

Is love online or offline?
Brand experience, brand love and brand equity in a fashion retail store

Abstract

Purpose: This paper examines the contribution of brand experience to brand equity, by fostering a specific and strong emotional response to a brand – brand love. Specifically, it investigates possible differences between online and offline settings of fashion retail brand.

Design/methodology/approach: Based on 794 consumers' responses to a questionnaire (560 offline consumers and 294 online consumers), the research goals were achieved and hypotheses were tested using a structural equation model.

Findings: The findings show that brand experience is important when it comes to stimulate emotional responses, namely brand love, which in turn contributes to reinforce brand equity. The differences between the offline and online settings are striking, since only the sensory dimension of brand experience is negatively associated with brand love.

Research limitations: The results are limited to one specific fashion retail brand and generalizations should be taken carefully.

Practical implications: Managers should pay particular attention to the emotional stimuli a brand offers to consumers. Building on these stimuli through experiences enhances strong emotional responses, contributing to the brand equity.

Originality/value: Research on the paths to brand equity in a retail environment, by examining online and offline settings, are still scarce. Specifically, tracing this path by combining brand experience and brand love, within the framework of the customer-brand relationship theory, has an interesting potential but is still underdeveloped.

Keywords:

Brand experience, brand love, brand equity, retail, fashion, online, offline

Introduction

Building strong and lasting relationships with consumers has been long advocated by the “consumer-brand relationship” theory. The general idea within the “consumer-brand relationship” approach is that brands should move away from simply reinforce the functional dimensions of products and services. Alternatively, they should find new ways to relate with consumers using more emotional cues, by means of meaning creation, elaboration and reinforcement processes (Fournier, 1998).

These processes, that imply a set of meaningful brand and consumer actions, may be understood as the set of experiences lived by the consumer. The concept of experience is also not new. (Pine and Gilmore, 1998) first introduced the expression “experience economy” to illustrate the idea that all products would be trivial and their benefits would be normal and expected. The differentiation would be achieved by the

experiences provided by products and services. Thus, the economy would be driven by the experience and emotional benefits. The set of stimuli offered by the brand constitute in this process an important source of internal and external consumer responses, which is conceptualized as brand experience (Brakus et al., 2009).

The processes of meaning creation, elaboration and reinforcement, which can be encapsulated in the concept of brand experience, contribute to the strength and durability of the brand-consumer relationship. This brand relationship quality (Fournier, 1998) is made of the interaction of several positive feelings, namely affective and socioemotive attachments (love/passion and self-connection), behavioural ties (interdependence and commitment), and supportive cognitive beliefs (intimacy and brand partner quality).

The literature has devoted attention to several of these positive feelings (REFS). However, the concept of love/passion has only recently caught the attention of researchers (Ahuvia et al., 2014; Bergkvist and Bech-larsen, 2010; Fetscherin and Heinrich, 2014; Forth, 2004; Lastovicka and Sirianni, 2011; Maxian et al., 2013). A consumer's love for a brand is the result of strong emotional relationships that can be considerably more intense than simple liking, although there are fundamental similarities between interpersonal love and love in consumer contexts (Ahuvia, 2005).

Brand love is not only interesting as a theory-focused research topic; it also has managerial potential (Bagozzi, Batra, and Ahuvia, 2014). Brand love has been associated with positive word-of-mouth, repurchase intentions and brand loyalty (Carroll and Ahuvia, 2006; Ismail and Spinelli, 2012). Despite some evidence that suggest the importance of brand love to several marketing and consumer outcomes, there is still few evidence of brand love contribution to brand equity.

Research on (brand and customer) experience has been more focused on face-to-face contexts, paying much less attention to online contexts. The widespread of Internet has created an additional context for communication and distribution. Additionally, recent advancements in technology altered the "when" and "where" consumers and brands interact in the virtual world. This poses a new reality for brands since they are able to connect and relate with consumers on a continuous and one-to-one ground. Understanding the processes and mechanisms of consumers' virtual behaviour is crucial for practitioners.

Brands can affect consumers' decisions by providing cues or inputs to the psychological processes, thus influencing how consumers perceive the brand. In terms of the experience provided, the online environment may be considered to offer a different, more complicated, experience, since the consumer is not just a shopper but also an information technology user: "The Web experience embraces elements like searching, browsing, finding, selecting, comparing and evaluating information as well as interacting and transacting with the online firm (Constantinides, 2004: 113). Thus, it justifies examining the differences between the online and offline experiences.

