Chapter 2

THEORETICAL FRAMEWORK

2.1 Brand Loyalty
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This chapter presents a brief review of literature to outline the theoretical framework of this study. In the era of Customer Experience Management, brand experience is found to be a major contributor to the formation of loyalty. Brand and customer related concepts like brand credibility, affective commitment and involvement have different roles in this contribution. The current study views that brand credibility and affective commitment have a mediating role in the relationship between brand experience and loyalty. The mediation, however, differs on the basis of involvement. Keeping this view in mind, relevant hypotheses are formulated based on the existing body of knowledge. Further, a conceptual model is proposed based on the stated hypotheses and the possible variation in the conceptual model is also presented in this Chapter.
2.1 Brand Loyalty

The study of brand loyalty has been represented in literature for nearly nine decades. Copeland (1923) was among the first to suggest that an extreme attitude toward a particular brand might have an effect on buyer behaviour. Even though Copeland did not use the term loyalty; he defined this concept under the label ‘brand insistence’ (Jacoby & Chestnut, 1978).

The researches in the area of loyalty have basically taken two approaches; stochastic approach and deterministic approach. Stochastic approach assumes that loyalty is a purely random process (behaviour) which is dependent on the previous purchase process of the same product, rather than other antecedent variables. Conversely a deterministic approach assumes loyalty as a non-random process where repeat purchase behaviour by the same customer happens as a direct consequence of some underlying consumer behaviour. In this frame work, loyalty is mainly considered as an attitude (Jacoby & Chestnut, 1978; Odin et al., 2001).

Jacoby and Chestnut (1978) classified operational definitions of brand loyalty concept into three main categories based on the approach adapted: behavioural approach, attitudinal approach and the composite of both behavioural and attitudinal approach. Under behavioural approach brand loyalty indices are based on the actual purchasing behaviour of consumer or self-reporting of actual behaviour, while in attitudinal approach brand loyalty is measured through preference statements of likely behaviour; the composite is a combination of behavioural and attitudinal aspects.
The theoretical framework for brand loyalty includes the following types:

1) The measures which are based on proportion of purchase like Churchill (1942), Copeland (1923), Cunningham (1956) etc.

2) Sequence of purchase measures like Brown (1952), Griffin (1996), Kahn et al (1986), Tucker (1964) etc.

3) Probability of purchase measures like Frank (1962), Fry, Shaw, Lanzenauer, and Dipchand (1973), Lipstein (1959) etc.; probability of purchase and likelihood of spreading positive word (Shoemaker & Bowen, 2003)

4) Synthesis measures like Dommermuth (1965), Sheth (1968) etc.

Many of these researchers (Bass, 1974; McAlister & Pessemier, 1982; Reynolds & Wells, 1977; Uncles, Dowling, & Hammond, 2003) had considered loyalty as a stochastic process.

Attitudinal indices of brand loyalty are based on the statements of preference or intentions to behave and not on actual purchase behaviour. This set includes measures like

1) Brand preference (Boonlertvanich, 2011; Guest, 1942);

2) Constancy of preference (Guest, 1955);

3) Brand name loyalty (Monroe & Guiltinan, 1975);

4) Distance between acceptance and selection (Jacoby & Olson, 1970; Jacoby, 1971);

5) Relative range of region (Jacoby & Olson, 1970; Jacoby, 1971);

6) Number/proportion of brands in the acceptance region (Jacoby & Olson, 1970; Jacoby, 1971);
7) Cognitive loyalty (Jarvis & Wilcox, 1976);
8) Psychographic scaling (Reynolds, Darden, & Martin, 1974);
9) Purchase intention measures (Bell, Auh, & Smalley, 2005; Johnson, Herrmann, & Huber, 2006);
10) Combination of trust, commitment, satisfaction and brand preference (Jaiswal & Niraj, 2011).

Composite measures of brand loyalty involve an integration of behavioural and attitudinal approaches. This includes

1) Brand insistence (Copeland, 1923);
2) Price until switching (Pessemier, 1959);
3) Stated brand commitment (Cunningham, 1967);
4) Repeat purchase and favourable disposition (Day, 1969; Kandampully & Suhartanto, 2000);
5) Bayesian Loyalty Measure (Lutz & Winn, 1974);
6) Information Search (Newman & Werbel, 1973);
7) Package Search (Towle & Martin, 1976);
8) Composite Store Loyalty (Bellenger, Steinberg, & Stanton, 1976) etc.

Both deterministic as well as behavioural measures are not free from limitations. The deterministic methods available were mainly dependent on self-declarations rather than an observation of behaviour. They were operationalized using antecedents or consequences of loyalty and not on the basis of loyalty itself (Odin et al., 2001). The behavioural approach has its own limitations. Even
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though behavioural measures are dependent on the real behaviour of purchase it cannot explain whether the repeat purchase is out of habit or some situational reasons like stock out or some complex psychological reasons (Odin et al., 2001).

