

From Brand Experience to Brand Love. A tested model in OTT industry

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Abstract

The concept of brand experience has gained greater attention in the last decades by both academics and practitioners and whilst there has been a growing number of studies in this area, this concept remains relatively unexplored as compared to other branding constructs. The present study seeks to address this need by developing a conceptual model of brand experience on the basis of existing literature and analysing the findings in order to explain the role of brand originality and brand trust as antecedents and brand love as behavioural outcome. This study approaches the OTT sector with the case of Netflix and adopts Millennials as target.

The paper empirically examines the proposed model to test the hypothesized relationships. Exploratory and confirmatory factor analysis (EFA and CFA) were adopted to confirm the variables in the study and a structural equation model (SEM) was performed to test the hypotheses concerning the key influences among constructs.

1. Introduction

Over the past years, the concept of brand experience has been characterized by a large amount of studies in marketing and branding academic literature. Moreover, studies have confirmed that modern consumers are not at all rational in their decisions and the evaluation about price and other technical and functional features are only a little part of consumer's behaviour (Schmitt, 1999; Schmitt and Rogers, 2008). A number of scholars believe also that experiences resulting from various interactions with brands have a substantial impact on consumer behaviour (Holbrook and Hirschman, 1982; Pine and Gilmore, 1998; Schmitt, 1999; Brakus et al., 2009).

However, although many efforts have been done in order to develop and test a brand experience model that shows the impact and other relationships with behavioral factors (Brakus et al., 2009; Iglesias et al., 2011; Khan and Fatma, 2017; de Oliveira et al., 2018) many relationships are not investigated yet. Moreover, is it not yet clear if some construct such as brand trust should be viewed as constituent the brand experience or one of its consequences (Lemon and Verhoef, 2016).

This work tries to answer these opened arguments by developing and testing a conceptual model of brand experience on the basis of extant literature.

The study, in the case of the over-the-top (OTT) sector and in particular with Netflix, as case study, explores empirically the developed brand experience model and tests the related hypothesized relationships between constructs. As more and more media companies are gearing towards OTT video services, this field is nowadays one of the most interesting sector because

of its growth, innovativeness and impact on changes in consumer behavior. All these facts have a great impact on consumer behaviour in particular regarding the shift of media consumption from traditional TV to streaming platforms. Moreover, the study uses Millennial cohort as target (1982-1995). This cohort is called new “Great Generation”, broadly defined as the Generation Y (Howe & Strauss, 2000) and it has received special attention in these last years by both researchers and managers. They represent the first technological generation and prefer original and authentic brands, products or services (Norum, 2003; Moore, 2012; Pattuglia and Mingione, 2016).

This research started with an in-depth literature review of the articles published in academic journals from the first one that mentioned “brand experience” in 1991 (Ortmeyer and Huber, 1991) and some hypothesis were developed and tested.

2. Theoretical framework and hypothesis development

Brand experience is broadly conceptualized as the “subjective, internal consumer responses (sensations, feelings, and cognition) and behavioural responses evoked by stimuli that are part of a brand’s design, identity, packaging, communications, and environment” (Brakus et al., 2009).

Recent studies on brand experience have shifted their efforts from defining and measuring the construct to identify its relationship – antecedents and consequences – with other brand constructs (Brakus et al., 2009; Iglesias et al., 2011; Khan and Fatma, 2017; de Oliveira Santini et al., 2018). On this basis, it’s important to note that one of the most important challenges in this area of research is to understand and empirically define that the brand experience is not just an isolated phenomenon but it can affect or be affected by some of the important cognitively driven concepts in branding and consumer behaviour literature such as brand trust and brand love (Chaudhuri and Holbrook, 2001; Carroll and Ahuvia, 2006; Schmitt, 2009).

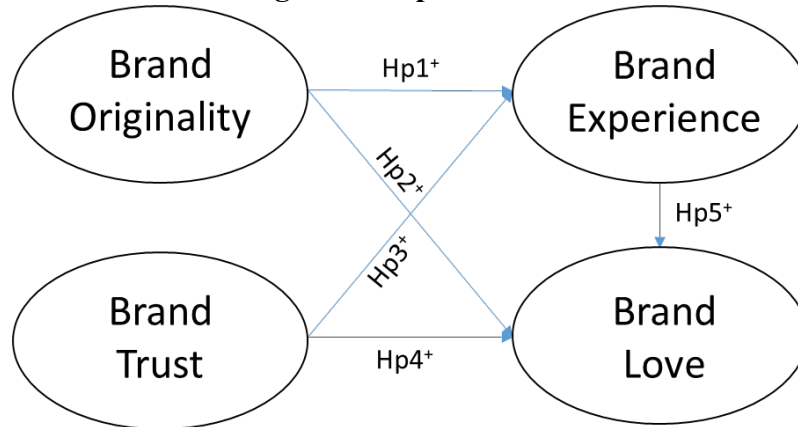
A review of literature shows that some efforts have been made in these last years to identify possible relationships with brand experience (Morrison and Crane, 2007; Brakus et al., 2009; Iglesias et al., 2011; Khan & Fatma, 2017; de Oliveira Santini et al., 2018). Nonetheless, most of the studies haven’t analysed and integrated yet three important branding constructs (brand trust, brand originality, brand love) as customer brand related experiences in a holistic model.

