A study on the effect of brand experience on consumer purchase experiences: A case study of food industry

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CHRONICLE	ABSTRACT
	Branding in food industry has been a major concern among food suppliers. During the past few years, there have been strong competitions among business developers to gain market share through increasing the value of their brand. In this paper, we present an empirical investigation to learn more about the relationship between brand experiences on consumer purchase experiences. The study selects a sample of 206 people who are regular customers of two well-known suppliers, Shahrvand and Hyperstar, in city of Tehran, Iran. Using structural equation modeling, the study examines six hypotheses and the results confirm that an increase on brand loyalty, brand attribute, pricing factors, product performance attributes, brand associate and brand position will increase purchasing intention, significantly.

1. Introduction

Building a brand plays an important role on the success of any firms or business plans and there are literally various studies on this area. Azad et al. (2013), for instance, investigated factors impacting on food market using factor analysis. They designed a questionnaire, distributed among 207 customers who were regular customers of two food chains in city of Tehran, Iran. The results of their survey indicated that six major factors including brand loyalty, physical characteristics, pricing effects, performance characteristics, brand relationship and brand position influence food industry, significantly. Today, branding is a kind of experiencing on a new popularity resulting from new, innovative applications. Although there have been some experiences where branding has been less than successful, many researchers start to look for the appropriate applications in a given setting. Issues and problems associated with branding strategy today incorporate the selection of a brand name. This fundamental issue could influence on the success of a branding strategy. Once a name is chosen, marketers need to for the advertising strategy to support and communicate the name. Finally, keeping the brand in a strong position plays essential role on the success of branding. New areas of

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branding incorporate firm, industrial, and service branding. These nontraditional branding environments are building the future for marketers based on branding strategy (Rooney, 1995; Keller, 1998).

Kressmann et al. (2006) examined a model dealing with direct and indirect impacts of self-image congruence on brand loyalty. The model stated that self-image congruence positively influences brand loyalty directly and indirectly through functional congruity, product involvement, and brand relationship quality. Johansson (2007) worked with events to build a destination brand identity-the DMO perspective. Blain discussed (2001) the effects of destination branding in destination marketing organizations.

During the past two decades, there have been tremendous discussions on how electronic commerce was changing retail marketing theory and practice. Davis et al. (2000), therefore, surveyed on exploratory research from consumer focus groups to understand retail service branding in electronic markets. They concluded that the service brand defines the experience of shopping online for consumers based on service attributes, symbolic meanings, and functional consequences of the service encounter.

Han and Back (2008) investigated the relationship between image congruence and consumption emotions and the possible effect of this relationship on customer loyalty in the lodging industry. They examined overall fit of the proposed model and research hypotheses based on structural equation modeling. They provided some supports, which links image congruence, consumption emotions, and customer loyalty whereas the relationship between social image congruence and consumption emotions was not significant.

Laverie et al. (1993) investigated the link between emotions and values in terms of consumption experiences. They reported that the self was the latent variable that links emotions and values in consumption experiences. According to Schmitt et al. (2009) and Reichheld (2001), brand experience is conceptualized as sensations, feelings, cognitions, and behavioral responses evoked by brand-related stimuli, which are part of a brand's design and identity, packaging, communications, and environments.

Firat and Venkatesh (1995) made an assessment on different key ideas about consumption and consumer from a theoretical position that we have labeled "liberatory postmodernism". They started with a an indebt discussion on the philosophical foundations of modernism and postmodernism followed by a cultural critique of modernism-exposing. They explained how postmodernism was concerned with the reversing of the conditions of modernity and with a wide range of issues regarding the construction of the subject.

According to Zarantonello and Schmitt (2010) performed a survey on actual consumers, addressed the question whether various consumers prefer different experiential appeals and whether experiential kinds could moderate the relationships between brand attitude and purchase intention. They reported that there were five kinds of consumers: hedonistic, action-oriented, holistic, inner-directed, and utilitarian consumers.

Morrison and Crane (2007) explained why marketers of service brands have to understand the emotional dynamics involved when a customer chooses to keep using a service brand. They study also provided some practical guidance for how marketers can build strong service brands by creating and managing emotional brand experiences. According to Alloza (2008), successful corporate brand management depends on sounded brand engagement and strategic alignment initiatives, generally. However, companies must manage their brands through alignment of their strategic visions and organizational cultures.

