CHAPTER II

THEORETICAL BASIS

2.1. Brand

The brand is an important thing for the company because the brand will give an identity to the products sold by the company. The brand is not only part of the product, but it is precisely the brand that provides positive value for a product. So, brand companies are not just names, but brands are assets for companies.

Kotler and Keller (2016) define a brand as a name, term, sign, symbol or design, or a combination of these that are intended to identify the seller's goods or services or group of sellers and to differentiate them from competitors' goods or services. Aaker (2012) defines a brand as a distinguished name or symbol (such as a logo, stamp or packaging) with the intention of identifying goods or services from a particular seller or group of sellers, thereby distinguishing them from goods and services produced by competitors.Based on several definitions of the brand above, it can be concluded that the brand is a set of identities that distinguishes one product from another, which in turn gives consumers a signal about the source of the product, and protects consumers and producers from competitors who are trying to provide products that are looks identical. The brand plays an important role for both producers and consumers.

A brand is a seller's promise to consistently provide certain features, benefits, and services to buyers. The best brands will provide quality assurance. But giving a name or brand to a product should not only be a symbol, because the brand has six levels of understanding, namely (Rangkuti, 2015):

1. Attributes, products are the first concern for buyers because these attributes reflect the product.
2. Benefits, buyers choose the product because the product provides benefits to the wearer. Thus the attribute itself must be translated into functional and emotional benefits.
3. Value, the brand states something about the value of the product. Buyers give special value to products with certain brands. The buyer also assesses the benefit package offered by the product brand.
4. Culture, brands represent certain cultures. For example, Mercedes represents a German culture that is well organized, has an efficient way of working, and always produces high-quality products.
5. Personality, the brand projects personality. The brand will try to attract and get other people involved in the brand image itself.
6. User, the brand indicates the type of consumer of the use of the brand. That is why marketers always use the analogy of famous people to use their brand.

Brands benefit producers and consumers. The benefits of the brand for producers, according to Keller (2003) as quoted by Tjiptono (2008) are:

1. Means of identification to facilitate the process of handling or tracking products for companies, especially in organizing inventory and accounting records.
2. The form of legal protection against unique product features or aspects. Brands can get intellectual property protection.

3. Signal quality levels for satisfied customers, so they can easily choose and buy them again later.
4. This means creating associations and unique meanings that differentiate products from competitors.
5. Sources of competitive advantage, especially through legal protection, customer loyalty, and a unique image that is formed in the minds of consumers.
6. Sources of financial returns, especially regarding future income.

For consumers, brands can provide a variety of benefits. Keller (2003) as quoted by Tjiptono (2008) states that they are able to provide benefits to customers, including the following:

1. As an identification of the source of the product.
2. Assign responsibilities to certain manufacturers or distributors.
3. Risk reduction.
4. Suppress internal and external search costs.
5. Promises or specialties with producers.
6. Symbolic tools that project self-image.
7. Signal quality.

2.2. *Brand Experience*

Brooks et al., (2009) defines brand experience as the sensations, feelings, cognitions, and consumer responses caused by the brand, related to stimuli caused

by brand, design, brand identity, marketing communications, people and the brand environment of the market. Schiffman and Kanuk (2015) define the brand experience as the past experience of consumers with that brand, especially in the scope of usage. Based on several definitions of brand experience above it can be concluded that brand experience is the consumer experience of the consumption of a product or service of a particular brand.

Brand experience is created when customers use a brand, talk with others about the brand, find information about the brand, promotions, events, and so on (Amber, 2013). The concept of "experience" first appeared in The Experience Economy literature written by Joseph Pine II and James H Gilmore published in 1999 (Amber, 2013).They believe that a successful business is influenced by people's attraction to the product, service or company itself, authentic experiences that create personal value. According to Frow and Payne (2007), the brand experience can be interpreted as a consumer's interpretation of the customer's total interaction with a brand. And the final goal of applying this concept is to create good relationships with consumers and build loyalty with consumers.From some of the opinions above, experience is an important thing that must be considered by a company. Experience is the level in a company to convey the experience that customers want and to use information technology, brands, and integrates communication and entertainment to convey the experience of these customers.

