Brand Satisfaction and Brand Equity: An Interplay between various Dimensions of Customer Brand Engagement

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ABSTRACT

In this study, authors developed a theoretical framework for examining the relationship between brand satisfaction, customer brand engagement (CBE) dimensions and brand equity in the context of hedonic brands and utilitarian brands. Three dimensions namely cognitive processing, affection and activation were used to measure customer brand engagement. On the basis of theoretical evidences, the results reveal that brand satisfaction and CBE dimensions have a differing impact on brand equity. Theoretical implications and avenues for further research were also discussed.

Keywords: Customer brand engagement (CBE), brand satisfaction, brand equity.

INTRODUCTION:

Customer brand engagement (CBE) is gaining much attention from past few years. For academy and industry practitioners, CBE has developed gradually and considered to be a significant notion in the stream of customer engagement (Leckie et al. 2016). The concept of engagement is noticed several times in marketing literature during last decade. However, it is also observed in other academic disciplines e.g., educational psychology and organizational behavior. Hollebeek 2011(a) posits that engagement concept appears to follow the subject i.e. customer who engages with what object i.e. brand (Hollebeek, 2011). However, researchers get down their focus to the processes by which consumers become more engaged with brands (Palmatier, Kumar and Harmeling, 2018; ‘Customer Engagement Marketing’)

Halasovich and Nel (2017) defined CBE in accord with (Hollebeek et al. 2014) as “a consumer’s positively valenced brand-related cognitive emotional and behavioural activity during or related to focal consumer/brand interactions”. However, consumer/brand interactions is defined as consumer’s direct and physical contact based interactions with a focal brand (Hollebeek 2011). The brand interaction is categorized on two basis: first is ‘cognitive’ brand interaction which refers to the customer’s level of concentration in the brand, whereas ‘emotional’ activity is represented as a customer’s level of brand-related pride and inspiration (Hollebeek 2011; Schaufeli, Martinez et al., 2002; Schaufeli, Salanova et al., 2002). However, customer’s ‘behavioural’ activity may be expressed through a customer’s level of energy exerted in interacting with a focal brand (Patterson et al., 2006).

In simple terms, CBE is a psychological state which involves a customer passion and pride for the brand, which arises from the potency of relationship between the customer and the brand (Leckie et al. 2016; Brodie et al., 2014). However, two main approaches were used by researchers to define the variations in the CBE dimensionality. CBE is empirically examined as a three-dimensional construct of cognition, affect and activation (Leckie et al. 2016; Hollebeek et al. 2011); whereas, another empirical view relates to engagement as shaped by vigour, dedication and absorption (Dwivedi, 2015; which corresponds to behavioural, emotional and cognitive aspects of engagement respectively (May et al., 2004). Leckie et al. (2016) in their study mentioned that CBE is expected to lead to positive organisational outcome such as brand equity.

This study develops a conceptual model of how brand satisfaction within specific context of hedonic and
utilitarian brands influence CBE and eventually brand equity. Rest of the sections in this paper portrays the theoretical model depicting the relationship between CBE driver and its outcome. Second, literature review on CBE, brand satisfaction and brand equity is discussed along with hypotheses to be tested. Finally, the theoretical implications and issues for future research are discussed.

LITERATURE REVIEW:

The conceptual model of CBE is drawn on theoretical framework such as relationship marketing (C. Leckie et al. 2016; Vivek et al. 2012). Relationship marketing theory reflects kind of commitment made by the consumers to continue patronizing a firm, service or a brand. In a relationship marketing theory, satisfaction is the important concept in understanding the dynamics of how relationships evolve (Selnes, 1998). In previous studies, researchers have suggested that customers’ engaging with a brand is a fundamental system in building stronger customer-brand relationships (Khan, Rahman and Fatma, 2016). The concept of customer brand engagement (CBE) fits within the broader context of relationship marketing and its literature emphasizing the importance of retaining value-generating customers (Hollebeek, 2010). Hence, Leckie et al. (2016) posited that CBE is projected to lead to positive organizational outcomes such as brand equity. Moreover, it has been proved in past studies that brand satisfaction has a high association in forming strong relationship between consumer and brand (Ismail et al. 2012). Similarly, Pansari and Kumar (2016) suggest that in order to get engaged with the brand, relationship should be satisfied and has emotional bonding. In previous studies, brand satisfaction has been revealed to strengthen the quality of the consumer brand relationship (Park and Lee, 2005).

The major focus of this research is to understand the driver of CBE dimensions i.e. brand satisfaction. The direct effect of brand satisfaction on brand equity and on various CBE dimensions is also measured. Moreover, the connection between the dimensions of CBE i.e. cognitive processing, affection and activation and brand equity is also.

