another time-consuming character-building project after many had completed builds of the R2-style character. The declaration to not undertake a new droid build was not sustained, and a small group of fans modeled 3-D files of the character, including every panel, light, and antenna that was visible in the limited reference images available.

An Intricate and Collaborative Community Undertaking

As part of this research, one author embedded himself in the community and undertook the build of a droid to understand the commitment of the scope and difficulty of completing the end goal that the community facilitates: a fully-built droid. Files were developed in stereo lithography format (.stl files used by 3-D printing software) and released by founders Tiny Panganiban & Michael Erwin (Panganiban & Erwin, 2015). These files provided to the community were created as components to a larger project, and these parts were formatted to work on consumer-grade 3-D printers, with some manipulation on

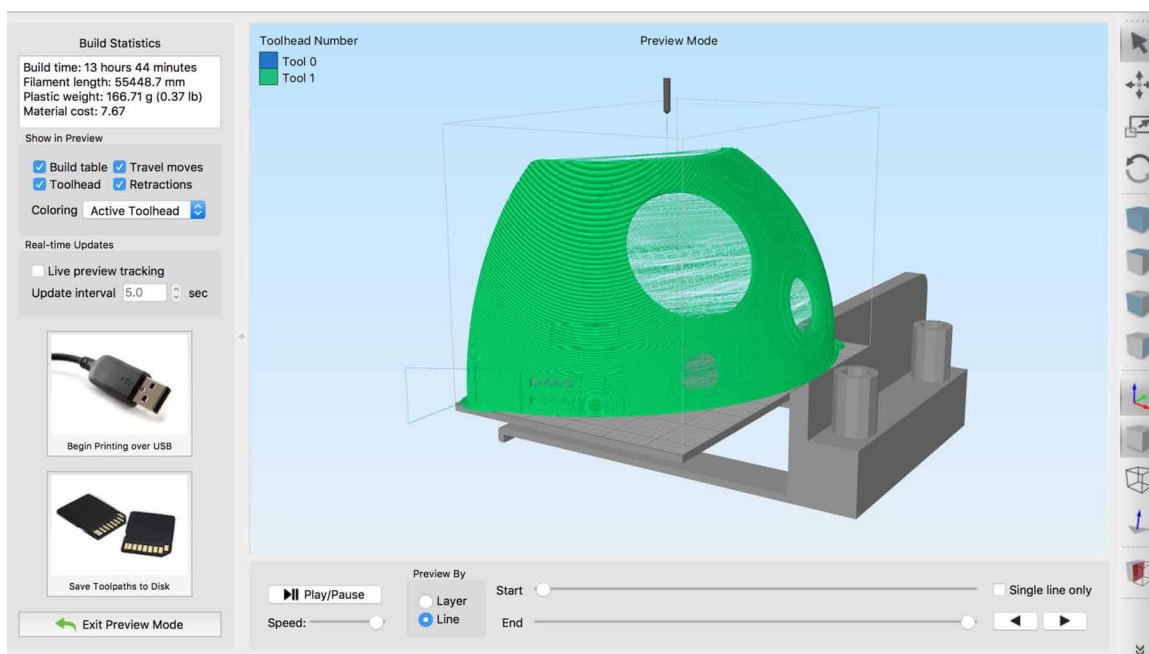
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software possible. Over 43 community members served as beta testers, many purchasing 3-D printers explicitly for the task of building the droid.

Over time, the files have been updated and reworked to match advancements in the build as determined from the collective wisdom of the community. Initial files were built to be attached to an acrylic globe, while later versions were designed to affix to a plastic or aluminum skeleton, either printed on 3-D or purchased from a community member. Together, these dozens of parts and the core structure would be printed and assembled to make a 1:1 scale version of BB-8. While simply printing the components costs significant time and commitment of materials, much more had to be done to reach the end goal. Each component of the project would require sanding, priming, painting, and gluing, and many participants took the extra step to weather the final product to look like it had suffered in battle like the screen-used version. Parts were digitally spliced to be printed on the modest-sized print bed found on consumer 3-D printers. Once a participant had the files, he or she would need to move the model in the 3-D printer software so that it sat on the bed of the printer.

In Figure 1, one of three dome face components rests on the bed of a 3-D printer with a helper disk (designed to help the corners adhere to the bed of the printer). The plastic filament is then threaded into one or two extruders, the mechanism that heats the plastic and “writes” the 3-D image onto the print bed. Prior to printing, the bed of the printer needs to be heated to a specific temperature, depending on the type of plastic filament being used, and the extruder must be threaded with the filament and heated appropriately as well. Once the extruder preparation is complete, builders must then level the bed of the printer, which typically requires getting the extruder exactly within millimeters of the print bed across the entire bed. Failure to do so may result in prints that peel off of the print bed, prints that do not take

Figure 1. 3-D printing STL files of character dome component



form, or clogs that block the extruder. Using three metal nuts on bolts underneath most print beds, a slim sheet of paper is moved under the extruder to determine if the bed is level; much of this is achieved by experience and past failures.

The print must also have an adequate filament that must remain untangled and is free to roll off the spool into the heated extruder. A tangled filament will often result in a failed print, which increases build time and costs. Pieces for the model as specified by club guidelines and the provided files vary in print time from fifteen minutes to as much as sixteen or more hours, depending on infill and shell depth. A piece that has a failure, such as the print running out of filament or a clog, cannot be used and must be discarded. As a result, the larger pieces may have to be made multiple times to get a clean print, and these can still be damaged in later stages of production, like sanding. Additionally, club wisdom indicated that there was risk of fire with some brands' printers if left unattended, so pieces needed to be completed with someone present.

Participants were given very specific guidelines to follow, sourced and compiled by the group organizers, such as what type of plastic filament to use and other settings for the output. A READ ME document was provided with the .stl files, along with a part inventory. Infill settings determined how dense the support materials between the façade of the model and the interior would be, while the shell layers determined how thick the façade would be. An infill that was too sparse would mean the model would not be durable, while a thin shell would ruin during sanding. Additionally, requests for modifications to the files were denied; founders could not support the volume of specialized requests for part sizes as this was a volunteer effort with thousands of participants.

The final decision for members building the end product is whether their BB-8 would be static or would move. The movement would require many iterations of community theorization and testing to find what works best for the movement and basic laws of physics. The most common end result featured a drive unit that propelled the unit forward at the bottom of the sphere while the head was held in place using magnets between the head and an arm tied to the drive unit. Alternately, builders could opt for a stationary model, and the decision was referred to as the stationary or stage-version decision.

While all of this detail is very granular, it goes to reinforce the commitment required to be an active member and build the end product, a BB-8 model. Beyond that, the community came together to create the initial plans for the project and iterate the design as organizational knowledge advanced and new techniques were discovered. From updates to the 3-D files that support sturdier builds to the creation of metal skeleton parts for the bottom sphere, the group's knowledge advanced for the benefit of all members. Moreover, as members learned the basics of 3-D printing and how to set up each print, community members came together to help one another troubleshoot and learn best practices. While much of the discussion was less on the franchise and character and more on how to print in 3-D, the end result of these interactions was the reinforcement of community commitment and progress towards the final goal.

While the R2-D2 Builder group formed in 1999 before the advent of Facebook and widespread availability of 3-D printing ("R2-D2 Builders Club," n.d.), BB-8 Builders launched initially on Facebook using the group functionality. Facebook became the community hub, and the digital footprint of the group included a combination of fan community Facebook page supplemented by rarely used Twitter and Instagram accounts. Using the group functionality, the organizers could control membership and post links to club resources, such as the download location of 3-D print files. Facebook quickly proved to be useful because builders could share images and video to seek feedback, validation, and advice related to their builds. Everything from YouTube videos documenting specific build types exploring specific mechanisms of movements to 3-D modeled renderings were shared. All of the interactions and

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collaborations described above were executed on the limited platform available on Facebook groups. As the group grew, problems emerged. The limitations of the Facebook platform caused friction and redundant messages. New members had to be directed repeatedly back to the FAQs. The limitations of Facebook's capabilities meant that the volume of posts often included repeated questions and comments as members missed the original incarnations of the content. Eventually, group administrators decided to mimic the R2 Builders by launching a members-only forum that required an application for membership and was walled off to the general public. Even launching a private online forum took time and development on the part of the organizers. The benefit of this effort is that the forum supported discussions by topic to reduce Facebook's shortcomings. While the forum launched and was meant to be the ongoing home for the community, Facebook continued to be a place of interaction and sharing of progress. The forum allowed conversations on common topics like 3-D printer problems and weathering techniques to be placed in a separate section, while Facebook allowed the conspicuous sharing of build milestones. Members could also find specific topics via a search function, which, while available on Facebook, was rarely used.

In investigating the types of posts that are shared on Facebook, the member-generated posts can be classified as

1. **Sharing Progress:** Participants share images and video documenting progress they have made.
2. **Seeking Validation:** Participants seek feedback and reassurance on build progress.
3. **Seeking Assistance:** Participants seek assistance on build techniques, usually related to 3-D printing issues, paint style, or drive mechanism.
4. **Documenting Events:** Participants with finished BB-8 builds share images and video from fan events or charity appearances.

Responses include feedback and advice, including content in the form of text advice, YouTube videos, and images of similar pieces and solutions employed. The content not found in the community were criticism of build style and other posts in negative tone. At worst, posts would direct new visitors to the FAQ document. Depending on the engagement of the builder, content shared might include a video documenting build style and explaining how to build the drive mechanism.

Towards a Framework of Fan Brand Community

The community described in the BB-8 group shares characteristics with traditional brand communities, which have been described as sharing a consciousness, rituals, and traditions (Muñiz Jr. & O'Guinn, 2001). The community sets norms for behavior, which are enforced informally, based on understanding, or more formally enforced. For example, rules are formalized in the FAQ document, which forbids selling a completed droid and discourages negative posts (Goreas, 2015). The norm of not selling the finished droids also protects Lucasfilm Ltd.'s hands-off approach used in the fan communities. It also keeps the community focused on the love of the franchise and character and not focused on profit from a commercial venture. Further, the use of the #NotbuildingBB8 hashtag continues amongst original members as a tradition, which sometimes requires explanations for newer community participants (BB-8 Builders Club, 2016b). Community identifiers have been established, including club t-shirts, nametags, pins, coins, and other symbols of membership. These membership elements, called "swag runs," are discussed in the next section.