Based in the customer-brand relationship approach, this paper investigates the contribution of brand experience to brand love, and how this relationship contributes to

enhance brand equity. Moreover, it further examines these relationships both in offline and online contexts.

Literature Review

Brand Experience

Brand experience is a multi-dimensional variable that several researchers conceptualize it differently (Kumar, Dash, & Purwar, 2013). As defined by Schmitt (1999) brand experience is conceptualized as sensations, feelings, cognitions and behavioral responses evoked by brand-related stimuli, expressing an internal consumer response and engagement towards a brand. Brand experience's concept exceeds the concept of feelings, fantasy and fun pointed out by Holbrook and Hirschman (1982).

At the moment, the brand's tangible universe is not enough to attract, engage and retain customers, the functional attributes defined on the 4Ps of Marketing, are insufficient to the differentiation meaning.

According to Schmitt (1999) brand experience is distinct from other brand activities such brand attitudes, brand involvement, brand attachment, customer delight and brand personality, because brand experience promotes a strong engagement, through the sensations and feelings, which has a significant meaning.

Brakus et al. (2009) established a scale to measure brand experience, based on 4 dimensions (sensory, affective, intellectual and behavioral), according with them consumption doesn't go through a distant and unemotional like or dislike, because when consumers experience, they get involved and strengthen their relationship with brands, materializing what Pine and Gilmore (1998) pointed out as the experience economy. Retailers use in-store brand experiences to improve the differentiation, from other competitors and brands (Dolbec & Chebat, 2013), providing attractive experiences to the consumers.

Through the market's growth, differentiation strategy is the key aspect to survive (Schembri, 2009) and win, including branding, to achieve competitive advantage (Aaker D. , Strategic Market Management, 2009).

Brand Love

Brand love is young construct based on hedonic factors (Bergkvist and Bech-Larsen, 2010; Ahuvia et al., 2007; Albert et al., 2009; Batra et al., 2012). There's still a long way left to the absolute brand's love knowledge and control, but it has an important influence on several marketing variables (Batra et al., 2012, Carroll and Ahuvia, 2006; Park et al, 2010). Ahuvia (2005) and other authors emphasize the brand's love importance, in the consumer behavior, improving the ability to present and practice higher prices (Batra et al., 2012; Pitta and Franzak, 2008).

Although brand love has already been studied by several authors, with the expectation of finding a scale to measure brand love (Shimp and Madden, 1988), but was Carroll and Ahuvia (2006) who pointed brand love, as an emotional attachment index, evaluating the brand connection, positive emotion to the brand, brand passion and the

declaration of brand love, but always giving relevance to emotion and passion while defining brand love.

According to Whang et al (2004) a consumer can fall in intense, emotional and passionate love with a brand that can lead to romantic love for the brand, close to the loyalty concept (Sternberg, 1986; Shimp and Madden, 1988; Keh et al, 2007). According to Keh et al. (2007) brand love is based on commitment, proving how closeness is brand love from brand loyalty.

Brand love is an hot issue at the moment, because if consumers love a brand, then they will buy more, will increase the sales volumes, as increase brand loyalty, but this behavior may not be the same for online and offline purchases.

Brand Equity

Brand equity is a multi-dimensional concept (Yoo & Donthu, 2001). From the marketing perspective, the most important analysis is the customer-based brand equity. The customer-based brand equity is measured based on several dimensions, such as brand awareness, linked with the customer's ability to recognize the brand (Aaker D. , 1991).

Brand awareness is the part of knowledge equity (Keller K. L., 1993), however brand association is the second dimension of customer-based brand equity that it is anything associated or connected to the brand universe, stating the consumer brand knowledge. Perceived quality is another customer-based brand equity dimension and represents the perceived benefit by the consumer (Aaker D. , 1991).

As mentioned above, trust is vital for the relationships establishment and also important in the brand universe. Brand trust is the reliable expectations about the brand's credibility that affects the overall brand equity. Brand loyalty expresses the consumer's commitment with the brand, pointing to repeated purchase intentions, being essential in the customer-based brand equity evaluation.

As pointed out by Kumar (2013), customer's brand association affects brands offering perception. The more a customer is associated with the brand, better service quality perception will be.

Perceived quality affects customer trust and the more a customer is associated with the brand, better will be the service quality perception, that's the reason why brand trust leads to brand loyalty.

However the customer-based brand equity or even the brand experience and brand love, assume different standards depending on the established relationship with the customer, whether in an online or offline environment.

Online vs Offline

According to Chen (2011) the perceptions of online brand purchasing system will affect the consumer's brand experience, and following brand experience will affect the online brand extension through brand equity and brand reputation.