All these definitions represent the operationalization of brand loyalty rather than the theoretical definition. The conceptual definition by Jacoby and Kyner (1973) defines it as a set of six necessary and sufficient conditions. It says brand loyalty is “(1) the biased (non-random) (2) behavioural response (i.e. purchase), (3) expressed over time, (4) by some decision-making unit, (5) with respect to one or more alternate brands out of a set of such brands, and (6) is a function of psychological (decision-making, evaluative) processes”. Items (2) and (6) of this definition indicate that they have viewed brand loyalty as both behaviour and attitude. This structure was followed by very few studies (e.g.: Dick & Basu, 1994)

Many researchers (Ehrenberg et.al., 1990; Kahn et al., 1986; Uncles et al., 1994) believed that repeat purchase of the same brand can capture loyalty. Emphasising on the behavioural aspect alone fails to take into account the reasons of purchase like convenience, monetary gains or loyalty. A similar explanation is applicable for using attitudinal measures alone as it fails to take into account competitive effects, familiarity and situational factors (Agrawal, Gaur, & Narayanan, 2012; Day, 1969). Researchers like Bloemer and Kasper (1995) and Odin et al. (2001) argued for the need to understand the difference between repeat purchase under inertia (spurious loyalty) and true loyalty. Bloemer and Kasper defined spurious loyalty as ‘(1) the biased (non-random) (2) behavioural response (i.e. purchase), (3) expressed over time, (4) by some decision-making unit, (5) with respect to one or more alternate brands out of a set of such brands, and (6) is a function of inertia’. The definition given by
them for true loyalty differs in the sixth item where it is termed as ‘a function of psychological process resulting in brand commitment’. Thus a true loyal customer is committed to the brand, while a spuriously loyal customer will buy the brand, without a real motive for the choice made. They may even shift to other brands very easily (Bloemer & Kasper, 1995; Rossiter & Percy, 1987).

2.1.1 True Brand Loyalty

Measurement methods of attitudinal or behavioural approach cannot distinguish spurious loyalty from true loyalty. Bloemer and Kasper (1995), Dick and Basu (1994) and Odin et al. (2001) have suggested measurement methods which distinguishes spurious loyalty from true loyalty. These measurement methods combined the repeated purchase behaviour along with antecedents of loyalty. The method suggested by Bloemer and Kasper has used commitment along with repeat purchase behaviour to distinguish true loyalty from spurious loyalty; Dick and Basu (1994) have used relative attitude along with repeat patronage; and Odin et al. (2001) used brand sensitivity along with repeat purchase behaviour to distinguish them.

Amine (1998b) has suggested combining brand sensitivity with repeat purchase behaviour as a better method to distinguish spurious from true loyalty, due to the following reasons.

- Brand sensitivity is found to mediate the relation between involvement and loyalty.
- Brand sensitivity could interact with both cognitive and affective motives to influence the commitment of the consumer.

These characteristics make it more eligible to be a differentiator (Amine, 1998b). Adapting this approach in the operationalization of true loyalty, Odin
et al. (2001) developed a tool to differentiate spurious loyalty from true loyal consumers. This scale has been adapted by Kim et al. (2008) in his research.

The operationalization of true brand loyalty by Odin et al. (2001) is further based on the argument of Filser (1994) (as cited in Odin et al., 2001) that ‘repurchase of the same brand under conditions of strong perceived differences between brands and strong involvement characterizes brand loyalty’. According to Kapferer and Laurent (1983) (as cited in Odin et al., 2001) ‘brand sensitivity is defined as the degree to which brand name plays a key role in the choice process of an alternative in a given product category’. Odin et al. stipulates that ‘a belief in differences between brands is an indicator’ of brand sensitivity. Thus a consumer who makes the purchase of the same brand on the basis of brand name is considered to be true brand loyal whereas one who makes a purchase without the knowing the difference between the available brands in the same product category is considered to be spurious loyal (figure 2.1). This study distinguishes spurious loyalty from true brand loyalty based on this approach.

![Figure 2.1: Repeat purchase behaviour under conditions of brand sensitivity](source)

Source: (Odin et al., 2001)
2.2 Brand Experience

Brand experience is conceptualized as “subjective internal consumer responses (sensations, feelings and cognitions) and behavioural responses evoked by brand related stimuli that are part of a brand’s design and identity, packaging, communications and environments” (Brakus et al., 2009). The concept experience has been contextualised at the various stages of consumer life cycle (Nysveen et al., 2013). This has resulted in different constructs like consumption experience (Holbrook & Hirschman, 1982), service experience (Hui & Bateson, 1991), shopping experience (Kerin, Jain, & Howard, 1992), product experience (Hoch, 2002), customer experience (Gentile, Spiller, & Noci, 2007) and brand experience (Brakus et al., 2009). Further, brand experience is a part of Customer Experience Management (CEM), the paradigm proposed by Schmitt (2003) and has an important role in it.

Customer Experience Management (CEM) (Schmitt, 2003), is the process of strategically managing a customer’s entire experience. This new paradigm is expected to overcome the drawbacks of practices based on marketing concept, customer satisfaction and customer relationship management concept. Schmitt (2003) through his book, put forth the idea, ‘gone are the days a customer buys a product just for the functional benefits and are looking beyond’. Customers basically assume that the product that they buy, will do what it is expected to, and are more interested in the other features. So it becomes the responsibility of the company to get connected with customer at each touch point and provide a memorable experience. Schmitt provides a frame work through which it could be achieved. This frame work identifies ‘designing of brand experience’ as an important step. A customer receives brand experience first, from the product itself, where
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Aesthetics of the product matters a lot as it provides a sensory experience to the consumer. The next level of brand experience is from its logo, signage, packaging etc. attached to it, providing a visual identity and the stimulus. This stimulus is termed as ‘look and feel’ or brand identity and it should reveal the positioning of the product.