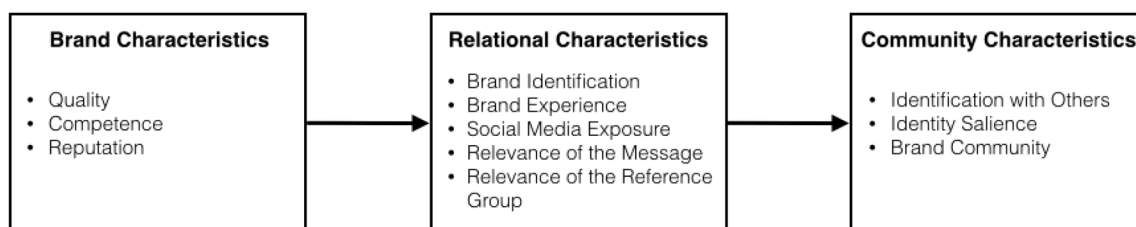
The concepts of brand community and fan community share strong parallels, with the latter having a deep, all-encompassing loyalty to a franchise. In the following subsections, the exemplar fan community, the BB-8 Builders Club, will be applied to the framework of fostering brand community through social media as developed by Humphrey Jr., Laverie, and Rinaldo (2016). Fostering and building continuing relationships with customers can result in brand loyalty (Humphrey Jr. et al., 2016). While traditional brand communities are created and managed by brand supporters, social media has allowed brands and customers to interact with one another, typically on a brand’s social media platforms. Both brand and relational characteristics are important characteristics to consider when developing brand communities (Dodd, 1999). The framework applied in this chapter depicts the necessary characteristics a brand needs to develop a brand community with fans of the brand. We focus on the brand (or franchise) characteristics, community characteristics, and relational factors that cultivate a fan brand community. The framework (see Figure 2) based on theory and past research offers suggestions for building fan brand communities through social media and offline. This framework builds upon the brand/customer literature where researchers have explored the customer-brand relationship in the brand community (Muniz & O’Guinn, 2001), then to a customer-centric model of brand community (McAlexander et al., 2002). It also augments the work of Humphrey Jr. et al. (2016) to refine brand community by including fan community. We extend this research by applying a framework of brand community to fan brand community.

Quality

To build relationships with consumers, the brand or franchise has to be perceived as high quality. If consumers want to form a fan or brand community and align themselves with the entertainment brand, it is a necessary first step to offering a quality product and consumption experience. Logically, a brand must first have a quality product or service to warrant engaging consumers. Quality is a necessary first step in encouraging consumers to identify with a brand. Perceived quality will encourage the consumer to trust the brand and to identify with the entertainment franchise (Humphrey Jr. et al., 2016).

It can be argued that Star Wars was groundbreaking in its quality filmmaking in 1977, and the franchise has developed and advanced as filmmaking improved. Through the employment of an integrated media story format with movies, books, television, and comics, quality is enhanced through richer storytelling and additional content for fans to consume between movie releases (now spaced at one per year from 2015 until 2020). Without quality as perceived by consumers of the franchise, the saga would have been considered complete and not continued.

Figure 2. Framework of key elements of brand community



Competence

Since consumers want to identify with a competent brand, the brand or franchise in question must be perceived by consumers as competent. Competent brands build positive reputations that persuade consumers to trust the brand. Consistently competent performance is often an antecedent to trust, as competence is associated with reduced uncertainty and ambiguity. Further, perceived brand competence leads to greater identification with the brand or franchise among consumers (Ashforth & Mael, 1989). As consumers discover the salient features that distinguish a brand from others, the value of the brand is enhanced (Mael & Ashforth, 2001). This competence can be demonstrated on fan pages that can then help to build community (Humphrey Jr. et al., 2016). The attractiveness of the identity of the entity (Star Wars in this case) is associated with strong brand identification (Dutton, Dukerich, & Harquail, 1994). It can be argued that the franchise has demonstrated competence for over 40 years as its canonical storytelling continues to date through film, television, books, and comics. Franchise stewards have employed the use of a centralized story group, which guides the integration of all Star Wars storytelling (Baker-Whitelaw, 2016). This group of executives within the Lucasfilm Ltd. organization ensure that details of the story in books and comics do not conflict with elements of the movies. As these media are used to extend the story in context and in harmony with the film series, this coordination demonstrates competence in storytelling. One branch of storytelling is achieved through Marvel Comics and various Star Wars titles, which allow stories related to the movies to be told. For example, the character of BB-8 has had its story extended in the *Poe Dameron* title of comics, which adds to and leads up to the story from the movie (Ratcliffe, 2016).

Reputation

A solid reputation is key to building loyal consumers (Muñiz & O'Guinn, 2001), case in point: the reputations of Harley Davidson and Jeep are based on consumers' interactions with the brand and experiences consuming the brand. Consumers gauge reputation based on the evaluations of past consumption experiences and information from other sources (friends, media, and opinion leaders). Results from experiences on fan pages can influence the brand reputation. Star Wars fandom has a wide range of enthusiasts, especially amongst highly involved consumers who closely follow the brand. These highly involved brand fans are the opinion leaders for people with an interest in Star Wars, and this can strongly influence consumption trends as franchise information is shared between fans. Following the brand's social media accounts, such as Facebook and/or Twitter, is a popular activity that can influence reputation. Thus, to build a brand or fan brand community, quality, competence, and reputation, are required characteristics. Fans that build screen-accurate versions of Star Wars characters and display these artifacts at fan and charity events extend the reputation. As stated by the club mission, "We will promote interest in 'Star Wars' and its fandom by allowing others to become a part of the Maker movement. We truly believe anyone can build their own Droid of some kind (even BB-8), and will do our best to encourage anyone interest in becoming a part of this hobby" (Goreas, 2015).

Relational Factors

Brand Identification

Identification is a form of bonding between individuals and brands (Bhattacharya *et al.*, 1995). When brands reflect specific values and traits that individuals consider central to their identities, they identify with the brands (Aaker, 1997). Some brands have websites where people can hang out, share information, and exchange ideas (Dholakia & Vianello, 2012). Such websites as well as social media outlets provide visitors a sense of personal and emotional connections with a brand (Humphrey Jr. *et al.*, 2016). These affective attachments lead to identification, and greater identification leads to enhanced familiarity and distinctive brand associations (Underwood, Bond, & Baer, 2001). Consumers are likely to trust in brands that are competent and have strong reputations (Humphrey Jr. *et al.*, 2016). Members of the BB-8 Builders fan community identify with both the franchise and the character. One of the ways in which they display this identification is through making products and identifying symbols available for purchase (Goreas, 2015). Regular “swag runs” are batches of club-branded paraphernalia that can be worn or displayed, including coins, pins, shirts, patches, name badges (for conventions), and medallions. Any funds in excess of cost are donated to the UNICEF “Force for Change” campaign launched by Lucasfilm, Ltd. Fans exhibit their identification through investing in conspicuous symbols of membership, and by proxy, contributing to causes championed by the franchise stewards. See Figure 3 for an example of the artifacts created and sold to community members (Erwin, 2015).

Brand Experience

Brand experience is the sum of experiences the consumer has with a brand. When consumers trust and identify with a brand, they will increase the number of experiences they have with the brand. Repeated experiences with the brand lead to an emotional link that ties the consumer to the brand (Humphrey Jr. *et al.*, 2016), and identification with the organization occurs (McAlexander *et al.*, 2002). For community members, brand experiences range from seeing the movies to consuming the other associated storytelling vehicles. Additionally, their brand experiences include participation in the greater fan communities, such as attending Comic-Con, Star Wars Celebration events, and local fan and charity events. These experiences reinforce the relevance of the franchise as demonstrated by the brand factors of quality, competence, and reputation.

Social Media Exposure

Exposure can occur in forms varying from visiting the brand webpage to seeing a standard status update on Facebook. Social media sites afford consumers the ability to connect and communicate with others. Social media exposure can be similar to traditional online advertising, brand interactions with consumers, and consumer-to-consumer endorsement of brands. Brands can undertake forms of social media exposure in hopes of fostering positive brand-to-consumer, consumer-to-brand, and consumer-to-consumer

Figure 3. Club swag run facilitating identification with franchise and community

 **Michael Erwin**
December 28, 2015

NOW CLOSED: The Club is pleased to announce the 2016 Member Resistance **SWAG Run**. With every item a new design from any previous run. Our goal was to make the best membership **SWAG**. You will receive the following exclusive 2016 Membership swag items: 1 Coin, 1 Pin, 1 Member Patch, 1 Member T-Shirt (Adult sizes Only: Small to 4XL), 1 Trading Patch. Cost which includes shipping, will be \$50 (USD) for USA addresses, \$60 (USD) for Rest Of World addresses. Additional Trading Patches are available in the pull down options for \$5 USD each. Mystery **SWAG #1 UNLOCKED**, Mystery **SWAG #2 UNLOCKED**, Mystery **SWAG #3 UNLOCKED!** Shipping is planned to start 20-Feb-2016. Like previous **SWAG** runs, profits will be donated.



BB-8 Builders Swag Kit
2016 RESISTANCE RUN
www.bb8builders.club/swag

2016 Member Pin
45mm Wide (1.75inch)
Polished Metal Enamel Pin
with 2 Butterfly Clutch Backings

2016 Member Iron-On Patch
127mm x 63.5mm
(3.7 inch x 3.3inch)

2016 Member Challenge Coin
57mm x 45mm
(2.25inch x 1.75inch)

2016 Member Gildan Heavy T-Shirt
Black Cotton Adult
Choose Size Small to 4XL

1x Club Trading Iron-On Patch
83mm x 66mm
(3.25inch x 2.6inch)
Additional Trading Patches
Available @ \$5 each

Mystery SWAG #1 @ 150 Paid
Mystery SWAG #2 @ 250 Paid
Mystery SWAG #3 @ 350 Paid

All Profits Will Be Donated - \$50 US, \$60 ROW Shipping Included

   314

546 Comments 1 Share

interactions on social media. Brands can give consumers ways of talking and interacting that make them feel as though they are members of a special group (Dholakia & Vianello, 2012). These different types include content sharing, implied endorsement, customer service interactions, video vignettes, location updates, and paid advertising. For the BB-8 Builders community, social media interactions primarily include discussions and media shared through the private Facebook group. As previously described, members seek advice and validation through club interactions, and community members guide and support one another as they learn 3-D printing and techniques to make the screen-accurate replicas (BB-8 Builders Club, 2016b).

Relevance of the Message

As with all forms of marketing communication, social media messages must be relevant to their intended audiences. Firms attempt to build long-term relationships and ongoing interactive e-communication. To grow a brand community, a brand's messages must include images, web links, consumer testimonials, and video content relevant to consumers. Engagement with posts, including sharing and endorsements (such as likes on Facebook or retweets on Twitter) provide further corroboration that content created and shared by a brand is on target. Content created by the brand is viewed as relevant to communities like the maker communities as it provides a reference point and visual guides for what the finished product will look like. Furthermore, content created by participants focuses on a shared experience of building a complex replica from a beloved film franchise. As members of the group progress in the project, social media posts demonstrate relevance in that they validate, encourage, and problem-solve for the group.

Relevance of the Reference Group

Brand communities consist both of members and the relationships among them (McAlexander et al., 2002). Myriad communities exist based on identification with a brand or a shared experience. Community members create and foster community within the context of their interactions and shared consumption experiences with a brand or franchise. For example, customers may share their experiences while attending a Star Wars screening or when attending conferences or festivals. For community to endure, these interactions recur with reasonable reinforcing frequency (McAlexander et al., 2002). By attracting repeat visitors, brands can build loyalty and community based on their interactions. In this community, reference group can be defined as those building a BB-8 screen-accurate replica. Regardless of age, location, or other descriptors, each member invests countless hours in building and styling a complex screen-accurate artifact. This shared goal bonds members of the group and builds the relevance of the reference group.

