



Brand experience anatomy in retailing: An interpretive structural modeling approach

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ABSTRACT

In today's highly competitive retail environment, retailers have recognized and embraced the concept of offering experiences with the retail brand across various channels beyond new launches and lower prices. To manage the experiences associated with a retail brand, retailers need to understand the concept of brand experience in retailing and the factors that actually comprise it. Interestingly, very few studies have imparted an understanding of brand experience in retailing. This study seeks to understand the retail brand experience and model the interrelationships among retail brand experience variables using interpretive structural modeling (ISM). Retail brand experience variables used in this study have been identified from existing literature on 'brand experience' and from brainstorming sessions with academicians and retail industry experts. Our findings show that the variables, namely, packaging of own label brands, customer billings, order and application forms, point-of-sales (i.e., shelf talkers) and recommendation by a salesperson have a high degree of influence and exhibit low dependence. These variables require a great deal of consideration due to their strategic significance to retailers. The approach applied in this study will enhance the understanding of retailers for improving the performance through managed retail brand experience initiatives.

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1. Introduction

In today's highly competitive retail environment, retailers have recognized and embraced the concept of offering pleasant experiences to customers across various channels beyond new launches and lower prices. Academic research also validates the relevance of customer experience in retailing (Grewal et al., 2009; Morganosky and Cude, 2000; Otnes et al., 2012; Puccinelli et al. 2009; Srivastava and Kaul, 2014; Verhoef et al., 2009). For instance, Verhoef et al. (2009) highlight the significance of providing superior customer experiences and proposed its determinants, namely, store brands, store environments, past customer experiences, and service interfaces. While defining customer experience, they have considered it as "holistic in nature and involve[ing] the customer's cognitive, affective, emotional, social and physical responses to the retailer. This experience is created not only by those factors that the retailer can control (e.g., service interface, retail atmosphere, assortment, price), but also by factors outside of the retailer's control (e.g., influence of others, purpose of shopping)" (Verhoef et al., 2009; p. 32). Furthermore, Puccinelli et al. (2009,) explain the role of various research streams and consumer

behavior theories in shaping and influencing customer experiences.

Many studies have highlighted the significance of *shopping experiences* (Bäckström, 2011; Bonnin and Goudey, 2012; Borges et al., 2010; Esbjerg et al., 2012; Jones, 1999), *critical service experiences* (Vazquez et al., 2001), *creation and consumption experiences* (Bäckström and Johansson, 2006), *active and creative experiences* (McIntyre, 2009), *esthetic experiences* (Nuttavuthisit, 2014), and *past experiences as drivers to recommend and pay more* (Loureiro and Araújo, 2014) in retailing. Despite the understanding of these experiential concepts in retailing literature, the academic perspective of investigating brand experiences in retail has been ignored. Brand experience is a broad experience construct that consists of both customer and non-customer experiences regarding a brand (Nysveen et al., 2013). More specifically, Nysveen et al. (2013) have discussed about life cycle and context specific experiences. Consumer life cycle experiences refer to shopping experiences, whereas the service and product experiences belong to context specific experiences. Brakus et al. (2009,) amalgamated experiences with regard to consumption, shopping, service and product in the conceptualization and examination of brand experience construct.

In recent years, the retail brand concept has gained attention among retailers, but the academic literature on retail brand is still underdeveloped (Grewal et al., 2004). Bringing up the significance

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of the concept of experience with retail brand, Ailawadi and Keller (2004, p. 338) stated that retailers must understand the experiences evoked by the retail brand, which are essential in building the retail brand image. They have also raised some significant questions related to brand experience in retailing such as, “What kinds of feelings can be engendered by a retailers' event? How can that become linked to the retailer's brand? How do retailers develop their communication strategies as a whole?”. The kind of linkages that exist between the experiences and the events organized by a retail brand require an investigation (Ailawadi and Keller, 2004). Despite this call for research, no previous study has conceptualized retail brand experience and identified the inter-relationship among the variables that constitute retail brand experience.

To better understand the dynamic complexities of inter-relationships, several studies have suggested the application of ISM (Farris and Sage, 1975; Sage, 1977; Warfield, 1974a, 1974b). Warfield (1974a, 1974b,) and Sage (1977,) advocated the use of ISM in identifying relationships among specific variables of a complex system. Farris and Sage (1975,) suggested ISM to be a significant qualitative tool, which enables to determine the structure of any social, technical or medical system with identifiable elements related in some manner. Several management studies have adopted and verified the significance of ISM in evaluating interrelationships among variables (Lin and Yeh, 2013; Sharma and Gupta, 1995; Singh et al., 2003; Thakkar et al., 2005; Thakkar et al., 2008). For instance, Lin and Yeh (2013,) have utilized ISM in determining the relationships among the enablers of tour value and classified them according to their dependence on other variables and degree of influence. Accordingly, ISM approach for analyzing the interactions among retail brand experience variables has been proposed in this study. Thus, the objectives of this study are (1) to explain the meaning of retail brand experience, (2) to identify the variables that facilitate retail brand experience and establish the relationship linkages among them and (3) to discuss implications of the findings for the retailers.

