

Effect of brand experience on consumer purchasing behaviours in the food industry of Azerbaijan

Seymur M. Guliyev^a

^a PhD student, Azerbaijan State Oil and Industry University, Baku, Azerbaijan

E-mail: seymurguliyev@yahoo.com

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Abstract

Branding is considered as one of the vital marketing communication tools and it is an important concern in the food industry among the suppliers of food. Business developers kept trying to increase their brand values to get market share and it caused to have strong competition during the past decades. This article discusses empirical research to learn in detail information on the relationship between brand experience and consumer purchasing behaviours. The author initiates to select 410 people as samples who are routine clients of four famous retailers Bravo, Bazar Store, Araz and Rahat, in Baku, capital of Azerbaijan. Structural equation modeling is used and furthermore, 5 hypotheses are formulated to analyze the data gathered. The result of the study proves that an increase in brand loyalty, attributes, and factors of pricing, attributes for the performance of products, brand position and association can significantly increase the purchasing intention and motivation of consumers.

Keywords: brand experience, consumer intention, brand loyalty, food industry, Azerbaijan

Jel Codes: M30, M31, M32, M39

1. Introduction

Branding has an important role on the company success and companies' business plans, hence a number of different studies have been conducted on this area. Although there are many less successful brand experiences and strategies, but most of the researchers still look for the proper strategies and experiences in a given setting. Brand name selection is incorporated with the issues and problems related to branding strategy. This basic issue can affect the success of a branding strategy. If the name is chosen, marketing professional, need to have an advertisement strategy to support and communicate the determined brand name. At the end, brand positioning plays an important role on building branding strategy. New areas of branding incorporate firm, industrial and service branding (Rooney, 1995; Keller, 1998).

Companies use branding as a marketing tactic to set their products apart from similar ones. It's particularly critical for small marketing experts who don't have the same promotional resources as their larger competitors. It is easier for customers to find a product with a distinctive name, appearance, and image in a crowded marketplace. By forging emotional bonds and maintaining purchasing patterns, a strong brand identity can influence consumer behavior (Seymur M.G, 2020).

Branding does not only gives unique identity and easy awareness to the products; it also creates a recognition, preference, customer loyalty. Branding is used by companies to create demand and retaining the demand and even branding plays a vital role in appointing products or companies' final success and failure (Kevin Keller, 2013).

Kressmann et al. (2006) analyzed direct and indirect effects of self-image congruence on brand loyalty as a model. According to the model, self-image congruence favorably impacts brand loyalty directly and indirectly by means of functional congruity, product involvement and brand relationship and brand quality. In addition, Blain (2001) also stated the effect of destination branding in destination marketing companies.

It is clear that during the last 20 years, electronic commerce has changed the retail marketing theory and of course, practice and these changes have been a topic for tremendous discussions. Hence, Davis *et al.* (2000) conducted an exploratory research through consumer focus groups to understand retail service branding and food branding in electronic platforms. The authors came up with the result that the service brand explains the online shopping

experience for consumers based on symbolic meaning, food or service attributes and even functional consequences of the food and service encounters.

On the other hand, Han and Back (2008) studied the association between emotions of consumption and image congruence and the possible impact of the association on customer loyalty in the lodging industry. The authors analysed overall fit of the offered model and hypothesis based on structural equation modeling. They also provided supports linking emotions of consumption, customer loyalty and image congruence whereas the relationship between emotions of consumption and social image congruence was not important.

In addition, Laverie et al. (1993) studied the relationship between emotions and values based on consumption experiences. These authors proposed that the self was the hidden variable linking emotions and values in experiences of consumption. Schmitt *et al.* (2009) and Reichheld (2001) state that brand experience is subject to be conceptualized as feelings, cognitions, sensations, and behavioral reactions evoked by stimuli based on brand, which are part of design of brand and brand identity, communications, packaging, and environments.

Zarantonello and Schmitt (2010) conducted a survey on real consumers and the question addressed was whether different consumers choose several experiential appeals and whether experiential kinds could manage the links between attitude of brand and purchase intention. The authors found out that there were five different types of consumer, holistic, inner-directed, utilitarian, hedonistic and action-oriented.

According to Morrison and Crane (2007), marketing professionals experienced in service brands must make it clear that emotional dynamics engaged when a customer prefers to keep using a service brand. This research also supplied some practical direction for how marketing professionals can build powerful service brands by building and managing emotional brand experiences. Well-built corporate brand management depends on some factors, such as sounded engagement of brands and strategic alignment initiatives, in general (Alloza, 2008). In addition, companies have to manage their brands with the help of alignment of their strategic vision and cultures of organizations.