Identification With Others

Communities share rituals and traditions, and, in some cases, marketers may encourage these activities. These rituals are necessary to share meaning between community members, form traditions, and develop a sense of "we-ness" (McAlexander et al., 2002; Muñiz & O'Guinn, 2001). Star Wars enthusiasts share stories and experiences during these rituals. Brand events are perfect venues to foster these rituals that build the brand community. Consumers share experiences that help them bond with others based on their fandom and passion for a brand or franchise (McAlexander et al., 2002). This excitement can be encouraged by having activities at Star Wars events that get people with shared interests interacting with each other. These interactions, along with those online, form community. The "conciseness of kind," group rituals, and continued interactions lead to the formation of a brand community (McAlexander et al., 2002, p. 42).

As previously examined, Star Wars Celebration 2015 heralded the first view of a free-moving BB-8 replica during a panel on the forthcoming Episode 7 film. Star Wars Celebration 2016 occurred approximately fifteen months later in London, UK. During this time, member builders were able to create screen-accurate versions of the character. Traditionally, different fan groups are allowed space at the convention to show off their co-created tributes to the movies. These include the 501st Garrison (a group of fans recreating the costumes of the Empire), the Rebel Legion, and the R2-D2 Builders Club. The

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latter group was given a cordoned area to show droids in progress and completion. Some were exact replicas of R2-D2, while others had custom paint schemes and heads reflecting the design of other droids. As conference participants moved through the U-shaped display area, builders proudly discussed their hobby and talked about how they built their screen-accurate recreations.

In 2016, the R2 Builders Club shared its space with the newer BB-8 Builders group. Participants from throughout Europe came together to build the space for the event and man the booth with experienced builders. The booth consisted of three tables featuring BB-8s, both unfinished and finished, along with component parts. At the end of the section was a matte painting of a scene from the movie (a downed AT-AT walker used as a home by the main character, Rey). Celebration visitors could have their pictures taken with a finished replica of the droid in front of the scenic background. Visitors in full Star Wars cosplay regalia posed and admired the accurate replica of the ball-like character. See Figure 4 depicting a fan posing with one of the finished club creations.

The group participation in the yearly convention served to reinforce the fan community and share their passion with a new audience (and potential recruits). Discussions with the builders indicated a high willingness to share build techniques, including highly technical details as to what type of plastic was used for the build and how they achieved a smooth finish (orbital sander versus chemical smoothing). Visitors were given a glimpse into the amount work required for a build. Scandinavian builders Geir Sire and Børge Vasshus shared that they decided to build the character after seeing the initial movie teaser trailer, where the character was only on screen for 2.5 seconds. Additionally, multiple builders indicated they had created more than one unit in varying sizes and capabilities.

Excitement was also evident in the visit of the movie prop builders, bringing what is known as the red carpet version of the droid to the booth. The red carpet or stage version is the moving replica that is used for official Lucasfilm Ltd. events and red carpet galas. Lucasfilm Ltd. creatives Josh Lee and Matt Denton opened the unit for the builders to see the drive unit that propelled the character around. Builder James Bruton directed visitors to his XRobots YouTube videos documenting his build and drive mechanisms. While BB-8 Builders had been a community since 2014, the participation at the official Star Wars event demonstrated the identification the members had and their commitment to the community. As evidenced by long wait times to access the area, the greater Star Wars fandom embraced their efforts

Figure 4. A young fan in costume poses with a fan-made BB-8 replica



Identity Salience

As a consumer interacts with the Star Wars community, it becomes an important part of who they are. Identity theory encapsulates how a consumer's self-definition arises from both brand experiences as well as identification with other brand or franchise consumers enacting or accumulating identity-related activities. These behaviors, interactions, and symbols are investments of time and resources that represent one's accumulated commitment to the brand (Laverie et al., 2002). Commitments symbolically and instrumentally enable identity salience (Solomon, 1983) and make the identity an important part of the self. Thus, identification with the brand and identification with others who identify with the brand lead to a formation of brand community. If identification with Star Wars holds personal importance and fans have great identification with a franchise (through concepts such as nostalgia or familial shared consumption), ongoing activities related to the participation in a community such as the BB-8 Builders community reinforces identity importance. Investment of significant time (community participation and build activities) and money (3-D printer and supplies) towards the shared goal of creating replicas of the BB-8 character further indicate that participants are enacting a salient identity. Further participation in the online community (guiding, mentoring, and sharing experiences with other members) and at in-person events (demonstrating build techniques and sharing finished artifacts) also reinforces the importance of the identity related to community membership. As members at the Star Wars Celebration Europe indicated, completing the finished project was not the end of their membership. New ideas and innovation in techniques developed by the community stimulated members to create additional units in different sizes and finishes. Members declined to estimate monetary and time investments in participating in the community as the benefits of participation outweighed any costs. Justifying investments that measure in thousands of hours and dollars indicates a commitment that reinforces the salient identity of membership within the BB-8 builder cohort.

Fan Brand Community

Brand communities are made up of members who form relationships, which often lead to emotional bonds (Humphrey Jr. et al., 2016). Many communities exist based on identification with a brand developed through a significant consumption experience. Crucial relationships include those

1. Between the customer and the brand,
2. Between the customer and the firm,
3. Between the customer and the product,
4. Between fellow customers.

Academic research on brand community has traditionally focused on high involvement brands (e.g., Jeep). The brand community can be formed around many kinds of brands that are important to the consumer's sense of self. However, the notion of brand community has been extended to convenience products as well. Brand communities can be formed by the company or by the consumer (Humphrey Jr. et al., 2016; Dholakia & Vianello, 2009).

Brands like Star Wars have allowed this type of community of devoted, loyal, and passionate consumers to flourish, as evidenced by the inclusion of droid builders at Star Wars Celebration. When consumers engage in a community, interactions and shared rituals lead to identification with others celebrating

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the same brand. Consumers come to identify with the franchise or brand through salient characteristics and relational factors. Identification with the brand is positively related to the brand community. The fan community is an evolution of brand community with an engaged and enthusiastic following who celebrate an entertainment franchise. In this case, the formation of the BB-8 fan community of builders was an organic occurrence, similar to how brand communities are formed without brand sponsorship. Experienced makers came together with a vision of creating a new community encompassing the intersection of Star Wars and maker interests. While Star Wars brand stewards are certainly aware of the community, the company allows it to exist and co-create the Star Wars experience. In return, the community respects intellectual property rights of Lucasfilm Ltd. by forbidding the sale of completed replicas or parts for profit (Goreas, 2015). By allowing this fan community to exist and share the finished replicas with local communities, enthusiasm for the franchise is stimulated. If brand community is a holy grail of marketing, an engaged fan community promotion of the franchise and contributions to charitable causes are likely parallels for entertainment franchises. Further, if consumers of the franchise are willing to organize and contribute time and money toward the celebration of a franchise through building character replicas from films, both enthusiasm for and the personal importance (identity salience) of the franchise are reinforced from these relevant club activities. Understanding the myths and realities associated with brand communities can help brand managers develop a community strategy and support organic communities that celebrate a franchise.

SOLUTIONS AND RECOMMENDATIONS

Fan Community Stimulates a Cycle of Reinforcing Relevant Brand Experiences

This examination applied an existing theoretical framework for fostering brand community via social media and adapted it to encompass self-organized fan communities (Humphrey Jr. et al., 2016). The framework review examined brand characteristics (adapted to franchise characteristics), relational characteristics, and community characteristics. As fans identify with a franchise, interaction with the brand and its social media facilitates identification with the franchise, identity salience, and ultimately the formation of a sustainable brand community. Within the community, participants identify with other members (who share a common affinity and a common task of building a character replica); as part of this deep affinity for the series, these participants enact salient identities that are reinforced by activities within the community (Laverie, Kleine, & Kleine, 2002), such as mentoring and sharing progress through photo updates. Where the traditional output of a brand community typically consists of word of mouth and positive brand sentiment, this type of community augments the positive sentiment with a full-size recreation of a character from the franchise. In essence, participants are co-creating brand experiences for themselves and extending this experience to their local communities through appearances at events and philanthropic activities.

The Star Wars BB-8 Builders Club fan community fits into the model for brand community and social media as proposed by Humphrey, Jr. et al. (2016). It can be argued that fandom for the franchise is enacted through the creation of these franchise artifacts (BB-8 droids), and participants can be viewed as some of the most ardent and passionate fans around based on commitment and willingness to invest time and money. First, the franchise and character have strong brand factors that appeal to fans. Fans view the series as quality entertainment that has held up for four decades. Further, the films have gar-

nered a positive reputation over these decades, indicating that the filmmakers have been competent in their undertaking. As a result, fans have continued to identify with the brand, and new members have continued to join the community. As evidenced by the size of the BB-8 maker fan community Facebook group (over 14,000 members as of October 2016), significant and positive social media interaction exists (BB-8 Builders Club, 2016b); it can be argued that due to the volume of posts and interactions (along with the need to launch structured forums), the community features both relevance of message and relevance of the reference group. As all participants are added to the group because of their shared task of building a screen-accurate replica, the reference group criterion holds. As salient identities are viewed as hierarchically important identities that are reinforced by role-identity specific behaviors, participation in the forum indicates that membership is a salient identity to participants. Sharing progress, seeking and sharing guidance, proposing solutions, and documenting experiences with the final product all reinforce the salient identity as a builder of this beloved character. While brand community is considered to be the holy grail of marketing as consumers join together to celebrate consumption of a brand, fan community may take this a step further. As evidenced by discussions with the BB-8 Builders Club, truly engaged fan community with a tangible output like a screen-accurate character is a high-commitment, highly passionate endeavor.

FUTURE RESEARCH DIRECTIONS

A viable area of future research could compare the brand identification between franchises that vigorously defend intellectual property rights versus those that coexist peacefully with brand fans, like Lucasfilm Ltd. and Star Wars fans. Additionally, additional research could apply this framework to other types of fandom, including fan communities related to literature, sports teams, musical artists, and animals (like cats and dogs found in viral content online). This framework provides an intuitive and theoretically grounded conceptualization that can be adapted to various fan constituencies.

CONCLUSION

While many brands vigorously prevent their trademarks and intellectual property to be recreated, Lucasfilm Ltd. has been supportive of the fan maker community. The builders clubs are invited to the annual Star Wars convention, Star Wars Celebration, with dedicated space set aside for the droids and builders to interact with one another and other Star Wars fans (ReedPop Events, 2016). In fact, the builders participating in these events have been recruited by the filmmakers to contribute to the on-going storytelling within the new Star Wars movies, with two builders hired by Lucasfilm Ltd. to create droids for the 2015 release of *Star Wars: The Force Awakens* (Ritman, 2015). Additionally, a droid built by the maker community for a young girl with terminal cancer was featured in the film at Lucasfilm Ltd.'s request (McAloon, 2015), further indicating the symbiotic relationship between Lucasfilm Ltd. and the community resulting in co-creation of content for the franchise. While some brand stewards may choose to fight this type of fan behavior in a court of law, Star Wars brand leaders embrace these communities as goodwill ambassadors to a wider audience in local communities and online.

