

BRAND EXPERIENCE AND BRAND LOYALTY: A LITERATURE REVIEW

Ruchika Ramakrishnan¹ and Anupama Vohra²

In today's competitive era, where consumers have a greater number of choices than ever before, more complex choices, and more channels through which to pursue them, the companies are frantically searching for ways to ensure brand loyalty. In such a scenario, delivering unique brand experiences might be a potential differentiation tool as research indicates ensuring meaningful experiences with the brands will win the allegiance of the time-pressed consumer. Additionally, research has confirmed that a firm has no choice as to whether or not to be connected to experiences created by their brands. Though it has been acknowledged, over the years, by marketing academics and practitioners that consumers look for brands that provide them with unique and memorable experiences yet, the term "brand experience" has started getting attention recently in the marketing literature. Thus, this paper presents a detailed discussion about this contemporary concept of brand experience and its relationship with brand loyalty.

Key words: Brand Experience, Brand Loyalty, Brand Experience Scale, Customer Experience, Service Experience.

INTRODUCTION

"Brands today are defined by the experience they create for customers" (Duffy, 2003).

Marketing has traditionally focussed on physical aspects of product and service brands, such as functionality, price, availability or quality neglecting the experiences provided by these brands. However, fortunately or unfortunately, any interaction with a brand is considered as an experience by consumers. Research has confirmed that modern consumers no longer simply buy products and services; instead they buy the wonderful and emotional experiences around what is being sold (Morrison and Crane, 2007). As observed by Schmitt (2011), "Marketing practitioners have come to realize that understanding how consumers experience brands and, in turn, how to provide appealing brand experiences for them, is critical for differentiating their offerings and ensuring

¹ Assistant Professor, Shyam Lal College, University of Delhi, Delhi. ruchikaram75@gmail.com

² Associate Professor, Faculty of Management Studies, University of Delhi, Delhi. anupamavohra@fms.edu

loyalty in a competitive marketplace”.

Thus, in today's competitive era, where companies are frantically searching for ways to ensure brand loyalty, delivering unique brand experiences might be a potential differentiation tool. In fact, Pullman and Gross (2004) reported, “Evidence suggests that properly executed brand experiences will encourage loyalty by creating emotional connections through an engaging, compelling and consistent context”. Pine and Gilmore (1998) were among the only few who highlighted the importance of “experience” and attributed a separate economic identity to it. They observed, “Economists have typically lumped experiences in with services, but experiences are a distinct economic offering, as different from services as services are from goods”. They argued that as goods and services become commoditized, the “customer experiences” that companies create will matter the most and businesses will be forced to rethink the nature of their products and shift to selling “experiences” rather than products or services.

Hulten (2011) proposed that all communication, consumption experiences, and customer contacts inevitably create an experience in the customer's mind. In fact, many marketing scholars (Addis and Holbrook, 2001; Iglesias, Singh and Batista-Foguet, 2011; Payne, Storbacka, Frow and Knox, 2009) have placed experiences at the heart of the brand building process and agree that experience has become a key element in understanding consumer behaviour, and, above all, a foundation for the economy (Pine and Gilmore, 1998) and marketing (Schmitt, 1999) of the future.

EVOLUTION OF BRAND EXPERIENCE: A CRITICAL REVIEW

Although contemporary academic work emphasises Holbrook and Hirschman's (1982) work as the starting point in considering experiential marketing, Frow and Payne (2007) reported that it has origins in much earlier academic work. In fact, Holbrook (2006) clearly points out the fact that much before Holbrook and Hirschman's (1982) research, various scholars had already emphasised how the services performed provide consumption experiences and the importance of these consumption experiences.

Nevertheless, the majority of the marketing scholars agree that the notion of experience entered the field of consumption and marketing with Holbrook and Hirschman's pioneering article of 1982. They strongly proposed, “By focusing single mindedly on the consumer as information processor, recent consumer research has tended to neglect the equally important experiential aspects of consumption, thereby limiting our

understanding of consumer behaviour". They developed a useful model contrasting the differences between the information-processing (rational) and the experiential view (irrational). They argued that one cannot reduce the explanation of human behaviour to any narrowly circumscribed and simplistic model as the behaviour of people in general and of consumers in particular is the fascinating and endlessly complex result of a multifaceted interaction between organism and environment. They were of the view that in the experiential paradigm, consumer behaviour pursues the more subjective, emotional, and symbolic aspects of consumption. Thus, according to them, for researchers of consumer behaviour, "an experience is above all a personal occurrence, often with important emotional significance, founded on the interaction with stimuli which are the products or services consumed". In fact, the practically oriented management literature in the late 1990s and 2000s largely followed Holbrook and Hirschman's (1982) view.

In one of the earliest works, Alba and Hutchinson (1987) made an attempt to comprehensively review pertinent empirical results available in the psychological literature to provide a useful foundation for research on consumer knowledge. As a result of this review, they stated that product-related experiences include advertising exposures, interactions with salespersons, choice and decision making, purchasing and product usage in various situations. Further, their study revealed that consumers brand experience refers to their knowledge of and familiarity with a brand or brand category.

Carbone and Haeckel (1994), in their conceptual article, published in *Marketing Management*, with a central theme on how to engineer customer experiences defined experience as, "An experience is the take-away impression formed by people's encounters with products, services and businesses – a perception produced when humans consolidate sensory information. In other words, it is the aggregate and cumulative customer perception created during the process of learning about, acquiring, using, maintaining, and (sometimes) disposing of a product or service". They coined a term "experience engineering" and suggested a systematic approach to creating, implementing and measuring the impact of experience clues. They propose that if systematically crafted into a positive impression, the clues promote customer preference, which a company can leverage to differentiate otherwise commodity-like products and services.

Pine and Gilmore (1998), in their widely recognised conceptual article on 'experience economy', published in *Harvard Business Review* (HBR), proposed in the twenty-first century, many developed societies were entering the experience economy following the service economy, where the highest-value economic offerings are experiences. In their