Customer Brand Engagement:

CBE emerges to be an important concept in relationship marketing literature (Leckie et al. 2016). There is drastic change in the marketing activities that were once good-centric to actions that are customer-centric (Customer Engagement Marketing, Springer 2018; Day and Montogomery 1999, Webster 1992). Sashi (2012) asserts in his study that customers actively maintain the relationships with the focal product / service / organization; hence co-create value in the exchange processes which is generally referred to as customer engagement (Customer Engagement Marketing, Springer 2018). In current era, engagement occurs between a customer and a brand (Liu et al. 2018), rather than co-creative experiences between a customer and a firm (Solem and Pedersen, 2016). Thus, it can be said that customer brand engagement (CBE) is an extension of customer engagement (Liu et al., 2018). The concept of CBE is defined as “the level of customer’s motivational, brand related and context dependent state of mind characterized by specific levels of cognitive, emotional and behavioral activity in brand interaction” (Hollebeek 2011a; Algharabat et al. 2018). Majority of the studies on CBE operationalise the construct as a multi-dimensional construct which corresponds to cognitive, emotional and behavioural dimensions (Hollebeek et al. 2014; Leckie et al. 2016). Hollebeek et al. (2014) defined ‘cognitive processing’ as “a consumer’s level of brand related thought processing and elaboration in a particular consumer/brand interaction”. Second, ‘affection’ refers to “a consumer’s degree of brand related affect in a particular consumer/brand interaction”. Third, ‘activation’ is defined as ‘a consumer’s level of
energy, effect and time spent on a brand in a particular consumer/brand interaction”. Hollebeek et al. (2014) constructed a scale for CBE which is further adopted by many other studies (Halasovich and Nel, 2014; Paruthi and Kaur, 2017; Hepola and Hintikka, 2017, Dwivedi 2015). Moreover, it has been widely documented that a brand demonstrates as holistic perspective comprising of consumers perceived hedonic, utilitarian and symbolic dimensions. (Leckie et al. 2016; Hollebeek, 2014).

Brand Satisfaction:
Aysel Erci et al. (2012) define brand satisfaction as “the positive attitude a consumer develops as a result of evaluating his consumption experience with a certain brand/product”. Chan et al., (2010) posits that customers who participate in the brand related activities and engage more with the brand were likely to become more satisfied. However, customer will be satisfied if he/she have the respective experience with the products/services (Khan, Rahman and Fatma, 2016; Anderson and Sullivan, 1993; Marinkovic and Obradovic, 2015). Satisfaction of the customers has developed comprehensively as a construction for actively monitoring and controlling the relationship between customers and companies, brands or products (Bricci et al., 2016). In past studies, it has also been argued that experiences with the brand provide value to consumers and improve the satisfaction with the brand (Khan, Rahman and Fatma, 2016; Brakus et al., 2009). However, Shashi (2012) stress the importance of interactions between customers and brands. Hence, satisfaction can be a potential CBE antecedent for experienced and/or existing customers and a consequence for experienced and/or existing customers (Brodie et al., 2011; Hollebeek, 2011a). According to Gustafsson et al. (2005), satisfaction has a strong effect on the perception of the product quality, service quality and price equity (affects customer cognition) and contains a significant affective component. Hollebeek et al. (2014) specifically mentions the concept of ‘engagement’ in distinction to ‘satisfaction”; which focuses on consumers’ cognitive, emotional and behavioural aspects during particular brand interactions. Therefore, the present study on the basis of past studies hypothesizes that:

H1 (a): Brand satisfaction has a significant and positive effect on cognitive processing.
H1 (b): Brand satisfaction has a significant and positive effect on affection.
H1 (c): Brand satisfaction has a significant and positive effect on activation.

Some researchers proposed that satisfaction of consumer is emotional as well as cognitive aspect (Rodriguez del Bosque and San Martin2008). Yet, there are noteworthy differences in the definition of satisfaction in the literature. Satisfaction is categorized into two formulations in the literature. First, transaction-specific satisfaction which refers to an immediate post-purchase evaluative judgment, the most affective result to the most recent experience with a firm (Oliver 1993). Jones and Suh (2000) suggest that satisfaction occurs at the post consumption stage which is followed by the single encounter of a customer with the service provider. Secondly, there is overall satisfaction which means an evaluative judgment of the last purchase occasion based on all experiences with service provider (Bitner and Hubbert, 1994). Hence, overall satisfaction is an accumulation of all transaction-specific satisfaction with service encounters (Veloutsou, Gilbert, Moutinho & Goode, 2005). Auh, Salisbury and Johnson (2003) posits that transaction-specific satisfaction diversify from experience to experience of a customer whereas overall satisfaction is a moving average which is comparatively stable and quite similar to the overall attitude of a customer towards purchasing a brand. Thus, overall satisfaction is a better indicator of business performance (Nam, Ekinici and Whyatt, 2011; Fornell, Johnson, Anderson, Cha, & Bryant, 1996; Johnson, Gustafsson, Andreassen, Lervik, & Cha, 2001). Therefore, brand satisfaction was viewed as a consumer’s overall emotional response to the whole brand experience following by the last purchase (Nam, Ekinici and Whyatt, 2011). Thus, on the basis of above theoretical background it can be hypothesized that:

H2: Brand satisfaction has a positive effect on brand equity.