For marketing researchers, this exploration extends the brand community literature and includes the elements of both fan communities and brand experience co-creators who build screen-accurate replicas.

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For a fan to commit significant time and monetary resources to participate in a community celebrating a franchise character to recreate that character signifies an extreme commitment to the entertainment property. It can be argued that strong identification with the franchise and community, along with reinforcing interactions with the community participants, reinforce the salient identity of being a fan creator. While the fan community exhibits similar factors to a brand community, the level of commitment to community-related activities (participating and creating) take this devotion to a higher level.

For franchise stewards, this type of fan commitment is likely new territory. Marketers and legal staff often try to enforce the protection of intellectual property, such as the likeness or recreation of characters, but Lucasfilm Ltd.'s approach has been prescient. By incorporating the droid builders (previously R2 and now BB-8 builders) into company-sanctioned events, promotion for the franchise is effectively accomplished through word of mouth and community interaction. In essence, fans are co-creating part of the franchise experience and serving as ambassadors for the Star Wars community online in the forums and their home communities at events and fan gatherings. For marketers serving as stewards of entertainment franchises, this chapter demonstrates a harmonious relationship between the brand owner (Lucasfilm Ltd.) and fans who build artifacts based on an existing franchise. From the establishment of the group's charter to how it enforces its code of community conduct related to the use and sale of the finished artifacts, the community remains respectful of Lucasfilm Ltd.'s intellectual property and observes a social norm to ensure the ongoing survival of the builder community. Further, Lucasfilm Ltd. has taken the concept of fan co-creation into the franchise canon by hiring R2 community builders to work on new movies.

To date, no brand community research has looked at the intersection of the fandom and maker communities, and the Star Wars community is a timely example due to the revival of the franchise with the Disney purchase of Lucasfilm Ltd. and the relative accessibility of new technologies that allow fans to create high-quality replicas. The framework explored from the brand community literature aligns nicely with fan communities, and it provides a theoretically grounded overview of the elements that exist for a fan brand community and to exist into perpetuity. As entertainment franchise makers seek to drive positive, fan-driven word of mouth and feedback on the entertainment properties to ensure expensive films are profitable, supporting and co-existing with maker communities can be a way to extend rich franchise experiences into communities far beyond red carpet events. Members of the BB-8 Builders Club achieve this positive community interaction, and the hours of collaboration and creation result in an artifact they can share with fans in their local communities.

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KEY TERMS AND DEFINITIONS

3-D Printing: A technique where a filament (usually plastic) is heated and printed along x, y, and z axes, resulting in a three dimensional artifact that represents a digital model of an object.

BB-8: A droid character from Star Wars: The Force Awakens.

Builder: A fan of an entertainment franchise who undertakes the creation of a character through techniques such as 3-D printing.

Droid: A robot character from the Star Wars series.

Fan Brand Community: A community celebrating a franchise or element of a franchise that is organized by fans and creates a set of norms and requirements for participation.

Franchise: All elements of an entertainment property, such as movies, television series, books, magazines, and video games. The franchise can consist of a single timeline or multiple timelines. The Star Wars franchise has a canonical timeline (that follows the movies) and a Legends timeline (that was discontinued once Disney purchased the properties and rebooted the endeavor).

Franchise Stewards: The filmmakers and owners of the intellectual property associated with an entertainment franchise.

Lucasfilm Ltd: The division of Disney that produces all aspects of the Star Wars franchise.

Maker: A synonym for someone who creates using 3-D printing techniques.

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Chapter 45

Country Brand Management: Assessing the Role of Social Media in Creating the Image of Marca España (Spain Brand)

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ABSTRACT

In the recent years the country brand has become a strategic asset for the nations. Rather than showing the culture and traditions of a place, the name of a country acts as a differentiator from everything that comes with the territory, increasing the value perceived by the customer in any product or service by having a specific origin. Because the fact that a product is “typical” of a place allows the name of the place to become a geographical indicator of quality. So Nations use the brand country as a tool to promote their products, attract investments and promote activities like tourism. For this reason, they are developing public policies aimed at the construction, promotion and consolidation of the brand image of the country. This book chapter analyzes how the Spanish Government has used the social media to create and consolidate the Spain Brand image with the aim to establish an image of Spain as an economic and political power among the first countries in the world.

INTRODUCTION

Traditionally, from the marketing point of view brands have been defined as a strategic intangible asset. As a source of competitive advantage, brands have been managed in order to create and consolidate organizational brand equity. In this sense, Kotler and Armstrong (1996) show that the combination of brand name and brand significance has become a core competitive asset in an ever-growing number of contexts.

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Nowadays, the brand concept has been expanded, exceeding the organizational and business context. Thus, in the current economic climate, there is a lot of talk about country brands; not only how these influence the national and supranational economic decisions,¹ but also the way how they are perceived influences on consumer behavior toward the country and the products that originate from it.

According to Keller et al., (2011), both corporate and product or service brands, have a social and emotional value to the user as country brands. So they have personality and speak for the user, and enhance the perceived utility and desirability of the product, organization or country. But besides, brands have value to investors and organizations, thus consumer preferences and loyalty translate into organizations' financial gains, market position, brand reputation and equity.

In the special case of country brands, these effects are seen in improving credibility and brand reputation of both the country and its products. Thus, country reputation is likely to influence people's decisions related to purchasing, investing, changing residence and travelling (Laroche et al., 2005). The reputation depends on the Country image. Image is defined as the sum of beliefs and impressions people hold about places. The images represent a simplification of a large number of associations and pieces of information connected to a place, while reputation refers to how a particular brand (whether for an individual or a company) is viewed by others. A favorable brand reputation means consumers trust your company, and feel good about purchasing your goods or services. An unfavorable brand reputation, however, will cause consumers to distrust your company and be hesitant about purchasing your products or services.

There is a product of mind trying to process and pick out essential information from huge amounts of data about a place (Martin & Eroglu, 1993).

The ability of country brands to create value has led governments to design policies aimed to the creation and consolidation of a strong and positive country brand image. Traditionally, the management of the country brand is based on a careful communication strategy, with a double objective: (1) link the country brand to positive associations with different origins and natures, (2) create a positive opinion in consumers and an attitude towards the country brand.

During the past decade, the rapid evolution of the internet, and especially in the social media, has offered new opportunities and challenges to the country brand management. They provide the opportunity to connect with consumers using richer media with greater reach (Thackeray et al., 2008). The interactive nature of these digital media not only allows brand managers to share and exchange information with their consumers, but also allows consumers to share and exchange information with each other. Besides, managers have the opportunity to shift relations with consumers from dialogue to triologue, in which consumer engage in meaningful relationships with one another and with the country brand (Tsimonis & Dimitriadis, 2014). But among the challenges came the opportunity for consumers to use the social media besides the obvious use of searching information and communicating with boundaries, it is nowadays possible to use social media to express feelings and thoughts.

Considering the last ideas, this book chapter proposes to analyze how the Spanish Government has used the Internet and social media to create and consolidate the Spain Brand image. For that, the chapter is divided into two different sections. The first one reviews the theoretical framework about the country brand image concept, and how social media networks are used in the construction of communication strategies. The second section presents the case of the Spain Brand, identifying the different associations that make up its image, and analyzing the communication strategies used in the network as well as the results it has obtained in recent years.

BRAND BASICS

Today no one casts doubt on the strategic nature of the brand, as well as the fact that the consumer is the agent on which depends its success or failure in the markets. Since the beginning of the 1990s, abundant works analyze the concepts of brand, image and capital, noting its importance in strategic terms, and showing how all this is a direct result of the degree of knowledge that the consumer has about the brand, and the influence this knowledge has on the affective and behavioral dimensions of the subject against the brand (Keller et al., 2011; Kim & Kim, 2005; Stahl et al., 2012).

Considering the above, several issues arise in relation to the companies' brand situation: Do the companies and organizations have the ability to affect the position and capital of its brands in the markets? While at the macro level, the fundamental question is to know if it is possible to apply the logic of the brand in the country context.

Regardless of the field, organizations and administrations expend high efforts and resources to the brand management. The objective consists of the design, establishment and management of a strong and positive brand image. To do this, it is not only needed to control the reality of the brand and make a proper projection of it through the different channels of communication. Moreover, it is required to understand the mechanisms through which the consumer sets the image, and the way in which this influences the different dimensions of its performance.

WHAT IS A BRAND?

Technically, and as Kotler and Armstrong,(1996) show, a brand is defined as “a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors”. Brands are born to be used in business, marketing, and advertising. Initially, livestock branding was adopted to differentiate one person's cattle from another's by means of a distinctive symbol burned into the animal's skin with a hot branding iron.

In accounting, a brand defined as an intangible asset, is often the most valuable asset, on a corporation's balance sheet. Brand owners manage their brands carefully to create shareholder value, and brand valuation is an important management technique that ascribes a money value to a brand, and allows marketing investment to be managed (e.g. prioritized across a portfolio of brands) to maximize shareholder value. Although only acquired brands appear on a company's balance sheet, the notion of putting a value on a brand forces marketing leaders to be focused on long term stewardship of the brand and managing for value.

But the brand is, after all, the sum total and ultimate expression of all the collected activities undertaken by the brand owner (or on the owner's behalf) and the experiences of the brand user. These activities and experiences do not always match, work in accord or act synergistically in an integrative way to achieve the best out of the brand's potential.

THE BRAND IMAGE

Branding is a complex concept, and to some extent controversial in the field of marketing management. Many works have tried to offer a definition of this concept (Table 1). Table 1. Definitions of the concept of brand

- **Plummer (1985):** A complex concept that refers to the personality of the brand and the attributes and benefits or consequences associated with its use.
- **Aaker (1994):** Set of associations usually organized by way of meaning.
- **Kapferer (1992):** It is the way in which the audience plays a set of signals from the products, services and communications issued by the brand.
- **Biel (1992):** Set of attributes and associations which the consumer connects to the brand.
- **Keller (1993; 1998):** Set of associations linked to the brand that consumer keeps in memory.
- **Aaker (1996):** It is how the brand is perceived by consumers.
- **Kotler and Armstrong (1996):** A set of beliefs that the consumer keeps about the brand.
- **Schmitt and Simonson (1998):** Mental reflection of the identity and the set of associations that build it.
- **Nandan (2005):** External perception of consumers about a brand.
- **Faircloth (2005):** Overall mental image that consumers have of a brand, which is uniqueness in comparison to the other brands.
- **Roy and Banerjee (2007):** Consumer's thoughts and feelings towards a brand.
- **Iversen and Hem (2008):** Personal symbolism that consumers associate with the brand, which comprises of all the descriptive and evaluative brand-related information.
- **Kapferer (2012):** From the point of view of the receiver, the image of brand focuses on how certain groups perceive a product, a brand, a politician, a company or a country; and he decodes all the signs of them or the communication covered by the brand. (Source: Own elaboration)

Dobni and Zinkhan (1990) point out that it is difficult to find a high degree of agreement among the different definitions offered, both in relation to the concept of image, and that concerning the role that it plays for the subject. However, it is possible to highlight a series of traits and characteristics common to all of them. The brand image is characterized by being a concept generated by the receiver, and has a complex and multidimensional nature. It is the result of a mental process of the consumer - or potential consumer - that receives information about the brand. In this process the individual collects, evaluates and associate information that relates to the brand, and that comes from different sources (Janiszewski & Van Osselaer, 2000).