Building on this, five hypotheses were developed:

- Hp1. Brand originality positively influences consumer brand experience.*
- Hp2. Brand originality positively influences consumer brand love.*
- Hp3. Brand trust positively influences consumer brand experience.*
- Hp4. Brand trust positively influences consumer brand love.*
- Hp5. Brand experience positively influences consumer brand love.*

Drawing on all the hypotheses presented above, this research suggests a conceptual model (Figure 1) that investigates the structural relationship between these four variables specifically, brand experience, brand originality, brand trust and brand love.

Fig. 1 Conceptual Model



3. Methodology

To test the hypotheses suggested in the model, data were collected with the help of a structured questionnaire via convenience sampling methodology.

Netflix – one of the major global over-the-top companies - was the brand selected for this study for two main reasons: (1) the brand has high brand awareness (Interbrand, 2018) and (2) it is very well known among Millennials. Moreover, Netflix is a new and emerging brand in the media industry and there is no research on brand experience regarding this kind of companies. Data were gathered throughout an internet survey that was carried out in Italy (EU) in September 2018. The questionnaire consisted of three parts. The first section gathers standard demographic information such as age, gender, educational level and region of origin. Second part was about behavioural information about Netflix watching and consumption.

To develop the third and last part of survey instrument, the study adapted scale items of three variables (brand trust, brand originality and brand love) from existing literature. Brand trust was measured with a four-item scale recommended by Chaudhuri and Holbrook (2001). Brand originality was measured using four item scale adapted from Bruhn et al. (2012). Brand love was measured with an eight-item scale adapted from Carroll and Ahuvia (2006). Next, a 12-item scale given by Brakus et al. (2009), which has been used consistently in literature, was used to measure brand experience. A seven-point Likert scale was used in all cases.

First step was the reliability analysis to check the reliability of each construct. Then, exploratory and confirmatory factor analysis (EFA and CFA) were used to confirm the constructs in the study and structural equation model was performed to test the hypotheses concerning the key influences among latent variables. The study employed SPSS 21 and Lisrel 8.8 softwares.

4. Findings

The survey resulted in a total of 484 usable responses. Table 1 below shows some descriptive statistics of the convenient sample.

Table 1 Sample demographics

Characteristic	Sample= 484	
Gender		
Male	149	30,1%
Female	335	69,9%
Age		
20-28	301	62,2%
29-38	183	37,8%

Origin			
North-Italy	193	40%	
Center-Italy	177	36%	
South-Italy	114	24 %	

The dataset was further analysed for its reliability by measuring Cronbach's alpha for all the scales used in this research. Table 2 presents the results of descriptive statistics and reliability test for all the scales used in this research. Composite reliability (CR) and Cronbach alphas were estimated to examine the internal consistency of each construct.

Table 2 Descriptive and reliability statistics

Construct	N. of items	Mean	SD	α	CR	AVE
Brand Trust	4	5.91	1.09	.893	.82	.54
Brand Originality	4	4.99	1.65	.902	.80	.50
Brand Love	8	4.94	1.69	.957	.91	.56
Brand Experience	12	4.99	1.76	.922	.94	.55

Next step was the correlation test. Table 3 shows correlations of the variables in this research. As finding, all the constructs in the proposed model resulted correlated, in particular, the strongest correlation was found between brand trust and brand originality and lowest correlation was observed between brand originality and brand experience.

Table 3 Correlations matrix

Construct	BT	BO	BL	BE
Brand Trust	1			
Brand Originality	.676*	1		
Brand Love	.790*	.685*	1	
Brand Experience	.659*	.510*	.734*	1

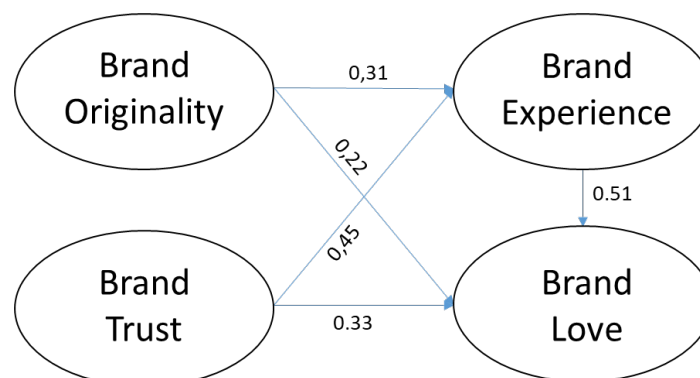
Sample size: 484. *Correlation is significant at the 0.01 level (two-tailed).

