

**YANGON UNIVERSITY OF ECONOMICS**

**DEPARTMENT OF COMMERCE**

**CUSTOMER BRAND LOYALTY ON ELECTRONIC  
PRODUCTS (A CASE STUDY OF STAFF IN YANGON  
UNIVERSITY OF ECONOMICS)**

**ZIN THIRI TUN**

**JUNE, 2018**

**CUSTOMER BRAND LOYALTY ON ELECTRONIC PRODUCTS  
(A CASE STUDY OF STAFF IN YANGON UNIVERSITY OF  
ECONOMICS)**

This thesis is submitted to the Board of Examiners in partial fulfillment of the requirements for the Degree of Master of Commerce (M.Com).

Supervised by:



Daw Cho Mar Lwin  
Lecturer  
Department of Commerce  
Yangon University of Economics

Submitted by:



Ma Zin Thiri Tun  
M.Com II – 6  
Master of Commerce  
Yangon University of Economics

# ACCEPTANCE

Accepted by the Board of Examiners of the Department of Commerce,  
Yangon University of Economics, in partial fulfillment for the requirements of the  
Master Degree, Master of Commerce.

## BOARD OF EXAMINERS



(Chairman)  
Dr. U Tun Aung  
Pro-Rector  
Yangon University of Economics



(Chief Examiner)  
Dr. Daw Soe Thu  
Professor and Head  
Department of Commerce  
Yangon University of Economics



(External Examiner)  
Dr. Daw Tin Hla  
Professor  
Faculty of Economics and Business  
University of Malaysia Sarawak



(Examiner)  
Dr. Daw Tin Tin Htwe  
Professor  
Department of Commerce  
Yangon University of Economics



(External Examiner)  
Dr. Daw Maw Maw Khin  
Professor and Head  
Department of Statistics  
Yangon University of Economics



(Examiner)  
Daw Khin Nwe Ohn  
Associate Professor  
Department of Commerce  
Yangon University of Economics



(Supervisor)  
Daw Cho Mar Lwin  
Lecturer  
Department of Commerce  
Yangon University of Economics

June, 2018  
(Thaw Soe Thu)  
Head of Department  
Academic Affairs  
Yangon University of Economics

## ABSTRACT

This study aims to investigate the relationship between brand experience, customer satisfaction and brand loyalty in electronic products. There are two objectives in this study: to identify the impact of brand experience on customer satisfaction; and to analyze the effect of brand experience and customer satisfaction on brand loyalty. The quantitative research approach was applied in this study. The required data was collected from 105 academic and administrative staff who are working in Yangon University of Economics as the case study. Data analysis for this study was conducted using SPSS (Statistical Package for the Social Sciences) software. The analysis used descriptive statistics (mean, percentage and frequency) as well as inferential statistics (correlation and regression analysis) to facilitate the meaningful analysis. The results showed that there is a significant positive relationship between brand experience, customer satisfaction and brand loyalty. As the results, customer satisfaction has a stronger influence than brand experience in building brand loyalty. Therefore, this study suggests that as the companies, they have to build strong brand experience to be able to guarantee customer satisfaction and followed by brand loyalty to their products.

## ACKNOWLEDGEMENTS

First and foremost, I would like to express my heartfelt gratitude to Professor Dr. Tun Aung, Pro-Rector, Yangon University of Economics for giving me the opportunity to undertake this thesis paper as the requirement of master degree.

My special thanks also go to Professor Dr. Soe Thu, Head of Commerce Department, Yangon University of Economics for her encouragement to complete this thesis and for giving her precious time.

I would like to thank my thesis supervisor, Daw Cho Mar Lwin, Lecturer, Department of Commerce, Yangon University of Economics for her energetic guidance, valuable suggestion and encouragement to complete this thesis.

After that, I would like to pay my thanks to all my teachers not only from the Department of Commerce but also from the other supporting Departments as well in Yangon University of Economics who willingly share and contribute all their wisdom and expertise to me during attending classes.

I also thank all the respondents in Yangon University of Economics who participated to complete my thesis. Especially, I would like to thank my parents who give support to me emotionally and financially to complete the thesis. Last but not least, I also thank my close friends and friends from Facebook who gave wishing words to me.

# CONTENTS

	<b>Page</b>
<b>ABSTRACT</b>	i
<b>ACKNOWLEDGEMENTS</b>	ii
<b>CONTENTS</b>	iii
<b>LIST OF TABLES</b>	v
<b>LIST OF FIGURES</b>	vi
<b>CHAPTER (1) INTRODUCTION</b>	<b>1</b>
1.1 Rationale of the Study	3
1.2 Objectives of the Study	4
1.3 Scope and Method of the Study	4
1.4 Organization of the Study	5
<b>CHAPTER (2) LITERATURE REVIEW</b>	<b>6</b>
2.1 Brand	6
2.2 Brand Loyalty	7
2.3 Brand Experience	10
2.4 Customer Satisfaction	12
2.5 Relationship between Brand Experience, Customer Satisfaction and Brand Loyalty	14
2.6 Conceptual Framework	16
<b>CHAPTER (3) OVERVIEW ON ELECTRONIC PRODUCT MARKET AND PROFILE OF RESPONDENTS</b>	<b>18</b>
3.1 Global Electronic Market	18
3.2 Electronic Market in Yangon	20
3.3 Demographic Characteristics of the Respondents	21

	<b>Page</b>
<b>CHAPTER (4) ANALYSIS OF CUSTOMER BRAND LOYALTY ON ELECTRONIC PRODUCTS</b>	<b>26</b>
4.1 Analysis of Customer Perceptions	26
4.2 Analysis of the Effect of Brand Experience and Customer Satisfaction on Brand Loyalty	31
4.2.1 Assessment on Reliability	31
4.2.2 Correlation Analysis	32
4.2.3 Regression Analysis	33
<b>CHAPTER (5) CONCLUSION</b>	<b>36</b>
5.1 Findings and Discussions	36
5.2 Recommendations	38
5.3 Suggestion for Future Study	39
<b>REFERENCES</b>	
<b>APPENDICES</b>	