Vargo and Lusch (2004) marketing inherited a system of exchange from economics, which had a dominant logic based on the exchange of "goods" and the dominant logic concentrated on tangible resources, embedded value, and transactions. Sandström et al. (2008) proposed a framework for a new perspective on the total service experience, which dimensions impact it, and how a service experience was linked to value in implementation. Méndez et al. (2006) presented a study on explanatory factors regarding manufacturer brand price consistency. Underwood et al. (2001) provided a theoretical framework for understanding the communicative impacts of product imagery on attention to the brand. Jones et al. (2010) discussed different issues on retail experience stores by focusing on experiencing the brand at first hand. According to Schembri (2009) and Berry et al. (2002), beyond branding as a differentiation strategy, branding theory now describes the importance of social, cultural, and political relationships associated with brand consumption. There are different forms of branding and online branding is among the most popular ones (Rowley, 2004).

2. The proposed study

We perform an empirical investigation on the effect of brand experience on consumer purchase experiences. The study is applied among all regular customers of well-known stores in city of Tehran, Iran, Called Shahrvand and Hyperstar. The sample size is determined as follows,

$$N = Z_{\alpha/2}^2 \frac{p \times q}{e^2}, \tag{1}$$

where N is the sample size, $p = 1 - q$ represents the probability, $z_{\alpha/2}$ is CDF of normal distribution and finally ε is the error term. For our study, we assume $p = 0.5, z_{\alpha/2} = 1.96$ and e=0.99, the number of sample size is calculated as N=206. In our study, 52.4% of the participants were male and the remaining 47.6% were female. In addition, Fig. 1 demonstrates some personal characteristics of the participants,
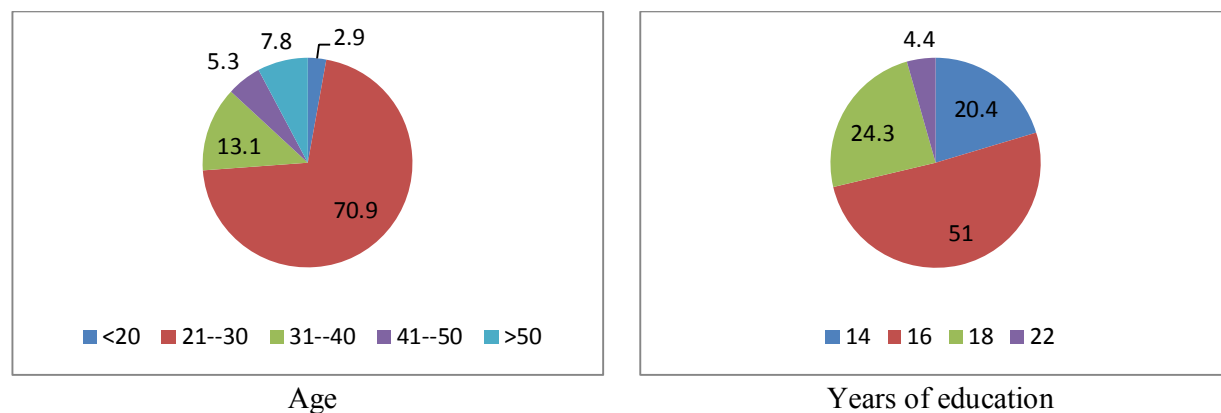

Fig. 1. Personal characteristics of participants

As we can observe from the results of Fig. 1, most people were aged between 21 and 30 and nealy half of them hold a bachelor of science. In other words, most of the people who participated in our survey were young and highly educated people. The questionnaire of this study consists of 23 questions in Likert scale from one to five. All questions were designed very carefully to make sure that they would address all different aspects of branding. Since the proposed study of this paper uses factor analysis, we must make sure that none of the data has unsual skewness. Table 1 demonstrates the summary of basic statistics. As we can observe from the results of Table 1, all skewness values are within the acceptable limit, which means they are relaiable and we do not need to remove any

question from our survey. Cronbach alpha has been calculated as 0.81, which is well above the acceptable limit.