According to Chen (2011) any brand experience, stimulates the brand purchase, directly or indirectly, through brand reputation and brand equity. Chen (2012) suggest that performance and effort expectancy along with social influence positive affect brand experience that also has positive influence on brand equity.

Methods

The main goal of this study was to investigate the relation between brand experience and brand equity, mediated by brand love, both offline and online environments. The relations established between concepts is presented in figure 1.

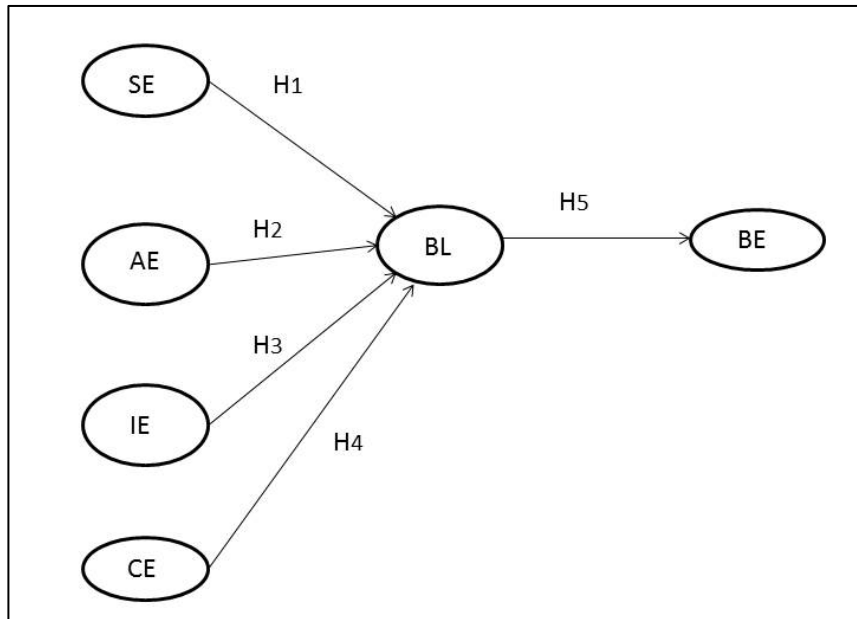


Fig. 1 – Conceptual Model

The research design follows a quantitative approach. Research goals and hypotheses were drawn from the literature. Relations were established and variables were measured using validated constructs. Finally, statistical procedures were used to describe data and to test hypotheses.

To examine the postulated hypotheses, an empirical study was conducted in a widely known retail fashion brand in Portugal. The sample was made of consumers who are customers of the retail fashion brand (n=794). In order to accomplish the goal of examining the differences between the offline and online environments, two sub-samples were defined: one made of offline customers (n=560) and the other made of customers that bought online (n=234).

Main constructs were measured using validated scales identified in the literature. Brand experience was measured using the scale from Schmitt et al. (2009). This scale evaluates four brand experience dimensions, namely Sensory (e.g. “This Brand is interesting in a sensory way”), Affective (e.g. ”This Brand induces feelings and sentiments”), Intellectual (e.g. “I engage in a lot of thinking when I encounter this Brand”) and Behavioural (e.g. “I engage in physical actions and behaviours when I use

this Brand”) using 12 items in a seven points Likert scale, ranging from 1=strongly disagree to 7 =strongly agree.

Brand love was assessed using the measurement from Carroll and Ahuvia (2006). The measure comprises 6 items evaluated by respondents in a five points Likert scale ranging from 1=strongly disagree to 5=strongly agree. Items include statements such as “This brand is totally awesome”, “This brand makes me very happy”, “I love this brand”, and “I am passionate about this brand”.

Finally, in order to assess brand equity, the measurement suggested by Yoo and Donthu (2001) was followed. Four dimensions make up brand equity, namely the loyalty towards the brand, perceived quality, awareness and brand associations and the overall brand equity dimension, compose this scale. The 14 items were assessed, using a Likert scale of 7 points, ranging from 1= strongly disagree to 7= strongly agree.

Data collection was based on a questionnaire with four sections: the first section comprised a set of questions to measure brand experience; the second section included the items measuring brand love; the third section included the items measuring brand equity; and finally, the fourth section included demographics. For the offline sub-sample, data was collected face-to-face in-store: for the online sub-sample, data was collected online. A preliminary version of the questionnaire was administered to a convenience sample of 25 individuals. The analysis of the pre-test allowed some improvements in the layout of the questionnaire, but no modifications were made regarding the main variables.