## LIST OF TABLES

<b>Table No.</b>	<b>Description</b>	<b>Page</b>
3.1	Gender of Respondents	21
3.2	Age of Respondents	22
3.3	Average Income per Month	23
3.4	Respondents by Occupation	23
3.5	Career of Respondents	24
3.6	Favored Brands of Electronic Product	24
4.1	Mean Values of Brand Experience	27
4.2	Mean Values of Customer Satisfaction	28
4.3	Mean Values of Brand Loyalty	29
4.4	Overall Mean Values of Respondents' Perception	30
4.5	Reliability of the Variables	31
4.6	Correlation Values of the Variables	32
4.7	Regression Results of Customer Satisfaction on Brand Experience	33
4.8	Regression Results of Brand Loyalty on Brand Experience and Customer Satisfaction	34



# LIST OF FIGURES

<b>Figure No.</b>	<b>Description</b>	<b>Page</b>
2.1	Conceptual Framework of the Study	17

## CHAPTER (1)

### INTRODUCTION

Today the competition among the products are more severe compared to the previous time. In the intensive competition, it is difficult for the companies to be able to stand with the brand name only. An organization can determine its success by the brand rather than technical innovation. Many popular brands have been circulating in the market. A brand is generally a name and a symbol which helps creating a positive image on consumers and being different from rival products (Kotler, 2004). High number of brands that serve for the same purpose make customers change their brand easily and have difficulties in getting their loyalty.

Brands are considered as the important assets of the company that make customers loyal and have value for the end consumers. The brand helps customers in purchase decision making. Brand creates a relationship with the customers. It can be positive by purchasing the brand continuously and also negative by shifting to the other brand. Building strong brand is one of the most important goals of the product since the trust that customer puts in the product is able to repetitively purchase the same brand again and again. Companies need customers to buy their products repeatedly. Selling to existing customers is the biggest source of revenue for most companies.

Brand loyalty is an important issue in marketing. The customers are hard to remain loyal to any particular brand in the competitive market. Generating brand loyalty helps companies to retain the repeat purchase and gain new customers. Brand loyalty means consumers tend to pay high prices to a certain brand within the same product group and advise that brand to the people around them (Giddens, 2002). Brand loyalty is important because it is able to achieve sustainable success to companies. Customers who are loyalty to a company do not only repeatedly purchase a product but indicate willingness to pay extra for their preferred brand.

Although the creation of loyalty is difficult, it provides significant contributions to companies create their loyal customer group and retain their market shares. They want their customers to be attached to their brands with strong feelings.

To do so, it is necessary to be careful since a customer starts using their particular brand for such loyalty. There are many factors that create brand loyalty such as brand experience, customer satisfaction, brand trust, brand image, perceived brand quality, pleasures with purchase, and so on. The existence of the brand loyalty occurs when customers feel that the product has right characteristics according to the quality and the price of the product, the perceived value from it, the experience by using, and so forth. Brand loyalty is the only tool for any company to survive in a market with severe competition.

Brand experience which includes in this study refers to subjective, internal consumer responses such as sensations, feelings, and cognitions (Brakus, Schmitt, & Zarantonello, 2009) and behavioral responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications and environments (Brakus, Schmitt, & Zhang, 2008). Brand experience encompasses the full spectrum of involvement with a product or service, ranging from the initial search for the product to the purchase, receipts and consumption of it (Choi, Ok & Hyon, 2011). Brand experience has a direct relationship with brand loyalty and it plays a crucial role in brand building (Iglesias, Singh, & Batista- Fouget, 2010). Brands which are capable of delivering a superior brand experience can achieve preference over and differentiation from other brands and build brand loyalty and foster evangelism.

To keep the certain feeling in the customer's mind regarding to the particular brand, it is necessary to fulfill customer satisfaction for such loyalty. Satisfaction is regarded as a judgment following a consumption experience – it is the consumer's judgment that a product provided (or is providing) a pleasurable level of consumption-related fulfillment (Oliver, 1997). During consumption, customers experience the product performance and compare it to their expected product performance level. When customers are satisfied, they show commitment to continuously buy the same brand and become a loyal customer (Ballantyne et al., 2006). This study aims to explore the relationship between brand experience, customer satisfaction, and brand loyalty.

## 1.1 Rationale of the Study

In competitive markets with high exposure, growth, and technological developments, the success of a company is not just making the first sale but the continuous sales. There are many similar businesses targeting the same customers in the market. To attract the targeted customers, it is required for the company to understand the customer purchasing behavior on being loyal to a product brand. The concept of brand loyalty is very crucial because of its importance in business performance and benefits for an organization. In accordance with customers are becoming more and more sophisticated, they are more informed with the product. Customers have various thinking factors when deciding to buy a particular brand. They are demanding more products that fit them such as personalized products and services.

The chosen product line to study for the objectives of this study is electronic products especially consumer electronics. Consumer electronics are electronic equipment intended for everyday use, typically in private homes. Consumer electronics include devices used for entertainment, communications, home-office activities and home appliances. They can be TVs, DVD players, telephones, cell phones, laptops, desktop computers, printers, washing machines and refrigerators, etc. When increasing the living standard of people, consumer electronic products become a sign of the living standards. The electronic industry, especially meaning consumer electronics, emerged in the 20<sup>th</sup> century and has now become a global industry worth billions of dollars.

In the 2010s, most consumer electronics have become based on digital technologies, and have largely merged with the computer industry in the Information and Communication Technology (ICT) age. Innovative products, falling prices, growing household incomes and rising consumer sentiment have supported demand for consumer electronics. In global consumer electronics market, the leading market players are focusing aggressively on the designing and developing technologically advanced products and solutions for consumers in a bid to meet their ever-changing demands. Mainly driven by the significant rise in the purchasing power of consumers, stimulated by the increase in their disposable income, the market for consumer electronics is witnessing tremendous progress across the world.

