CHAPTER 1: INTRODUCTION

"A brand cannot be valuable without a true understanding of its relationship with its customers. Consumer brand relationships provide a thought provoking and illuminating journey through one of the most complex and multifaceted components of any great brand: its bond with customers”.

Graham Hales, CEO Interbrand London.

1.1. Introduction

In a severely competitive environment, marketers strive to get, keep and maintain existing customers by understanding their decision making process and post-purchase behaviors (Anderson and Srinivasan, 2003; Han et al., 2009; Ladhari et al., 2007). It has been recognized that the development of a long term relationship with consumers and brands would generate higher market share and profits and a host of other benefits for the marketer (Blackston, 1992; deChernatony and Dall’Olmo Riley, 1998; Sweeney and Chew, 2002). To quote Jacoby and Chestnut (1978) “the success of a brand in the long term is not based on the number of consumers that buy it once, but on the number of consumers who become regular buyers of the brand” (Page. 1). In this quest to augment their existing customer base, companies try to develop a long-term relationship with customers, satisfying their various needs and wants (Anderson and Srinivasan, 2003; Han and Back, 2008).

Creation of brand-based differentiation is the most influential approach for the development and maintenance of competitive advantage, particularly customer focused competitive advantage. For customers, these differentiating aspects would act as a signal of
achieving expectation, which will provide more confidence and believability that the brand will meet their expectations (Kim et al., 2008). The extant literature on consumer-brand management examined these differentiating aspects based on which consumers perceive and evaluate brands, for example brand equity (Aaker, 1991; Biel, 1993), brand personality (Plaummer, 1985; Batra et al., 1993; Aaker, 1997) and brand extensions (Aaker and Keller, 1993). Recently, a new stream of research examined that consumers often differentiate and distinguish brands not only based on their perceptions, but also in their relationship with brands (Fournier, 1998). This understanding from transactional relationships to long-term relationships induced the marketers' efforts to promote consumers to think their brand as a living entity through employing personification, reciprocal exchanges, anthropomorphization as well as relating brand with human characters (Aggarwal and McGill, 2007; Moon, 2000; Fournier, 1998), thereby making the relationship-building approach as a comprehensively investigated topic in international brand management studies (Breivik and Thorbjørnsen, 2008).

The consideration of brand as a living entity led to the contemplation of brand as an active and an interdependent partner in the relationship dyad, because relationships exist between active and interdependent partners (Fournier, 1998). The brand as a living entity would also attach personalities, which would grow and develop over time, therefore, it would be possible to have relationships with the brands (Patterson and O’ Malley, 2006). Another important condition which is necessary for consumer-brand relationships to exist is the occurrence reciprocal exchanges between consumers and brands (Hinde, 1995). This reciprocal relationship between brands and consumers would be developed for satisfying a particular purpose or need, it is a multiplex and process phenomena and the relationship form changes over time to time (Hinde, 1995; Fournier, 1998). The concept of anthropomorphization in branding involves the attribution
of humanlike characteristics, motivations, intentions, and emotions to the brand. It assumes that
the brand share feelings, goals, will and power to act according to the promtion of these feelings
and determination of will (Fournier, 2012). All these ideologies, particularly personification,
anthropomorphization, interdependency and reciprocity developed and integrated into a new area
of thinking on branding, called as consumer-brand relationships (e.g. McAlexander et al., 2002;
Parvatiyar and Sheth, 2001; Fournier, 1998; Webster, 1992). The proponents of consumer-brand
relationships argued that consumers form relationships with brands in the similar way in which
they form relationships with other people in other social/interpersonal contexts. The increased
richness and understanding of consumer-brand relationships from interpersonal literature
provides researchers with increased opportunities to investigate and conceptualize the
relationship between consumers and brands (Breivik and Thorbjornsen, 2008).