Table 1
The summary of basic statistics on quesionnaire

Variable			Skewness		Kurtosis	
	Number	Mean	value	Standard deviation	value	Standard deviation
Trust to particular brand	206	4.00	-.654	.169	1.323	.337
Perceived characteristics of the product	206	3.00	-.156	.169	-.408	.337
Reputation of a brand	206	4.00	-.339	.169	-.427	.337
Customer relationship after the sale	206	4.00	-.662	.169	.333	.337
Experience before buying the product	206	4.00	-.378	.169	-.222	.337
In-store environment of supplier of brand	206	4.00	-.256	.169	-.513	.337
Brand familiarity	206	4.00	-.663	.169	.370	.337
Physical attribute	206	4.00	-.654	.169	.344	.337
Store employee attitudes and behavior	206	4.00	-.707	.169	-.040	.337
View product	206	4.00	-.620	.169	.876	.337
Special group's interests	206	4.00	-.092	.169	-.300	.337
Feedback from customers	206	4.00	.026	.169	-.165	.337
Sustainability of a particular brand in mind	206	4.00	-.582	.169	.284	.337
Brand stimulus	206	3.00	-.196	.169	-.422	.337
Advertisement on a particular brand	206	4.00	-.114	.169	-.055	.337
Packaging design of a brand	206	4.00	-.366	.169	.404	.337
Quality of packaging	206	4.00	-.341	.169	-.265	.337
Constant quality	206	3.00	-.810	.169	-.096	.337
The availability of a particular brand products	206	4.00	-.662	.169	.513	.337
Price of a particular brand products	206	4.00	-.397	.169	-.628	.337
Fixed price for a brand	206	4.00	-.898	.169	.194	.337
Satisfaction of a particular brand	206	3.1447	-.832	.169	-.163	.337
Performance of a specific brand product	206	3.0526	-.999	.169	-.037	.337
Valid N (listwise)	206					

The study considers the following six hypotheses,

1. Brand loyalty positively influences consumer purchase intention.

2. Physical attributes positively influences consumer purchase intention.

3. Pricing factors positively influences consumer purchase intention.

4. Performance measures positively influences consumer purchase intention.

5. Brand associates positively influences consumer purchase intention.

6. Brand position positively influences consumer purchase intention.

Fig. 1 demonstrates the structure of the proposed method of this paper. As we can observe from the results of Fig. 1, there are five main variables where each contains some other components. The proposed model was initially presented by Azad et al. (2013) in other studies and we plan to extend the findings of earlier work.
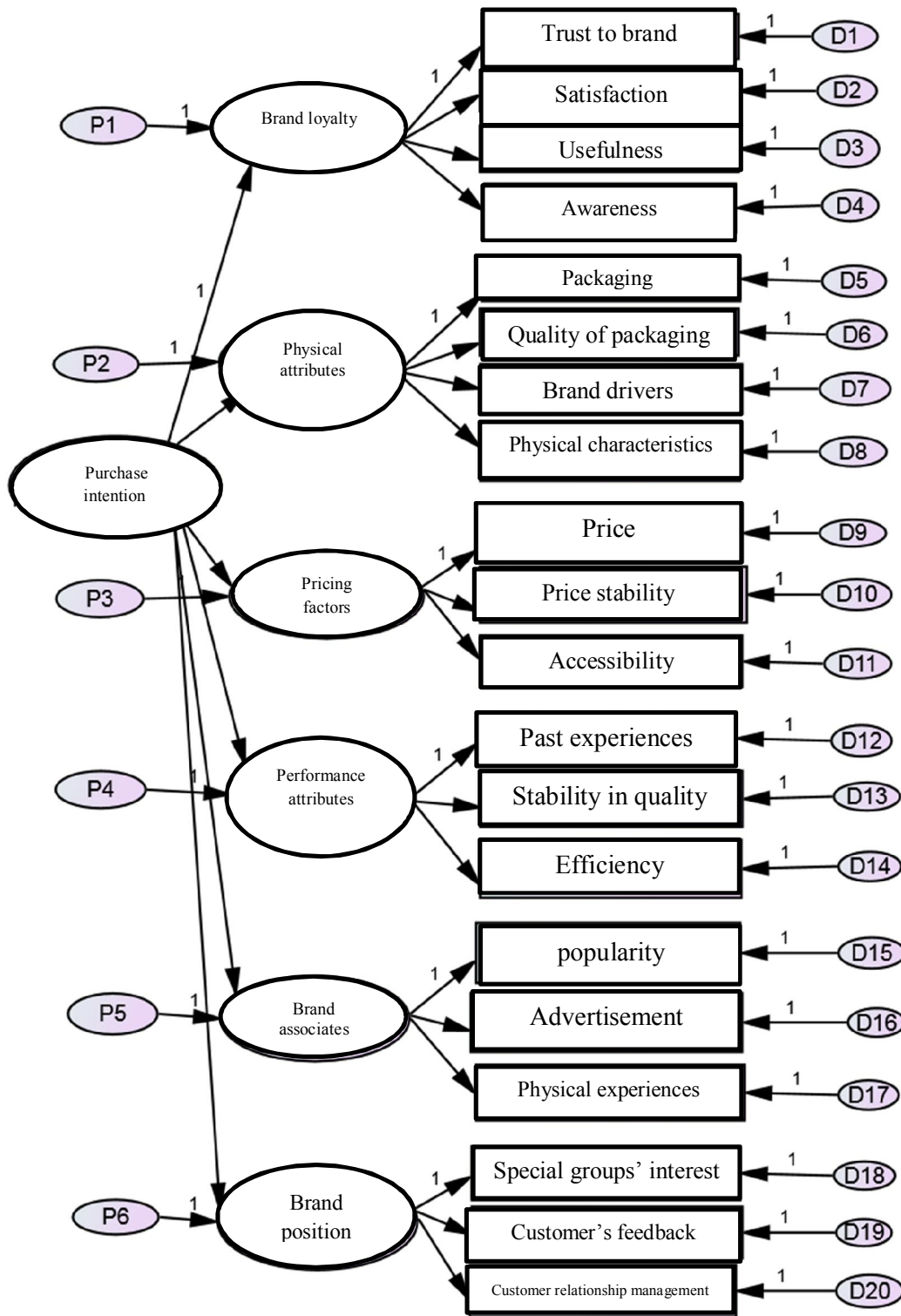
Fig. 1. The structure of the proposed study