In the market, there are many brands of electronic products. With high living standard, the demand for electronic products is increasing over the years. The electronic products companies are keeping to upgrade their products to match the advanced technology. So it becomes quite difficult to keep loyalty towards the brand. This study attempts to investigate brand loyalty according to brand experience, and customer satisfaction. From the business point of view, it is necessary to know how brand experience, and customer satisfaction influence on brand loyalty to their products in the competitive market. Therefore, it needs to find out the effect of brand experience, and customer satisfaction on brand loyalty.

### **1.2 Objectives of the Study**

The objectives of the study are described as follow:

- 1) To identify the impact of brand experience on customer satisfaction; and
- 2) To analyze the effect of brand experience and customer satisfaction on brand loyalty.

### **1.3 Scope and Method of the Study**

The general objective of this study is to explore the relationship between brand experience, customer satisfaction, and brand loyalty. To analyze the brand loyalty, this study only focus on electronic products. But it is difficult to cover all the consumers of electronic products. Therefore, this study was conducted on staff in Yangon University of Economics as a case study. The simple random sampling method was used for the selection of respondents while conducting the survey. As sample size, this study was conducted on 105 academic and administrative staff which are 25% of total staff in Yangon University of Economics.

This study used descriptive research method (mean values) to determine the agreement level of respondents. Required information was gathered from both primary and secondary source. Primary data were collected from personal interview with 105 respondents by using the structured questionnaire. The relevant research, published paper, related facts, text books and the internet were used as secondary data. By using Statistical Package for Social Science (SPSS) software, correlation and

regression analysis were computed to analyze the relationship between brand experience, customer satisfaction and brand loyalty.

#### **1.4 Organization of the Study**

There are five chapters in this study. Chapter one includes introduction, rationale of the study, the objectives of this study, scope and method of the study, and organization of the study. Chapter two describes the theoretical backgrounds and literature reviews related to the study and the conceptual framework for the study. In Chapter three, some condition of electronic market and the profile of respondents are presented. Chapter four consists of analysis on brand loyalty by using collected data from the respondents through questionnaires. Chapter five presents the conclusion including findings and discussions; recommendation; and suggestion for the future studies.

## CHAPTER (2)

### LITERATURE REVIEW

This chapter presents the theoretical consideration and literature review for the study's main concepts: brand, brand loyalty, brand experience, and customer satisfaction. The relationship between the variables and conceptual framework for this study are also described in this chapter.

#### 2.1 Brand

A brand is generally a name and a symbol which helps creating a positive image on consumers and being different from rival products (Kotler, 2004). According to American Marketing Association (AMA), a brand is a "name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or a group of sellers and to differentiate them from those of competition". In the classical definition, the brand is linked to the identification of a product and the differentiation from its competitors, through the use of a certain name, logo, design, or other visual signs and symbols.

Brands are very important in marketing services because they provide differentiation in the minds of consumers, based on the information about quality, social meaning and other aspects of the brand and what the brand represents (Franzen & Moriarty, 2008). Brands are considered as the important assets of the company that make customers loyal and have value for the end consumer. The brand helps customers in purchase decision making. Brand creates a relationship with the customers. A brand not only drives sales in the short term, but also influences long term relationship with customers that can drive futures sales (Mohammad, 2012).

Brand is a significant advantage for firms operating within a competitive market who must distinguish themselves from competitors (Kapferer, 2008). The brand is a focal point for all the positive and negative impressions created by the buyer over time as he comes into contact with the brand's products, distribution channel, personnel and communication. The brand performs an economic function in the mind of the consumer and thus has a lasting and memorable effect on the

company's activities. Legally a brand is simply a symbol which distinguishes a company's product and certifies its origin and thus only obtains its value through registration and conformity.

The value of a brand comes from its ability to gain an exclusive, positive and prominent meanings in the minds of a large numbers of consumers. The brand is a sign (therefore external) whose function is to disclose the hidden qualities of the product which are inaccessible to contact (sight, touch, hearing, smell) and possibly those which are accessible through experience. If the brand is strong, it benefits from a high degree of loyalty and thus from stability of future sales. Building strong brand is one of the most important goals of product since the trust that customer puts in the product is able to repetitively purchase the same brand again and again.

A brand is a set of mental associations, held by the consumer, which add to the perceived value of a product or service (Keller, 1998). It is more than a product because it can have dimensions that differentiate it in some way from other products designed to satisfy the same need. These differences may be rational and tangible – related to product performance of the brand – or more symbolic, emotional and tangible – related to what the product represents. A brand exists when it has acquired power to influence the market. Since a brand is a name with the power to influence the market, its power increases as more people know it, are convinced by it, and trust it.

The power behind the brand name that consumers insist on is undeniable. And it all begins with a promise – a promise to deliver value to consumers. If all goes well, it becomes a set of expectations. As those expectations are fulfilled again and again, a reputation develops. People come to rely on, seek out and support brand much like they do certain friendships. Powerful brands assert their strengths at every phase of a customer relationship. They make it easier to acquire new customers; retain and grow current customers; establish positive word-of-mouth and earn referrals; fend off competitors; and win back defections.

## **2.2 Brand Loyalty**

Brand loyalty can be defined as the extent of consumer faithfulness towards a specific brand and this faithfulness is expressed through repeat purchases and other



positive behaviors such as word of mouth advocacy, irrespective of the marketing pressures generated by the other competing brands (Kotler & Keller, 2006). Brand loyalty may exist when the consumer is unwilling to switch from the brand that he or she experiences. Brand loyalty is an important issue in marketing. Creating loyal customers is at the heart of every business. The customers are hard to remain loyal to any particular brand in the competitive market.

Brand loyalty is “the biased, behavioral response, expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological (decision-making, evaluative) processes” (Jacoby and Chestnut, 1978). Brand loyalty consists of both attitudes (the consumer’s feeling of commitment to the brand) and actual behaviors (the frequency and consistency of buying a given brand) toward a brand and that both must be measured. Attitudinal measures are concerned with consumers’ overall feelings about the product and the brand (i.e., evaluation) and their purchase intentions. Behavioral measures are based on observable, factual behaviors regarding the brand, such as quantity purchased, purchase frequency and repeated buying.