Research in the area of experience has been in discussion since the seminal paper by Holbrook and Hirschman (1982). Since then many researchers have contributed to this literature Gentile et al. (2007), Pine and Gilmore (1998), Schmitt (1999), Verhoef et al. (2009) - to name a few. Holbrook and Hirschman have conceptualised consumption experience as a tri-dimensional construct with ‘fantasies, feelings and fun’ as its dimensions. Pine and Gilmore defined consumption experience in terms of two bi-polar constructs. First construct, customer-participation (active or passive), second environmental relationship (absorption or immersion). Based on these two dimensions they defined four realms of an experience namely entertainment, educational, aesthetic and escapist (Atwal & Williams, 2009; Ismail, Melewar, Lim, & Woodside, 2011). Further, Gentile et al. conceptualised customer experience as a construct with six components namely sensorial component, emotional, cognitive, pragmatic, lifestyle and relational component, as reported in Ismail et al. (2011). It was during this time, Brakus et al. (2009) defined brand experience and provided a validated scale with four dimensions for the construct.

Brand experience concept as defined by Brakus et al. (2009) has four dimensions namely sensory, affective, intellectual and behavioural. Sensory dimension refers to the ability of a brand in order to provide visual, auditory, tactile, gustative and olfactory stimulations. Affective dimension refers to
feelings and emotions. It reflects the extent to which a brand can influence and create feelings and emotions among consumers. Intellectual dimension refers to consumer’s convergent and divergent thinking. This reflects the extent to which a brand can stimulate a consumers’ curiosity, thinking and problem solving. Behavioural dimension includes the bodily experiences, lifestyle and physical action referring to the extent to which a brand can engage its consumer in physical activities (Brakus et al., 2009; Iglesias et al., 2011; Nysveen & Pedersen, 2014; Zarantonello & Schmitt, 2010).

2.2.1 Antecedents and Consequences of Brand Experience

Brand experience is different from product experience as product experience requires an interaction of consumer with the product, while brand experience may not require this. Brand experiences vary in strength and intensity - some are stronger than others, and they could be negative or positive. Moreover, the effects of some brand experiences are short lived while others last longer. These long lasting brand experiences will be retained in memory and will affect satisfaction and loyalty (Brakus et al., 2009; Oliver, 1997; Reichheld & Teal, 2001).

Brakus et al. (2009) were also able to empirically validate how brand experience influences the brand related concepts such as brand personality, brand satisfaction and brand loyalty. Based on the conceptual and operational definition for brand experience given by Brakus et al., researchers in this area including Brakus et al., Iglesias et al. (2011), Shamim and Butt (2013), Zarantonello and Schmitt (2010) started looking at its antecedents and consequences. Brakus et al. were also able to empirically show the positive effect of brand experience on brand personality, brand satisfaction and brand
loyalty. Further they proved the mediating role of brand personality and satisfaction between brand experience and loyalty. The result also showed that brand experience is a stronger predictor of buying behaviour than brand personality.

Zarantonello and Schmitt (2010) classified consumers based on brand experiential appeals into five types, namely hedonistic, action-oriented, holistic, inner-directed and utilitarian consumers. The level of experiential appeal was found to moderate the relationship between brand attitudes and purchase intention. This moderating effect was further found to vary among the brands (three brands from automotive, four from consumer electronics and six brands from food and beverages). The strength of the said relationship is also observed to be strongest among holistic and weakest among utilitarian consumers. The role of affective commitment among brand loyalty and brand experience investigated by Iglesias et al. (2011) has shown affective commitment mediates the relationship. Further, Shamim and Butt (2013) investigated the role of brand experience on consumer based brand equity and purchase intention and found that the effect is mediated through brand credibility and brand attitude for eight brands of mobile handsets. Roswinanto and Strutton (2014) has extended the set of consequences and shown that brand experience has a positive influence on brand attitude and brand distinctiveness. Ramaseshan and Stein (2014) investigated the role of brand personality and brand relationship variables (namely, brand trust, brand attachment and brand commitment) in the relationship between brand experience and brand loyalty and found that brand personality and brand relationship variables (brand attachment and brand commitment) mediates the said relationship. Moreover, the research by Şahin, Zehir and Kitapçı (2012)
found that brand trust and satisfaction mediates the relationship between brand experience and loyalty.

In addition, Nysveen et al. (2013) established the need of one more dimension in brand experience namely ‘relational experience’ which is more relevant for the service sector. They developed a scale for its measurement and re-ascertained the relationship of brand experience on its consequences namely, brand personality, brand satisfaction and loyalty.

A customer experiences a brand at multiple touch points such as point of sale, sales forces, product, media, sponsorships, Internet, word-of-mouth etc. (Chattopadhyay & Laborie, 2005). Further they are also exposed to these stimuli through consumption or product usage, packaging, mascots etc. (Brakus et al., 2009). Schmitt (2003) through the CEM paradigm recommends and explains the need to provide an experiential communication from the firm in order to enhance brand experience. Each communication should follow an Experiential Selling Paradigm (ESP) implementing brand experience focusing on three components namely, experiential positioning, experiential value promise and the overall implementation of theme. Researchers like Harris (2007), Lundqvist, Liljander, Gummerus, and van Riel (2013), Nysveen and Pedersen (2014), Rahman (2014) and Roswinanto and Strutton (2014) looked at the antecedents of brand experiences.