The proposed study of this paper uses structural equation modeling (SEM) to study the relationships among different components of this study. The first step on using SEM results is to verify that statistical observations associated with SEM such Chi-Square, RMSEA, etc. are within the acceptable limits. In our study, we have faced some challenges and realized that statistics are not acceptable.

Therefore, we made some changes on the proposed model demonstrated in Fig. 1 and the modified model is presented Fig. 2 along with standard values.
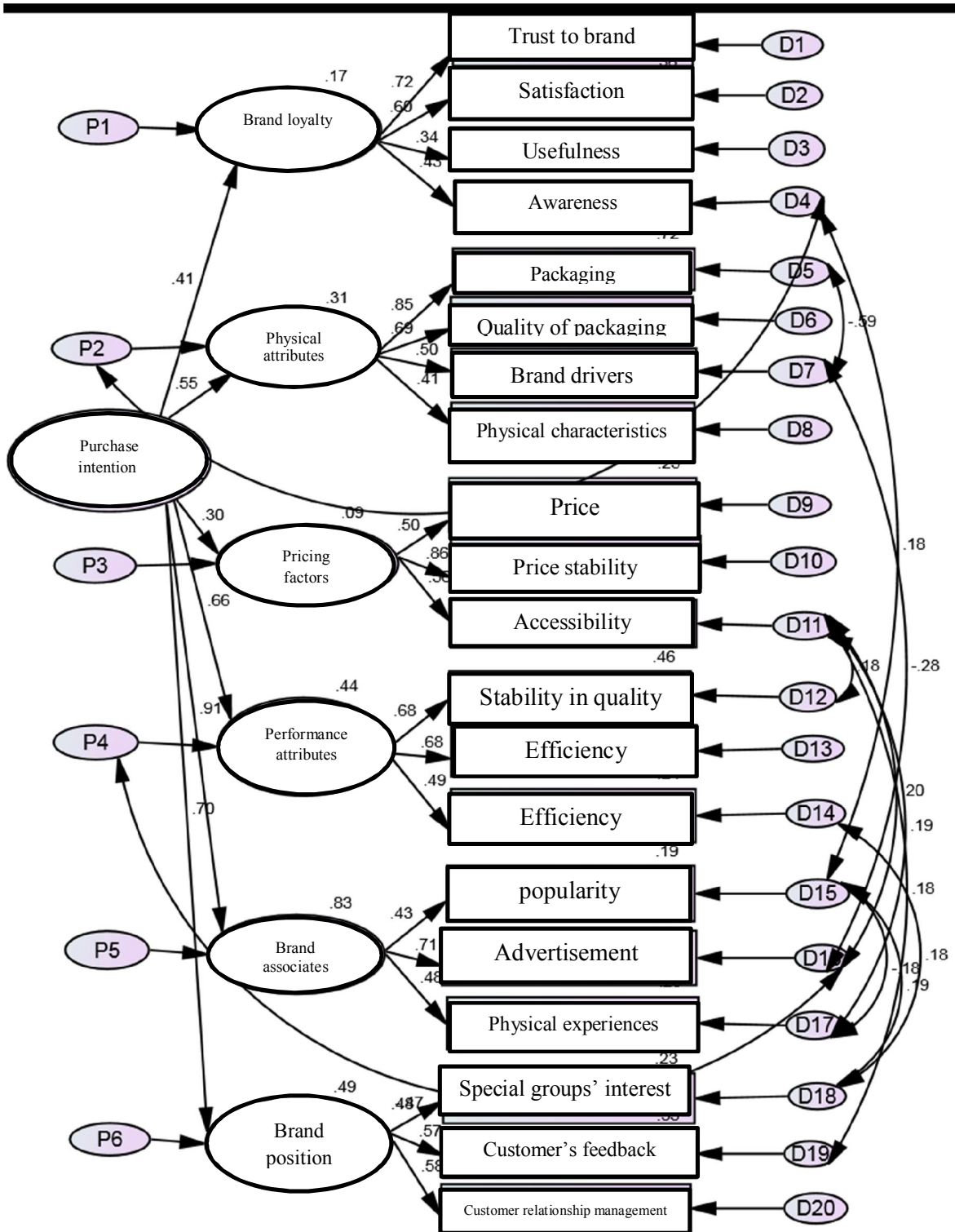