2. The Study Proposed by the Author

The author conducted an empirical research method to measure the effect of brand experience on consumer purchasing behaviours. The research covered all normal customers of famous retail stores situated in Baku city, Azerbaijan, so-called Bravo, Bazar Store, Araz and Rahat. Below given formula was used to determine the sample:

$$N = z_{\alpha/2}^2 \frac{p * q}{e^2}$$

N – sample size

$P = 1-q$ identifies the probability

$z_{\alpha/2}$ – CDF for normal distribution

\mathcal{E} – error term

For the research study, it is assumed that $p=0.5$, $z_{\alpha/2}= 1.95$ and $e = 0.989$. The calculated size of sample is as $N=410$. Total number of male participants represents 54% of the sample and the rest of the sample identifies 46% of female. The pie charts given below illustrate some demographic characteristics of the participants.

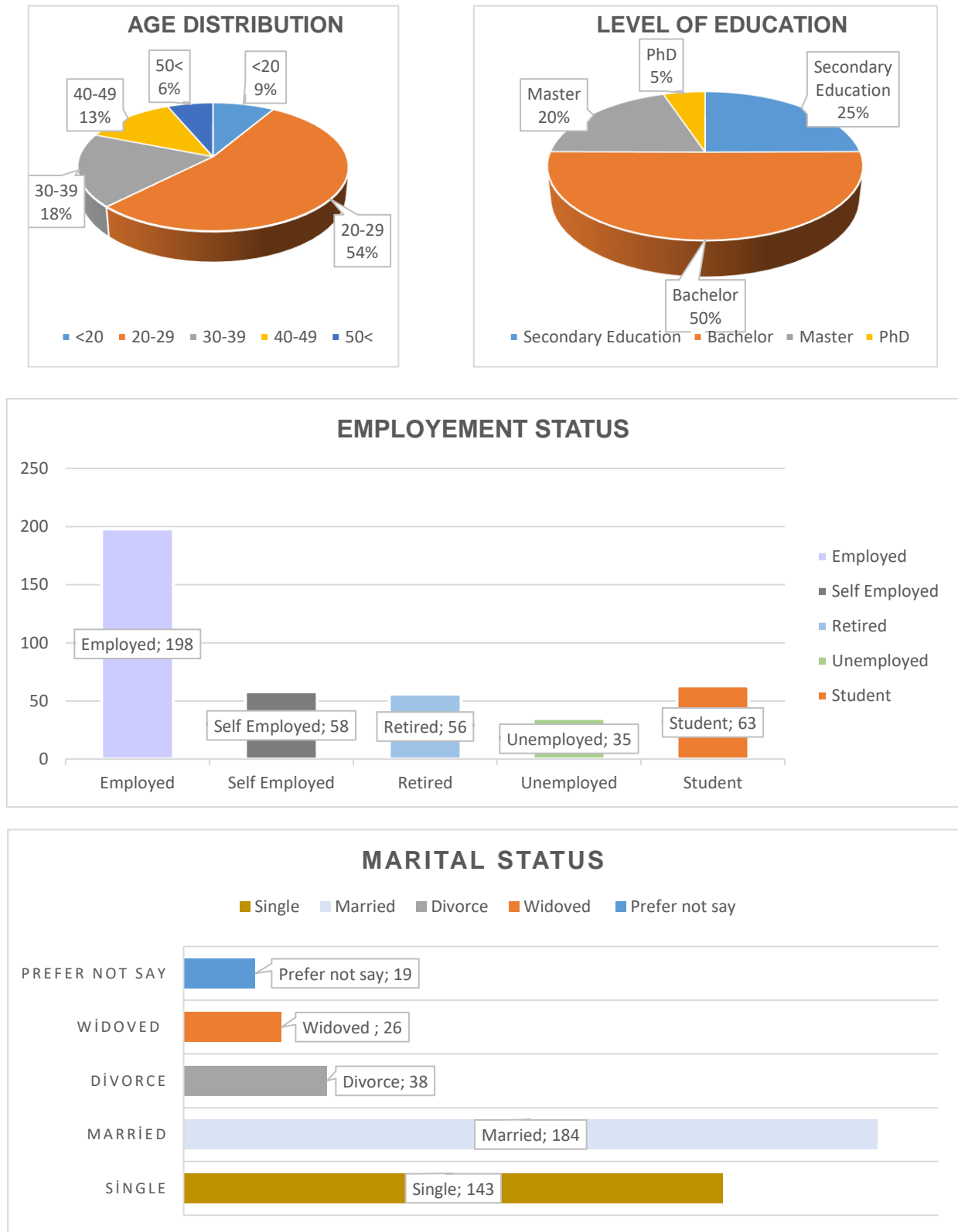


Figure 1. Demographic characteristics of the participants (author’s statistical observation)

