

THE EFFECTS OF SMART PHONES' BRAND EXPERIENCE ON CUSTOMER LOYALTY AMONG PUP-CBA STUDENTS; Top 6 Global Brands

JACKIE MAY U. ABIN

JERICHO L. COSE

ARMAN JOHN H. OLIVEROS

Department of Marketing Management
Polytechnic University of the Philippines, Sta. Mesa, Manila

ABSTRACT

The main aim of this paper is to study the impact of brand experience on determining customer/brand loyalty. The current researchers propose that the brand experience and affective commitment has a positive effect on brand loyalty and that the relationship is mediated by affective commitment. A survey-based quantitative approach is used to test the hypotheses based on the prior study, that also delineates the relationships between brand experience, affective commitment, and brand loyalty. The data were collected using pen and paper version of a survey and were analyzed using reliability analysis. The analysis suggests that affective commitment mediates the relationship between brand experience and brand loyalty for one product category that was studied (smartphone). The study extends the understanding of the brand experience construct by studying its influence on brand loyalty. In our sample, the findings support the fact that developing brand experience influences customer loyalty only through affective commitment.

Keywords: *brand experience, affective commitment, brand loyalty*

INTRODUCTION

The purpose of this study is to examine the impacts of brand experience for one product category, (smartphone) on consumers' brand loyalty in Polytechnic University of the Philippines. In response to increasing desire of consumers for personalization, marketers attempt to promote not only products' features benefits, but also connecting these with unique and interesting consumer experience, thus experiential marketing has emerged as a way to maximize brand resonance (Kim, et. al, 2015). In line with this, the present study would like to address three (3) current problems: (1) the impacts of brand experience in determining customer/brand loyalty, (2) the influences of brand experience dimensions on brand loyalty, (3) the mediating role of the affective commitment in the relationship of two main variables.

Moreover, other studies empirically support the impact of brand experience on customer/brand loyalty. Some researchers already expounded that the experience that will be given to the consumers should be unique and unforgotten experiences. Basically, the brand experience should be able to increased brand loyalty positively and significantly (Arduyan, 2012; Biedenbach & Marrel, 2010; Brakus et. al., 2009; Frow & Payne, 2007; Ismail et al., 2011). In the words of Arduyan, (2016), the study found that brand experience of smartphone customers will not directly affect and in order to address the result, smartphone brands must build a strong relationship with consumers, such as building a strong community with them so that they can feel emotionally involved with the brand. On boosting brand loyalty, one of the important parts is developing consumer confidence and trust. The smartphone brands should fulfill its products promises and maintain its quality and warranty.

In this respect, the researchers would like to emphasize that the single item within each dimension of brand experience has its polarity reversed in the instrument has shown much lower reliability than the rest for all the

product categories; these items were detected as sources of misspecification errors (Iglesias et al., 2010). Another limitation of this research is that data were collected for only one product category, making it limited and doubtful to cite for. However, the current researchers do not want to mislead the study, thus, need to consider right measures for the betterment of the present study.

In addressing this issue, the present study attempted to delete or reword the items detected as sources of misspecifications errors, in order to have the same polarity as the rest of the statements. Also, the current study recommends that the future research might consider other product categories; e.g. service sectors where interactions between consumers and sellers take a big part in the development of brand experiences. The main aim of the present study was to test a general outline of statements for building a consumer-brand relationship from an experiential view. Also, the current researchers attempted to study the influence of brand experience dimensions namely: sensory, affective, behavioral and intellectual on brand loyalty. Also, to examine the mediating role that the affective commitment has in the relationship of brand experience and brand loyalty. The current study was based on the localization and management of a self-administered survey.

LITERATURE REVIEW

Philippines is now considered the fastest-growing market for smartphones in Southeast Asia with an amazing hundred percent increase in smartphone sales every year. As technology continuously emerge in the market, customers' purchasing priorities also change; from buying a phone based on its physical design into choosing a phone based on the right features and warranty that enhances their personal experiences. Providing experiences to smartphone users are one of the ways to be done by most of companies in order to gain their loyalty.

I. Brand Experience

Experiences are the knowledge and practical wisdom gained from what one has observed, encountered and undergone (Random House Kemerman Webster's College Dictionary). Klaus and Maklan (2007) defined experience in the viewpoint of brand management as "a takeaway impression that is formed in the mind of the consumers as a result of the encounter with the holistic offer of a brand."

Most of the researches on experiences has focused on the product attributes and category experiences, not really on experiences provided by the brands. In this regard, Prahalad and Ramaswamy (2004) infer an approach where the brand becomes the experience which highlights its core role in the brand-building process.

In the words of Brakus et al. (2009), brand experience is conceptualized as "subjective, internal consumer responses (sensations, feelings and cognitions) and behavioral responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications and environments." In general, brand management should not just focus in traditional activities such as communication and/or advertising, but also creating relationship and connections between company's product and emotional perception of the customer.