Boush et al. (1987) point out that the image includes cognitive and affective aspects of the subject in relation to the brand. Along this line, Roy and Banerjee (2007) describe the brand image as a set of thoughts and feelings that an individual has towards a brand. Faircloth (2005) and Iversen and Hem (2008) go beyond, designating the brand image as the mental representation that consumers have globally about a brand.

This mental representation is determined by the degree of knowledge that the individual has about the brand, and includes personal and intrinsic elements of the individual, such as his beliefs or thoughts towards the brand. All this makes the image, that the individual has about the brand, unique and different,

so it is considered that the image makes it possible to differentiate the brand from the rest. According to Batra et al., (1993) the content of the image has been operationalized along the marketing literature in terms of: (1) general characteristics, feelings and impressions; (2) perceptions of the product; (3) beliefs and attitudes; (4) the brand personality; (5) relationship between characteristics of the brand and the feelings and emotions aroused in the consumer.

Hsieh and Li (2008) point out that when consumers have a favorable image, the brand message has a strong influence in comparison with messages from a competing brand. Their paper shows what previously noted in other works of research in the field of marketing: that the brand image is an important determinant of consumer behavior. On this particular, Burman et al., (2009), among others, indicate how this influence occurs in three dimensions that make up the behavior of the individual: cognitive, affective and behavioral. Thus, the double cognitive-affective component identified in the associations that make up the image, influences the level of knowledge or attitude that the individual develops toward the brand. In addition, the degree of knowledge and/or the displayed attitude influence, or at least guide, the behavioral dimension of human behavior. For example, a favorable brand image exerts a positive effect on the behavior of purchases in terms of increasing in loyalty (Zeithaml, 1988; Zins, 2001), acceptance of higher price levels in the brand, or generation of an intensive positive word of mouth communication (Martenson, 2007).

The knowledge and attitude towards the brand have the ability to determine or at least guide the behavioral dimension of human behavior (Burmann et al., 2008). This would explain, for example, why consumers having a favorable image, value most favorably messages issued by the brand -compared to the competition-. (Hsieh & Li, 2008); develop high rates of loyalty towards the same (Zeithaml, 1988; Zins, 2001), purchase intent (Fakharmanesh & Miyandehi, 2013) or generate a strong and positive word of mouth communication (Martenson, 2007). More recently, Ismail and Spinelli (2012) provide that brand image influences love towards the brand and that love is what generates the word of mouth communication.

Finally, as a mental representation, the image is characterized by some stability necessary for its survival and concretion. But in spite of this, it is also true that the image is not something static, but has a dynamic structure, sensitive, to the changes experienced by the agents and the own social environment in which brand is inserted, in the same way that as it happens to the subject both internally and externally (Folgado et al., 2011).

COUNTRY BRAND EQUITY

It is widely recognized that the name of a country can often act in a similar way as the name of a brand (Anholt, 2006) and, hence, has the ability to add to or subtract from the perceived value of a product (Aaker, 1991; Keller 1993). For example, products bearing a “made in Germany”, “made in U.S.A.” or “made in Japan” label are generally evaluated much more favorably by consumers than products with, for example, a ‘made in Hungary’ or “made in Bangladesh” label, due to the reputation of the former countries as top world manufacturers and exporters (Kaynak et al., 2000). Consequently, it seems that countries whose name evoke positive (or negative) associations with consumers also contain a positive (or negative) country equity (Iversen and Hem, 2008). In line with these findings, Shocker, Srivastava, and Ruekert (1994, p. 150) suggest that “country-of-origin effects may be part of the brand equity of certain

names”, while Shimp et al (1993) introduce a new construct called country equity “to disentangle the equity contained in a brand (the conventional notion of brand equity) from that contained in the country with which the brand is associated”.

A comparison of the different definitions and conceptualizations of country equity reveals that some researchers (Iversen & Hem, 2001) refer to country equity at the individual consumer level, meaning that they are mainly interested in the differential effect of the country origin as a non-physical product attribute on consumers’ perceptions and response (e.g., in terms of customer perceived value, product perceptions, and preferences). An example for such a conceptualization is provided by Iversen and Hem (2001) who describe country equity as “that portion of consumer affect toward a brand or a product that is derived purely from the product’s associations with a particular country”. Other researchers (e.g., Kotler et al., 2010) refer to country equity at the aggregate country level and conceptualize it in terms of general assets and liabilities of a country (which is of course not limited to consumers’ perceived value of products originating from a particular country as indicated by the first research stream).

THE KEYS OF THE COUNTRY BRAND: THE TYPICALITY AND THE COUNTRY BRAND AS GEOGRAPHICAL INDICATOR OF QUALITY

The true capacity of the *country brand* resides in its ability to increase the value perceived by the customer in any product or service by having a specific origin. Because the fact that a product is “typical” of a place allows the name of the place to become a geographical indicator of quality.

Increasingly, public administrations and business organizations have noted the enormous power of the country brands. In markets as diverse as the agri-food, technology, or fashion and accessories, the origin of a product determine its degree of differentiation. The origin is synonymous with expertise, tradition and know-how, as well as at the same time it becomes a guarantee of quality, exclusivity and excellence. The concept of typicality is not defined in marketing literature in a clear way, although there is an intuitive approach to it based on geographical origin, age, methods of preparation, customs, etc. (Albert & Muñoz, 1999). There are three dimensions on which the typicality articulates: quality, differentiation and territory. From a marketing perspective, quality is a customer perception of the overall quality or superiority of a product against others with regard to its purpose or intention (Aaker, 1996; Zeithalm, 1988). Such perceived superiority depends on the subject, the moment in which the assessment is made and the type of product being assessed and the need that is intended to satisfy. In this way, it is observed as the quality is a relative, subjective and dynamic concept that can be assessed in multiple ways by consumers (Janiszewski & Van Osselaer, 2000). A different dimension, although deeply associated with perceived quality, is the differentiation, whether from the production and presentation (internal qualitative component) or from the recognition of the difference by the consumer, or perceived image of the product (external qualitative component). To the consumer differentiation produces a higher degree of satisfaction because of the tailored products to different market segments; to the producer, the differentiation is a source of competitive advantages. Against standardization, differentiation is based from an economic point of view in the models of monopolistic competition, where each company tries to isolate itself from the competition in prices and achieve a certain degree of market power, making that its products are perceived and valued as unique by consumers who make up a target market or a particular segment (Agarwal et al., 2009).

Country Brand Management

From a strategic perspective, the differentiation of a product has at least two meanings: the first one says that a company follows a strategy of differentiation when it offers a product differentiated from the rest of the competitors for a given target audience; in the second, company differentiates its products to adapt or better meet the needs of different targets (Yagüe, 1996). In this second meaning, the differentiation is an inseparable strategy from the segmentation, because it is necessary that the markets are segmented so that companies can address products specifically adapted to the needs of all or some of the segments. Since in this approach the perceived quality is one of the main axes on which companies design and execute their strategies of differentiation (Albert & Muñoz, 1999).

On the other hand, both from production and from an appreciation of consumers, the typicality of a product is largely associated with the origin of the product, i.e. the territory. The territory, in its triple geographical, historical and cultural dimension, determines the typicality of a product (Letablier & Nicolas, 1994). Geographically the territory conditions the production by its natural pedoclimatic characteristics. Culturally, the territory provides typicality to associate the production and consumption of a product to the customs or collective representations around the same (Steenkamp & Dekimpe, 1997). Historically, the typicality is represented by the anchor or settlement at the time of the practices, methods or knowledge about the product (previously, continuity and permanence). With all this, to consider a product typical, this one should be associated spatially to a territory and culturally with customs or modes, with a minimum of permanence in time or age, and owning individual qualitative characteristics that differ it from other products (Albert & Muñoz, 1999). Naturally, the consumer who observes all of these features in a product has bases to establish a judgment on the degree of quality of the product and the degree of adaptation to his needs. However, on multiple occasions the so-called typical products make use of an external sign or official recognition which guarantees its quality. Sometimes this endorsement is the only possible way to publicly demonstrate the quality of the product.

THE MANAGEMENT OF BRAND IMAGE

Ind and Riondino (2001), and Stuart and Jones (2004), among others, point out how the internet has brought a revolution to corporate brands. In spite of this, however, there are few papers that analyze the effects that this generates in the processes of formation and management of the brand image. Christodoulides (2011) points out that the development of the internet has altered the way in which companies manage the image of their brands. But there are still many questions as, for example, there is still a lack of solid evidence about how brand values can be transferred via the network (Frías et al., 2008). The understanding of how this phenomenon occurs is essential for those responsible for marketing, given the need to develop an integrated management of the brand image.

In a dynamic and interactive environment like the present, companies have changed the mode of communicating with its customers. Companies choose other models based on the continued dialogue with the customer, where internet plays a key role as a channel of communication, in front of a hierarchical model where communication, descending and unidirectional, is based on the use of mass media (Christodoulides, 2011).

And with the increased use of technologies based on the internet, the importance of meaning in the relationship between companies and customers has increased, at the same time it has significantly changed the role played by customers. Thus, the interactivity offered by new technologies - bidirectionality, saving time, control and responsiveness - (Bolton & Saxena-Iyer, 2009), have enhanced the involvement

of customers in product development and in the creation of content in relation to the brand (Edvardsson et al., 2011). With all this, now consumers have the ability to speak directly with the brands, and about the brands, with other consumers.

One of the main issues contained in the literature is the role of the brand image as a strategic tool for the development of loyalty. In the field of e-business the meaning of brand building has increased with the explosion of the number of competitive options that have appeared in a short period of time. The Internet offers unique tools of interaction with the brand building that were not previously available through the traditional mass media aimed at brand building strategies (Beerli & Martin, 2004).

A study of trends in building brand on the internet (Nemes, 2000) has shown the importance of the domain names as an extension of the brand name. Consumers not only prefer well-known and easy-to-remember names, but rather the content of the web also plays a significant role in improving the overall image of the brand. Elements such as the language, the use of certain colors, or certain audiovisual resources can influence the users of a same web differently. Thus, the fact that the internet is a global site makes necessary for enterprises and organizations to consider the existing multicultural reality when designing their webs (Alcántara et al., 2013). However, an excessive control of branding on the internet can return to the company violently. This practice is known as the Streisand effect, which is concerned with trying to control the content of the publications on the Internet, eliminating what has been published can cause the opposite effect, further disseminating the information relating to a trade mark or a person (Liarte, 2013).

