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7.1. CHAPTER OVERVIEW

The primary aim of this research was to investigate the concept of brand experiences and its role in influencing brand equity. A theoretical model was developed on the basis of extensive literature review. Based on this review the hypotheses were developed and investigated in order to determine the affect of brand experiences on consumers’ brand equity. This chapter summarizes the results of the study, lists out the contributions and implications of the study, recognizes limitations and provides recommendations for future research.

7.2. SUMMARY OF FINDINGS

This study had three fold objectives. The primary objective of the study was to understand the brand experience constructs and their effect on brand equity through a comprehensive model which was empirically tested. The second objective was to examine the step wise brand building approach proposed by Keller (2001) in the luxury brand context. The final objective was to investigate the moderating effect of hedonistic motivations of luxury consumers on the relationship between brand experiences and brand equity.

A comprehensive conceptual model was developed in the study to test the relationships between the variables empirically. A survey instrument was developed based on the validated measures of the constructs in the study and was administered to a sample of luxury consumers. The survey instrument was designed, pre-tested and piloted prior to collecting sample data for the main study. The instrument scale items were measured utilizing a 7-point Likert scale. The sample for the main study included 350 luxury brand consumers as respondents, who were interviewed personally, over the telephone and using an online questionnaire. A total of 325 usable responses were retained for data analysis.

Originally five constructs (sensory; affective; intellectual; behavioral and social) were hypothesized to explain brand experiences based on past researches
by Schmitt (1999) and Brakus et al. (2009). The results of the study showed emergence of sensory; affective; intellectual; behavioral and social experiences as five first-order latent variables which were statistically significant. Brand equity was originally explained through four constructs, based on Keller’s (2001) CBBE model (brand salience, brand meaning, brand response and brand resonance), however three first-order latent constructs (brand salience, brand meaning & response and brand resonance) emerged from the statistical analysis which explained consumers’ brand equity.

The effect of each brand experience constructs was observed individually on each of the brand equity constructs based on the research hypotheses proposed in the study, emerging from the literature. The results indicated a comprehensive impact of sensory and social experiences on all the brand equity constructs and scattered effects of affective, intellectual and behavioral experiences on brand equity constructs, wherein affective and behavioral experiences were seen as impacting higher order brand equity constructs of brand meaning & response and brand resonance.

Another key finding that emerged was that intellectual experiences do not impact brand resonance, which explains that luxury brands are bought primarily for their emotional or social value and image evoked rather than the utility value hence cannot be rationalized on the basis of cost versus the functional benefits derived by the consumers and do not trigger any intellectual experiences in the minds of consumers.

The sequential and step wise approach to brand building was also tested through the research hypotheses in the study and found significant for luxury brands. This explains that building brand salience through various marketing activities, creating a positive meaning and response in consumers and creating resonating relationships between brands and consumers are step wise processes of consumer–brand interaction and contribute to building consumers’ brand equity.
This study also assessed the moderating effects of hedonistic motives using data collected from luxury brand consumers. The results of the study revealed relationship between brand experiences and brand equity to be stronger for consumers with a high hedonic profile and to be weaker for consumers with a low hedonic profile.

The conclusions are drawn based on the findings of the study and the results of this study have both practical and theoretical implications.

7.3. CONTRIBUTION OF THE STUDY

The original objective for branding was to differentiate a brand from other similar brands (Aaker, 2003; Davis, 2008). In today’s times, practitioners need to develop effective brand experience strategies to differentiate brands, as brand experience has evolved as an imperative area of study in the marketing discipline.

The key contribution of the study is that it examined luxury brand experiences utilising a comprehensive model which attempts to demonstrate the effect of specific brand experience constructs on the constructs of brand equity. The framework is among the first to assess the relationship between brand experience and brand equity considering each of the dimensions separately and not as a cumulative effect. The model of this study is an initial comprehensive attempt to explain the effect of brand experiences on brand equity in the luxury context.

Given the growing need for brands to differentiate and create a competitive edge over other brands, building positive brand experiences have received attention in the academic and managerial environments. This study is the first of its kind in empirically testing the brand experience concept in luxury product setting and including the Social Experience dimension in the brand experience construct owing to its relevance in the luxury brand context. The Brand Experience scale of this study is the only theoretically derived and
empirically tested 5 dimension scale of brand experience for luxury brands having high internal consistency and high construct validity.