2. Brand experience: a theoretical background

Brand experience is an emerging area in the marketing literature that can bring satisfaction and elicit loyalty from the customers. From cognitive science, marketing, philosophy and applied management practices, brand experience has been conceptualized as a multi-dimensional construct and defined as “sensations, feelings, cognitions, and behavioral responses evoked by brand-related stimuli that are part of a brand design and identity, packaging, communications, and environments” (Brakus et al., 2009, p. 53). Brand experience, while related, is quite different to concepts such as brand attitudes, brand personality, brand involvement and brand attachment (Brakus et al., 2009). For instance, brand attitudes are general assessments, whereas brand experiences involve particular sensations, feelings, cognitions, and behavioral responses as a result of particular brand-related stimuli (Brakus et al., 2009, p. 53).

Chattopadhyay and Laborie (2005,) stated the credentials of brand experience during customer-brand encounters (termed as ‘brand contacts’). Many studies put forward the need of understanding the brand experience concept, which captures the real essence of customer-brand relationship (Brakus et al., 2009; Chang and Chieng, 2006; Schmitt, 2009). Furthermore, Brakus et al. (2009,) have criticized the existing branding constructs for providing incomplete conceptualizations that do not capture the full range of experiences which affect consumers through brand-related stimuli. Thus, brand experience provides a more holistic evaluation of a brand—a gestalt of experiences.

Brand experience has been studied in various contexts, for instance, Iglesias et al. (2011,) verified brand experience dimensions for various products (cars, laptops and sneakers) and explained their impact on brand loyalty through affective commitment. Ishida and Taylor (2012,) examined the brand experience construct in retailing and verified three brand experience dimensions (sensory, behavioral and affective), and also suggested exploration of additional experiential attributes from retailing literature. Further, Nysveen et al. (2013) have tested the brand experience scale of Brakus et al. (2009) in services (mobile, television and broadband), and proposed one more additional brand experience dimension, which is ‘relational experience’. More recently, Barnes et al. (2014), examined brand experience for destination brands and found sensory dimension as the most important one.

In developing the brand experience scale, Brakus et al. (2009, p. 55) analyzed consumer descriptions of brand experiences for a variety of ‘experiential brands’ (both goods and service brands) among which were a few retail brands. However, due to less number of retail brands, it was unclear whether brand experience scale (of Brakus et al., 2009) can be useful in retailing context. Later, Ishida and Taylor (2012,) tested the usefulness of brand experience scale in retailing context, and found that retailing requires a distinctive view on brand experience. They emphasized the need to develop additional understanding of brand experiences in retailing and suggested that “studies may consider expanding the retailing-specific brand experience operationalization beyond that used in Brakus et al. (2009,)” (Ishida and Taylor, 2012, p. 75). Yet, no previous study has conceptualized and explored retail brand experience till date. The scarcity of scholarly research on this newly developed and broader view of experience (i.e., brand experience) in retailing calls for a rigorous examination in order to maintain the pace and deeper understanding of experiences in retailing. Therefore, based on above unanswered questions in brand experience and retailing literature, the need to do a study on retail brand experience understanding is quite clear.

3. Retail brand experience

Viewing retailer as a brand is among the top trends in retailing (Grewal et al., 2004). As a response to growing industry attention, a special issue was devoted to “Retail Branding and Customer Loyalty” in the *Journal of Retailing* (2004, vol. 80, issue 4). In view of Ailawadi and Keller (2004, p. 332), “a retail brand identifies the goods and services of a retailer and differentiates them from those of competitors”. Zentes et al. (2008, p. 167) define retail brand as “a group of the retailer's outlets which carry a unique name, symbol, logo or combination thereof”. Retail brands are different from product brands, and this brings dissimilarity in the application of many branding principles, though some can be same (Ailawadi and Keller, 2004, p. 332). Nature of retail brand is more multi-sensory in comparison to product brands, which makes retail brand to rely on rich customer experiences. For instance, customer experience with a retail brand involves customer negotiation with their way through the store, interacting with several store personnel along the way, finding the merchandise they want, and returning the merchandise (Dabholkar et al., 1996, p. 3).

Retailers adopt different ways to create their brand images, like unique associations with their service quality, pricing and credit policy, their product assortment and merchandise (Ailawadi and Keller, 2004, p. 332). In fact, retail brand acts as experience factory or retail theater for delivering a pleasant shopping experience, which influences customer satisfaction and loyalty (Baron et al., 2001). Customers' engagement with several activities during retail brand selection, purchase and post purchase stages brings a comprehensive experience that determines their satisfaction with

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