Nysveen and Pedersen (2014) looked at co-creation as an antecedent and satisfaction and loyalty as the consequences of brand experience. They were able to show that co-creation has a positive influence on brand experience dimensions and hence strengthen the four dimensions of brand experience. Further the study also reconfirmed the relationship of brand experience on
satisfaction and loyalty. Rahman (2014) explained how a branded branding strategy can be used in order to achieve brand differentiation. Branded branding strategy is ‘a deliberate effort made by a brand owner to capitalise on brand(s) with high equity owned by other companies’ (Rahman, 2014). Roswinanto and Strutton (2014) have identified four antecedents to an advertisement which can influence brand experience of a customer. This includes attitude towards the brand name, connectedness to celebrity endorser, visual imaging manifested in the advertisement and the extent to which the advertising messages aligns with the core values. So an advertisement or a communication should allow the message to go through by informing and entertaining the customer.

Brakus et al. (2009) has defined brand experience as the subjective responses (sensations, feelings and cognitions) and behavioural responses evoked by brand related stimuli. If these stimulations provide pleasurable outcomes, the consumer, as a stimuli seeking organism, is expected to repeatedly buy the brand (Brakus et al., 2009). Further the researches by Brakus et al. (2009), Nysveen et al. (2013), Nysveen and Pedersen (2014) and Şahin et al. (2012) in this area have revealed the effects of brand experience on loyalty. Based on these findings this research proposes the following hypothesis:

**Hypothesis:** The higher the brand experience for an individual, the higher the individual’s true brand loyalty.

Based on the above review, this study further posits that both brand and customer related concepts have a role in the contribution of brand experience to the formation of loyalty. Specifically, this study will be looking at the role of brand credibility, affective commitment and involvement in this contribution.
This is further elucidated based on the evidences available in the literature in the remaining section of this chapter.

### 2.3 Brand Credibility

Brand credibility is defined as ‘the believability of product position information contained in a brand, which entails consistently delivering what is promised. Credibility is conceptualized as having two dimensions, trustworthiness and expertise. Trustworthiness means it is believable that a brand will deliver what it has promised, and expertise implies the brand is believed to be capable of delivering the promises’ (Erdem & Swait, 1998). Brand credibility represents the cumulative effects of all marketing activities taken by that brand (Erdem, Swait, & Louviere, 2002) and is also referred to as reputation.

The concept brand credibility originates from ‘source credibility’ literature and when applied to brand it is denoted so (Wang & Yang, 2010). This concept is similar to trust which is conceptualised as ‘confidence in exchange partner’s reliability and integrity’ (Morgan & Hunt, 1994).

Pioneer works in the area of brand credibility include Erdem and Swait (1998, 2004) and Wernerfelt (1988). Erdem and Swait (1998) tried to look at the role of credibility in the consumer choice process under an asymmetric information situation. They argue that an asymmetry exists in the market place, because firms know better about their product than a customer. Under such conditions, the brand and its credibility signals the product position and this increases perceived quality, decreases consumer perceived risk and information cost and thus increase the expected utility (Erdem & Swait, 1998). They found that this role of brand credibility differs with the consumer’s perceived importance or relevance of the product and also discusses the
antecedents of brand credibility. Further, Erdem, Swait and Valenzuela (2006) were able to cross validate the role of brand as a signal across different countries. Erdem and Swait (2004) found that brand credibility increases the probability of inclusion of a brand in the consideration set and choice across different product categories. They also reported that it is the trustworthiness dimension of credibility that affects brand consideration and choice more than expertise dimension. Wang and Yang (2010) extended the set of consequences of brand credibility, where they reported its positive effects on the brand’s purchase intention. They also observed that this relationship is moderated by brand image and brand awareness.

Looking at the existing body of knowledge, brand credibility is considered as a consequence of brand experience due to the following reasons. Brand experience includes internal responses (sensations, feelings and cognitions) as well as behavioural responses evoked by brand related stimuli. A customer is exposed to such stimulations not only when they are in contact with the product but also through multiple sources (Brakus et al., 2009). Rempel, Holmes and Zanna (1985) found that trust evolves from past experiences and interaction. Any interaction opportunities of a customer with the brand will enhance their trust in it because of the familiarity and knowledge (Garbarino & Johnson, 1999). So, in an information asymmetric world, a customer sees the efforts taken by marketers as a signal of its credibility (Erdem & Swait, 1998). Further, when a customer is repeatedly exposed to the brand experiences, the belief about the brand’s expertise and trustworthiness improves (Delgado-Ballester & Munuera-Alemán, 2001; Ha & Perks, 2005; Ramaseshan & Stein, 2014) and the ability to signal the brand’s credibility increases when the experiences are consistent with firm’s product claims (Erdem & Swait, 1998).
So any such initiatives taken by marketers which provide memorable and consistent brand experience would contribute to the credibility of the brand. Further Shamim and Butt (2013) through their study showed that brand experience has a positive influence on brand credibility. On the basis of these arguments, treating brand credibility as a consequence, it is hypothesised that:

**Hypothesis:** *The higher the brand experience, the higher will be brand credibility.*

Erdem et al. (2002) describes brand credibility as representing the cumulative effects of all marketing activities carried out for that brand. Using the arguments of the signalling framework (which postulates that efforts of marketers acts as a signal to the customer), brand credibility can exert a positive influence on consumers’ brand consideration set and choice (Erdem et al., 2002; Kim & Chan-Olmsted, 2005; Pae, Samiee, & Tai, 2002; Wang & Yang, 2010), which in turn increases the expected utility and motivates the consumer to buy the same brand again (Erdem & Swait, 1998). This repeat purchase is based on brand sensitivity (i.e. with the belief of credibility and knowledge about the differences in the market offerings) and hence leads to true brand loyalty. On the basis of these arguments, the following hypothesis is proposed.