Brand experience conceptualization and scale development are very important for understanding and managing brand trust and loyalty concepts (Brakus et al., 2009). However, according to Brakus et al. (2009), experiences are complex phenomena that involve at least four dimensions: sensory, affective, intellectual and behavioral. In this perspective, brand management have to be more concerned in managing the process to support customer experience not only with the conventional brand-related activities (Frow and Payne, 2007). In this case, if the customers' experiences are positive and pleasant then they would likely to repurchase and patronize the product and service that company offers.

Hypothesis: The brand experience of a smartphone has a positive effect on one's affective commitment towards a brand.

II. Affective Commitment

Research found that customer commitment is another important antecedent to customer loyalty (Morgan and Hunt, 1994; Fullerton, 2003, 2005; Thomson et al., 2005). The term "customer commitment" encompasses the

psychological and economic attachments that a customer might have towards a particular brand, store or product (Thomson et al., 2005). Customers with strong commitment trust and are more emotionally connected with the brand than others.

According to Allen and Meyer (1990), affective commitment is defined as the customers' emotional attachment to a particular brand based on their identification with that brand. It involves the desire to maintain a relationship that the customer perceives to be a value; it also incorporates the underlying psychological state that reflects the affective nature of the relationship between the individual customer and the product and/or service provider (Morgan and Hunt, 1994; Gundlach et al., 1995; Kumar et al., 1995)

Hypothesis: An individual's affective commitment to a smartphone brand has a positive effect on his/her loyalty towards the brand.

III. Brand Loyalty

In the words of Oliver (1997) used by Chaudhuri and Holbrook (2001), loyalty is a deeply held commitment to rebuy or patronize a preferred product and service consistently in the future, theory causing repetitive same-brand and same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior". Brand loyalty gets generated when a consumer purchases the same brand over a period of time rather than consuming different brands. It is the mental purchase process resulted from non-random and long existence behavior of the customers (Jacoby and Olson, 1970).

In the marketing literature, brand loyalty is one of the most-cited concepts in which it facilitates customer retention efforts and creates resistance for loyal consumers to switch because of competitive strategies (Dick and Basu, 1994). Brand-loyal customers are willing to pay a premium as a result of the higher value they perceive which helps to increase market share.

Hypothesis: The brand experience of an individual to a smartphone has a positive effect on his/her loyalty towards the brand.

METHOD AND MATERIALS

I. Sampling

The study used non-probability technique of sampling, the sample was purposively drawn from the population of College of Business Administration (CBA) students at Polytechnic University of the Philippines in Sta. Mesa, Manila. Respondents were predominantly females, (66.47%) and the remaining 33.53% were males. They were an average of 18.9 years old, and with an average year level in College of 1.6 year. Students were contacted in the classrooms and asked to answer the survey. A total of 337 students from all four (4) departments of the course were contacted (**102** from Marketing Management, **101** from Human Resource Development Management, **78** from Entrepreneurship and the remaining **56** from Office Administration) of which 337 completed the questionnaire, thus resulting in a response rate of 100 per cent.

II. Data Collection

An extensive literature review was performed in order to identify the effects of brand experiences to determine brand loyalty and affective commitment as mediating variable. Then questionnaires were procured and localized. Data were collected using pen and paper version of a survey. The questionnaire began with an introductory statement that asked respondents to administer their own responses, assured them of confidentiality, and so forth. This was followed by a request for demographic information and the measures.

Each respondent was asked to consider one product category: smartphone and then asked to choose one (1) among the Top 6 smartphones global brands (BusinessTech, 2019) from which one are they currently using or owned in the

past and they were then asked to evaluate their brand experience, affective commitment, and brand loyalty for that brand.

III. Measurement

In this study, the entire questionnaire used for data gathering was adapted from the study: (O. Iglesias, J.J. Singh, J.M. Batista-Foguet, 2011) However, for specifications, J.J. Brakus, B.H. Schmitt and L. Zarantonello's (2009 & 2010) four (4) Brand Experience Scale (B.E.S) were used to measure the importance and impact of brand experience of the Top 6 global brands (BusinessTech, 2019): (1) Samsung (2) Huawei (3) Apple (4) Xiaomi (5) Oppo (6) Vivo (7) and other brands that were specified by the respondents It consists of 12 items or statements. For every construct, three (3) items were selected, the four (4) constructs/dimensions are namely: Sensory, Affective, Behavioral, and Intellectual. In addition, the Affective Commitment: items for measuring the construct were adapted from the previous study selected, consisting of three (3) items, as well as the Brand Loyalty construct: consisting of six (6) items, with 21 statements overall. The constructs in the study were developed by using measurement scales adopted from prior studies. All constructs are measured using five-point Likert scales with anchors strongly disagree (=1) and strongly agree (=5).

RESULTS:

The three constructs in the model were measured using established scales. Brand experience was measured using a 12-item scale (Brakus *et al*, 2009) that has four dimensions-- sensory, affective, behavioral, and intellectual. Each dimension was measured by three items. So, the brand experience construct was modelled as a second-order variable with four sub dimensions. Affective commitment was measured using a three-item scale (Evanschitzky *et al*, 2006). Brand loyalty was measured using a 6-item scale.

The data were analyzed using Microsoft Excel. The data were first split into their corresponding construct, to be then subjected for tally and calculation. Subsequently, mean, standard deviation, and Cronbach' s coefficient alpha were calculated for reliability analysis and other statistical treatments.

