

The effect of brand experience on brand equity and brand loyalty through the mediating role of brand awareness, brand image and perceived quality

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Abstract

In today's challenging and competitive environment, organizations are more focused on building lasting and profitable relationships with customers. Today's consumers pay more for products with reputable brands and demand their services from these brands. The greater the value of the brand in the minds of consumers, the more the company can gain more benefits from the shadows. The purpose of this study was to investigate the impact of brand experience on brand equity and brand loyalty through the mediating role of brand awareness, brand image and perceived quality among complementary health insurance customers in Iran. The present research is applied in terms of purpose and in terms of nature in the descriptive category of the survey branch. The instrument of this study was a standard questionnaire whose reliability was assessed and confirmed using Cronbach's alpha, combined reliability and factor loadings. Its validity was also verified through content validity, convergent validity and divergent validity. In this study, eight main hypotheses and three sub-hypotheses were considered, which were confirmed by the findings of all the hypotheses, which indicate that brand experience has a significant effect on brand image. Brand experience has significant effect on perceived quality. Perceived quality has significant effect on brand awareness. Brand image has significant effect on brand loyalty. Brand awareness has significant effect on brand loyalty. Perceived quality has significant effect on brand loyalty. Brand has a significant impact on brand equity of brand. Perceived quality b The relationship between brand loyalty and brand experience significant mediating effect on the relationship between experience Dard. tsyvr brand brand brand loyalty and brand awareness significantly mediated the relationship between brand loyalty and brand experience significant mediator.

Keywords: Brand Experience, Brand Equity, Brand Loyalty, Brand Awareness, Brand Image, Perceived Quality

INTRODUCTION

In today's competitive and challenging environment, organizations emphasize, above all, building sustainable and profitable relationships with customers. Traditional marketing in theory and practice has always emphasized attracting new customers and increasing sales, but today, that view has changed and new realities have opened up to corporate marketers. This change in attitude and positioning has occurred in all organizations, and insurance service brands are no exception to this rule^[1]. Today's customers pay more to buy products with reputable brands and demand their services from these brands. The higher the brand value in the minds of consumers, the more the company can benefit from it. Brand equity is one of the assets that will keep the value of the company afloat by creating a competitive advantage over competitors, attracting customers' attention and loyalty^[2].

Therefore, it is important to identify the factors that can affect the specific value of a brand. Another well-known and well-known concept in marketing is brand loyalty, which plays an important role in creating long-term benefits for the organization because loyal customers do not need extensive

promotion efforts^[3]. Organizations can gain more market share by helping brand loyalty because loyal customers use the brand frequently and resist competitors and marketing efforts^[4]. Given this, it is important to identify the factors that can affect brand loyalty. Brand loyalty is defined as a deep commitment of the customer to buy a brand again in the future, so that despite the situational effects and marketing actions that change behavior, it will still lead to recurrence.

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Thus, customer loyalty to the brand can certainly increase market share, especially where customer use of the brand is influenced by a set of factors. Many researchers have introduced the brand loyalty variable as a factor influencing brand equity and emphasize its direct impact on brand equity [5].

Therefore, it is important to identify the factors that can affect brand loyalty, and in line with that, the effect that brand loyalty will have on brand equity.

In this regard, today's brands play a fundamental role in designing marketing strategies and are increasingly seen as a valuable asset and a source of distinction. Brands reduce the cost of search and perceived risk for the consumer and symbolize product quality. One of the concepts that has recently come to the attention of consumer behavior experts is brand experience. This concept refers to the experiences that have arisen from the set of customer interactions with the product, organization or part of it that stimulate the customer's reaction. These experiences are completely personal and involve the individual at different levels of logic, emotion, sensory, physical and mental. In addition to brand experience, brand awareness is another key variable to influence brand loyalty [1].