Fournier (1998) in her seminal work backed by interpersonal metaphoric transfer and
several interpersonal theories introduced the conceptual model of consumer-brand relationships.
Fournier's (1998) seminal anthropomorphic view of consumer-brand relationships followed a
plethora of research (e.g. Ahuvia, 2005; Thomson et al., 2005; Park et al., 2010; Batra et al.,
2012; Park et al., 2013), which were all aimed to advance Fournier’s (1998) conceptual model of
consumer-brand relationships. All these studies on brand relationships used the metaphoric
transfer as a fertile tool, which helps to compare the two domains (interpersonal and branding)
and to develop prototypical elements such as relationship commitment, attachment, interdependency, passion, love etc. All these prototypes were developed based on the assumption
that there will be reciprocity between brand and consumer in the relationship dyad, which is the
case with interpersonal relationship to exist.
However, all these studies having something common in terms of dependence of metaphoric transfer and the assumption of reciprocity principle, the operationlization showed obvious diversities (Tsai, 2011). This apparently led to the emergence of four theoretical paradigms in consumer brand relationships, such as brand relationship quality (e.g. Fournier, 1998), brand commitment (Morgan and Hunt, 1994), brand attachment (Thomson et al., 2005; Park et al., 2013) and brand love (Batra et al., 2012). This diversity in conceptualization and operationlization of the consumer-brand relationship paradigm reflect vigorousness of theoretical construction, which needs to be identified (Tsai, 2011).

1.2. Research Motivations

The detailed knowledge about the consumer-brand relationship enhances the understanding of brand loyalty and facilitates in-depth knowledge about consumer demands, thus in turn assisting firms in developing better products and helps to augment marketing activities (Monga, 2002). A comprehensive and integrated understanding of the brand relationship paradigm also helps the academic and marketing community to identify the roles of brands in consumers’ lives by serving as an important medium to communicate and share with others through self-presentation (Breivik and Thorbjornsen, 2008). The comprehensiveness in consumer-brand relationship literature also helps the academic community to conceptualize the link between consumer and brands.

The significance of studying customer brand relationship has been widely acknowledged by researches in marketing. Day and Wensley (1988) and Webster (1992) in their studies found that the establishment of consumer-brand relationships would provide a major competitive advantage for the firm, particularly customer focused. Building strong brand
relationships is also a tool that prompts the managers to seek mutually beneficial relationships with consumers (Mitchell and Orwig, 2002). The magnitude of customer retention has been a major source and highly correlated with the relative productivity of the firm (Reichheld, 1996). For companies, retaining the existing customers is considered to be one of the economically profitable and viable options than constantly seeking new customers (Sheth and Parvatiyar, 1995). For the firm the benefits are mainly derived through less customer acquisition and its related costs, and also the retained customers would act as brand ambassadors for the company. For the consumers the relationship building would act as a risk reduction strategy through assuming that the brand with which they have relationships would act as a trustworthy partner and also generate consistent performance. The highly bonded customers with the brands are the major motivation or source behind new product ideas, product rejuvenation and modification of existing products etc. Therefore, it has become essential to understand the process by which consumers form long term deep rooted relationship with certain brands and not the same with other brands.

The importance of CBR has also been acknowledged by practitioners, such as brand managers and advertisers (Marketing News, 1992; Langer, 1997; Sweeney and Chew, 2002). Brand relationships plays a significant role in maintaining the relevance of the brand, a good customer base, augmenting competitive and fast moving marketplace (Sweeney and Chew, 2002). It has also been recognized that the consumers’ strong and deep rooted relationship with the brand would generate strong market share and profits, providing a competitive edge, facilitating better marketing decisions in terms of product positioning, advertising, reinforcement of attitudes, and finally higher volume of purchase and repeated behavior (Marketing News,
Therefore it is essential to study the role of brands in consumers’ life and vice-versa.

It had been acknowledged that during the economic downturn companies started looking at the viability of keeping existing customers and attracting new customers would become the secondary focus. Development of post-purchase customer engagement would play an important role in company’s strategic imperatives (Ron Bartlett, 2009). However, the existing models of consumer-brand relationship which probably would help to build strong customer-relationships have shown significant diversities and causes managerial uncertainties, which in turn resulted in difficulties to take appropriate strategic actions (Tsai, 2011). Thus, a comprehensive study would be required, which should be in line with the objectives to solve this theoretical incongruity and uncertainty through identifying and integrating the relevant consumer-brand relationship paradigms.