Brand equity:
Brand equity is defined in terms of the added value which is uniquely attributable to the brand (Aaker, 1991; Keller, 1993; Kotler and Armstrong, 2010). However, brand equity is viewed as “the added value that is linked to a specific product by the consumer’s thoughts, words and actions (Hepola, Karjaluoto and Hintikka, 2017& Leone et al., 2006). There are number of factors which influenced the brand equity of a firm, which includes the firm’s strategic insights and how efficiently the firm executes its preferred strategy (Jeon, 2017). Previous studies have provided little evidence that support the relationship between dimensions of CBE i.e. cognitive processing, activation, affection and brand equity (Leckie et al. 2016).
Few studies in the past posit that loyalty and purchase intentions are consequences’ of CBE (Hollebeek et al., 2014 and Khan, Rahman and Fatma, 2016). However, highly engaged customers spend enthusiastically in brand interactions (Hepola, Karjaluoto and Hintikka, 2017; Hollebeek and Chen, 2014) and thus develop a profound bond with the brand (Dwivedi, 2015, Escalas and Bettman, 2003). So, customers consider the brand to be an integral part of their lives (Jeon, 2017). Therefore, they are likely to have single brand associations with the particular brand (Hepola, Karjaluoto and Hintikka, 2017; Aaker, 1991; Keller 1993) which certainly helps in increasing brand equity of a firm. Therefore, following hypotheses can be proposed:

**H3:** Cognitive processing has a significant and positive effect on brand equity.

**H4:** Activation has a significant and positive effect on brand equity.

**H5:** Affection has a significant and positive effect on brand equity.

### RESEARCH METHODOLOGY:

#### Data Collection:

The data for this study will be collected from 500 respondents using a pre-determined well-structured questionnaire on 7-point likert scale anchored from “very strongly agree” to “very strongly disagree”. The questionnaire is categorized into two parts. The first part will record the opinions of the respondents of each variable in the proposed model and second part will record the perceptions of the respondents. The sample will be drawn through convenience sampling and judgement sampling. The sample will include the brand shoppers of luxury apparel brands and utilitarian electronics brand. Coefficient alpha and reliability test will be done to evaluate the consistency of the results measured. Further, to examine the propounded hypotheses and to analyze the results structural equation modeling (SEM) technique will be used.

#### Measures:

Multi-item measures using a 7-point scale anchored from ‘1’ – ‘strongly agree’ to ‘7’ – ‘strongly disagree’ will be adopted from the extent literature and modified to the study’s context. To measure CBE, we will adopt C Leckie et al’s (2014) three dimensions (cognitive processing, affection and activation) to measure the cognitive, affective and behavioural aspects of the consumers with a brand. Cognitive processing will be measured using three items, affection using four items and activation using three items. Brand Satisfaction will be assessed using five items from Solem (2016) that reflect overall satisfaction from brand. Finally, brand equity was operationalised to capture the awareness/association, perceived quality and loyalty of a customer towards a particular brand. Thus, ten items to measure brand equity will be adapted from will be adapted from Yoo and Donthu (2001).

### FINDINGS AND DISCUSSIONS:

There is a growing body of literature on customer brand engagement; however research in the context of utilitarian and hedonic brands is still not there. Only one study in the past examined the impact of CBE dimensions on to brand equity along with different key drivers. The conceptual model proposed in this study provides a conceptual framework to understand the relationship between brand satisfaction of CBE and its effect on brand equity. The objective of this study is to examine the conceptual representation of the model in line with theory of relationship marketing.

This study also acknowledged brand equity as a result of CBE. Moreover, it is also proposed in this study that there is a positive and direct impact of brand satisfaction on CBE and brand equity.

### FUTURE RESEARCH:

Customer brand engagement (CBE) provides different avenues for future research. There are few limitations to the study which can help in presenting opportunities for future research. Firstly, data collection is of cross-sectional nature, so the results can only provide a picture of CBE with specific two product categories i.e. apparels (hedonic) and electronics(utilitarian). Moreover, this study developed the conceptual model on theoretical framework, namely relationship marketing theory. However, it can be studied through other theoretical lens like service dominant logic, social identity theory (Tajfel, 1978) and regulatory theory (Avnet and Higgins, 2006). Future research could also investigate the antecedents and consequences of CBE for other product categories and contexts.
REFERENCES:


