Impact of Brand Trust and Brand Affect on Brand Loyalty

1Dr.S.J.Manjunath, 2Aluregowda

1Associate professor, DOS in B.N.Bahadur Institute of Management Sciences, University of Mysore, Mysore,India
2Assistant Professor, MBA Department, P E S college of Engineering, Mandya- 571401, India

Abstract-
In the present competition scenario, a large number of brands which are available in the market place. The purpose of this study is to investigate the effects of factors on consumer loyalty in service setting. The study empirically tests a model which proposed that brand trust and consumer’ brand affect have influence on consumer brand loyalty. The data was collected from 133 respondents using one sample t - test and SPSS 19 versions was used to analyse the data. The results revealed that these factors have an effect on consumers brand loyalty. In addition, brand loyalty also contributes possible effects on doing business, thus improving brand as well as company’s profitability, it investigates how brand loyalty is built by using different strategies. The implications of the study were discussed and future research improvement were suggested.

Keywords- Brand loyalty, Brand trust, Brand affect, Coffee store.

1. INTRODUCTION

Building strong brands has become a priority for marketers because it yields a number of advantages. strong brand help the firm establish an identity in the market place (Aaker 1996), reduce vulnerability to competitive actions, leading to larger margins, greater intermediary cooperation and support is brand extension opportunities (Delgado and Ballester, 2005)

Brand loyalty represents a favorable attitude towards a brand resulting in consistent purchase of the brand over time. It is the result of consumers’ learning that only the particular brand can satisfy their needs. Understanding loyalty is essential for marketing practitioners as loyal customers are less likely to switch and make more purchases than similar non loyal customers (Reichheld, 1996; Reichheld and Sasser, 1990), thus if the company can retain just 5% more of its loyal customers, profits will increase by 25% - 125% (Reichheld and Sasser, 1990). In this instance, the profit gain is the result of loyal customers whom would possibly provide ‘free advertisement’ through positive word of mouth. Happy customers make recommendation about stores, product, or services to their friends. A research study reported that each satisfied customer tells nine or ten people about the happy experiences and 13% of dissatisfied customers tell more than twenty people about how bad the company/product were (Sonnenberg, 1993). This is the reason why many companies are trying to understand the contributing factors of brand loyalty.

Similarly, consumers’ brand affect plays a significant role between company and consumer relationship. Relationship is built on the foundation of brand affect (Berry & Parasuraman, 1991) and brand affect causes consumers’ brand loyalty which is initially viewed as consumers’ repurchase intention (Morgan & Hunt, 1994). Brand affect and brand trust behave like the main key factors for firm success. From marketers’ point of view, brand affect and brand trust work as a preserver of relationship investment for companies’ partner; provide long term benefits; prevent high risk actions (Morgan & Hunt, 1994) and they are the cornerstone of strategic partnership (Spekman, 1988). From consumers’ point of view, they are essen-tial assets for consumer company relationship and they are main reasons underlying consumers’ be-havioral responses towards companies (Caceres & Paparoidamis, 2007) Berry and Parasuraman (1991) affirm that effective service marketing depends on successful management of both brand affect and brand trust.

Many studies concentrate on role of brand trust and brand affect from company-supplier relationship (Chiou & Droge, 2006; Tümer et al., 2011). Few studies investigate brand trust and brand affect, especially brand affect, from company- consumer relationship in one integrated framework.
II. THE CONCEPTUAL FRAMEWORK
OF THE STUDY

The conceptual model tested in this paper contains constructs that have demonstrated theoretical support, based on a number of researches done in this area in different countries, particularly brand loyalty on end-user perspective. The model examines the factors that would possibly affect the brand loyalty. The conceptual model is shown in Figure 1 below.

Fig. 1: A Schematic diagram of the conceptual framework.

The schematic diagram of the theoretical framework above is used to show the relationship between the dependent and independent variables. Essentially, the theoretical framework shown above is the foundation on which the entire research is based upon.

Brand Loyalty

The brand loyalty of the customer base is often the core of a brand’s equity. It reflects how likely a customer will be ready to switch to another brand, especially when that brand makes a change, either in price or in product features. As brand loyalty increases, the vulnerability of the customer base to competitive action is reduced.

The brand loyalty of existing customers represents a strategic asset that, if properly managed and exploited, has the potential to provide value in several ways. A loyal set of customers can reduce marketing costs, since it is much less costly to keep a customer than to gain and regain, and it provides trade leverage over others in the distribution channel. Customers can create brand awareness and generate reassurance to new customers. Loyal customers will also give a company time to respond to competitive threats. (Aaker 1991, 46-49; Dekimpe – Steenkamp – Mellens – Abeele 1997, 405–407)

Brand loyalty is treated as dependent variable in this research. The dependent variable is analyzed in order to find out the answers or solution to the problem i.e. what factors contribute to brand loyalty? In this situation, the study will test three independent variables brand trust and brand affect. These variables are believed to have some influences towards the dependent variable (brand loyalty) either in positive or negative way.

Brand Trust

Brand trust is another independent variable included in the framework. Brand trust is viewed as central in many studies (Doney & Cannon, 1997; Moorman et al., 1992). It is conceptualized as a notable factor in the firm’s success (Morgan & Hunt, 1994). Chaudhuri and Holbrook (2001) define brand trust as “the willingness of the average consumer to rely on the ability of the brand to perform its stated function”. Brand trust arises after consumers’ evaluation of companies’ offerings. If companies provide beliefs of safety, honesty and reliability about their brands to consumers, brand trust will be generated subsequently (Doney & Cannon, 1997). It can be interpreted that brand trust is created and developed by direct experiences of consumer via brands.

The main difference between brand trust and brand affect is; brand trust is viewed as a long process which can be occurred by thought and consideration of consumer experiences about store while brand affect is consisted of impulsive feelings which can be formed, spontaneously (Chaudhuri & Holbrook, 2001). Therefore brand trust can be discussed as a cognitive component (Casalo et al., 2007) which may induce emotional response, namely brand affect.

On the other hand, brand trust leads brand loyalty (Delgado-Ballester & Munuera-Alemán, 2001). It is due to brand trust’s ability for creating highly valued relationship (Chaudhuri & Holbrook, 2002). It shows that brand loyalty is part of the continual process of valuable and notable relationship which is produced by brand trust. Moreover literature shows support that brand trust is a determinant of loyalty Wu et al., 2008; Berry, 1983).

Brand Affect

Brand trust and brand affect are closely related dimensions. Like brand trust, brand affect is also studied widely in marketing literature (Iglesias et al., 2011). Chaudhuri and Holbrook (2001) define brand affect as “brand’s potential to elicit a positive emotional response in the average consumer as a result of its use”. In other words it can be described as consumers’ emotional response towards a brand in consequence of having an experience with the brand. Therefore we suggest that brand affect occurs under favor of close relationship with brand. Likewise, literature suggests that favorable and positive emotions are associated with high level of brand loyalty (Chaudhuri & Holbrook, 2002). It is showed that brand loyalty is greater under the condition of positive emotional affect that prompt consumers to enhance positive attitudes towards a brand (Dick & Basu, 2004). Many studies are empirically evi-dent for brand affect has a significant role to create brand loyalty (Chaudhuri & Holbrook, 2002; Sung & Kim, 2010). Therefore, brand effect is taken into consideration as one of the factor that affects brand loyalty.

III. OBJECTIVE OF THE STUDY

1) The objective of the study is to determine the impact of brand trust and brand affect on brand loyalty
IV. RESEARCH METHODOLOGY

**Samples and procedures:**
A survey instrument in the form of close-ended questionnaire was developed for the purpose of data collection. The engineering undergraduate students were chosen as the target population of the study who have experience in the coffee store. Thus, understanding their current behavior is crucial for the company to exploit future opportunities.

A total of 133 respondents from one coffee store were selected as a sample of the study. The respondents were selected from various faculties to have a mixture of races and study background. The actual field survey was conducted in one month period whereby personal interviews were employed to obtain the required information. The reasons of using the personal interview are threefold; first, to screen the eligibility of the respondent; second, to have a closer supervision and interaction with the respondents; and lastly, to enable the respondent to seek clarification from the interviewer (if needed) regarding the questionnaire.

**Statistical tools:**
The statistical method used to analyse the data is one sample t-test and regression analysis.

**HYPOTHESIS**
1. Ho- there is no significant relationship between brand trust and brand loyalty.
2. Hi- there is a significant relationship between brand trust and brand loyalty.
3. Ho- there is no positive relationship between brand affect and brand loyalty.
4. Hi- there is a positive relationship between brand affect and brand loyalty.

V. DATA ANALYSIS AND INTERPRETATION

The above table reveals that all the parameter taken for the study have a mean value of more than 4 which clearly indicates that all the parameter are positively rated by the respondent and the significance level of the all the parameters is less than .05. As the calculated value is less than table value there is a positive relationship between the brand trust and brand affect towards the brand loyalty.

**Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.482(a)</td>
<td>.232</td>
<td>.263</td>
<td>.75685</td>
</tr>
</tbody>
</table>

Predictors: (Constant), brand trust and brand affect  
Dependent Variable: brand loyalty
VI. LIMITATION AND SCOPE FOR FURTHER STUDY

The area of study is limited to Mysore city. In this study, due to time and cost constraints, the data for this study will be collected from single coffee store. Furthermore, the brand choice decisions of the students in engineering colleges may differ from those other colleges in the country.

Furthermore, the brand choice decisions of the students in engineering college different across race. However, due to the time constraint no comparison of brand purchase influences across race was attempted in this study. Another limitation of this research is the inclusion of only one product which is coffee services. Different product may have different response from the students and we have to bear in mind that not all students have same experiences. In addition, some of the respondents may not be honest and sincere in answering the questionnaire. The results of this study should also be interpreted with care. The development of a process measure for referent influence would add to the strength of the findings and is a limitation of this study.

Despite these limitations, the study makes some contribution by providing important information regarding factors that affect brand loyalty in Mysore for marketing strategies.

VII. CONCLUSION

This study basically indented to find out the factors that affect brand loyalty. It also gives an insight of brand trust and brand affect affects on brand loyalty in general. In terms of brand trust, it is found that brand trust does have a relationship with brand loyalty and it did affect brand loyalty in services. The more involvement of services is important for brand loyalty. Where else, brand effect does have association with brand loyalty that increase the loyalty of an individual towards a brand. The positive emotions of the brand associates effects the brand loyalty.

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