The existing model building efforts in consumer-brand relationship paradigm typically limited to attitudinal aspects or on the behavioral side. There are sparse studies which examined the impact of attitudinal component on behavioral constructs in brand consumer-relationships (Touzani and Azza, 2009). It stated that the consumer-brand relationship composed of attitudinal aspects, which consist of cognitive as well as affective elements, therefore the fundamental aspect of relationship building from the customers' point of view is the formation of attitudes (Moliner et al., 2007). Therefore, it is motivating to examine the role attitudinal aspects of relationships on behavior in consumer-brand relationships theory building.

Business insight (2009) conducted a study among top 45 business executives around the world to understand the role of consumer-brand relationships with food and beverage industry. The results of the study emphasized on some new insights about the issues and the future of
brand relationships in food and beverage industry. The survey reports stated that the current level of brand relationships set to fall in the near future and the economic downturn decreased the level of brand loyalty, and the premium brands were less affected by this downturn. This unsusceptibility emerged out of their consciousness of the role of consumer-brand relationships in brand building efforts. In this context, it is quintessential to understand how these premium brands were successful in creating strong and deep rooted relationships while others are not.

1.3. Statement of the Problem

Reflecting the critical role of relationships in branding, and marketing in general, the study of consumer-brand relationships has been represented in the literature for more than two and half decades since Blackston’s (1992) approach to build brand equity through brand relationships. Even though consumer-brand relationships reflect a strong cognitive, affective and behavioral ties with the brand (Blackston, 1992; Nebel and Blattberg, 2000), early research was primarily given more emphasis to interpersonal metaphoric transfer and considered only limited aspects either from attitudinal or behavioral perspectives, namely socio-motive and affective attachments (e.g. self-connection and love/passion), behavioral ties (e.g. brand commitment and interdependence), and cognitive beliefs (e.g. satisfaction and brand partner quality)(Fletcher et al., 2000; Fournier, 1994, 1998; Park et al., 2002). To our knowledge, till date, no attempt has been made to integrate the attitudinal (cognitive, affective and conative) and behavioral elements in the consumer-brand relationship paradigm, even though researchers have pointed out the need that combining all these elements yields strong and durable consumer-brand relationships (Kim et al., 2013). As a result of this lack of explication in existing literature, there is a lack of clear
operationalization and subsequent problems in systematic and integrated theory building in consumer-brand relationships (Tsai, 2011).

1.4. Research Objectives

In order to address the gap in research that exists regarding the conceptualization and operationalization of consumer-brand relationships, the purpose of this research is two fold. First, to identify different attitudinal and behavioral consumer-brand relationship perspectives on branding, followed by the development of an integrative consumer-brand relationship model. Second, to achieve the triangulation through empirical testing and validation of the conceptual model. Building on earlier works in the literature, this study thus attempted:

1. To modify and broaden earlier conceptualization of consumer-brand relationships by integrating attitudinal and behavioral perspectives for each consumer-brand relationship phase into the original framework of the theory to better comprehend consumers’ brand relationship formation.

2. To propose a conceptually clear and operationally meaningful model of consumer-brand relationships through the exploration and integration of attitudinal and behavioral aspects of consumer-brand relationships, and

3. To test the proposed conceptual model empirically and to examine how attitudinal and behavioral dimensions of consumer-brand relationships work as an integrative mechanism to build consumer-brand relationships.

1.5. Organization of the Research
The current Chapter begins with the introduction of the research, followed by motivation of the research and concludes with a problem statement and objectives of the research. Chapter 2 primarily devoted to the review of literature in the consumer-brand relationships and its related arena, followed by the identification of research gaps. Chapter 3 presents the details of mixed research methodology, which includes the qualitative methodology for conceptual model development and quantitative methodology to test the hypotheses. Chapter 4, details the conceptual model development process and the formation of the research hypotheses that are to be tested. In Chapter 5, the study details the results of hypothesis testing. The final Chapter of this study, Chapter 6, presents the discussion of the results, the limitations associated with the present study, and potential avenues for future research.

Chapter 2 is a review of related literature. The traditional view and recent developments related to the consumer-brand relationships will be explored. Discussion of the constructs which are derived during the conceptual model development, suggested by marketing and brand literature will also be synthesized.