Brand loyalty is a positive attitude toward a brand that causes customers to have a consistent preference for that brand over all other competing brands in a product category. There are three degrees of brand loyalty: brand recognition, brand preference, and brand insistence. Brand recognition exists when a customer knows about the brand and is considering it as one of several alternatives in the evoked set. This is the lowest form of brand loyalty and exists mainly due to the awareness of the brand rather than a strong desire to buy the brand. Brand preference is a stronger degree of brand loyalty where a customer prefers one brand to competitive brands and will usually purchase this brand if it is available. Brand insistence, the strongest degree of brand loyalty, occur when customer will go out of their way to find the brand and will accept no substitute. Customers who are brand insistent will expend a great deal of time and effort to locate and purchase their favorite brand.

Brand loyalty is a pattern of consumer behavior where consumers become committed to brands and make repeat purchase from the same brands over time. Brand loyalty is defined as positive feelings towards a brand and dedications to purchase the same product or service repeatedly now and in the future from the same brand, regardless of a competitor’s actions or changes in the environment. Brand

loyalty, in marketing, consists of a consumer's commitment to repurchase or continue to use the brand. Brand loyalty can be shortly defined as the behavioral willingness to consistently maintain relations with a particular brand (Aaker, as cited by Kim & Ah Yu, 2016).

As the American Marketing Association, brand loyalty is defined as the situation in which a consumer buys the same manufacturer-originated product or service repeatedly over time rather than buying from multiple suppliers within the category. Building brand loyalty is about making a promise to people and delivering on it. True brand loyalty exists when consumers are willing to pay higher prices for a brand. True brand loyalty also exists when customers go out of their way for the brand. They do this because they think highly of the brand. Companies benefit greatly from loyal customers. Generating brand loyalty helps companies to retain repeat purchase and gain new customers.

Brand loyalty means consumers tend to pay high prices to a certain brand within the same product group and advise that brand to the people around them (Giddens, 2002). Brand loyalty is important because it is able to achieve sustainable success to companies. Customers who are loyalty to a company do not only repeatedly purchase a product but indicating willingness to pay extra for their preferred brand. Although the creation of loyalty is difficult, it provides significant contributions to companies create their loyal customer group and retain their market shares. Achieving a high degree of loyalty is an important goal in the branding process.

Loyal consumers are valuable consumers because it is much more expensive to recruit new customers than nursing and keeping existing ones. Retaining customers is not only less expensive, but existing, loyal customers purchase more. They generate positive word-of-mouth and referrals. In short, increased customer loyalty is the single most important driver of long-term profitability. Loyal customers give you their business almost all the time. These buyers tend to shop you regularly, they will call you to put aside product for them, they don't miss a sale or promotion, they may tell you openly that they buy most of their goods from you, they know you well, and they have probably established a personal friendship with you. Build excellent and unforgettable experiences for your customers, and they will be increasingly loyal to your brand (Dan Stiff).

Brand loyalty is a function of psychological processes which is translated into observable behavior response occurring repeatedly towards a particular brand, relative to other brand of similar product in the market (Lichtle & Plichon, 2008). Once brand loyalty is established, customers will not only continue to buy the products and services in the future but also recommend it to family and friends, and choose the product over competitors (Che-Ha & Hashim, 2007). Brand loyalty is considered a critical feature of overall brand value because loyal consumers will seek out and even pay more for their preferred brands, as well as referring additional customers (Mao, 2010).

Brand loyalty is at the heart of any brand's value because once obtained, loyalty is persistent. Customer inertia will benefit the brand that has earned loyalty. Breaking a loyalty link is difficult and expensive for a competitors. As such, one brand-building goal is to strengthen the size and intensity of each loyalty segment by making the basis of the customer relationship consistent over time and, whenever possible, rich, deep, and meaningful.

### **2.3 Brand Experience**

Experience is the collection of points at which companies and consumers exchange sensory stimuli, information, and emotion. The degree to which a company is able to deliver a desirable customer experience – and to use information technology, brands, and integrated communications and entertainment to do so – will largely determine its success in the global marketplace of the new millennium. Orchestrating an array of experience communicates that a company values customers and is eager to delight them and show just how important they are.

The core of any experience is the use of the product or service itself. A successful product experience will positively influence everything else that happens, setting a good context for the relationship between company and customers. People want companies to consistently surprise and delight them and create an emotional bond. In other words, consumers are reserving their loyalty for companies that provide loyalty right back. The ultimate goal of creating a loyalty-building experience is to put up a fence around best customers. The most compelling experiences, though, are emotionally affective – they may pause at the sensory and rational levels, but they

eventually touch the heart and linger there. If experiences can meet people's basic human needs, then consumers will reward the company with loyalty.

Brand experience concept was first introduced by Smith (1997). Brand experience is originated from a collection of tendencies between a customer and a brand, a company or a part of an organization (Schmitt, 2009). Brand experience occurs when consumers shop or search for, and consume products (Kim & Ah Yu, 2016). The experience which companies can deliver will create a distinctive, one-of-a-kind perception in the customers' minds. Successful brand understand that delivering an experience is much more important than just selling products and services. They must constantly reinvest themselves to ensure their relevance in their stakeholders' minds. A new product or service is not enough; organizations need to enhance customers' perceived emotional benefits as well.

Brand experience is conceptualized as subjective, internal consumer responses such as sensations, feelings, and cognitions (Brakus, Schmitt, & Zarantonello, 2009) and behavioral responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications and environments (Brakus, Schmitt, & Zhang, 2008). Brand experience is a personal source of information that can be utilized to form the basis of future decisions, such as repurchase intention. In contrast to customer delight, brand experiences do not occur only after consumption: they occur whenever there is a direct or indirect interaction with the brand.