The statistical procedures were as follow: (1) a confirmatory factor analysis was conducted in the scale used to measure the constructs and (2) the hypotheses were tested using structural equation modelling (SEM). A set of validated scales drawn from the academic literature were used. In the evaluation of the psychometric properties of the scales this research followed Churchill (1979) and Bollen (1989). This involves ensuring that the scales are reliable, have validity and are one-dimensional.

Results

The offline sample is made of 90.2% of female respondents. The large majority of the sample (86.8%) has between 16 and 45 years old, and 64.5% are single. In terms of education, 41.1% has a college degree and 37.7% has a high school degree. Finally, 85.7% have a monthly household income until 1500 euros.

The online consumers are mainly female (72.6%) and 85% has between 16 and 45 years old. Marital status is divided almost equally between single (40.5%) and married (39.8%). In terms of education, 49% has a college degree and 24.5% a high school degree. Finally, the monthly household income is similar to those from the offline sample (83%).

CFA was used to validate the measurement models consisting of six constructs measured, for both models. The final results show a good model fit for both the offline (Table 1) and online (Table2) samples. Given the known sensitivity of statistics to sample size, the use of the χ^2 index provides little guidance in influencing the extent to

which the model lacks fit. Thus, decisions were made based on other fit indices. The measurement model shows a good fit when RMSEA is below 0.10 and the CFI are above 0.90 (Hair et al., 2006). The construct validities of the latent constructs are evaluated by convergent validity. All composite reliabilities are greater than the minimum criteria of 0.70 (Nunnally and Bernstein, 1994). The average variance extracted (AVE) provides evidence of overall convergent validity of each construct as it indicates the amount of variance explained by the construct relative to the amount of variance that may be attributed to measurement error, and should exceed 0.50 (Fornell and Larcker, 1981). The constructs are related as expected theoretically and all path weights are significant ($p < 0.001$), demonstrating high convergent validity

Table 1 – Psychometric properties of the scales in offline environment – Confirmatory Factor Analysis

Construct	Items	Convergent Validity	Reliability		
		Factor Loading	α	CR	AVE
SE	SE1: SE2: SE3:	0,874* 0,856* 0,681*	0,719	0,907	0,770
AE	AE1: AE2: AE3:	0,877* 0,867* 0,808*	0,803	0,936	0,829
IE	IE1: IE2: IE3:	0,753* 0,900* 0,802*	0,755	0,917	0,787
CE	CE1: CE2: CE3:	0,898* 0,894* 0,642*	0,741	0,913	0,781
Brand Love	BL1: BL2: BL3:	0,878* 0,889* 0,909*	0,871	0,956	0,880
Brand Equity	BE11: BE12: BE13: BE14:	0,858* 0,892* 0,881* 0,860*	0,896	0,959	0,816
		Goodness-of-fit indexes			
		RMSEA	CFI	TLI	IFI
χ^2 Standardized = 1,895*		0,074	0,828	0,798	0,828

CR = Composite Reliability; AVE = Average variance extracted; * $p < 0,001$

Reliability was tested by examining the Cronbach's alfa coefficients and exceeded Nunnally's (1978) threshold value. Following the procedures suggested by Fornell and Larcker (1981), convergent and discriminant validity was tested using confirmatory factor analysis. A comparison of the average variance extracted by each construct to share variance between the construct and all other variables was used to test for discriminant validity. For each comparison, the explained variance exceeded all combinations of shared variance. As result, the scales showed acceptable discriminant validity. Convergent validity was assessed by verifying the significance of the t values

associated with the parameter estimated. All t values were positive and significant. Then, the scales showed acceptable convergent validity.

Table 2 – Psychometric properties of the scales in online environment – Confirmatory Factor Analysis

Construct	Items	Convergent Validity	Reliability		
		Factor Loading	α	CR	AVE
ES	ES1:	0,891*	0,722	0,911	0,776
	ES2:	0,866*			
	ES3:	0,668*			
EA	EA1:	0,864*	0,789	0,931	0,818
	EA2:	0,860*			
	EA3:	0,804*			
EI	EI1:	0,708*	0,747	0,914	0,782
	EI2:	0,910*			
	EI3:	0,821*			
EC	EC1:	0,905*	0,758	0,919	0,794
	EC2:	0,898*			
	EC3:	0,661*			
Brand Love	BL1:	0,916*	0,907	0,969	0,914
	BL2:	0,928*			
	BL3:	0,917*			
Brand Equity	BE11:	0,900*	0,890	0,963	0,896
	BE12:	0,917*			
	BE13:	0,899*			
		Goodness-of-fit indexes			
		RMSEA	CFI	TLI	IFI
χ^2 Standardized = 1,995*		0,094	0,882	0,860	0,883