Further, we have reason for not excluding the reversed items from the analysis: Methodological reason: In case, we delete each of the reversal item with low-loading, we are left with only two items per construct for the four brand experience dimensions, and it is known that only two items per construct can lead to unstable and unreliable results.

Table 1.
*Reliability Analysis: Sample Statistics for Identified Construct**

<i>Construct</i>	<i>Mean</i>	<i>Std. Deviation</i>	<i>Cronbach' s alpha</i>
<i>Sensory</i>	3.62	1.17	0.36
<i>Affective</i>	3.13	1.00	0.37
<i>Behavioral</i>	3.16	0.99	0.58
<i>Intellectual</i>	3.25	1.09	0.22
<i>Brand Experience</i>	3.29	1.08	0.77
<i>Affective Commitment</i>	3.95	1.03	0.79
<i>Brand Loyalty</i>	3.70	1.11	0.91

*N=337

Cronbach's coefficient alpha (α) was calculated to assess the internal reliability or consistency of the four dimensions of brand experience, affective commitment and brand loyalty. A high level for alpha may mean that the items in the test are highly correlated. However, α is also sensitive to the number of items in a test. A larger number

of items can result in a larger α , and a smaller number of items in a smaller α . A low value for alpha may mean that there aren't enough questions on the test. Adding more relevant items to the test can increase alpha (Tavakol, M. Dennick, R. 2011) In this case, the facts above support the results of brand experience dimensions, with only three (3) items per construct in the test, the reason for its lower α than the rest of the construct, with alpha of 0.36, 0.37, 0.58, 0.22 respectively. However, when analyzed as a single brand experience construct, an α of 0.77 justified its reliability (Table 1).

DISCUSSION

Smartphone brands operating in developed economic environments and in full-grown markets face intense competition, making it difficult to obtain a solid and sustainable position. In such a complex environment, the potentiality of differentiating brands depends largely on their ability to deliver top customer experiences that succeed in engaging consumers in a long-term relationship. As such, proactively managing the brand experience is undoubtedly one of the biggest challenges marketing managers currently encounter. This study was designed to investigate the effects of brand experiences on brand loyalty through affective commitment in technological devices (smartphone industry). As smartphone is a product in which consumers' perception of its personal experiences are important drivers for their brand loyalty.

The effects of brand experiences: The study shows that brand experience has positive effects on brand loyalty. These findings are supported by Brakus et al., (2009) Zarantanello and Schmitt, (2000). In particular, Kim R., et al (2015) suggests that experience play a critical role in brand management at personal level as it complements brand building in the virtual world (i.e. online marketing) by engaging consumers in the real or physical world. However, in the words of Kim R., et al (2015) positive brand experience may effectively raise the satisfaction level of a brand, but may not necessarily guarantee brand commitment and repurchase of the brand. The effects of affective commitment: As research results show, affective commitment has a significantly positive influence on brand loyalty. Kim R., et al (2015) overture, as more consumers prefer to be engaged with a brand at a deeper and broader level, marketing communications may need to be reformed in order to establish a dialogue and build a long-lasting relationship with consumers. These results were supported by previous study done by (O. Iglesias, J.J Singh, J.M. Batista-Foguet, 2011). A brand experience perceived as superior by consumers will only lead to true brand loyalty if affective commitment between the brand and its customers has also been developed.

These results thus have extremely important managerial implications because it suggests that, if brands want to create loyal customers, they need to work better on the affective dimension of their communications as well as of the entire brand experience in order to generate and consolidate affective bonds with their customers (Iglesias et al, 2011)

CONCLUSION

The study concludes that smartphones' brand experience has a positive effect on one's affective commitment towards the brand. Customers with higher knowledge and much experience with the brand will more likely to have an affective attachment and emotional responses that can also lead to satisfaction and loyalty. In addition, an individual's affective commitment to a smartphone can also possess a significant effect on his/her loyalty towards the brand. By focusing on the affective dimension of the experience, the emotional attachment and involvement towards product categories positively enhances consumers' brand loyalty. Lastly, the strong smartphones' brand experience can positively and significantly affect an individual's loyalty to a specific brand. To summarize the study, superior brand experiences may promote strong emotional responses from consumers which can lead, for instance, to satisfaction, commitment and loyalty (Iglesias et al., 2010).

The proposition that customers with higher brand experience will have higher loyalty for a specific brand shows important implications. Specifically, marketers need to further deepen their relationship with customers by working better on the affective dimension of brand experience as well as marketing communication channels (traditionally include advertising, sales promotion, public relations, sponsorship, etc.) in order to directly target the customers' emotions and to generate strong brands among them. Additionally, marketers need to develop and design marketing communication in the real world through experience in order to transform consumers' brand knowledge in a way that broaden their relationship with the brand. As such, companies must focus on the entire organization: building reliable and trustworthy institution and develop employees' commitment to the brand they work for.

The present study certifies affective commitment as mediator of brand experience and customer loyalty and offers useful implications to the marketers willing to leverage the opportunities likely to emerge in the following years.

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