Brand experience can be defined as the perception of the consumers, at every moment of contact they have with the brand, whether it is in the brand images projected in advertising, during the first personal contact, or the level of quality concerning the personal treatment they receive (Alloza, 2008). Brand experience is created when customers use the brand; talk to others about the brand; seek out brand information, promotions, and events, and so on (Amber et al., 2002). Brand experience encompasses the full spectrum of involvement with a product or service, ranging from the initial search for the product to the purchase, receipts and consumption of it (Choi et al., 2011).

Brand experience can be defined simply as the consumer's interaction and engagement with the brand and associated products on multiple levels. Brand experience encompasses four dimensions: sensory, affective, behavioral, and

intellectual (Brakus et al., 2009). Sensory brand experience refers to any passive aspects of brand involvement that is encoded directly via the senses of sight, hearing, taste, touch and smell (Shim, 2012). Affective experience refers to the feelings provoked by brand-related stimuli. The behavioral experience, which encompasses concrete actions, may be activated by various brand-related stimuli such as brand's design, identity, packaging, communication and brand environment. The intellectual dimension, like the behavioral dimension, represents an active rather than passive reaction. However, the activity takes place in the mind rather than overtly. This is activated when brand-related stimuli encourage thinking, problem solving and overall curiosity (Brakus et al., 2009).

Brand experience is important because it provokes positive feeling among customers towards a brand. Customers with positive brand experience remember the brand better than those who do not positively experience the brand. Brand experience spans from brand consumption to the environment where brand displayed (Kerin, R. 1992). Brand experience has a direct relationship with brand loyalty and it plays a crucial role in brand building (Iglesias, Singh, & Batista- Fouget, 2010). Brands which are capable of delivering a superior brand experience can achieve preference over and differentiation from other brands and build brand loyalty and foster evangelism.

## **2.4 Customer Satisfaction**

In general, satisfaction is a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance (or outcome) to expectations. If the performance falls short of expectations, the customer is dissatisfied. If it matches expectations, the customer is satisfied. If it exceeds expectations, the customer is highly satisfied or delighted. Customer assessments of product performance depend on many factors, especially the type of loyalty relationship the customer has with the brand. Customer satisfaction is closely related to expectation and the spreading of word-of-mouth. Since expectations are created before the actual purchase and based on word-of-mouth, which impacts the experience either positively or negatively.

Customer satisfaction is the prime motive of all marketers. The marketers must aim at the higher satisfaction of their customers because the customers who are just satisfied may still be attracted by a better offer of a competitor. Those who are highly satisfied are less likely to switch. High satisfaction or delightedness results in an emotional affinity with the brand and not just a rationale preference. This eventually results in high customer loyalty. If customers are having good experience of a product or service in the past then they are more likely to be satisfied with that product or service and may choose the same product of need arises. The reverse of this is also true and a customer with bitter past experience is less likely to go for the purchase of same product.

In competitive marketplaces, customer satisfaction is a critical differentiating factor. Customer satisfaction has two aspects – the affective and the cognitive. The former relates to a subjective feeling that the product, service or overall experience in dealing with the company has been positive, while the latter encompasses thoughts and judgments about the product or service, and by extension, the brand (Tu et al., 2012). According to Homburg and Giering (2001), customer satisfaction is defined as the result of a cognitive and affective evaluation, where some comparison standard is compared to the actually perceived performance.

In marketing, satisfaction is a concept that is affective in nature which constitutes a post-choice evaluative judgment of a specific transaction (Selnes, 1993). Brand satisfaction or customer satisfaction towards a brand can be seen as a cognitive evaluation of whether or not the exchange relationship with the brand is rewarding (Esch et al., 2006). Oliver has defined customer satisfaction as “a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment. Satisfaction is the overall level of customer pleasure and contentment resulting from experience with the product or service (Hellier et al., 2003).

Customer satisfaction, or dissatisfaction, is the feeling a customer has about the extent to which their experiences with an organization have met their needs. Customer satisfaction can promote brand loyalty because satisfied customers are not only more likely to purchase the product or service again the future, they are also more inclined to recommend it to their friends and family (Choi et al., 2011). The

marketing activities must be strong to present the product to the market to make the customers aware of the brand so that they can work towards experiencing the brand. The experience will determine whether the customers are satisfied or not with the usage experience. Customer satisfaction is one of the measures for finding the performance of the product and organization relating to its competitive market environment.

Satisfied customers have high possibility to stick with the existing product of the company while dissatisfied can switch easily to other alternative brands. Customer satisfaction is the consumer's perception of the preference of the product or service in relation to his or her expectations. The concept of customer satisfaction is a function of customer expectations, past experience and encounters with marketing stimuli. Customer satisfaction is a relative concept. It's the customers' subjective judgment or feeling, the attitudes they hold, about the extent to which their requirements have been met by a supplier. However, satisfaction is rarely an end in itself because whilst it is pleasing that customers hold favorable attitudes, that's of little value if they're not behaving like loyal customers. Thus, satisfaction is an attitude, and loyalty is a behavior.

## **2.5 Relationship between Brand Experience, Customer Satisfaction and Brand Loyalty**

The key variables in this study are brand experience, customer satisfaction, and brand loyalty. There has been a large number of research conducted on the relationship of these factors. Some is noted in the following.

### **2.5.1 Relationship between Brand Experience and Customer Satisfaction**

The findings of a study conducted by Choi et al. (2011) indicate that the relationship between brand experience and customer satisfaction is bidirectional. Brand experience, which encompasses various factors including perception of brand prestige and trustworthiness, significantly impacts customer satisfaction, and customer satisfaction impacts brand experience respectively. This relationship is positive, in that a more satisfactory brand experience will result in a positive increase in brand satisfaction. Similarly, a positive increase in customer satisfaction also

results in a positive increase in brand experience. Thus, this is a positive feedback loop, with good or bad brand experience resulting in good or bad brand satisfaction and vice versa.