**Hypothesis:** *The higher the brand credibility, the higher will be the true brand loyalty.*

### 2.4 Affective Commitment

Scholars have conceptualised commitment in multiple ways - ‘as a desire to maintain with the relationship’ (Morgan & Hunt, 1994), as ‘the sacrifice that one makes when a relationship ends’ (Anderson & Weitz, 1992), as
resistance to change (Pritchard, Havitz, & Howard, 1999), as a type of attitude strength (Ahluwalia, 2000; Petty & Krosnick, 1995) and as a psychological attachment to an object or position (Kiesler, 1971).

In marketing, some scholars have taken the organizational behaviour view of Allen and Meyer (1990), where commitment has at least two components, namely affective commitment and continuance commitment. Affective commitment is based on emotional attachment or the extent to which the consumer identifies and involves himself with the organization (Allen & Meyer, 1990; Bendapudi & Berry, 1997; Fullerton, 2003; Johnson et al., 2006). Continuance commitment is the extent to which a consumer is bound to an organization (Allen & Meyer, 1990; Fullerton, 2003; Johnson et al., 2006). Further Amine (1998b) asserts that affective commitment expresses the positive feelings, liking or attachment towards a brand. It also reflects the holistic judgement of a brand, independent of its functional attributes’ and specific purchase situations. These characteristics of affective commitment make it ‘hotter’ and explain loyalty better than the other dimensions of commitment (Amine, 1998b; Johnson et al., 2006).

Commitment has also been studied specific to the context of brand experience and has been an important construct in examining how brands shape people’s lives e.g. Fournier (1998). According to Fournier, commitment is driven by a consumer’s experience with a brand, as well as various forces around an individual (e.g., social networks, culture). Thus, a brand is interpreted across situations and usage experiences in terms of how it seems to fit into overall life patterns and goals rather than how effective it is in satisfying a specific need e.g. Mick and Buhl (1992). Because commitment is deeply rooted within a person, it is difficult to change an individual’s attitude
toward a brand to which he or she is committed. Notably, research on commitment converges on the central premise that committed individuals resist attitude change and continue to behave favourably toward the brand to which they are committed (Ahluwalia, 2000). Chaiken, Liberman and Eagly (1989) observed that individuals may even resist information that “supports non-preferred positions.” This implies that a consumer who is committed to a brand will not only defend his or her committed brand against attacks, but also discount positive information about a competitive brand unfavourably when compared to an uncommitted customer.

Morgan and Hunt (1994) through their study have proved the causal effect of trust on commitment using social exchange theory. This causal effect was theorised based on the need of trust in relationship exchanges [i.e. relationship built upon trust will be highly valued and so both parties will be committed to it (Hrebiniak, 1974)]. Morgan and Hunt, used social exchange theory to explain this causal relationship based on the principle of generalised reciprocity. This principle states that “mistrust breeds mistrust and as such would serve to decrease commitment in the relationship and shift the transaction to one or more direct short-term exchanges” (McDonald, 1981, p. 834). Through their study, Morgan and Hunt (1994) also established the influence of antecedents on to the said causal relationship and the influence of this relationship on its outcomes. Similar results were also reported by Mathew et al. (2014) who found that brand credibility has a positive effect on brand commitment. Thus based on these findings of Morgan and Hunt (1994) and other researchers like Achrol (1991), Ganesan (1994) and Moorman, Zaltman and Deshpande (1992) it is understood that brand credibility influences affective commitment.
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**Hypothesis:** *The higher the brand credibility the higher will be the affective commitment towards the brand.*

Researchers in the area of true loyalty, have taken multiple views with respect to commitment. For some, like Bloemer and Kasper (1995), commitment is a prerequisite for true brand loyalty and is considered as part of loyalty rather than an antecedent to it. But this study considers commitment as an antecedent to loyalty, by taking the conceptual view of Kiesler (1971), where commitment is a ‘pledging or binding of an individual to behavioural acts’. A similar view with respect to affective commitment was also expressed by researchers like Fullerton (2003), Johnson et al. (2006), Kim et al. (2008) and Touzani and Temessek (2009). Further Kim et al. (2008) and Mathew et al. (2014) have shown that commitment has a mediating role between brand credibility and brand loyalty. Thus this study proposes:

**Hypothesis:** *The higher the affective commitment, the higher will be the true brand loyalty towards the brand.*

Ramaseshan and Stein (2014) found that the customer becomes more committed to a brand when they have positive experiences with it. Further as an experience seeking creature, a customer wants his experiences repeated and this in turn enhances the commitment. Further, the role of affective commitment among brand loyalty and brand experience investigated by Iglesias et al. (2011) has shown that affective commitment mediates the relationship. Further Shamim and Butt (2013) investigated the role of brand experience in consumer based brand equity and purchase intention and found that the effect is mediated through brand credibility and brand attitude. Following these arguments the study hypothesises that:
Hypothesis: The higher the brand experience for an individual, the higher the individual’s affective commitment.