As it is clear from the above given chart, most of the participants are aged between 21 and 29 and half of the respondents own a bachelor degree, where only 25% of them completed secondary school only. To put it another way, most of the respondents participated in the research are young and well-educated people.

The author used Likert scale from one to five and the number of questions is 20. All questions were carefully formulated and each of them explains all different directions of branding. We must ensure that none of the data has unusual skewness because the suggested study of this paper uses factor analysis. Here is given a table (№1) illustrating the summary of some basic statistics. As Table №1 explains, each skewness values are in the frame of acceptable limit and it means that these values are reliable and there is no need to remove any question from the survey. According to the calculation, Cronbach alpha is equal to 0.82 and it is also super above the acceptable limit.

Table 1. The summary of some basic statistics

Variables	Number	Mean	Skewness		Kurtosis	
			value	St. Dev.	value	St. Dev.
Brand Trust	410	4.00	-.645	.168	1.332	.347
Perceived characteristics	410	3.00	-.157	.168	-.409	.347
Brand reputation	410	4.00	-.341	.168	-.429	.347
After sale customer relationship	410	4.00	-.671	.168	.334	.347
Customer experience prior to buying the product	410	4.00	-.381	.168	-.223	.347
Brand supplier's in-store environment	410	4.00	-.265	.168	-.521	.347
Brand recognition	410	4.00	-.665	.168	.372	.347
Physical attribute of the brand	410	4.00	-.645	.168	.355	.347
Attitudes and behaviours of store employees	410	4.00	-.710	.168	-.041	.347
Customer feedback	410	4.00	.027	.168	-.166	.347
Brand sustainability in consumer mind	410	4.00	-.591	.168	.286	.347
Stimulus of a brand	410	3.00	-.198	.168	-.433	.347
Brand advertisement	410	4.00	-.115	.168	-.058	.347
Brands' packaging design	410	4.00	-.377	.168	.404	.347
Packaging quality	410	4.00	-.345	.168	-.256	.347
Stable quality	410	3.00	-.811	.168	-.098	.347
Brand products' availability	410	4.00	-.663	.168	.515	.347
Price for brand product	410	4.00	-.387	.168	-.631	.347
Brand satisfaction	410	3.1548	-.835	.168	-.165	.347
Brand performance	410	3.0527	-.999	.168	-.038	.347
Valid N (based on list)	410					

The author formulated below given six hypothesis:

- Brand loyalty has a positive influence over consumer purchase intention;
- Physical attributes have a positive influence over consumer purchase intention;
- Pricing factors have a positive influence over consumer purchase intention;
- Performance measure has a positive influence over consumer purchase intention;
- Brand associates have a positive influence over consumer purchase intention;
- Brand position has a positive influence over consumer purchase intention.

Below given Figure (1) illustrates the structure of the model for the research. As the structure explains, model consists of one dependent variable and six independent variables where each variable also involves some other sub variables. According to the model, independent variables are brand loyalty, physical attributes, pricing factors,

performance indicators, brand associates and brand position. The author in the frame of formulated six hypothesis considers the possible impacts of all these factors over consumer purchase intention.