Another unique contribution of this study includes the 3 dimensional brand equity construct which may be specific to luxury brands due to the duality involved between emotional and rational processing of luxury brand purchases in the minds of consumers. The measure for this construct also had high internal consistency and construct validity.

Findings of this study reinforce the research in the area of brand experiences and imply that developing distinct, relevant and memorable brand experiences will encourage a positive perception among consumers of luxury brands and impact the brand’s equity. Given the effects of brand experience constructs on brand equity as demonstrated in this study, novel ways of enhancing the consumers’ brand experience in luxury categories may be critical in managing and enhancing consumers’ brand equity.

7.4. IMPLICATIONS OF THE STUDY

This section addresses the contributions of this research for theory and practice. This study stresses on the role of brand experiences in enhancing brand equity in a high involvement product category like luxury brands. There are a number of important theoretical and managerial implications that will help improve brand experiences and customer-based brand equity in the luxury industry, specifically, in the apparel & accessory categories. This section first addresses the theoretical implications before focusing on the managerial implications.
7.4.1. THEORETICAL IMPLICATIONS

The major theoretical contributions of this study include; 1) Applying the brand experience framework in the luxury industry and testing the brand experience measure in the apparel & accessory luxury brands’ context and 2) Developing and testing a comprehensive and integrated model between brand experience and brand equity constructs with practical interpretation of the model relationships.

From an academic point of view, this study examined brand experience construct and its measures in the luxury brand context, which otherwise has been tested in the case of consumer products and service industry contexts. With support from existing literature, we conclude that brand experiences are integral to luxury buying and consumption process due to the symbolic and hedonic nature of luxury products. However the brand experience construct in the luxury context has not be explored empirically in any known study in the past. This study applies and tests the brand experience measure in the luxury context and provides empirical evidence for the relevance of brand experiences for luxury consumers.

The theoretical framework developed in this study explains the effect of brand experience on brand equity which can be used by other researchers in the future. This theoretical framework was developed after review of extant marketing literature and was found to be significant conceptually and statistically. Hence it appears from the study results that brand experience is a predictor of higher order brand equity constructs. This model could be employed in future studies examining specific brands or even other categories of luxury brands.

7.4.2. MANAGERIAL IMPLICATIONS

As the luxury industry becomes increasingly focused on emerging markets for their exponential growth, there is lack of empirical research in this area in these markets for companies to learn and gain from prior to formulating their
launch and expansion strategies. Most studies in the past have been conducted in the backdrop of developed countries. To establish strong brand equity for their brands, it is imperative for luxury marketers to understand the predictors of brand equity and the role of underlying motivations of luxury consumers. The current study was designed to explore this gap in the research literature.

Therefore, the results derived from this research provide several practical implications for luxury marketers specifically, in terms of how to assess, build and improve their brand experiences in order to build lasting brand equity.

The definition of brand experiences is not changing in the Indian context as compared to international studies; hence marketers must replicate their international experience in India. This explains that many subjects of the study would have been exposed to the luxury brand experiences internationally and would not find their experience in India any different from their international experience.

This study examines the constructs of brand experience separately and their effect on brand equity constructs instead of cumulative examination and empirical testing in previous studies (Brakus et al., 2009; Yoo et al., 2000). While it is an initial research endeavor in this direction, further testing by other researchers will be of value to the field of brand management research. The outcome of this study suggests an opportunity for luxury marketers to review and improve their brand experiences to enhance their brand equity. Particularly, the luxury brand managers can utilize the measure of this study, as a diagnostic tool, to examine the consumers’ perception of their brand experiences and resultant consumer based brand equity. By identifying the consumers’ perception of their brand experiences and those of competing brands, they can compare the two and focus on creating distinct, meaningful, interactive and memorable experiences as differentiators, that create higher level of salience, generate better responses to
their marketing efforts and create deeper brand resonance in the future amongst the targeted consumers.