Role of Brand Credibility and Affective Commitment

Some studies have established the mediating capacity of affective commitment and brand credibility among the relationship between brand experience and brand loyalty. They include, Iglesias et al. (2011) who investigated the role of affective commitment as a mediator and Shamim and Butt (2013) who showed brand credibility can mediate the said relationship. Further, some others have established the mediating capacity of the brand-relationship-quality construct, with Loyalty (Francisco-Maffezzolli, Semprebon, & Prado, 2014; Kim, Park, & Kim, 2014; Park & Lee, 2005; Valta, 2013). Thus based on the available literature it is assumed that affective commitment and brand credibility mediate the relationship between brand experience and true brand loyalty.

Based on these stated hypotheses the conceptual model at this stage is as follows:

![Conceptual model without involvement](image)

Note: H₁ to H₆ represents the hypothesis 1 to hypothesis 6.

Figure 2.2: Conceptual model without involvement
The conceptual model at this stage (Figure 2.2), posits that brand experience builds true brand loyalty directly as well as indirectly. The indirect effect of brand experience on true brand loyalty, is postulated in three ways, first through the creation of brand credibility (i.e. brand experience \( \rightarrow \) brand credibility \( \rightarrow \) true brand loyalty); second through affective commitment (i.e. brand experience \( \rightarrow \) affective commitment \( \rightarrow \) true brand loyalty) and third through brand credibility and affective commitment (i.e. brand experience \( \rightarrow \) brand credibility \( \rightarrow \) affective commitment \( \rightarrow \) true brand loyalty). This conceptual model is extended further in order to investigate the variation in this direct and indirect effect of brand experience under different levels of involvement.

2.5 Involvement

Involvement is defined as ‘perceived relevance of a product class, based on the consumer’s inherent needs, interests and values’ (Zaichkowsky, 1985, p.342). A product could be relevant to the consumer in many ways. Involvement literature mainly considers the relevance in terms of product’s ‘importance’ and ‘hedonic’ (Chaudhuri, 1998; McQuarrie & Munson, 1987; Zaichkowsky, 1985, 1987, 1994). Involvement originates from social psychology (Sherif & Cantril, 1947). It refers to the relationship between an individual, an issue or object. This conceptualisation has been adapted in consumer behaviour after Krugman (1965). Many researchers had attempted to conceptualise involvement. All those endeavours considered level of involvement as the extent to which the object/product is personally relevant. (Celsi & Olson, 1988; Michaelidou & Dibb, 2006; Zaichkowsky, 1985)

Houston and Rothschild (1977) proposed three types of involvement namely, situational involvement, enduring involvement and response
involvement. Situational involvement is external to the individual, enduring involvement is internal to the individual and these two together produce the third type, response involvement. These three types of involvement proposed is based on the Stimulus-Organism-Response (S-O-R) paradigm in learning theory (Arora, 1982). Enduring involvement depends on the degree to which the product is related to the individual’s self-image, or the pleasure received from thoughts about or the use of the product (Higie, Feick, & Linda, 1991). This is the result of an ongoing interest with the product class and is independent of the situation (Richins & Bloch, 1986). Bloch and Richins (1983) define situational involvement as “a temporary perception of product importance based on the consumers’ desire to obtain particular intrinsic goals that may derive from the purchase and/or usage of the product”. This type of involvement results from the detailed evaluation of the objective stimuli, such as cost or performance features of the product, or perceived risk (Dholakia, 2000). These two types of involvement combine to influence the response involvement. ‘Response involvement refers to the complexity or extensiveness of cognitive and behavioural process characterising the consumer decision process. The decision process entails a sequence of stages. Response involvement exists in different forms depending on the stage of decision process’ (Houston & Rothschild, 1977). Thus, in comparison, enduring involvement results from the product’s ability to satisfy consumer’s enduring and self-identity-related needs, while situational involvement refers to the raised level of interest arising from a specific situation such as a purchase and the response involvement is dependent on the stage of decision process. Thus both situational and response involvement are situation specific and are not long term as in the case of enduring involvement. This study focuses on true brand loyalty, which is considered as a long lasting behaviour reflected
through the repeat purchase of the same brand under brand sensitivity. Hence the researcher decided to consider enduring involvement, which is operationalized in terms of product and subject involvement.

2.5.1 Moderating Role of Involvement

Zaichkowsky (1985) proposed that different people perceive the same product differently and will have inherently different levels of involvement with the same product. Such an approach treats involvement as an individual based concept and it is also referred as ego involvement, by Traylor (1981b). Researchers like Bloch, Commuri and Arnold (2009), Lastovicka and Gardner (1978b), Lastovicka (1979), Martin (1998), Swoboda, Haelsig, Schramm-Klein and Morschett (2009), Tyebjee (1979) and Zaichkowsky (1985) have expressed a similar view. Alternatively, involvement is considered as a product level variable and the researchers in this group categorized products into high and low involvement or made their unit of analysis as product (Chaudhuri, 1998, 2000; Churchill & Surprenant, 1982; Gotlieb, Schlacter, & Louis, 1992; Kim et al., 2008; Quester & Lim, 2003 etc.)