Some dimensions of brand experience may have a greater influence on customer satisfaction, and by extension, brand loyalty, than other aspects. In particular, consumer's positive or negative experience with a particular product or service trigger emotional responses that profoundly influence satisfaction. This is a positive relationship. That is, the positive or negative experience influences satisfaction in the same direction; a positive experience will increase satisfaction, while a negative experience will decrease satisfaction.

### **2.5.2 Relationship between Brand Experience and Brand Loyalty**

Many studies have identified a positive correlation between favorable brand experience and brand loyalty. The study conducted by Kim, J., Morris, J.D., & Swait, J. (2008) found that brand experience, specifically personal experience with a given brand and its parent company rather than second-hand knowledge gained from marketing or word-of-mouth, was one of the key factors in the formation of brand loyalty. The influence of brand experience on brand loyalty grew over time as the consumer gained more positive experiences with the brand. Thus, not only brand loyalty is based on brand experience, it grows over time based on the growth of brand experience. This suggests that the relationship between brand experience and brand loyalty is a self-reinforcing feedback relationship, where long positive experience of a brand will lead to increasingly intense loyalty to the brand.

Consumers may gauge quality based on a product's sensory attributes such as appearance, auditory quality, smell, taste, and or texture; its affective attributes (how owning or consuming the product makes them feel); its behavioral attributes (what the brand or its provider actively does for them, as well as how they behave in response to the brand); and intellectual attributes like rational analysis of a brand's features and benefits (Mohammad, 2012). Given that quality encompasses all aspects of the brand experience, it is unsurprising that it has been identified as the primary influence on brand loyalty by various researchers (Click Fox, 2012; Nemati et al., 2010). Paying



attention to the brand experience is particularly critical to promoting brand loyalty for industries where service is a part of the product offering (Morrison & Crane, 2007).

### **2.5.3 Relationship between Customer Satisfaction and Brand Loyalty**

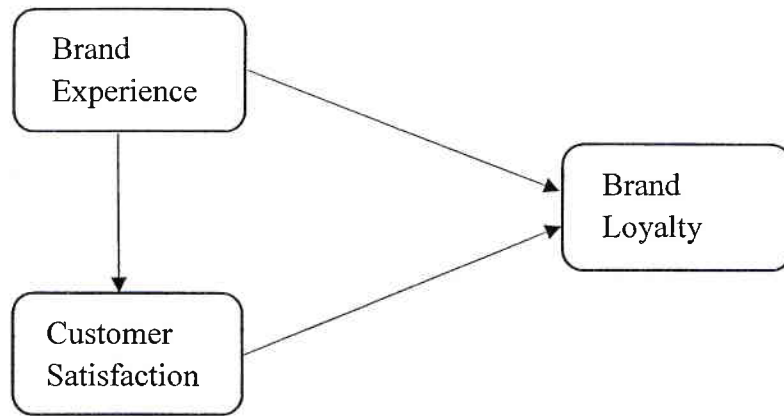
Customer satisfaction is a key variable in encouraging brand loyalty. Studies have shown that customer satisfaction with the brand experience has positive effects on brand loyalty through both direct and indirect routes (Choi et al., 2010) and that customer satisfaction precedes brand loyalty (Kapferer, 2008). A large-scale brand loyalty survey conducted by Click Fox (2012) found that customer satisfaction was second only to product quality in encouraging brand loyalty. Brakus et al. (2009), using their own rigorously tested scale covering various aspects of brand experience, found that brand experience directly affects brand loyalty and brand experience also indirectly affects brand loyalty through customer satisfaction.

Satisfaction with the preferred brand is one of the determinants of brand loyalty. It is especially important for managers to know as much information as possible on what are the satisfying elements of their product in order to establish loyalty towards their brand (Homburg and Giering, 2001). Repurchase and favorable word-of-mouth, endorsement for the product, or both actions are largely influenced by the perceived quality and prior satisfaction that they experience. The greater the customer satisfaction, the greater the repurchase intent as well as the greater the positive word-of-mouth (Pollack, 2009).

## **2.6 Conceptual Framework**

Brand experience, customer satisfaction and brand loyalty are interrelated in a variety of ways. Brand experience influences customer satisfaction. Both brand experience and customer satisfaction impact brand loyalty, which encompasses the likelihood of repurchasing the same brand, willingness to tolerance higher prices and motivation to recommend the brand to others. In attempting to analyze the relationship of brand experience, customer satisfaction and brand loyalty, a conceptual framework is constructed based on previous related studies which have been tested. The applied framework for this study is shown in Figure (2.1).

Figure (2.1) Conceptual Framework of the Study



## CHAPTER (3)

# OVERVIEW ON ELECTRONIC PRODUCT MARKET AND PROFILE OF RESPONDENTS

This chapter presents some conditions of consumer electronics market and profile of respondents. 110 respondents are selected as a sample size and sent the structured questionnaires to fill out their data concerning their current electronic product brands. 107 questionnaires are returned. But, 2 questionnaires are incomplete. So, there are 105 questionnaires to analyze and explore the brand loyalty regarding the brand experience and customer satisfaction. The respondents are academic and administrative staff who are working in Yangon University of Economics.

### 3.1 Global Electronics Market

Consumer electronics are electronic devices that are meant for everyday usage, typically in the communications, entertainment, home appliances and office productivity sectors. Consumer electronics include: computers, smartphones, cameras, video recorders, game consoles, refrigerators, washing machines, musical recording and playback equipment, etc. The consumer electronic market comprises the profits generated through the sales of these products. Consumers want a wider array of new products with more capabilities and expanded services and installations.

Favorable demographics, rising consumer incomes, and evolving more interconnected lifestyles are anticipated to boost the global consumer electronics industry. A combination of factors such as rising income and consumer spending affects the market dynamics significantly. The industry witnessed high growth during 2010-2011 due to the greater demand for electronics equipment, especially smart phones. Increases in consumer spending and changing consumer preferences, a growing need for automation and technological advancement derives from demand. High degree of price competition, maintaining efficiency and quality, implementation of upgraded technology and rising labor costs, and cost of raw materials are some of the challenges for the industry.