Fig. 2. The modified model

The modified model presented in Fig. 2 maintains acceptable statistics. Table 1 to Table 5 demonstrate the summary of some statistical observations associated with the proposed modified system.

Table 1
The summary of CMIN statistical observation associated with modified model

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	58	196.276	152	0.009	1.291
Saturated model	210	0	0		
Independence model	20	1012.96	190	0	5.331

Table 2
The summary of baseline comparison

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.806	.758	.949	.933	.946
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Table 3
The summary of Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.800	.645	.757
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

Table 4
The summary of RMSEA statistics

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.035	.019	.049	.963
Independence model	.137	.128	.145	.000

Table 5
The summary of HOELTER statistics

Model	HOELTER .05	HOELTER .01
Default model	215	232
Independence model	52	55

Based on the results of Tables 1-5, we are now able to present the results of our survey. Table 6 demonstrates the results of our regression analysis using two methods of maximum likelihood estimator and bootstrap.

3. The results

In this section, we present details of our proposed study based on the implementation of regression weight for the gathered data based on two methods of maximum likelihood estimator and bootstrap techniques.

3.1. The first hypothesis: The relationship between brand loyalty and purchasing intention

The first hypothesis of this survey investigates whether brand loyalty could positively increase purchasing intention or not. Based on the results of regression analysis there is a positive and meaningful relationship between these two components with the value of 0.41 (See Table 6). Therefore, we can confirm the first hypothesis of this survey and conclude that an increase of one unit on brand loyalty will increase purchasing intention by 0.41 percent.

3.2. The second hypothesis: The relationship between physical attribute and purchase intention

The second hypothesis of this study investigates the relationship between physical attribute and purchase intention. Based on the results of Table 6, there is a positive and meaningful relationship between these two variables (Value=0.55, t-student=3.935). Therefore, we can confirm the relationship between these two variables and conclude that an increase of one unit on physical attribute will increase purchase intention by 0.55.

Table 6
The summary of regression weights for group number 1 in default model using maximum likelihood estimator as well as Bootstrap