Indeed, the users of the network are a potential source of information, which can be used by other individuals in the creation of the brand image (Varadarajan et al., 2010). On the internet not only companies or intermediaries publish on brands, also users can make comments, express opinions and create content on brands. The user generated content (UGC) is a new term appeared in the literature which defines as consumers' created contents that are accessible via the Internet; it reflects a degree of creative effort and is generated for free outside the routines and professional practices. However, in practice UGC is not a so recent concept. In fact, already in 1996, the work of Hoffman and Novack shows that the eruption of the internet promotes a model of communication based on interactivity, where multiple actors can become senders and receivers of messages through multiple media. The specific literature on the creation of the UGC is limited and is in the early stages of research on this phenomenon, in such a way that the few published works are focused on the study of the motivations of the UGC (Berthon et al., 2008). Focusing on the creation of ads by users, Berthon et al. (2008) identify in the individual three main motivations for creating these ads: (1) intrinsic enjoyment for the expression, (2) own promoting, and (3) change of perceptions which aims to show the brand differently to other consumers.

Christodoulides et al., (2012) identify four antecedents of the creation of UGC related to the brand: (1) co-creation, by which the value of a brand is perceived to be produced jointly between the company and consumers, (2) empowerment, to the extent that the brand is perceived to empower consumers, (3) concept of oneself, to the extent that the brand is perceived to match the concept of oneself that consumers have, that means the creation of the UGC is used as a communication vehicle of the identity of oneself, and (4) community, to the extent that a brand is perceived to promote a community of consumers; in this case the creation of the UGC is on the interaction between the community and the development of a sense of belonging. These authors show that engage with the UGC affects consumer brand perceptions. In 2011, the increase in the UGC through electronic media represents one of the latest market dynamics (Christodoulides et al., 2011).

The digital WOM (word of mouth), also known as eWOM, is one of the means through which individuals create content on the network. This is defined as the development of a “word of mouth” communication via internet, i.e. communication that keep consumers on the purchase experience and consumption of a product through digital media (Hennig-Thurau et al., 2004). Consumers can express informally their opinions and experiences through the network, and these can be viewed by people from all over the world. Works like Chu and Kim’s (2011) analyze the motivations of individuals to engage in eWOM. Most of them indicate the intention to build relational capital, in such a way that through this type of communication, the need for social interaction is satisfied and opinions about products and brands are shared through internet (Hennig-Thurau et al., 2004). In addition, recipients can respond to issuers, thus developing relationships and increasing their social interactions (Chu & Kim, 2011). Other authors, on the other hand, point to a motivation of pride or strengthening of self-confidence as a reason to develop eWOM. This motivation arises from the desire to be socially recognized by others. In this way, recommendations to third parties allows the issuer gain attention and respect and provide to be considered an important source of reliable information (Hennig-Thurau et al., 2004). The e-WOM can help other consumers make a right choice. In this sense Berger and Schwartz (2011) point to how the eWOM can affect the three dimensions that shape the behavior of individuals against the brand. In particular, it promotes the degree of knowledge about the product and brand, influences the development of the attitude, and finally, has an impact on the intent and purchase behavior developed later. However, the effect of the eWOM on individuals can be asymmetric. In this way, it is observed that a positive view has a greater influence than a negative opinion. In particular, Romaniuk (2011) suggests that this effect may be up to four times higher in the event that initiated communication is positive in nature; in comparison, the effects of the negative WOM, are smaller and insignificant. On the other hand, Dean and Lang (2008) have shown that when a negative eWOM becomes a viral message, the harmful effect caused is observed not only about the brand but also competitor brands in the same category of products. The relationship between customers and brands has reached such importance that companies consider these relations as a significant component of the own capital of the brand (Blackston, 1992). However, the ability of companies to control the image of their brands is currently very low, especially when there are ways and communication channels such as those previously listed. That is why many managers believe that the only role that can be played in relation to the brand is that of a guardian, protecting, and not controlling the meaning and the public image of the brands (Blackston, 1995). The web has changed the way in which consumers are involved in the communication process. So that individuals become more demanding, and not only want to be consumers of the product, but also participate in the development of its marketing mix. This new conception of the individual as a producer-consumer, known as prosumer, supposes a whole change in the way in which companies have to create and market their products and brands. Focusing strictly on the field of brand communications, the prosumer is characterized by playing an active role in them, given that he is able to create, enrich and even control the process of communication. The UGC allows consumers to transform and play creatively with brands. The development of the internet, Web 2.0 applications and peer-to-peer communications, offer consumers unprecedented opportunities to become creative (Christodoulides et al., 2011). As a consequence of the creativity of consumers, marketers have discovered that in addition to the organizations, the consumers are also able to create value, not only to trademarks but also to other consumers. To capture that value, the minds of management and business models must change (Berthon et al., 2007), and to consider from this moment that consumers are at the same time co-creators (Christodoulides et al., 2011).

The change of the model of communication “from one to many” to the communication “from many to many” exemplified by the internet and the interactive technologies shows that the flow of communication is no longer unidirectional (from transmitter to the receiver). In addition, several interactions can take place not only between consumers and marketers, but also within the communities of consumers (Zhou et al., 2012). Consumers also have access to tools that allow them to create their own content and spread it easily and fast. The bandwidth and peer-to-peer technology enables consumers to create and share their views and experiences with regard to brands with other consumers through entries in blogs, videos, sounds, product references. And it could be said that the UGC related to the brand is an activity related to the consumption (Christodoulides et al., 2011).

Now consumers are demanding to participate actively in decision-making concerning their favorite brands. Faced with this situation, companies have to find a new way of approaching the marketing to make its brands attractive and easy to connect with consumers both individually and collectively. The brand has to be proactive, trying not only to understand the motivations that lead consumers to pour views on them, but also to give a quick and appropriate response to the same. The UGC is an important mechanism of feedback which allows to enter in the particular perception of consumers about a brand. For this reason it has to be analyzed closely. Companies will receive attention from creative consumers if they reach a community around its brand, create a brand identity that identifies with the desires of consumers and develop brands that are customized with the direct input of consumers (Christodoulides et al., 2011).

New rules for engaging on the social web are explored in relation to their contribution to impair or improve corporate reputation and brand image. The web allows to increase the flow of free information, unfiltered, by an audience with rights as the professional writers (Shirky, 2008).

It is necessary to have transparency and responsibility to operate effectively in an environment where people are engaged in an active way in conversations online. These fast changes affect directly the marketing communication, and it is necessary to review the rules of reputation and brand management. For the reputation and brand management is not enough anymore to know how an organization is perceived and the image that its audience has, whose formation is based on its communication efforts; in addition, it is necessary to inquire into the conversations that take place online between users and consumers (Jolly, 2001). Organizations are increasing the need to implement the reputation management and take the risk to which are subjected in the commitment to the vast community through the social web. A clear understanding of how the reputation in this environment can be handled is vital to the business. Agents are gradually using talks to share industry information, taking an active role as consumers detective, investigative journalists and influencers of opinion. The Web 2.0 is a tool to empower consumers and citizens. In this new environment the effective management of brand and reputation requires brands to collaborate with different agents. The social web makes participants to navigate through a shared and negotiated construction of the understanding of meaning. The social web baptizes a new type of professional consumers or prosumers (Davis & Moy, 2007).

The way a company behaves online and is perceived by its wide audience is far more important than philanthropy, donations to charity, ostentatious websites or even corporate social responsibility annual reports printed on recycled paper; in short, online reputation is very important. In the era of the social web a chat in an informal meeting room can be online in seconds while the information slipped through the bulk mail can be published and commented on blogs in a matter of minutes. These activities can potentially damage the image of a company and create the perception of corporate irresponsibility (Jones et al., 2009).

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The power of the networks of the web sites has contributed extraordinarily to increase the speed, reach and interactivity of social communication. As the number of people grows in networks, connectivity also increases. If these people link to other content, then the value increases exponentially (Hendler & Golbeck, 2008).

A correct planning of the online conversations can help companies to build and maintain a presence, reputation and brand image (Christodoulides et al., 2011). Fill (2005) talks about how the reputation of the global brands can be questioned or even tarnished through spoof websites where doubts can damage their integrity, hence the need for greater transparency, participation and collaboration. Ind (2003) suggests that a wide social perspective of the brand management is fundamental for a company to keep its relevance in the marketplace. In a social setting, a brand is drawn by the corporation and also by the community that it adheres. In an environment of corporate social behavior, messages should be clear and convincing, since customers are more likely to attribute greater perceived value and greater satisfaction to the products or services produced by socially responsible companies (Luo and Bhattacharya, 2006). On the social web, there is little room for the monologue (Lewis, 2001).

Reputation in the social Web is mainly built with the participation in the community, collaboration and content creation punctuated by reputation aggregators known as search engines, the door that people use to find content online (Weber, 2007). Unsolicited emails, advertising and the intrusion into the social web may damage the image and reputation of the business. The hyperlinks and the rankings of web pages used by the search engines, increase the chances of the image recognition and contribute to the building of the online reputation of the organization (Weber, 2007). On the social web emission (broadcasting) has been replaced by participation, collaboration and exchange, which can be baptized as social emission (social casting) (Greaves & Mika, 2008). Under these circumstances, organizations have to adapt and rethink their online corporate reputation and their brand communication strategies between their management practices (Christodoulides et al., 2011). The social web, allows the agents of the organization and the public to co-create the brand image and reputation. The property of this process is shared and inevitably brings risk factors (Fill, 2005).

THE EFFECT OF THE ORIGIN ON THE BEHAVIOR OF THE INDIVIDUAL

The presence of an indicator of origin-quality of a recognized and prestige brand makes the consumer to enlarge the image that exists of the brand. The strengthening of existing partnerships and the incorporation of new ones allow the subject to recognize new benefits of the product on a cognitive level and extend and reinforce his recognition of the former, to develop new attitudes and feelings towards the product on an affective level, and even to show a greater intent to purchase, or even to reach the very act of purchase, on a behavioral level (Steenkamp, 1997).

The importance attached to the origin as a source of information and meaning has rekindled its interest in marketing research (Lampert & Jaffe, 1998). The place of origin of products can be considered a major source of advantages for enterprises, able to alter the assessment that the consumers of the products or brands make (Agrawal & Kamakura, 1999). The image of a product, service or brand plays an important role in consumer purchasing decisions, but this image is formed by various variables, so that the place of manufacture or origin of the product becomes an element capable of defining, or at least alter the image of the same (Bigné et al., 1993). The role of the geographical indicators of quality in the creation of attitudes and as a determinant of consumer behavior can be analyzed considering the classical approach

formulated by the attitude as a conjunction of three elements: the cognitive component, the affective and the behavioral. Despite this distinction, based on a more current conception, attitude is usually considered more specifically, as the affective or the evaluative dimension understood as the overall evaluation toward an object (Fuchs & Reichel, 2006). In this way, the cognitive dimension reflects the structure and contents of beliefs and knowledge about attributes that characterize the products and brands. These beliefs serve as a knowledge base to form assessments that define the attitude. The behavioral dimension is also the result of the attitude embodied in the provision for action in terms of intended acquisition, provision and use of products and services (Keller, 1998). The influence of the quality indicators and the determination of attitudes is given this way first by beliefs and associations that this feature generates in consumers. Considered as an attribute that is external to the physical characteristics of the product, it is assumed that the origin is used by the consumer as a basis to infer associations relating to the quality, results or other specific characteristics about the product, especially when the product or brand is unknown, or when it is possible to evaluate it without having previously existed an act of consumption (Steenkamp, 1997). Through the personal experience, the information gained through other sources, and even stereotypes or existing topics on the areas (Roth & Romeo, 1992), the consumer develops a series of associations related to the place of origin of the product that later will form the image of the brand to which it is bound.