Robinette and Brand (2009) express their experiences into several categories, namely:

a. *Experience in product*

The core of all experience is the user of the product and the service itself. Each product and service consists of several elements of experience in its use. Providing experience is one of the strengths of a product because it means the company provides added value and is also a factor that can make customers aware of the brand and then move them to choose the brand. The purpose of giving experience of a product is not to add luxury to a product, but to ensure that the product is easy to use and make customers comfortable using it or consuming it.

b. *Experience in environment.*

When a company will provide an overall experience to consumers, the first thing they have to think about is the environment/place where the product or service will be sold, such as stores, websites, and so on. This is because the environment/place is a tool to introduce consumers to the overall experience that they will feel, and is also the easiest exchange to see (interactive) and interactive exchange.Creating an environment as a medium to provide unforgettable experiences does not mean having to create something broad and expensive, but more specific things such as, can provide entertainment, romance, intrigue and a competitive advantage.

c. *Experience in loyalty communication*

Robinette and Brand (2009) explain about experience in loyalty, communication, namely "The best opportunity for brands to make an impression on its customers is after the sale. "(The best opportunity to please the customer is after the sale). Companies often provide experience to their customers only to the point of sale. However, customers want something more than that that will create trust in the product and will even give loyalty to companies that are willing to strengthen relationships with each customer.

d. *Experience in customer service and social exchanged*

Robinette and Brand (2009) revealed that if the experience is a combination of overall exchanges that occur between companies and customers, then employees in the customer service department are important people who represent a brand. They are an incentive for customers to trust a brand or that will make customers accept or reject the company's brand.

e. *Experience in events*

The company can provide experience by holding special events designed for customers. In this event, the company invites customers to participate, so the company can provide the latest information, provide training to use new products and even customers can share their experiences with other customers so that it adds to their experience.

2.3. *Brand Satisfaction*

Customer satisfaction is the most important factor in various business activities. Kotler and Keller (2016) define customer satisfaction as someone's happy or disappointed feelings that arise after comparing between their perceptions / impressions of the performance or results of a product and its expectations. Wilkie (1990) as quoted by Tjiptono (2014) defines consumer satisfaction as an emotional response to the evaluation of the consumption experience of a product or service.Based on several definitions of satisfaction it can be concluded that satisfaction is a person's response to the evaluation of post-consumption of products or services of a particular brand includes the difference between expectations with the results of perceived performance or the performance of a product or service.

With regard to brands, satisfaction with a brand can be defined as the result of subjective evaluations of what has been achieved by the selected brand in order to meet what is expected by consumers. Consumers who are satisfied with a brand where the desires and needs of customers can be met will have a positive impact on the company. If consumers are satisfied with a brand, of course, these consumers will always use or consume the brand continuously.That way the brand of the company is stated to be sold in the market, so the company will be able to make a profit and eventually the company will still survive or can survive and even likely to develop. Customer satisfaction is the basis towards the realization of loyal or loyal customers.

Today the attention to customer satisfaction has been increasingly greater. More and more parties are paying attention to this. The parties most directly related to customer satisfaction or dissatisfaction are marketers, consumers, consumers, and researchers of consumer behavior (Tjiptono, 2014). Competition is getting tougher because more and more producers are involved in meeting the needs and desires of consumers, causing each company to put orientation on customer satisfaction as the main goal.

Monitoring and measurement of customer satisfaction have become very essential for every company. This is because these steps can provide feedback and input for the needs of developing and implementing strategies to increase customer satisfaction. In principle, customer satisfaction can be measured by a variety of methods and techniques. There are 4 methods to measure customer satisfaction, namely (Tjiptono, 2014):

1. Complaints and suggestion system

   Every consumer-oriented organization (customer-oriented) needs to provide broad opportunities for its customers to submit their suggestions, opinions, and complaints. Information obtained through this method can provide new ideas and valuable input for the company, thus allowing the company to respond appropriately and responsively to any problems that arise. However, because this method is passive, it is difficult to get a complete picture of customer satisfaction or dissatisfaction, because not all dissatisfied consumers will submit their complaints.

2. *Ghost shopping*

This method is implemented by employing several people (ghost shopper) to act as consumers or potential buyers of the company's products and competitors. Then they present their findings of the strengths and weaknesses of the company's and competitors' products based on their experience in purchasing these products. Besides the ghost shopper can also observe the way companies and competitors serve customer demand, respond to customer demand, and handle every complaint.

3. *Lost customer analysis*

The company should contact consumers who have stopped buying or who have moved suppliers to understand why this is happening and in order to take further refinement or improvement policies. Not only exit interviews are necessary, but monitoring customer loss rates are also important, because an increase in customer loss rates indicates the company's failure to satisfy its customers.

4. ***Consumer satisfaction survey***

Generally a lot of research on customer satisfaction is done by survey research, both surveys by post, telephone, and personal interview. Through surveys, companies will get feedback and feedback (feed back) directly from consumers and also give positive signals that the company pays attention to its customers.