Innovative products, falling prices, growing household income and rising consumer sentiment have supported demand for consumer electronics. Meanwhile, consumers have been spending much of their increasing disposal income on mobile gadgets, further forcing industry operators to lower prices to compete. Demand in emerging economies will grow at a rapid pace, with rising incomes and a relatively low level of market penetration for many consumer electronic products. Electronics sales have boomed in emerging economies due to strong economic growth, low penetration rates and falling prices. Innovation can drive sales, but can also raise competition, enabling decreased product prices, causing moderate growth.

A research report by Future Market Insights (FMI) presents deep insights into the global consumer electronics market, taking the prominent trends in this market into consideration. The research study states that the leading market players such as Samsung Electronics, Apple Inc., LG Electronics Co. Ltd., Hitachi Ltd., and Sony Corp., are focusing aggressively on the designing and developing technologically advanced products and solutions for consumers in a bid to meet their ever-changing demands.

According to the research study, the worldwide market for consumer electronics market is anticipated to rise at a CAGR (Compound Annual Growth Rate) of 15.0% during the period from 2016 to 2026 and attain a value of US\$ 3.0 tn by the end of the forecast. Mainly driven by the significant rise in the purchasing power of consumers, stimulated by the increase in their disposable income, the market for consumer electronics is witnessing tremendous progress across the world.

The continual advancements in technology is another important factor that has been fueling this market. However, the high costs incurred in the designing and developing technically advanced consumer electronic products, lack of after-service support solutions, and the dearth of skilled professionals to manage the production procedures are likely to impede the growth of this market.

The research study states that the increasing investments by leading companies in novel technologies and their expansion in emerging economies, where labor cost is low, will support the progress of this market substantially in near future. Asia Pacific has surfaced as the most prominent regional market for consumer electronics, with the rising number of consumers in buying smartphones and HD TVs. The market in Asia

Pacific, excluding Japan, is driven by price differentiation and vendors are offering maximum features at the lowest possible cost.

Consumer electronics industry activity will respond to the strengthening global economy, which will release some pent-up demand, particularly for high-value and newly innovated products. The influx of new technologies continually provides the industry with challenges to incumbents and new opportunities for operators. The most important factors for the Global Consumer Electronics Manufacturing industry are having contacts in key markets, access to the latest available and most efficient technology and techniques, and establishment of brand names.

### **3.2 Electronics Market in Yangon**

In term of the world market, the like of Apple, Samsung, LG, Fuji, Lenovo, Panasonic, Sony, etc., dominate the electronic goods market in Yangon. Pansodan is the place to shop for electronics goods in Yangon. To buy mobile phones, air conditioners, laptops, refrigerators, TVs or DVDs players, the goods can be found at the prices ranging from very low to high end in Pansodan. Going along Pansodan Road, there are rows of electronic shops, mostly privately owned. Some shops are opened directly by foreign companies, owning specific brands, some are distributors and some are retailers.

Here are the brands of more visible consumer electronics in Yangon. By looking at mobile smart phone category, the bestselling brands are Samsung, Vivo, Oppo, Apple, Sony, LG, Huawei, Xiaomi, etc. The brand leaders for TVs are LG, Sony, Samsung, Toshiba, etc. The well-known brands in refrigerators are Samsung, LG, Panasonic, Hitachi, Midea, etc. For air conditioners, the brand leaders are Samsung, LG, Mitsubishi, Panasonic, Sharp, and Chigo. The well-known and well-stocked computer brands in Yangon include HP, Acer, Lenovo, Dell, Sony, Apple, etc.

Sony brand products are imported by TMW Enterprise Ltd. Sony products are available at shopping centers and dealership stores, and also sold at Wai Yan electronic stores. TMW Enterprise Ltd has partnered with LG Electronics and started distributing the products in Myanmar since 2003. Products have a good reputation regarding quality as they are produced in South Korea. Samsung is also a popular

Korean brand that is penetrating the local market. Samsung products are available at the showrooms and electronic shops. Samsung is the most influential brand in the Yangon electronic market.

In Yangon, the electronic goods can be available easily in shopping centers, electronic stores, and electronic product brand official showrooms. Electronics fairs and trade shows are also held yearly in Yangon. Relating to electronics, the Yangon Electricity Supply Corporation (YESC) will soon define industry standards for electronic products that are sold on the market to ensure good quality and weed out low quality and fake products. Based on the 2014 Electronics Law, responsible ministries need to check and analyze products which are being sold in the market.

### 3.3 Demographic Characteristics of Respondents

This section presents the description of respondents. The respondents were asked to describe their demographic information, including gender, age, average income per month, year of career and currently most using electronic brands.

#### 3.3.1 Gender of Respondents

Table (3.1) describes the number of respondents relating to gender that participated in the survey.

Table (3.1) Gender of Respondents

Gender	No. of Respondents	Percentage (%)
Male	10	9.5
Female	95	90.5
Total	105	100

Source: Survey Data (2018)

According to Table (3.1), 95 respondents were female, accounting for 90.5% and 10 respondents were male, accounting for 9.5% of the total 105 respondents.

### 3.3.2 Age of Respondents

Table (3.2) is a description of the number of respondents that are classified according to their ages. There are four groups. The first one is the group of respondents that are between 18 and 27 years. The second includes the people that are between 28 and 37 years. The third includes the respondents that are from 38 to 47 years. The last one is the group of people that are 48 years and above.

**Table (3.2) Age of Respondents**

Age	No. of Respondents	Percentage (%)
18–27 years	11	10.5
28–37 years	36	34.3
38–47 years	33	31.4
48 years and above	25	23.8
Total	105	100

Source: Survey Data (2018)

According to Table (3.2), the largest group is the one that includes the respondents who are between 28 and 37 years, accounting for 34.3%. The second largest group is the respondents who are from 38 to 47 years, accounting for 31.4% and the third group is the respondents who are 48 years and above, accounting for 23.8%. The smallest group is the people who are between 18 and 27 years, accounting for 10.5%.