The type of relevant associations for the evaluation that can be generated by consumers from the information on the place of origin is very varied. These partnerships can range from beliefs about certain specific and intrinsic characteristics of the product - for example color or flavor of a wine - to more general beliefs that refer to global product aspects such as quality, attributes related to dimensions of personality, values or symbolic representations of the kind of cultural identity or tradition. The association of quality therefore plays a crucial role in the evaluation component derived from the geographical indicators of quality. The organization and rules surrounding geographical indicators make sure procedures of manufacture and quality of the raw materials are controlled and certified. This fact added to the idea of a greater specialization and know-how of the companies generate higher quality perceptions that positively affect the attitudes. This perception of superior quality determines an effect more direct and palpable on the value perceived by the consumer and, thus, in his confidence (Agrawal & Kamakura, 1999). In addition to these associations, there are others of second order, related to the economic, social and cultural characteristics of the geographic area that may also have effects on the evaluative dimensions of individuals. In this case, if consumers keep a positive (or negative) image over the area, it tends to generalize a positive or negative attitude toward all trademarks and/or products associated with the site (Roth & Romeo, 1992). These associations, together with the rest of associations more generic related aspects of personality, styles of life or culture and traditions, have a more limited effect on evaluations and behaviors of individuals, because its impact on the added value are minor. All these factors determine that, ultimately, the positive evaluation of the product or the brand will increase consumer confidence, and therefore will increase the perceived value or reduce the risk associated with the purchase (Bigné et al., 1993). In the literature, it has been suggested that the image created in the minds of consumers about the origin can be considered as the fifth element of the marketing mix, along with the product, price, communication and distribution (Baker & Currie, 1993). Laroche et al., (2005) goes beyond and describes the image of the area of origin as the image of the products. For this author, the image of a geographic area allows the classification of its products, fortification and development of favorable attitudes and beliefs. Even, sometimes the influence of the image of the area is so strong in subjects, that they develop perceptions about the products that may not be correlated with their actual

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attributes (Baker & Michie, 1995). This fact would explain phenomena such as ethnocentrism in consumers, where the attitude and preference for domestic products tend to be higher (Steenkamp, 1997). However, although in a way more or less general, most of papers agree in pointing out the existence of these effects, as well as highlighting the importance of the 'origin' in relation to the decision-making process of consumers. It is necessary to clarify to what extent it can be a really relevant attribute. This fact has led some authors to point out that in practice actual consumers are influenced by origin, but to a lesser extent than research indicate (Agrawal & Kamakura, 1999; Bigné et al., 1993). An important conclusion from the previous studies is that the effect shown by origin is lower in those situations where the consumer uses more information criteria to assess the product. Referred works highlight that the effect of origin on consumers is only detected in certain products, and with uneven intensity, and accordingly is not justified to grant the origin as a generalized effect of any product or country. In any way in a real situation of consumption, as Agrawal and Kamakura (1999) point out, the consumer tends to use additional sources of information, the effect of the origin of the country significantly decreased. Despite all this, one thing is clear, all developed research points to that place of origin presents an important effect in the consumer behavior, whether in its dimension of cognitive, affective or behavioral. Obviously, the results of the studies are determined by: the type of design proposed for the research, the type of product, and considered consumers.

In our opinion the importance attached to the place of origin by consumers has to be taken into account by the managers as an element of marketing to use. Just pointing out the origin of the product on the label, sometimes will facilitate both the identification of the product and the improvement of evaluation. The support of an identifier of the origin of the products that certifies officially the origin of the products, will reinforce the advantage granted by origin to the companies, and its effect on their products or brand.

BRAND SPAIN CASE STUDY

States are increasingly aware of the importance of their image, reputation, i.e. of their brand. What has triggered the rise of these initiatives of image is the globalization, that spans all areas (economical, political and cultural) and, from this point of view, it seems logical that among the Governments there is an increased awareness that the image of the country is a fundamental asset to defend the interests of the States in the new international economic and political relations.

In a global market of goods, services and persons, the States must sell its best image to attract most beneficial flows that may come from other countries (Moisescu, 2009). Along with the need to attract financing, the brand image of the country serves as an indicator or element that guarantees the quality of the products coming from it.

In this way, the country brand facilitates the access of its products in foreign markets. Finally, the territory itself becomes a liquefiable marketing element. As a tourism product, the existence of a brand that brings to spin a set of favorable associations that are related to the territory, promotes its positioning in the national tourist context. In this situation, there are developing public policies aimed at the construction, promotion and consolidation of a brand image country. Such is the case of the Spain Brand, i.e. a state policy whose effects are to be seen in the long term. It is aimed at strengthening the country's image, both among Spanish citizens and beyond Spanish borders. By Royal Decree 998/2012, June 28, the position was established as the High Commissioner for "*Marca España*" (BrandSpain) from the

Spanish Government in the planning, promotion and coordinated management of the activities by public and private agencies aimed at building a stronger image about Spain. The Spain Brand is an inclusive and integrator project with the vocation of permanence in the long term. The project aims to establish an image of Spain as an economic and political power among the first countries in the world; a view of a traditional and modern country at the same time; solid and supportive; different; flexible and open to change. It is to highlight the many strengths of Spain in the areas of culture, heritage, language, science, technology, tourism, fashion, gastronomy and solidarity.

To do this, the Spain Brand has the invaluable help of the Crown, of the whole of the administrations, embassies, consulates and sectorial offices abroad, companies, the media, citizens abroad, civil society and all those, including foreigners, who share the values that inspire the project. In particular, the Spain Brand Board gathers the heads of the leading actors in the project to analyze their main courses of action. It is an informal body, presided over by the High Commissioner for “*Marca España*” from the Spanish Government and made up by the presidents or directors of the following organizations:

- Office of the Secretary of State for Communications of the Presidency of the Government
- High Sports Board
- Office of the Secretary-General for Food and Agriculture (MAGRAMA)
- Office of the Secretary-General for Defense Policy (MINISDEF)
- Spanish Olympic Committee
- Instituto Cervantes
- Real Instituto (R. I.) Elcano
- ICEX
- TURESPAÑA
- Carolina Foundation
- Directorate-General for International Economic Relations (MAEC)
- Directorate-General for Media and Public Diplomacy (MAEC)
- Directorate-General for Trade and Investment
- Directorate-General for Economic Policy (Ministry of Economy and Competitiveness)
- RTVE
- EFE news agency
- Spanish Ambassador for Cultural Diplomacy
- Ministry of Education, Culture and Sport

The *Marca España* Board performs its action through working groups:

- Public diplomacy
- Economic diplomacy
- Sport diplomacy
- Cultural and social policy
- Communication, media
- Civil society
- Institutional actors
- Self-governing regions and local governments

The First Steps for the Spain Brand History

The history of the Spain Brand is a success story of how can be created a brand country linked to modernity, innovation and the Mediterranean lifestyle. Because from 1939 to 1975 Spain was isolated Internationally. A non-democratic government system, and an economic policy that isolated the country from the European environment, managed to project a negative image of Spain. But despite its negative history, Spain has been able to achieve a positive and believed image. Experts on location branding, note that Spain is among the best examples of modern successful national branding because it is built on what truly exist.

The political transition to a democratic system, next to exit the economic crisis at the end of the decade of 1980 made possible that Spain offered an image of modern and stable country. But definitely, it is the celebration of sports and cultural events of first level, as the Barcelona Olympics in 1992 or the Universal Exposition of Seville, which attach permanently the position of Spain on the international scene.

But the real starting point for the birth of the Project Spain Brand is situated in the year 2001. The achievements in relation to the external image, make that from the public sphere is token the awareness of the need to manage comprehensively the brand country. At the end of 2001, the Elcano Royal Institute, the Association of Leading Brands of Spain, the ICEX (Ministry of Economy), the Ministry of Foreign Affairs and DIRCOM (the Association of Directors of Communication), constituted the work platform for the Project Spain Brand(PME) to “move forward in a coordinated way in the construction of an image of Spain to respond to the new economic, social and cultural reality of the country”.The PME consisted of several phases:

1. A collection of information on the foreign image of Spain, based on polls of general population opinion or opinion leaders.

The study’s conclusions leave no doubt. Spain, above all by the effect of the transition to democracy, has a very good political image as a Latin country, and improving, with high and increasing levels of confidence towards the country and its people, which generate more sympathy than antipathy (although not everywhere). In addition, it also has an excellent, cultural and artistic image.

However, and as halo effect, there is a strong stereotype that influences negatively the foreign image of Spain. On the one hand, the economic picture is good and certainly improves, but Spain continues being perceived as a country with an economic capacity below the real. On the other hand, the “Spain is different”, based on an excellent image as a tourist destination, already solidly seated, generates tensions among its high evaluation as a place to rest, and its mediocre assessment as a suitable place to work. Fr this reason the “made in Spain” is regularly assessed as a result of a very little knowledge of the Spanish brands and products and of a certain traditional image of no advanced country.

2. The second phase of the PME is about listening.

Through round tables, the actors and most relevant institutions gave their opinion about the reality and the problems of the foreign image of Spain: experts in history, sociology and marketing; the Public Administration, central, regional and municipal; the business world; journalism, advertising and communication professionals; Spain brand ambassadors (Spanish personalities from various fields who have achieved some popularity abroad); and, finally, policymakers of image in other countries.

The necessary conclusions to draft a guideline of the Spain brand communication were taken from the first and the second phase. In the third and last phase, work was conducted by a team of experts and managers of communication which, after the track of the previous phases, formulated proposals of positioning and communication discussed and approved by the organizers of the PME.

One of the first elements in the creation of the Spain Brand was the one concerning the graphic identity. Its first branding efforts incorporate absorb, and embrace a wide variety of activities under one graphic identity to form and project a multi-faceted yet coherent interlocking and mutually supportive whole. For this, its national promotional program uses Joan Miró's sun to symbolize the step change in the modernization of Spain. With it, it is unified graphical a myriad of activities, publicity events and ads, even though the different programs are driven by both public and private sectors (see Figure 1).

The New Efforts: Towards Strengthening the Spain Brand

The efforts made over the past decades have allowed to consolidate an image of Spain as a modern and growing country. Problems related to ignorance or mistrust generated by Spain -and everything related to it- over the last two decades have been overcome. And the current international context, along with the country's external position, requires rethinking the Spain brand.

One of the key points in the current management of the Spain brand has consisted in the harness -and above all the profitable- any activity, news or event that allows to project a positive image of the country abroad. Under this premise, from Spain Brand have been launched several initiatives that are intended to highlight the contribution of Spanish organizations and individuals abroad. For example, cases of professional and human effort that have contributed to the development of their host countries, the strengthening of bilateral relations with Spain and the knowledge, through their works and behavior, of the traits that define the contemporary Spanish society: diversity, creativity, solidarity, innovation and generosity.