2.4. *Brand Trust*

Trust according to Balester *et al.*,(2000) as quoted by Ferrinadewi 2014) is a key variable in developing consumer desires for durable products to maintain a long-term relationship, in this case, the consumer relationship with the brand of a particular company. Based on this opinion consumers need to experience themselves in the exchange process so that trust can be formed in the minds of consumers who are defined as involvement. Through this consumer involvement, the experience will be created which is the beginning of the formation of trust.

Moorman et al., (2001) as quoted by Chinomona (2013) defines brand trust as a willingness to depend on other parties that have been trusted. Constable (1998) as quoted by Ferrinadewi (2014) defines brand trust as a perception of reliability from a consumer's perspective based on experience or more on transaction sequences or interactions characterized by fulfilling expectations of product performance and satisfaction. Based on several definitions of brand trust, it can be concluded that brand trust is someone's willingness to replace the fulfillment of their needs in a particular brand.

Considering the above, brand trust has an important role for the product. If the effects of brand trust are not controlled, it can lead to consideration of excessive levels of customer satisfaction in developing consumer commitment to the product. If the effects of brand trust are not controlled, it can lead to consideration of excessive levels of customer satisfaction in developing consumer commitment to the product.Morgan and Hunt stated that trust is a key variable in

developing a long-lasting desire to continue to maintain the long-term relationship of a particular brand (Rehman *et al.*, 2014).

Constable (1998) as quoted by Ferrinadewi (2014) states that the process of creating trust in a brand is based on their experience with the brand. Experience is a source for consumers to create trust in the brand. This experience will influence consumer evaluations of consumption, use or satisfaction directly and indirect contact with the brand.

Lau and Lee (1999) as quoted by Rehman *et al.*, (2014) stated that there are three factors that influence brand trust. These three factors relate to the three entities involved in the relationship between brands and consumers. The three factors are the brand itself, the company making the brand, and consumers. Furthermore, Lau and Lee (1999) propose that trust in the brand will lead to brand loyalty. The relationship between these three factors with brand trust can be described as follows:

1. *Brand characteristics* have a very important role in determining consumer decision making to trust a brand. This is caused by consumers doing an assessment before buying. Brand characteristics related to brand trust include predictability, reputation, and competence.
2. *Company characteristics* that are behind a brand can also affect the level of consumer confidence in the brand. Consumer knowledge about the company that is behind the brand of a product is the initial basis of consumer understanding of the brand of a product. These characteristics

include a company's reputation, desired company motivation, and integrity of a company.

3. *Consumer-brand characteristics* are two groups that influence each other. Therefore, consumer - brand characteristics can influence brand trust. These characteristics include the similarity between the emotional concept of consumers with brand personality, brand preference, and brand experience.

Tschannen Moran and Hoy (2001) as quoted by Darwin and Kunto (2014) suggest five dimensions that shape customer trust, as follows:

1. *Benevolence,* namely, good intentions and the belief that a party will be protected and will not be harmed by the party that is trusted.
2. *Reliability,* namely,the ability to be relied upon to fulfill something needed by a person or group if they need it.
3. *Competence,* namely, the ability possessed by a party in terms of skills and knowledge possessed to meet customer needs.
4. *Honesty*, namely, the extent to which statements or expressions can be kept. A statement will be considered true if it can confirm what actually happened, according to the customer's perspective and commitment to the promise kept.
5. *Opennes*, namely, openness to preach or provide the information needed to customers.

Morgan and Hunt (1994) as quoted by Darwin and Kunto (2014) explain some of the benefits of having trust are:

1. Trust can encourage marketers to try to maintain the relationship established by working with trading partners.
2. Trust rejects short-term choices and prefers long-term expected benefits by retaining existing partners.
3. Trust can encourage marketers to view attitudes that pose great risks wisely because they believe that their peers will not take the opportunity that can harm the marketer.

2.5. *Brand Attachment*

Park *et al.,* (2010) define brand attachment as the bonding strength that connects a brand with oneself. This bond is produced by a network of memory that is rich and easily accessible which involves thoughts and feelings about the brand and relationship with self. Thomson *et al.,* (2015) define brand attachment as an emotional attachment between consumers characterized by deep feelings of connection, affection, and passion for the particular brand that they consume.Brand attachment is defined by Louis and Lombart (2010) as a psychological variable that shows an affective relationship with a lasting and unchanging brand (separation is painful) and shows a psychological psychological relationship with that brand. Based on several definitions of brand attachment above, it can be concluded that brand attachment is an emotional attachment to consumers in a particular brand.

The attachment of a consumer brand is a relationship and perception held between consumers of a brand that occurs because of the interaction in several aspects where this gives rise to a perception of the value experience of a brand. Attachments have varying degrees, where higher engagement is associated with strong feelings of connection, affection, love, and passion (Park *et al.*, 2010).Consumers will be bound if the brand can meet the hardness, symbolic, or functional needs. The fulfillment of symbolic needs if the brand image perceived by consumers is in accordance with the image or self-concept they have. A consumer will show supportive and beneficial feelings for a brand when the brand image is in accordance with their self-image (Park *et al.*, 2010). This will cause consumers to prefer choosing or buying a brand whose image matches their self-image.

Consumer attachment because a brand can meet its symbolism needs will direct consumers to buy the same brand when the consumer intends to meet the same needs. Neither attachments are formed because the brand is able to meet the hardness or functional needs of consumers. Even this attachment will direct or motivate consumers to commit to using the same brand when they try to meet their needs. Thus, customer attachment to a brand will increase their loyalty to the brand. The stronger the customer's emotional attachment, the stronger their loyalty to the brand (Kotler and Keller, 2016).

2.6.Prior Research

Previous research that examined the effect of brand experience, brand satisfaction, and brand trust on other brand attachments and has been conducted by:

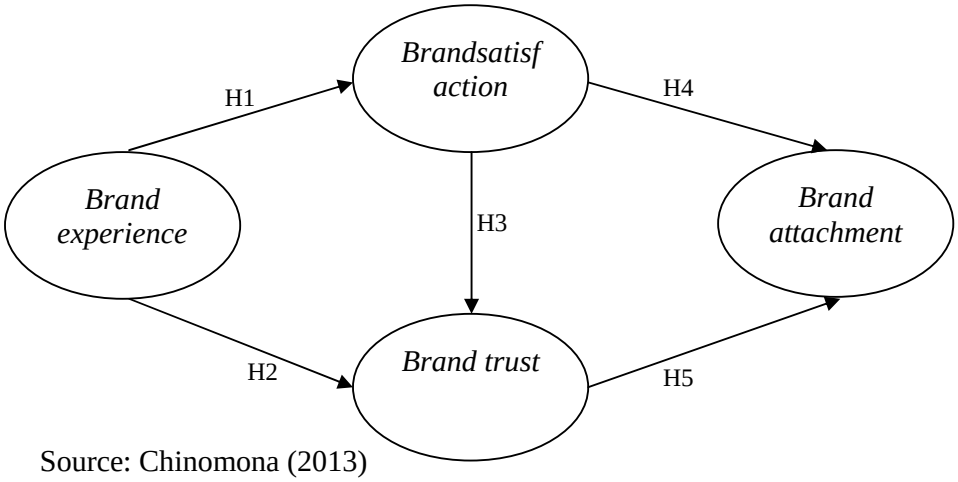
Tabel 2.1
Prior Research

No	Title, Researcher, Year	Research variable	Data Analysis Method	Research result
1	The influence of brand experience on brand satisfaction, trust and attachment in South Africa (Chinomona, 2013).	1. Brand experience 2. Brand satisfaction 3. Brand trust 4. Brand attachment	Structural Equation Modelling	1. Brand experience has a positive effect on brand satisfaction 2. Brand experience has a positive influence on brand trust 3. Brand satisfaction has a positive effect on brand trust 4. Brand satisfaction has a positive influence on brand attachments 5. Brand trust has a positive influence on brand attachments
2	Investigating the effect of brand satisfaction, brand trust and brand attachment on purchase behavior of customers (Asadollahi *et al.*, 2012)	1. Brand satisfaction 2. Brand trust 3. Brand attachment 4. Current purchase 5. Future Purchase	Structural Equation Modelling	1. Brand satisfaction has a positive effect on brand trust 2. Brand satisfaction has a positive influence on brand attachments 3. Brand satisfaction has a positive effect on current purchases 4. Brand trust has a positive influence on brand attachments 5. Brand trust has a positive influence on future purchases 6. The brand attachment has a positive influence on current purchases 7. The brand attachment has a positive influence on future purchases

No	Title, Researcher, Year	Research variable	Data Analysis Method	Research result
3	The effects of brand experiences, trust and satisfaction on building brand loyalty; an empirical research on global brands (Sahin *et al.*, 2011)	1. Brand experience 2. Brand satisfaction 3. Brand trust 4. Brand loyalty	Regression analysis	1. Brand experience has a positive effect on brand satisfaction 2. Brand experience has a positive influence on brand trust 3. Brand experience has a positive effect on brand loyalty 4. Brand satisfaction has a positive and significant impact on brand loyalty 5. Brand trust has a positive influence on brand loyalty
4	The effects of brand experience, satisfaction and trust on brand loyalty; an empirical research on the internet services of cellular companies in Pakistan (Rehman *et al.*, 2014).	1. Brand experience 2. Brand satisfaction 3. Brand trust 4. Brand loyalty	Regression analysis	1. Brand experience has a positive effect on brand satisfaction 2. Brand experience has a positive influence on brand trust 3. Brand experience has a positive effect on brand loyalty 4. Brand satisfaction has a positive effect on brand loyalty 5. Brand trust has a positive influence on brand loyalty
5	The influence of brand trust, brand familiarity and brand experience on brand attachment: a case of consumers in the gauteng province of South Africa Chinomona dan Maziriri, 2017).	1. Brand trust 2. Brand familiarity 3. Brand experience 4. Brand attachment	Regression analysis	1. Brand trust has a positive influence on brand attachments 2. Brand familiarity has a positive influence on brand attachments 3. Brand experience has a positive influence on brand attachments

2.7.Research Framework

This research is a replication study from a previous study conducted by Chinomona in 2013. The research model is as follows:



Source: Chinomona (2013)

Image2.1
Research Framework

2.8.Research Hypothesis

1. The effect of *brand experience* on *brand satisfaction*

Consumer experience has a role to build customer satisfaction in a brand. This is because brand experience is conceptualized as sensations, feelings, cognition, and behavioral responses generated by brand-related stimuli that are part of brand design and identity, packaging, communication, and the environment (Brakus *et al.*, 2009). Consumers with a good brand experience will be satisfied with the consumption of a product or service.The influence of brand experience on brand satisfaction was found in the study of Chinomona (2013), Sahin *et al.*,2011), Rehman *et al.*, (2014), and Chinomona and Maziriri (2017). Based on this, the researchers propose the following research hypotheses:

H1: *Brand experience* has a positive effect on *brand satisfaction*.

2. The influence of *brand experience* on *brand trust*

Brand experience not only has an influence on brand satisfaction but also affects consumer confidence in a brand. The concept of brand experience and scale that develops is very important for marketers to understand and manage brand trust and loyalty concepts (Sahin *et al*., 2011). Rehman *et al*., (2014) stated that trust is influenced by positive consumer experiences on the consumption of products or services.The results of the study of Chinomona (2013), Sahin *et al.*, 2011), Rehman *et al.*, (2014) prove the effect of brand experience on brand trust. Based on this, the researchers propose the following research hypotheses:

H2: *Brand experience* has a positive influenceon *brand trust.*

3. The effect of *brand satisfaction* on *brand trust*

Consumer satisfaction is one of the determining factors for the success of a business. The company's ability to create better products or services will make consumers believe in certain brand products or services. Consumer trust is formed is a form of post-consumption evaluation where consumers who are satisfied with the consumption of a product or service will become increasingly confident in the product or service.The effect of brand satisfaction on brand trust significantly was found in the study of Chinomona (2013), Asadollahi *et* al., (2012). Based on this, the researchers propose the following research hypotheses:

H3: *Brand satisfaction* has a positive influence on *brand trust.*

4. The effect of *brand satisfaction* on *brand attachment*

Today's marketers pay a lot of attention to how to satisfy their customers in ways that are considered the best and can be used as a strong competitive advantage. Satisfaction is the overall experience of consumers with products or services and repurchase intentions are also included (Rehman *et al.*, 2014).Consumers who have a high level of satisfaction emotionally will also have a high level of attachment to a brand (Chinomona, 2013). The influence of consumer satisfaction on the consumption of a particular product or service brand on brand attachment was found in the study of Chinomona (2013), Asadollahi *et al*., (2012). Based on this, the researchers propose the following research hypotheses:

H4: *Brand satisfaction* has a positive influence *on brand attachments.*

5. The influence of *brand trust* on *brand attachment.*

Construction of trust is defined as the extent to which a person believes in him and is willing to act on the basis of the actions or decisions of others (Rehman et al., 2014). Trust is the term for the tendency to believe in the ability of certain brands to perform the functions promised (Kim and Co, 2010) and the willingness to rely on other parties in the form of risk and will comes from understanding others based on past experience, and also involves expectations that the other party will lead to positive results not the possibility of negative results (Rehman *et al*., 2014).Consumers with a high level of trust in a brand will have a high level of attachment to the brand in question. The influence of brand trust on brand attachment was found in the study of Chinomona (2013), Asadollahi *et al*.,

(2012), Chinomona and Maziriri (2017). Based on this, the researchers propose the following research hypotheses:

H5: *Brand trust* has a positive influence on *brand attachments.*