Ray et al. (1973) introduced the idea that involvement can affect the nature of information processing undertaken during a product selection. This made the concept highly researchable. During the decision making process, a highly involved consumer will gather more information and such acquired information will be compared with the already existing knowledge base to form cognitive structures in the memory (Bei & Widdows, 1999; Bloch et al., 1986; Celsi & Olson, 1988). Involvement also influences the way one processes the received information. A highly involved consumer ‘will pay higher levels of attention to all information and the processing will be out of
volition, while a low involvement consumer pays low level of attention, as they will consider it as superfluous and the processing will be done automatically’ (Heath, 2001). When customers are concerned with the product, they are expected to show positive responses towards the brand (Mathews-Lefebvre & Valette-Florence, 2014) and are expected to be more aware of the product quality (Mulvey, Olson, Celsi, & Walker, 1994). Further, it is true that the brand will serve as a signal for its credibility (Erdem & Swait, 1998). Hence a highly involved customer is more likely to perceive the brand as a signal for its credibility within the product class, than a customer with low involvement. Further the group of customers who are likely to be less involved, consider the product class as trivial and have little bonding or attachment to their brand (Lastovicka & Gardner, 1978b; Traylor, 1981b). However, the group of customers who are highly involved with the product are found to be more committed to the brand (Amine, 1998b; Beatty & Kahle, 1988; Kim et al., 2008; Traylor, 1981b; Warrington & Shim, 2000). There are several studies which have pointed out that consumers with high involvement are more loyal to the brand than low involvement consumers (Amine, 1998a, 1998b; Assael, 1998; Baker, Cronin, & Hopkins, 2009; Quester & Lim, 2003; Traylor, 1981b; Walker & Knox, 1997). Thus the literature on involvement provides sufficient evidence to support the view that involvement influence credibility, commitment and loyalty.

Krugman (1965) posits that under high involvement conditions, a communication is likely to first affect cognition, followed by attitude and then behaviour, whereas under low involvement conditions it is likely to affect cognition first, but it will be followed by behaviour and then attitude. Extending Krugman’s proposition and the attitude theory by Ajzen (1991),
to this scenario, it is possible that the effect of credibility (a belief) on commitment (an attitude) and the effect of commitment on loyalty (a behaviour) can vary under different levels of involvement. Further, evidence from Suh and Yi (2006) pin points that involvement has a moderating effect on brand attitude and loyalty and Mathews-Lefebvre and Valette-Florence (2014) pointed out both situational and enduring involvement have a moderating effect on perceived quality and purchase intention. This is since the consumer is more aware of what constitutes product quality, when they are more concerned with the product. Erdem and Swait (1998), found when a consumer perceives their experience is consistent with firm’s product claims, the ability of the brand to signal credibility increases. So when a customer is highly involved the effect of brand experience on credibility could be different from the situation in which he/she is low involved.

![High involvement hierarchy](image)

![Low involvement hierarchy](image)

*Source: Loudon and Bitta, (1993)*

**Figure 2.3: Low-high Involvement Hierarchy**
Within the Customer Experience Management paradigm, product usage by itself is the first source of brand experience (Schmitt, 2003). But the ability of a consumer to evaluate the correspondence between expectations and performance is dependent on the knowledge of the consumer. Thus, in the case of the low involved consumer, she/he may not be motivated or capable of this evaluation (Bloemer & Kasper, 1995) and so the experience could be different from that of a highly involved consumer. Erdem and Swait (1998) also reports that, under information asymmetry, brand investments (advertisements or related activities) made by the company on the brand, will be a source for its credibility. Under Customer Experience Management, every touch point with the customer is expected to provide a memorable customer experience, whereby the consumers could differentiate the product. Thus any communication or an advertisement from the firm is expected to inform and entertain the customer, thus providing brand experience. Such messages will be retained in their memory (Schmitt, 2003). Since a high involvement customer is more open to any information than a low involved (Heath, 2001; Park, Lee, & Han, 2007), it is likely that the effect of these brand experiences on brand credibility will be different among low and high involved.

Further, for similar reasons mentioned above, a low involved consumer pays less attention and importance to the efforts taken up by the firm to maintain its relationship with its consumers. So the contribution of brand experience on affective commitment and loyalty could be different for high and low involved consumers. Under these circumstances, it is possible that effect of brand experience on the considered consequences namely brand credibility, affective commitment and true loyalty could be moderated by involvement. More specifically, involvement can change the way in which the
Brand experience affects true loyalty. Moreover the findings of Kim, Lim and Bhargava (1998) states that when there is little information to cognize, the impact of affect and cognition on attitude formation was found to be an inverse relationship, for a low involvement product like pizza.

Further, Mathew et al. (2014) were able to demonstrate the differences in the hierarchy-of-effects of brand awareness → brand credibility → brand commitment → loyalty Intentions among low/high consumer involvement groups. The survey was conducted for a single product, deodorant which belongs to a relatively low-involvement product class. Involvement had a moderating role on the paths brand credibility → brand commitment → loyalty intentions. Further the hierarchy-of-effects on intention is found to be different for low and high involved groups of consumers, supporting the arguments of Krugman (1965). The hierarchy-of-effects supported full mediation among the high involvement groups while for low involvement a partial mediation in the role of brand commitment was observed.

Based on these evidences from literature, the researcher proposes to investigate the moderating role of involvement on the above stated hypotheses and the model per se. More specifically, this study is extended to investigate the hierarchy-of-effect of brand experience, brand credibility, affective commitment on loyalty intention under low and high levels of involvement.