Brand awareness means the buyer's ability to identify or recall a brand on a particular product category. Awareness can affect people's perceptions and attitudes, lead to brand selection, and be effective in strengthening brand loyalty. Awareness of the brand reflects the superiority of that brand in the mind of the customer [5]. In this regard, the quality of perceived services is another key variable to influence brand loyalty. The quality of service is a vital determinant of a company's business performance and long-term profitability. The reason for this is that the quality of services leads to customer satisfaction and thus has a positive effect on word-of-mouth advertising, attitude loyalty and customer buying intentions. On the other hand, brand image is another key variable to influence brand loyalty [1].

Brand image is the emotional and logical perception of consumers that is associated with a particular brand. Brand image plays an important role in business markets, especially where it is difficult to differentiate products or services based on their tangible quality characteristics, or even when the offered goods are the same, buyers are more interested in the company's mental image or brand of goods or services. Production shows a different reaction. Customers who have a positive mental framework of a brand tend to be more satisfied and loyal. The image of the company as a potential source can affect customer evaluation of service quality and create a halo effect on customer satisfaction. In fact, customers who have a positive attitude toward a brand name evaluate everything similarly with the created halo effect [6]. Therefore, a positive image of the company appears with increasing loyalty to the service provider [7].

Accordingly, it is important to identify the impact of brand experience, brand awareness, brand image and the quality of services understood on brand loyalty and direct the impact of brand loyalty on brand equity.

On the other hand, today one of the most important service industries is health insurance, which has a special place in economic systems and services. In this industry, the special value of a strong brand allows them to maintain complementary health insurance policies to customers, addressing their needs more effectively. Brand equity can be enhanced by successful implementation and marketing management efforts to establish continuous communication between the health insurance organization and customers by providing value to the customer and listening to their needs [8].

Therefore, by examining the factors affecting the special value of the brand in the health insurance organization, it is possible to help increase their marketing efficiency.

Similarly, this study seeks to gather empirical evidence to examine the impact of brand experience on brand equity and brand loyalty with brand awareness, brand image and perceived quality among customers of supplementary health insurance in Iran. Therefore, in this study, we seek to answer this question: Does brand experience have a significant effect on brand equity and brand loyalty with the mediating role of brand awareness, brand image and perceived quality among customers of supplementary health insurance in Iran or not?

Shahin et al. (2017) examined the effects of brand experience and service quality [9]. Data analysis was performed using structural equation modeling. The results show that, in line with previous literature, brand experience and service quality indirectly affect marketability through brand trust. In addition, brand trust is effective in creating behavioral intentions and has a positive effect on brand experience relationships, service quality and intentionality. Lin (2015) examined the impact of innovative brand experience on brand value and brand satisfaction [10]. The aim of this study was to investigate the relationship between innovative brand experience, brand value and brand satisfaction in airlines. For this purpose, in this study, passenger measurement data are collected at Taiwan International Airport in Taiwan and multiple regression analysis is used to investigate the relationships between research variables and identify final performance. The results show that the experience of the innovative aviation brand has a positive effect on brand value and brand satisfaction. This study confirms the benefits of experiencing an innovative brand in the aviation industry and helping airlines in the brand process and customer management. Therefore, according to what has been stated, the conceptual model and hypotheses of the present study are presented as follows:



Figure 1: Conceptual research model

Hypotheses

1. Brand experience has a significant impact on brand image.
2. Brand experience has a significant impact on brand awareness.
3. Brand experience has a significant impact on perceived quality.
4. Understood quality has a significant effect on brand awareness.
5. Brand image has a significant effect on brand loyalty.
6. Brand awareness has a significant effect on brand loyalty.
7. Understood quality has a significant effect on brand loyalty.
8. Brand loyalty has a significant effect on brand equity.
9. Understood quality has a significant mediating effect on the relationship between brand experience and brand loyalty.
10. Brand image has a significant mediating effect on the relationship between brand experience and brand loyalty.
11. Brand awareness of the relationship between brand experience and brand loyalty has a significant mediating effect.

RESEARCH METHODOLOGY

This research is an applied research in terms of purpose and a descriptive research in terms of method. This research is inherently a survey study. Data collection is in two parts: field and library. In the process of collecting library information using books, scientific journals and articles published in the field of this research, previous dissertations worked in this field in prestigious universities and scientific centers as well as online scientific resources. In the field research phase, the data are collected using a standard questionnaire. Information about this questionnaire can be seen in Table 1. The statistical population of this study includes all customers of Iranian supplementary health insurance, and due to the unlimited number of research communities, 384 people were selected

as a sample based on the Cochran's formula. Sampling method in this study is random sampling because the respondent does not consider a specific feature. Data were analyzed using SMARTPLS software.

Table 1- Questionnaire information

Variable	Number of questions	Question number	reference
Brand Experience	13	1-13	[1]
Perceived Quality	4	14-17	
Brand Awareness	4	18-21	
Brand Image	4	22-25	
Brand Loyalty	4	26-29	
Brand Equity	4	30-33	

RESEARCH FINDINGS

In general, there are two approaches to estimating the parameters of a structural equation model, including a covariance-based approach and a variance-based or PLS approach. Unlike the covariance-based approach, where the parameters of the model are first estimated and then the values of the items are estimated by returning them to the set of all indicators, such as the estimated values for each variable hidden in the data set, in the PLS approach the values are first calculated. For this purpose, latent variables are estimated as accurate linear combinations of their experimental markers. The weights used to determine the values of the cases are calculated in such a way that the maximum useful variance for predicting the dependent variables from the independent variables is included. After calculating the weights in the PLS approach, it is possible to determine the values of each hidden variable. This is done by calculating the average weight of the indicators of a structure. After calculating the values of latent variables, the weights of the structural path are calculated through the regression of ordinary squares (OLS). This algorithm is repeated until the desired convergence is achieved. When the goal is to apply and predict, the PLS approach is appropriate. Based on this approach, it is assumed that all the measured variances are used for explanation. Since in this approach the latent variables are estimated as the exact linear combination of the observed observations, the problem of non-determination is prevented and a precise definition of the component scores is provided. Using the iterative estimation method, PLS provides a general model that includes all other methods of fundamental correlation, multiple regression, multivariate analysis of variance, and main components. In structural equation modeling, it is used to examine the reliability measurement model including Cronbach's alpha and compound reliability coefficient, as well as validity including divergent and convergent validity. The structural model of R2 and Q2 is used. The results can be seen in Table 2.

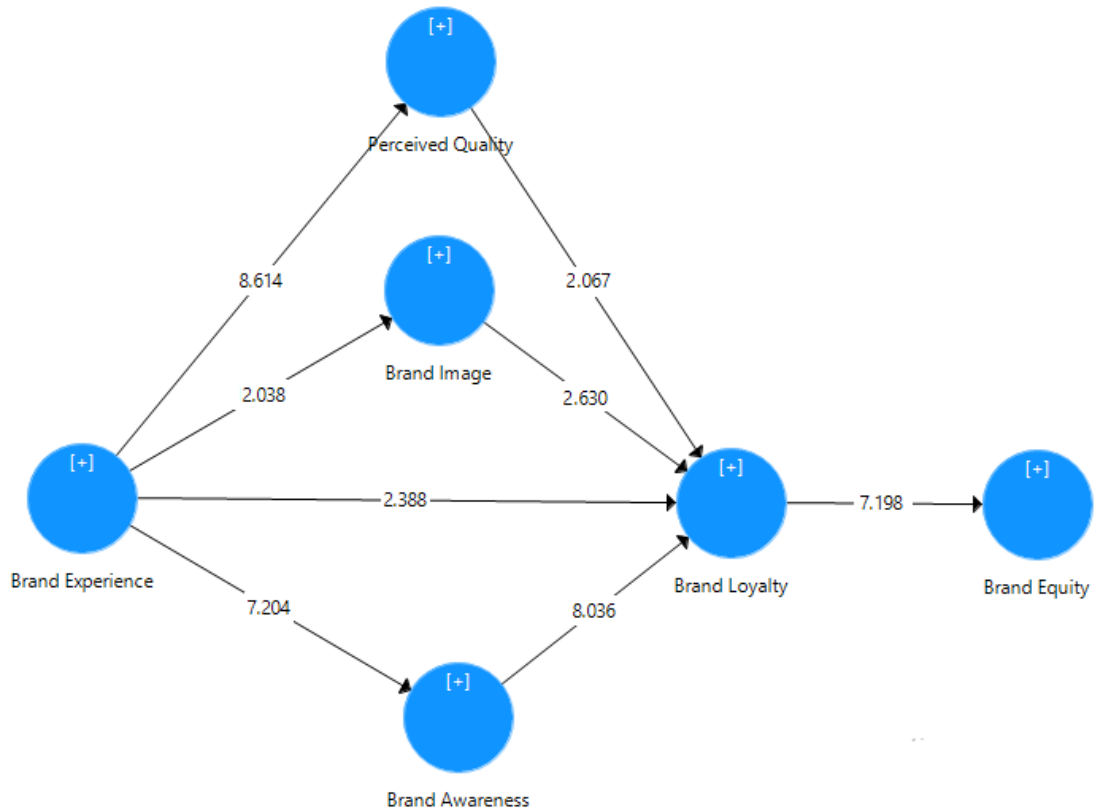


Figure 2 - Output model for examining hypotheses in the case of significant coefficient

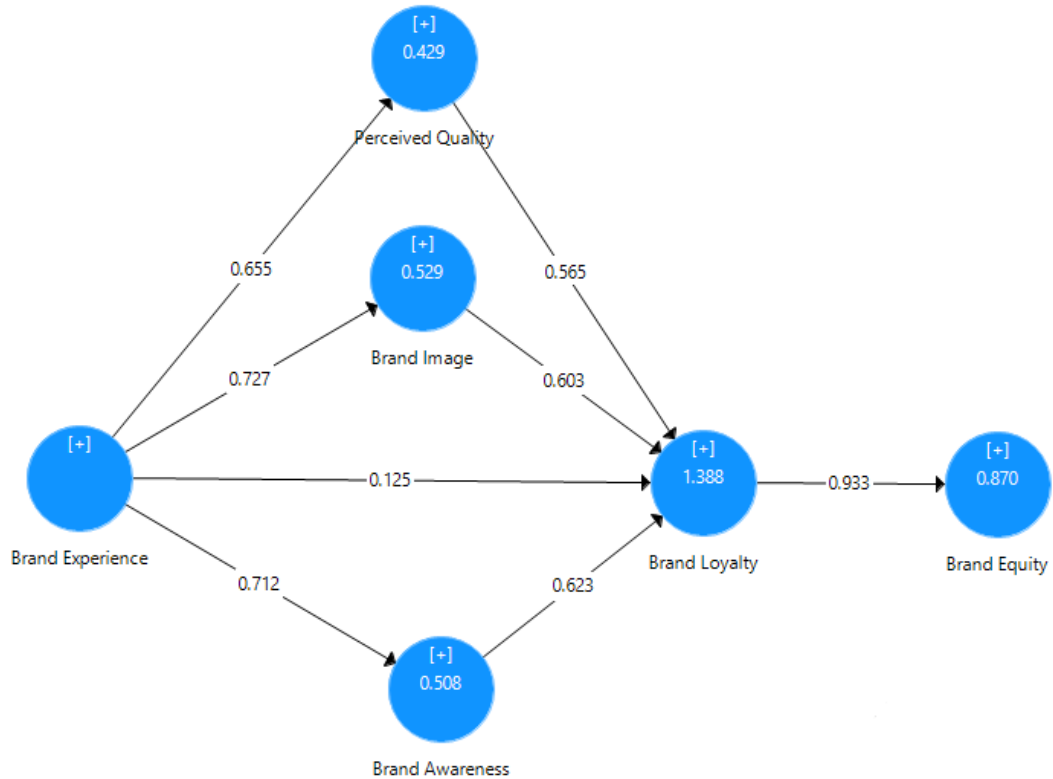


Figure 3. Output model for examining hypotheses in standard coefficient mode

Table 3. Investigation of measurement model and structural model

Number	Questions	Loading	Indicators
Brand Experience			
1	This Brand affects my senses positively	0/772	CA=0/895
2	This Brand pleases my senses	0/769	CR= 0/912
3	This Brand forms a good impression on my senses	0/715	AVE= 0/547
4	The appearance of this Brand pleases me.	0/745	
5	I am in better mood after being using this Brand.	0/789	
6	This Brand puts me in a better mood.	0/757	
7	I have positive emotions about this Brand	0/777	
8	This Brand induces positive feelings and emotions within me.	0/796	
9	This Brand gives me enough energy to do what I want to do.	0/789	
10	I become more active after using this Brand.	0/763	
11	This Brand stimulates positive thoughts within me.	0/708	
12	This Brand encourages me to think confidently.	0/722	
13	I engage in positive thinking when I am using this Brand.	0/719	
Perceived Quality			
14	I believe this Brand is superior in every way.	0/845	CA= 0/804
15	The overall quality of the service provided by this Brand is excellent.	0/837	CR= 0/873
16	The quality of the service provided at this Brand is impressive.	0/839	AVE= 0/635
17	The service provided by this Brand is of high standard.	0/749	R ² = 0/319 Q ² = 0/190
Brand Awareness			
18	I can quickly recall this Brand.	0/779	CA= 0/771
19	I can recognize this Brand among other competing Brands.	0/747	CR= 0/853
20	I am aware of this Brand.	0/834	AVE= 0/594
21	I can recognize the symbol or logo of this Brand.	0/717	R ² = 0/356 Q ² = 0/197
Brand Image			
22	This Brand is consistent with how I see myself.	0/775	CA= 0/756
23	I am quite similar to the image of this Brand.	0/853	CR= 0/846
24	This Brand is consistent with how I would like to see myself.	0/803	AVE= 0/582
25	I would like to be perceived as similar to the image of this Brand.	0/705	R ² = 0/364 Q ² = 0/190
Brand Loyalty			
26	If anyone asks me which Brand to choose, I will recommend this Brand	0/908	CA= 0/889 CR= 0/924
27	I will not choose any other Brand if this Brand is ready to solve my problems	0/851	AVE= 0/752
28	I consider myself loyal to this Brand	0/805	R ² = 0/684
29	This Brand would be my first choice in future for any problem	0/900	Q ² = 0/475
Brand Equity			
30	Even if another Brand has the same features as this Brand, I would prefer to choose this Brand	0/848	CA= 0/803
31	If another Brand is not different from this Brand in any way, it seems smarter to choose this Brand	0/800	CR= 0/872

32	If there is another Brand as good as this Brand, I prefer to choose this Brand	0/800	AVE= 0/631
33	It makes sense to choose this Brand instead of any other Brands, even if they are the same	0/822	R ² = 0/629 Q ² = 0/364

Table 4. Examine hypotheses 1-8

Hypothesis	Original Sample (O)	T Statistics (O/STDEV)	P Values	Result
Brand Awareness -> Brand Loyalty	0/623	8/036	0/000	✓
Brand Experience -> Brand Awareness	0/712	7/204	0/000	✓
Brand Experience -> Brand Image	0/727	2/038	0/000	✓
Brand Experience -> Brand Loyalty	0/125	2/388	0/020	✓
Brand Experience -> Perceived Quality	0/655	8/614	0/000	✓
Brand Image -> Brand Loyalty	0/603	2/630	0/007	✓
Brand Loyalty -> Brand Equity	0/933	7/198	0/000	✓
Perceived Quality -> Brand Loyalty	0/565	2/067	0/000	✓

Intermediate hypothesis test

Sobel testing is used to examine the mediating assumptions. By estimating the standard error of the indirect effect, the null hypothesis can be tested against the opposite hypothesis. The Z statistic is equal to the ratio of ab to its standard error. In other words, we get the value of Z-Value from the following equation:

$$z - value = \frac{a * b}{\sqrt{b^2 * s_a^2 + a^2 * s_b^2}}$$

In this regard:

a: The path coefficient between the independent variable and the mediator

b: The path coefficient between the mediating and dependent variables

Sa: Standard error of independent and mediated variable path

Sb: Standard error of the intermediate and dependent variable path

The values of a and b and their standard errors can be deduced from the output of the structural equation modeling equation.

Hypothesis (9)

$$z - value = a * b / \sqrt{(b^2 * s_a^2 + a^2 * s_b^2 - s_a^2 * s_b^2)}$$

$$z - value = 0/655 * 0/565 / \sqrt{(0/319 * 0/004 + 0/429 * 0/002 - 0/004 * 0/002)}$$

$$z - value = 11/93 > 1/96$$

According to the value obtained by Z-Value (93/11) and its greater than 1.96, the mediating role of perceived quality on the relationship between brand experience and brand loyalty is confirmed.

Hypothesis (10)

$$z - value = 0/727 * 0/603 / \sqrt{(0/365 * 0/002 + 0/528 * 0/003 - 0/002 * 0/003)}$$

$$z - value = 14/12 > 1/96$$

According to the value obtained by Z-Value (12/14) and its greater than 1.96, the mediating role of brand image on the relationship between brand experience and brand loyalty is confirmed.

Hypothesis (11)

$$z - value = 0/712 * 0/623 / \sqrt{(0/388 * 0/006 + 0/50 * 0/006 - 0/006 * 0/006)}$$

$$z - value = 6/32 > 1/96$$

According to the value of Z-Value (32.6) and its greater than 1.96, the mediating role of brand awareness on the relationship between brand experience and brand loyalty is confirmed.

DISCUSSION AND CONCLUSION

Amendments to Article 44 of the Constitution and Deregulation in the Insurance Industry have created a new competitive environment in the industry. As increased competition necessarily increases marketing costs, successful and efficient monitoring firms have put monitoring and measurement of performance and productivity indicators, including brand equity, at the forefront of their work. This indicates a direct relationship between brand equity, brand loyalty, and the sub-dimensions of brand equity, and in today's highly competitive world where organizations are committed to maintaining and expanding their market share, they are looking for loyal customers to repeat their purchases. Self and recommend it to others, not only to adopt a proper

strategy aimed at meeting the maximum needs and wants of customers to survive in the market, but also to monitor and evaluate continuously, in other words, to measure the brand's special value to prevent any Deviation is very important. Therefore, it is necessary to study the effects of different brand variables such as brand experience, brand awareness, brand image and perceived quality on brand equity and brand loyalty. Based on this, the present study examined the effect of brand experience on brand equity and brand loyalty with the mediating role of brand awareness, brand image and perceived quality in Iranian supplementary health insurance. The results of this study showed that brand experience has a significant effect on brand image. Brand experience has a significant effect on brand awareness. Brand experience has a significant effect on perceived quality. Understood quality has a significant effect on brand awareness. Brand image has a significant effect on brand loyalty. Brand awareness has a significant effect on brand loyalty. The perceived quality has a significant effect on brand loyalty. Brand loyalty has a significant effect on brand equity. The perceived quality of the relationship between brand experience has a significant mediating effect on brand loyalty. Brand image has a significant mediating effect on the relationship between brand experience and brand loyalty, and brand awareness on the relationship between brand experience and brand loyalty has a significant mediating effect.

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