Move on, for this study was chosen structural modelling approach.

Thus, all the hypothesized relations in the proposed conceptual model (Figure 1) were tested with a structural equation modelling technique (SEM). Findings show that the fit indices for the structural model indicated a reasonably good model fit ($\chi^2/df=3.2$; RMSEA=0.063; CFI=0.98; GFI=0.87; AGFI=0.85).

All of the hypothesized relationships were statistically significant ($p < .05$)

Fig. 2 Final model standardized path coefficients



Significant at the 5% level

5. Theoretical Implications

The present study contributes to the extant literature on brand experience in numerous ways. Firstly, to the best of our knowledge this is the first study that analyses the relationship between brand experience and some consumer behaviour constructs in the OTT industry. The study also has Millennials as target: this generation is gaining greater attention from academics and practitioners in these times. Furthermore, they converge massively on these platforms for both information and entertainment needs.

Secondly, findings suggest that there is a great impact of a positive brand experience on consumer emotions towards brands. In particular, a strong relationship seems to exist between brand experience and brand love (Roy et al., 2012; Cleff et al., 2014).

Brand trust has been found to have a direct positive impact on brand experience. This result answers to Lemon and Verhoef (2016) call confirming that trust can influence experience because it reduces cognitive effort and attention paid to monitor a relationship, as well as influencing the experience via a “halo effect” (Lemon and Verhoef, 2016). Moreover, brand trust exerted great influence on brand love. This suggests that customers who have trust in the brand become more emotional attached to it.

Brand experience, as mentioned, also emerged as strong predictors of brand love (Roy et al., 2012). This suggests that consumers’ strong positive feelings and emotions toward a brand are greatly affected on their experiences with the brand (Batra et al., 2012).

Noteworthy, a strong and positive possible relation between brand experience and brand love is somewhat expected for entertainment services; a context in which consumers search pleasurable experiences to fill up their free time and for this reason this concept is probably an important source of establishing a long-term relationship.

6. Managerial Implications

In addition to the aforementioned discussions from findings this work offers important implications at practice level and some managerial implications can be drawn from this work.

Firstly, managers are now called to operationalize single brand experience factors. This is due to the fact that every experience is a transitory phenomenon, so a specific experience, even if positive is incapable of giving a competitive advantage for a firm. Thus, managers should think about a set of experiences over time and design a proper customer journey (online/offline touch points) to achieve long and strong consumer-brand relationship. Indeed, designing the customer journey along the mix between traditional and new digital paradigm could be the largest opportunity for OTT managers to gain profit growth. In particular, marketing team should think about an omni-channel strategy integrating digital and traditional tools in defining the distribution and the communication efforts of their brand to allow the shift from the originality perception from consumer, to an actual sense of trustworthiness until the feeling of love toward the brand. Thus, in addition to a targeted communication campaign on social media (the most effective in the case of Millennials) brand managers should develop more physical touch points, such as physical shops, show rooms, cinemas etc. also through partnerships with firms from a different sector (for example food or engineering firms) and working in activities of institutional P.R. These operations should enhance the sense of trustworthiness and delight towards the brand.

Moreover, companies should implement apposite measurements, metrics and techniques in order to map the experiential process and its determinants and outcomes. It can help at the same time the management to design new competitive strategies and consumers to live a better and holistic brand experience. Thus, from an operational approach and in order to cluster and target consumers with behavioural criteria, this study suggests managers should manage a refined Customer Relationship Management (CRM) strategy and programme; the technological relational platform, clearly, should be strictly projected and connected to social media channels

(community, blogging, microblogging, social networking) and the brand influencers should be monitored and measured in those consumers' opinions. On this point, firm should also provide a structured community management to oversee all the owned, paid and earned instruments achieved by the company.

To conclude, focusing on factors that influence the brand experience, such as the capability to be trustworthy and different from other competitors (e.g. original) marketing managers could achieve some important consequences, most notably consumers positive feeling towards the brand until reach the brand love. This in turn has important behavioural outcomes such as brand loyalty (as broadly confirmed by other researches), consumers' commitment and their willingness to generate positive word-of-mouth in a virtuous circle.

7. Originality

This study makes an effort in order to unify and consolidate the concept of brand experience in marketing literature developing and analysing a brand experience model that explains the role of this construct determining marketing outcomes. Moreover, this study approaches the OTT sector and adopts as target one of the nowadays important and buzzed generation of Millennials.

8. Limitations

This study was limited to a single brand in a single country. Further research is required in order to verify and generalize the findings. Future research should examine these relationships in other contexts to bring about a deeper and clearer understanding of the relationship between brand experience and other dimension of the consumer behaviour.

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