Research in the area of involvement lacks consistency in its operationalization. Researchers like Assael (1998), Dick and Basu (1994) and Jensen and Hansen (2006) argue that “true brand loyalty comes from repeat purchasing of high involvement products, whereas repeat purchasing of low involvement products simply represents habitual purchase behaviour”.
Jensen and Hansen (2006) found that “Consumers seek more variety with low-involvement products and are more willing to vary their purchase experiences by switching brands”. Amine (1998b) found that consumers’ commitment to a brand is indirectly affected by their level of product involvement. All these researches have considered involvement as a product dependent concept, classifying the products into low and high involvement groups. But several others have opined that for any given product category, consumers’ level of involvement will differ (Bloch et al., 2009; Houston & Rothschild, 1978; Lastovicka & Gardner, 1978a; Martin, 1998; Tyebjee, 1979; Zaichkowsky, 1985). This is because involvement is partly dependent on his/her values and needs, so that personal meaning or the relevance of the individual attributes of the product will vary and different individuals will have inherently different levels of involvement with the same product (Zaichkowsky, 1986). These researches have considered the consumers’ involvement for a particular product, by classifying consumers according to their different levels of involvement. Further, Chaudhuri (2000), Nkwocha, Bao, Johnson and Brotpies (2005) and Zaichkowsky (1994) have stated that involvement can also result from the interaction of the person with the product. Research under this approach considered multiple products belonging to different levels of product-involvement and also considered subjects’ involvement with the respective products.

These three approaches in the operationalization of involvement treat the concepts differently. The first approach considers the reason for variation in involvement as situation, the second approach considers the reason as the individual and the third approach takes an interactionist position as suggested by Hornik (1982). Explicating further, under the first, the factors related to the
context i.e. product in this case, accounts for the major cause of variation in involvement. While in the second approach it is assumed that subjects (personal factors) by themselves are expected to account for the major source of the variance. Finally, according to the interactionist approach, neither the subject differences nor contextual factors alone are assumed to be important per se. Instead the interaction of the subject within the context is expected to explain most of the variance.

The approaches in operationalization of involvement explained above provide the scope for extending the investigation of this study in three ways. First - treating involvement purely as a product related concept (referred to as between-product involvement in this study), second - by treating involvement purely as a subject (consumer) related concept (referred to as between-subject involvement) and third - as an interaction of product and subject (referred to as interaction-effect). Thus, incorporating all these, the present study is extended to investigate the hierarchy-of-effect of brand experience on true brand loyalty under three conditions, namely between-product-involvement, between-subject-involvement and interaction-effect of between-product and between-subject involvement. Based on these arguments, considering involvement as a moderator, the following hypotheses were formulated:

**Hypothesis 7:** *Involvement will moderate the relationships posited in the figure 2.2, thereby suggesting that those stated relationships among the high involvement will be different from low involvement.*

The above stated hypothesis has three sub-hypotheses, which are based on the three operationalization of involvement and are as follows:
**Hypothesis 7a:** The stated relationships as given in figure 2.2 among the high involvement products will be different from low involvement products (i.e. between-product-involvement).

**Hypothesis 7b:** The stated relationships as given in figure 2.2 among the high involvement consumers will be different from low involvement consumers (i.e. between-subject-involvement).

**Hypothesis 7c:** The stated relationships as given in figure 2.2 among the six subgroups of low and high involvement consumers within products will be different (i.e. between-subject and between-product interaction groups).

### 2.6 Conceptual Model

The conceptual model in this study tries to answer the following questions:

1) How the efforts taken by the managers towards creating a better brand experience would get converted to true brand loyalty under low and high involvement?

2) Do they differ at all? If they do, do they differ on the basis of products which belong to different level of involvement (between-product), or on the basis of individual differences in involvement (between-subject) or on the basis of the interaction of between-product and between-subject?

Thus the researcher decided to investigate the hierarchy-of-effects among brand credibility-affective commitment-true brand loyalty in the presence of brand experience under different levels of involvement. Using the arguments of Krugman (1965) and the theory of reasoned action by Ajzen (1991), the
researcher argues that brand experience has both direct and indirect effects on true brand loyalty. The direct effect and indirect effect will vary by the involvement, measured in terms of product difference, subject difference and an interaction of product and subject differences. The expected differences in the direct and indirect effect of brand experience across different levels of involvement (between-products, between-subjects and interaction effect) will have direct implications for managers who are engaged in creating experiences, establishing trustworthiness and developing customer relationships.

Thus the conceptual model (Figure 2.4) first posits that brand experience builds true brand loyalty directly, and indirectly through the creation of product as well as customer dimensions namely brand credibility and affective commitment. Further the researcher would like to explore the changes in the direct and indirect effects as mentioned above, under the conditions of low and high involvements because of the between-product-involvement, differences in perceived relevance (between-subject-involvement) and an interaction of between-product and between-subject involvement.

The indirect effects of brand experience on true brand loyalty, are postulated in three ways, first through the creation of brand credibility (i.e. brand experience → brand credibility → true brand loyalty); second through affective commitment (i.e. brand experience → affective commitment → true brand loyalty) and third through brand credibility and affective commitment (i.e. brand experience → brand credibility → affective commitment → true brand loyalty). Further the direct and indirect effects of brand experience vary under conditions of low and high involvements. The conditions of involvement are operationalized as product-involvement, subject-involvement and an interaction of product and subject involvement.
Chapter 2

Note: H1 to H7 represent hypotheses 1 to 7.

Figure 2.4: Conceptual model