Figure 1. The use of Joan Miró's sun as the image of the Spain Brand



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This has been supported by advertising on a national and regional level, and strengthened by the privatization and rapid global expansion of the Spanish multinationals such as Telefonica and Bank of Santander into Latin American, the impact of hosting the Barcelona Olympics, the rebuilding of great cities like Bilbao, with the Guggenheim Museum, the films of Almodóvar and even the prominence of actresses such as Penélope Cruz. It was, partially, a careful planning and coordination, and part, individual inspired and corporate action. Spanish designers as Adolfo Domínguez or Manolo Blahnik, the film maker Pedro Almodóvar and the architect Santiago Calatraba, pooled their artistic talents and worked together as a team to assist the Spanish government in expressing a Spain that was fresh, free and more competitive.

The net result is that Spain's branding effort is both efficient and impactful: one symbol leverages everything together in the eyes of Spain and the world.

The Spain Brand Focus: The Tourism Sector

One of the principal focus of *Marca España* is to consolidate Spain as a power in the tourism sector. It, thus, boosts the competitiveness of companies and Spanish tourist destinations and renews the world leadership of Spain for the next decades, contributing to the generation of wealth, employment and social welfare.

Through the impetus of the Strategic Marketing Plan, several goals are set out, seeking to increase the profitability of the sector. Among the designated objectives to be achieved in the medium and long term are:

1. To increase the volume of tourism revenue.
2. Diversifying the origin, temporality, destination and motivation of travelers.
3. To increase the power of the tourism brand of Spain.

In particular, and in regard to the biennium 2014-2015, the above objectives are realized in different sub-goals. In relation to the increase in the volume of tourism revenue, it is intended to increase the number of overnight stays and average expenditure of the travelers. With regard to travelers, the objectives are realized in broadening the market of issuance of travelers, as well as increase the reasons why visiting Spain. In relation to the origin of the travelers, the interest focuses on two sources: the first to consolidate the strength in markets traditionally issuers of travelers (EU scope, Russia). The second objective is to attract new travelers from distant markets, which so far have been insensitive to Spain as a tourist destination. In this sense, the major areas of interest are located in countries such as China, India or South Korea, the Persian Gulf (Saudi Arabia, Arab Emirates and Qatar), or countries in the Southeast Asia (Malaysia, Indonesia, Thailand). And another focus of interest is set in travelers from Japan, New Zealand, Austria and Canada, together with the Latin-Americans (Mexico, Colombia, Brazil) who, traditionally, have shown a certain sensitivity to the Spanish culture as a motivation to visit the country. Tourists from these markets show a great capacity for spending, making it one of the main markets in terms of average expenditure and sales free of taxes.

In regard to the motivations for travel, the main objective is to lure travelers attracted by the culture, food and traditions, nature, shopping or sports. In this way, against the traditional *sun and beach* that

has usually been the motivation to visit Spain, it is trying to reinforce an *experiential tourism*, which strengthens the position of inside geographical destinations –not coastal zones- and, simultaneously, deseasonalizes the tourism activity -traditionally located in summer-.

Aiming to get the above objectives, the marketing activities have revolved around increasing the power of the Spain Brand. In particular, the work has been on the line of:

1. Improving the positioning of the image of the brand in the consolidated markets.
2. Increasing the visibility in emerging markets.

Traditionally the brand image has been developed according to the known cycle AIDA (knowledge, interest, desire and action). Depending on the phase of the cycle in which the brand is located, it is necessary to implement a set of actions intended to strengthen its power, increase its notoriety or increase its differentiation. That is to say, to tend to position or reposition the brand.

The 2014-15 plan wants the brand positioning -or repositioning- is established in terms of *global brand source* or *warranty*; that is, as a brand that not only is linked to tourism, but as an image of brand country, able to protect and distinguish the different types of product.

In general terms the Spain brand enjoys prestige. However, it should be noted that during the period 2008-2013 the image has undergone some erosion. The economic crisis has seriously damaged the image of Spain as an economic power, both at European level and globally. During the year 2014, the data confirm an improvement of the image of Spain abroad (marcaespaña.es, 2015), both in the economic field as business, cultural, tourist, gastronomic and sports. Meanwhile, in the strictly tourist spot, Spain is suffering competition from new destinations. It is for this reason that in the most of the source markets of tourists, Spain has lost share as a holiday destination, and only the Russian market has maintained a strengthened growth since 2011.

Communication as the Key to the Repositioning of the Brand: Internet, Social Networks, and the Power of the UGC

The need to reach a global audience, with the aim of creating awareness and differentiation, leads to an important part of the marketing action carried out in relation to the Spain brand to focus on the development of communications actions on the internet and social networks. Especially in the year 2015, the Spain Brand works intensely on its presence in the Network. Under the slogan “Everything you expect and much more than you imagine”, the Spain Brand tries to create and convey a sense of ownership and pride. The renewal of the web, increasing the presence in social networks and the launch of a promotional video are the few first steps.

The internet is a fundamental element in the communication policy of the Spain Brand. With the creation of the web *marcaespaña.es*, the High Commissioner of the Spain Brand has an excellent showcase to be known in the world (see Figure 2).

The web spreads information about activities and events that have to do with the image of Spain abroad. But in addition, the web has put emphasis on the flexibility and participation. Flexibility is possible because it is accessible from the different mobile devices. With respect to participation, it should be noted that the web has a section where it is called the direct involvement of the people, with the aim of collecting ideas and advertise the Spain Brand internationally (see Figure 3).

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Figure 2. Web of the Spain Brand

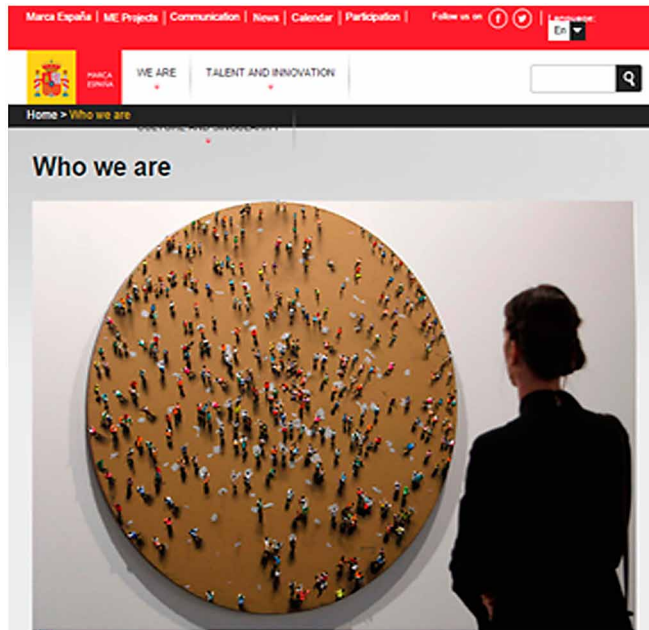


Figure 3. The participation section of the web of the Spain Brand

Marca España People

Right now no information available

Do you know talented Spaniards? Introduce them to us ...

Name * Last Name * Phone *

Email *

Tell us *

I have read and accept the Terms of Use and the Privacy Policy

The Spain Brand has used social networks as a means of communication. Its presence on networks such as Facebook and Twitter is active. One of the main objectives of the presence in social networks is that users tell stories about Spain and the Spanish (see Figure 4).

The presence of famous people helps the broadcast of the Spain Brand on social networks. Such is the case of athletes of elite, or chefs, and designers of renowned prestige, that voluntary and free of charge work with the Spain Brand in the international dissemination of the brand (see Figure 5).

Figure 4. The Spain Brand on Facebook



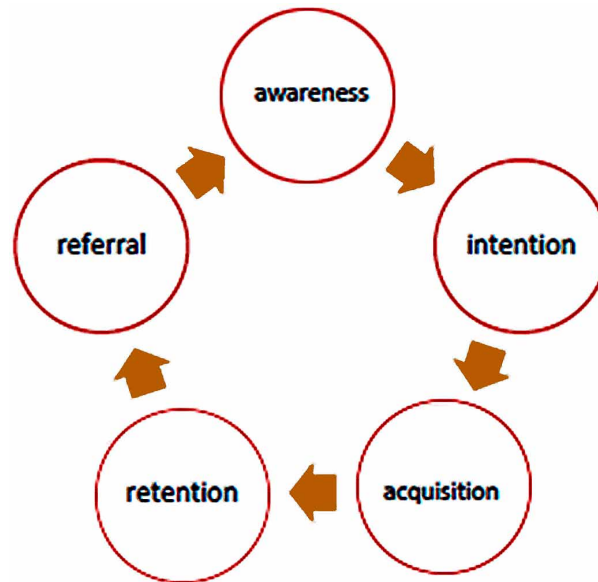
Figure 5. The Brand Spain in Twitter



An element to highlight is the importance of social networks as a means of expression of individuals. Users of social media can express opinions, explain experiences and create content on the Web, which are capable of influencing opinion and behavior that others have about a brand or a territory (Llodrà, 2013).

Today the UGC (User Generated Content) is such that even in the traditional AIDA model, used to work the brand image, recommendation phase has been added and the action has been divided into acquisition and repetition. Because with the emergence of social networks the behavior dimension of the individual behavioral segment presents different conducts such as buying, buybacks and recommendation (see Figure 6).

Figure 6. The AIDA model



In this way, with the presence on the network, the Spain Brand not only allows to present the main features of the culture, economy and society of the country, but it also makes possible the experiences of people, both famous and anonymous, are known and can be used by potential users of products of Spain in their decision making process.

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KEY TERMS AND DEFINITIONS

Brand: It is technically defined as the name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors. But after all, it is the sum total and ultimate expression of all the collected activities undertaken by the brand owner and the experiences of the brand user.

Brand Equity: A set of attributes linked to the brand, as the name recognition, the perceived quality, the loyalty of consumers and other associations that have to do with it, that set a value added or subtracted from the product or service offered.

Brand Image: It is the mental representation that consumers have about a brand globally as to how the brand is perceived by them.

Country Brand: It is the name of a country acting in a similar way as the name of a brand, which has the ability to increase the value perceived by the customer in any product or service by having a specific origin.

Country Brand Equity: Defined as the tangible and intangible, internal (iconography, landscape, culture) and external (country image perceptions, external portrayal in popular culture, brand ambassadors) assets or liabilities of the nation.

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Country of Origin Effect: It represents the perception about a certain country that is extended to the products made in that country. It is, practically, the consumer's perception of a product, which is influenced by the brand's nationality.

Perceived Quality: A consumer's opinion about the ability of a product or a brand to fulfill his/her expectations based, not that on the excellence of the product, on the brand's public image, the consumer experience with the other products of the company, and the influence of the opinion leaders, consumer peer group and others.

ENDNOTE

- ¹ For instance at the European Union, country brands influence decisions in Brussels, those of the Central Bank or the members of the EU, and how they can influence the rankings of default, credit, etc.

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