In luxury products, and predominantly in apparel and accessories categories, consumption has a high social value other than the personal value for consumers explaining the comprehensive effect of social and sensory experiences on brand equity. Luxury marketers can design and offer enhanced experiences based on these dimensions to entice luxury buyers.

For luxury advertisers it will be rudimentary that all brand communication and brand elements of luxury brands should add to the positive and holistic brand experiences. By doing so, marketers could build positive relationships with not only first timers, but also connoisseurs of their brands that ultimately would lead to higher brand equity.

In addition, this research provides an understanding of the significance of brand experiences in creating brand resonance. Keller (2003) explicates resonance as a stage which signifies transfer of equity from the brand to the consumers and from a set of consumers to other consumers. According to Keller (2001) brands that enjoy high brand resonance are less susceptible to competitive pressures.

Hence, leveraging brand experiences to build resonance can be an important consideration for luxury marketers as experiences created by brands are not duplicable, whereas other brand or product elements can be replicated by competition.

In conclusion, luxury companies can focus on building favorable attitudinal and behavioral attachment between the brands and consumers through brand experiences which should be congruent across all marketing efforts.
7.5. LIMITATIONS OF THE STUDY & RECOMMENDATIONS FOR FUTURE RESEARCH

The limitations of this study discussed in this section also suggest the possible opportunities for future research. The study has potentially significant value in the area of research and implications for marketing of luxury brands in emerging markets and its framework will provide a basis for future research on consumer behavior and brand management related to luxury brands and brand experiences. Internationally, research recognizes that in today’s society, the brand experience construct represents a global trend that is observed in many product and service categories (Atwal & Williams, 2009; Keller & Lehmann, 2006). Although past studies suggest the experiential nature of luxury products, research on brand experiences in the luxury brand context has received limited attention. Hence, this study empirically tests the brand experience constructs of ‘sensory’; ‘affective’; ‘intellectual’; ‘behavioral’ and ‘social’ in the luxury brand context. The study also empirically tests the causal effects between brand experience and brand equity and is the first of its kind in a luxury product setting. The study finds that the construct of brand experiences has a similar understanding globally and the Indian consumers do not perceive brand experiences differently. Hence, researchers and practitioners can refer to other similar international studies in the area along with this study to further their knowledge and understanding. The findings observed from this research suggest several useful research directions.

The model in the study was tested in the context of the luxury apparel and accessories. Therefore caution should be taken in generalizing these findings to other product or service categories of luxury brands or any other products or service settings. The perceived values generated from personal use luxury products such as apparel and accessories would be different from other luxury categories such as luxury automobiles, luxury housing, luxury services and luxury tourism. The products included in the study are personal use products with no investment value. The model may need validation prior to its extension to other
luxury categories or any other context. Further replication of the study would require appropriate empirical testing.

This can be seen as an opportunity for future research and the theoretical framework developed and tested in this study can be further explored empirically for other luxury categories such as automobiles, luxury homes, hotels, spas etc., and also in different cultural settings of developed and emerging markets.

This study does not explore the antecedents of brand experiences in the luxury market, which can be explored in future research in the area, wherein researchers can also focus on studying antecedents of brand experiences and their effect on brand equity constructs.

The findings of this study highlight the prime role of social and sensory experiences in brand building in luxury brands, which can be further tested empirically to strengthen the insight.

The current study explored the hedonistic motives of luxury consumption which were observed as moderators in the relationship between brand experiences and brand equity; however effects of other luxury consumption motives such as conspicuous consumption, bandwagon, perfectionist and snob were not explored. Future studies can focus on examining these motives in the luxury context.

The study was conducted in India, which is in a nascent stage as far as the luxury market is concerned, hence the effects observed may be specific only for emerging market contexts and their generalization to developing markets would require specific empirical testing.
7.6. CONCLUSION

The study meets the objectives of the research and presents supporting empirical findings. The theoretical gaps identified are addressed by the study and consequently it offers to expand the body of knowledge in consumer behavior and brand management imperatives relating to luxury brands and will serve as a reference point for future research endeavors. The study also offers recommendations for future research and for luxury brand companies and marketing practitioners that may be of strategic importance for them while operating in the dynamic and evolving Indian consumer setting.