Relationship			Maximum likelihood estimator					Bootstrap			
			Estimate	S.E.	C.R.	P	Label	mean	SE	L	U
Brand loyalty	<---	Purchase intention	1.000					1	0	1	1
Product characteristics	<---	Purchase intention	1.480	.411	3.601	***	par_15	1.545	.447	.880	2.348
Brand associate	<---	Purchase intention	1.648	.475	3.472	***	par_16	1.740	.580	.965	2.711
Brand position	<---	Purchase intention	1.574	.458	3.435	***	par_17	1.641	.545	.912	2.734
Physical characteristics	<---	Purchase intention	1.890	.480	3.935	***	par_18	2.034	.587	1.200	2.982
Pricing factors	<---	Purchase intention	.611	.238	2.568	.01	par_19	.662	.393	.182	1.507
Brand satisfaction	<---	Brand loyalty	.816	.150	5.424	***	par_1	.814	.149	.587	1.074
Usability	<---	Brand loyalty	.506	.131	3.873	***	par_2	.507	.191	.217	.893
Price	<---	Pricing factor	1.000					1	0	1	1
Price stability	<---	Pricing factor	1.727	.342	5.048	***	par_3	1.883	.465	1.289	2.779
Easy access	<---	Pricing factor	1.182	.200	5.902	***	par_4	1.257	.324	.826	1.830
Stability in quality	<---	Performance attribute	.884	.138	6.409	***	par_5	.914	.158	.680	1.191
Brand reputation	<---	Brand associate	1.000					1	0	1	1
Product efficiency	<---	Performance attribute	.765	.137	5.569	***	par_6	.791	.180	.477	1.056
Past experience	<---	Performance attribute	1.000					1	0	1	1
Physical characteristics	<---	Physical characteristics	.514	.091	5.647	***	par_7	.512	.094	.384	.689
Brand driver	<---	Physical characteristics	.562	.101	5.566	***	par_8	.562	.117	.389	.785
Quality of packaging	<---	Physical characteristics	.798	.096	8.322	***	par_9	.791	.090	.670	.968
Packaging design	<---	Physical characteristics	1.000					1	0	1	1
Brand awareness	<---	Brand loyalty	.624	.130	4.803	***	par_10	.639	.164	.389	.912
Trust to brand	<---	Brand loyalty	1.000					1	0	1	1
Advertisement	<---	Brand associate	1.538	.312	4.937	***	par_11	1.565	.328	1.049	2.162
Physical access	<---	Brand associate	1.043	.237	4.393	***	par_12	1.047	.236	.728	1.503
Specific group usage	<---	Brand position	1.000					1	0	1	1
Customer feedback	<---	Brand position	1.104	.229	4.816	***	par_13	1.131	.217	.797	1.497
After sales services	<---	Brand position	1.162	.238	4.875	***	par_14	1.246	.354	.787	1.605

3.3 The third hypothesis: The relationship between pricing factors and purchasing intention

The third hypothesis of this survey studies the relationship between pricing factors and purchasing intention. Based on the results of Table 6, there is a positive and meaningful relationship between these two variables (Value=0.30, t-student=2.568). Therefore, we can confirm the relationship between these two variables and conclude that an increase of one unit on pricing factors will increase purchase intention by 0.30.

3.4 The fourth hypothesis: The relationship between product performance attributes and purchasing intention

The fourth hypothesis of this survey studies the relationship between product performance attributes and purchasing intention. Based on the results of Table 6, there is a positive and meaningful relationship between these two variables (Value=0.66, t-student=3.601). Therefore, we can confirm the relationship between these two variables and conclude that an increase of one unit on product performance attributes will increase purchase intention by 0.66.

3.5 The fifth hypothesis: The relationship between brand associate and purchasing intention

The fifth hypothesis of this survey studies the relationship between brand associate and purchasing intention. Based on the results of Table 6, there is a positive and meaningful relationship between these two variables (Value=0.91, t-student=3.472). Therefore, we can confirm the relationship

between these two variables and conclude that an increase of one unit on brand associate will increase purchase intention by 0.91.

3.6 The sixth hypothesis: The relationship between brand position and purchasing intention

The sixth hypothesis of this survey studies the relationship between brand position and purchasing intention. Based on the results of Table 6, there is a positive and meaningful relationship between these two variables (Value=0.70, t-student=3.435). Therefore, we can confirm the relationship between these two variables and conclude that an increase of one unit on brand position will increase purchase intention by 0.70.

In summary, all hypotheses of this survey have been confirmed and we can conclude that an increase on brand loyalty, brand attribute, pricing factors, product performance attributes, brand associate and brand position will increase purchasing intention, significantly.

4. Conclusion

In this paper, we have performed an empirical investigation to study the effects of six factors on purchasing intention using structural equation modeling. The proposed study of this paper designed a questionnaire and distributed it among some regular customers of two main chain of food supplier in Tehran, Iran. The results of our study has confirmed that an increase on brand loyalty, brand attribute, pricing factors, product performance attributes, brand associate and brand position will increase purchasing intention, significantly.

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