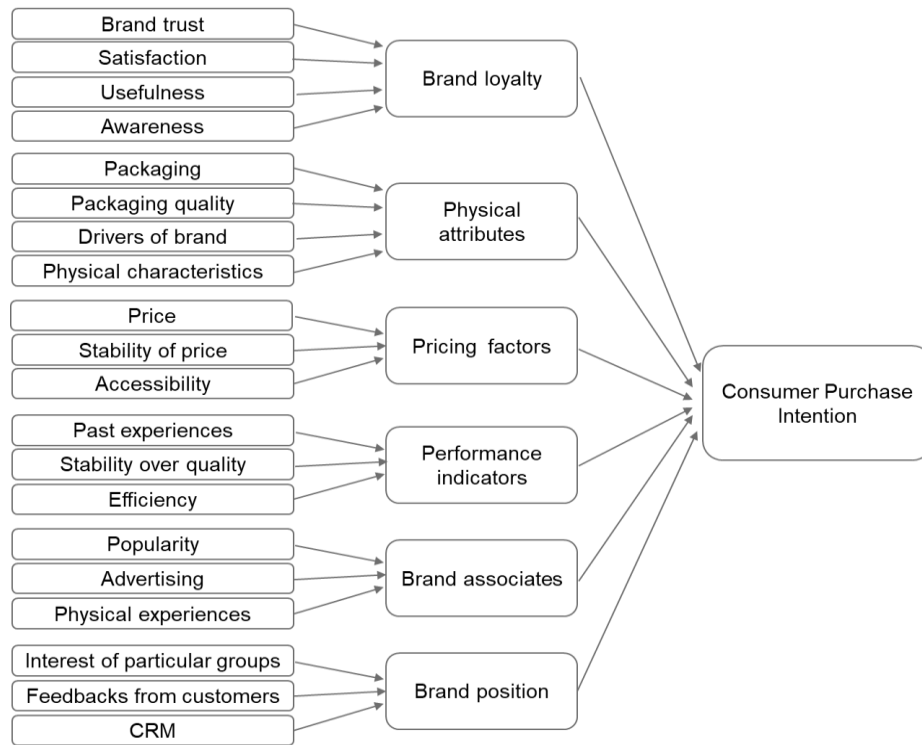


Figure 2. The structure of the research model (author’s personal research model)

This research uses SEM – Structural Equation Model to measure the relationships among different factors of the article. The first stage in applying SEM data is to ensure that statistical observations related to SEM, such as Chi-Square, RMSEA, and others, are within permissible boundaries.

Table 2 to Table 6 illustrates the conclusion of the statistical observations related to the model.

Table 2. Summary of CMIN

Research Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	59	198.266	161	0.008	1.23
Saturated model	410	0	0		
Independence model	35	1018.69	210	0	4.85

Table 3. Baseline comparison summary

Research Model	NFI Delta 1	RFI rho1	IFI Delta 2	TLI rho2	CFI
Default model	.808	.785	.966	.925	.963
Saturated model	1.000		1.000		1.000
Independence model	.000	0.000	.000	.000	.000

Table 4. Parsimony-corrected measures summary

Research Model	PRATIO	PNFI	PCFI
Default model	.810	.655	.775
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

Table 5. Root Mean Square Error of Approximation (RMSEA) summary

Research Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.036	.018	.048	.971
Independence model	.141	.131	.154	.000

Table 6. HOELTER statistics summary

Research Model	HOELTER .05	HOELTER .01
Default model	218	241
Independence model	53	58

In accordance with the data of Tables 2-6, it is now possible to present the results of the research survey. Table 7 illustrates the outcomes of the regression analysis. The regression analysis uses two methods of maximum likelihood estimator and bootstrap.

3. Research Results

This section illustrate details of the study in accordance with the execution of regression weight for the collected data by using two maximum likelihood estimator approaches and bootstrap strategies.

Hypothesis №1: Brand loyalty has a positive influence over consumer purchase intention

Very first hypothesis of the research explores if brand loyalty is positively able to increase purchasing intention of consumers or not. The result of the regression analysis proved that there is a positive and strong association between brand loyalty and purchasing intention with the value of 0.43 (available on the Table №7). Hence, the article is able to confirm the first hypothesis of the research. All in all, it could be added that an increase of one unit on brand loyalty will effect the increasing opportunity of purchasing intention by 0.43%.

Hypothesis №2: Physical attributes have a positive influence over consumer purchase intention

The next hypothesis of the research studies the relationships between physical attributes of brand and purchase intention of the consumers. As Table №7 shows, positive and strong relationship are observed between these two variables (Value = 0.58, t-student=3.853). Consequently, the association between physical attributes and purchase intention is confirmed. As a conclusion, increase of one unit of physical attribute will let purchase intention increase by 0.58.

Hypothesis №3: Pricing factors have a positive influence over consumer purchase intention

The third hypothesis of the article looks for the relationship between pricing factors and consumer purchase intention. As it is clear from the Table №7, positive relationship is observed between the variables with the value of 0.32 (t-student=2.586). Hence, the relationships between these variables is approved. This approval concludes that if pricing factor increase by one unit, it will let purchase intention of the consumers increase by 0.32.