CR = Composite Reliability; AVE = Average variance extracted; * $p < 0,001$

The structural models were constructed to examine the hypothesized relationship amount constructs. The model fit of offline customers was very good: $\chi^2_{(141)} = 620,145$, $p < 0,000$, IFI = 0,921, TLI = 0,904, CFI = 0,921, RMSEA = 0,078. Only one hypothesis (H_4) was not validated, CE does not explain brand love ($\gamma_4 = 0,107$, $p < 0,063$) if we consider an error level of 5%. All other hypotheses were validated: SE is positively related to BL ($\gamma_1 = 0,232$, $p < 0,000$) (H_1), AE has a positive influence on brand brand love ($\gamma_2 = 0,240$, $p < 0,000$) (H_2), IE has a positive influence on brand love ($\gamma_3 = 0,141$, $p < 0,000$) (H_3), and brand love influences brand equity when consumers visit the store ($\beta_1 = 1,039$, $p < 0,000$) (H_5).

The model for online customers also present a good fit: $\chi^2_{(124)} = 456,185$, $p < 0,000$, IFI = 0,884, TLI = 0,855, CFI = 0,883, RMSEA = 0,096. However, the hypotheses raised were not validated, since all relations are not significant, except one. The SE has a negative influence on brand love ($\gamma_1 = - 0,328$, $p < 0,000$) (H_1), which contradicts the positive expected relation. But the remaining hypotheses were not statistically significant: AE has a positive influence on brand love ($\gamma_2 = 0,035$ $p > 0,05$) (H_2), the IE influences positive brand love ($\gamma_3 = 0,017$ $p > 0,05$) (H_3), the CE has a positive

influence in brand love ($\gamma_4 = 0,200$ $p > 0,05$) (H₄), and brand love has a positive relation with brand equity ($\beta_1 = 0,051$, $p > 0,05$) (H₅).

Conclusions

The goal of this research was to examine the relationship between brand experience and brand equity, mediated brand love. Based on the consumer-brand relationship theory it was assumed that brand experiences are an important set of processes that induce positive feelings in consumers. In this case it was assumed that the set of experiences lived by the consumer would promote strong feelings, such as love for the brand. This feeling would eventually contribute to perception of the brand equity.

Additionally, another goal of this research was to address the potential differences arising from experiencing the brand in online and offline environments. The growing importance of internet and the advancements in technology that allow a more close relation with the consumer, makes the online environment very important for brands to communicate and develop strong and durable relationships with consumers.

Field research was conducted in a retail fashion brand operating both offline and online, offering the ideal research set to test the assumptions raised. Data from two sub-samples of customers were used and conclusions were drawn.

The main conclusion is that there are differences between the offline and the online customers perceptions. As presented in the results, the conceptual model was confirmed by the offline customers' data, but the online results proved to be not significant. Thus, and for the offline environment, brand experience influences brand love, which in turn influences brand equity. This conclusion is supported by the literature, namely the idea that the experiences lived by consumers is an important antecedent of positive feelings towards the brand. Also, corroborating the assumptions of the consumer-brand relationship theory, positive and strong feelings, such as brand love, are important to reinforce brand equity.

On the other hand, and for the online customers, brand experience does not seem to induce a positive feeling such as brand love. Although this conclusion looks contrary to the main body of the literature, it should be noted that the experiences felt by consumers depend on several factors, such as webpage design, events, emotions, atmosphere and other elements (Constantinides, 2004) that were not included in this study. Thus, one might assume that depending on the performance of such factors, the web brand experience will be different.

Also, the utilitarian vs. hedonic and the functional vs. emotional discussions should also be considered at this point. It cannot be disregarded that consumers perceive the online store as an easy way to browse information about products, developing a more functional relationship with brand through the online environment.

These final considerations about the possible explanations for the online conclusions also function as possible future research paths to be followed. It should however be bear in mind that this study was conducted in a specific brand in a specific sector, which limits the broadness of these conclusions.

Nevertheless, some practical implications emerge from this study. The first one is the importance of an integrated management of experiences, paying particular attention to the development of sensory, affective, intellectual and behavioural experiences. Secondly, a proper management of experiences is a strong inductor of positive feelings towards a brand, which in turn contributes to strong and durable relationships with consumers. Finally, brand equity has to be built upon these positive feelings, that is, the perceived value of a brand will never be complete without the consumers' emotional attachment.

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