Table 7. The following is a summary of regression weights for group 1 in the default model using the maximum likelihood estimator and 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	1.483	.412	3.610	***	par_15	1.455	.44	.885	2.359
Brand associate	<---	Purchase intention	1.659	.465	3.486	***	par_16	1.695	.590	.956	2.800
Brand position	<---	Purchase intention	1.585	.461	3.455	***	par_17	1.550	.556	.895	2.744
Physical characteristics	<---	Purchase intention	1.889	.478	3.853	***	par_18	2.115	.565	1.300	2.892
Pricing factors	<---	Purchase intention	.615	.240	2.586	.01	par_19	.663	.383	.178	1.508
Satisfaction of brand	<---	Brand loyalty	.819	.149	5.454	***	par_1	.815	.155	.598	1.045
Usability	<---	Brand loyalty	.510	.129	3.785	***	par_2	.509	.189	.245	.856
Price	<---	Pricing factor	1.000					1	0	1	1
Stability in price	<---	Pricing factor	1.728	.345	5.110	***	par_3	1.885	.456	1.289	2.879
Easy access	<---	Pricing factor	1.179	.198	5.898	***	par_4	1.265	.325	.856	1.845
Stable quality	<---	Performance attribute	.879	.137	6.454	***	par_5	.955	.148	.695	1.189
Reputation of brand	<---	Brand associate	1.000					1	0	1	1
Efficiency of the product	<---	Performance attribute	.756	.135	5.580	***	par_6	.796	.189	.787	1.065
Customer experience prior to buying the product	<---	Performance attribute	1.000					1	0	1	1
Physical characteristics	<---	Physical characteristics	.516	.098	5.670	***	par_7	.523	.089	.358	.685
Driver of brand	<---	Physical characteristics	.571	.102	5.574	***	par_8	.563	.118	.387	.784
Packaging quality	<---	Physical characteristics	.789	.098	8.299	***	par_9	.790	.091	.671	.969
Design of packaging	<---	Physical characteristics	1.000					1	0	1	1
Brand recognition	<---	Brand loyalty	.625	.129	4.795	***	par_10	.638	.163	.384	.911
Brand trust	<---	Brand loyalty	1.000					1	0	1	1
Advertising	<---	Brand associate	1.541	.313	4.855	***	par_11	1.655	.329	1.050	2.163
Physical access	<---	Brand associate	1.042	.235	4.259	***	par_12	1.048	.237	.729	1.514
Usage of particular group	<---	Brand position	1.000					1	0	1	1
Feedbacks from customers	<---	Brand position	1.111	.228	4.856	***	par_13	1.132	.218	.798	1.499
After sales customer services	<---	Brand position	1.156	.239	4.775	***	par_14	1.249	.354	.785	1.606

Hypothesis №4: Performance measure has a positive influence over consumer purchase intention;

The relationship between performance measure and consumer purchasing intention is considered by hypothesis №4. According to Table №7, there is a strong and positive association between these two variables (Value=0.67, t-student=3.610). Hence, the author can confirm the association between the variables and again the author concludes that having an increase by one unit on product performance will increase purchase intention of consumers by 0.67.

Hypothesis №5: Brand associates have a positive influence over consumer purchase intention

Survey's fifth hypothesis evaluates the relationship between brand associate and consumer purchasing intention and the data findings conclude that there is a meaningful and positive association between the variables (Value=0.91, t-student=3.486). As a conclusion, the study result confirms that an increase of one unit over brand associate will let purchase intention increase by 0.91.

Hypothesis №6: Brand position has a positive influence over consumer purchase intention;

Last hypothesis of the survey illustrates the relationship between brand position and consumer purchase intentions. Table №7 shows that the positive and meaningful relationship is observed between these variables (value=.70, t-

student=3.455). Thus, the article confirms that an increase of one unit on brand position will affect the consumer purchase intention to increase by 0.70.

Overall, it can be concluded that all hypothesis of the research have been confirmed and it can be added that an increase on brand position, brand associates, performance measure, pricing factors, physical attributes and brand loyalty will increase consumer purchase intention, significantly.

4. Conclusion

This article performed an empirical research to evaluate the effects of six different factors over consumer purchase intention by using SEM – structural equation modeling. The author designed a questionnaire and distributed it among customers of four main food retailers in Baku, Azerbaijan. The result of the research confirmed that any increase on brand position, brand associates, performance measure, pricing factors, physical attributes and brand loyalty will increase consumer purchase intention, significantly.

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