### 3.3.3 Average Income of Respondents

The average income per month of respondents are described in Table (3.3). There are five classifications. They are 100,000-150,000 kyats, 150,001-200,000 kyats, 200,001-250,000 kyats, 250,001-300,000 kyats, and 300,001 kyats and above.

### 3.3.5 Respondents by Career Year

The career year is classified into three groups: under 10 years, 10-20 years, and over 20 years. It is shown in Table (3.5).

**Table (3.5) Career of Respondents**

Career (year)	No. of Respondents	Percentage (%)
Under 10 years	44	41.9
10-20 years	42	40.0
Over 20 years	19	18.1
Total	105	100

Source: Survey Data (2018)

The largest group is the group that has career under 10 years, as 41.9%. 40% of total respondents is the respondents with 10-20 career years. The smallest group is the group of respondents who have career over 20 years, accounting for 18.1%.

### 3.3.6 Brands of Electronic Product Favored by Respondents

Table (3.6) describes the brands of electronic product that the respondents are currently using and more preferred than other electronic product brands.

**Table (3.6) Favored Brands of Electronic Product**

Electronic Brands	No. of Respondents	Percentage (%)
Sony	10	9.5
Samsung	56	53.3
LG	14	13.3
Panasonic	10	9.5
Philips	7	6.7
Others	8	7.6
Total	105	100

Source: Survey Data (2018)



Samsung gets the largest percentage 53.3%. Other brands, 7.6% in total, include Xioami, Huawei, Midea, and T.Home. Most respondents gave responses based on mobile phone brands that they are currently using. Some based on TV, Refrigerator, Iron, etc.

## CHAPTER (4)

### ANALYSIS OF CUSTOMER BRAND LOYALTY ON ELECTRONIC PRODUCTS

The aim of this chapter is to examine and analyze quantitative data that are collected through survey questionnaires. The data collection for this study is conducted in Yangon University of Economics in March, 2018. All participants work in Yangon University of Economics and are using electronic products. Simple random sampling method was applied in the study. There were 105 participants who completed the survey questionnaires. The analysis is divided into two parts. The first part is the analysis of customer perception on three variables of this study (brand experience, customer satisfaction, and brand loyalty). The second part presents the analysis for two objectives of this study: the impact of brand experience on customer satisfaction, and the effect of brand experience and customer satisfaction on brand loyalty.

#### 4.1 Analysis of Customer Perception

This section aims to present the analyzing customer perceptions on three main variables of this study (brand experience, customer satisfaction and brand loyalty) based on chosen electronic product brand. The questionnaires for the study are designed according to five-point Likert scale from scale of one to five, where one represents “strongly disagree” and five represents “strongly agree”. The mean values were calculated based on sample 105 respondents. This section for descriptive analysis is the mean characteristics for each of the variables. The descriptive results for each measured variables in this study are presented in the following. The interpretation of Likert-scale questions is based on the formulation below:

$$\begin{aligned} \text{The width of each level} &= (\text{Highest score} - \text{lowest score}) \div \text{Number of level} \\ &= (5 - 1) \div 5 = 0.8 \end{aligned}$$

The average of 1.00 – 1.79 means a very low level of agreement. The average of 1.80 – 2.59 means a low level of agreement and 2.60 – 3.39 means moderate level

of agreement. The average of 3.40 – 4.19 means a high agreement level and the average of 4.20 – 5.00 means a very high level of agreement. (Güven, n.d.)

### Brand Experience

Brand experience comprises four different aspects: sensory, affective, behavioral and intellectual. There are ten statements to analyze the brand experience with regard to the evaluated brand. The first three items (1-3) concern about the sensory aspects. The next three items (4-6) relate to affective brand experience. The following next two items (7 and 8) are about the behavioral and the last two items (9 and 10) relate to the intellectual brand experience. Mean values of all scales are shown to analyze responses of consumers to brand experience. Descriptive results of brand experience comprising all items are shown in Table (4.1) as academic and administrative staff respectively.

**Table (4.1) Mean Values of Brand Experience**

No.	Statements	Mean Value	
		Academic Staff	Administrative Staff
1.	This brand makes a strong impression on my visual sense.	3.92	3.49
2.	I find this brand interesting in a sensory way.	3.80	3.69
3.	This brand appeals to my senses.	3.60	3.51
4.	This brand induces feelings and sentiments.	3.80	3.62
5.	I have strong emotion for this brand.	3.18	3.24
6.	This brand is an emotional brand.	3.32	3.62
7.	This brand results in bodily experience.	3.65	3.76
8.	This brand is action oriented.	3.73	3.53
9.	I engage in a lot of thinking when I encounter this brand.	3.63	3.56
10.	This brand stimulates my curiosity.	3.57	3.49
<b>Overall Mean Value</b>		<b>3.62</b>	<b>3.55</b>

Source: Survey Data (2018)

According to the results in Table (4.1), the highest mean score for academic staff is 3.92 in that this brand makes a strong impression on my visual sense. It can be said that the respondents' chosen electronic brands deliver some interest to them in their sight. In administrative staff, the highest mean value is 3.76 in which this brand results in bodily experience, so their evaluated brand can force them to consume. The mean scores for most of the statements of brand experience are in the mean range of 3.40 – 4.19. This means that there is a high level of agreement regarding mean values. The lowest mean scores for academic and administrative staff are 3.18 and 3.24 respectively in which I have strong emotion for this brand. It indicates moderate level of agreement. For overall, it can be said that the academic staff have good experience on their evaluated brand than the administrative staff.

### Customer Satisfaction

There are five statements used to identify the level of satisfaction towards the electronics brand that the participants are chosen. The mean values of all scales in customer satisfaction for academic and administrative staff are shown separately. Table (4.2) shows the descriptive results of each scale for customer satisfaction.

**Table (4.2) Mean Values of Customer Satisfaction**

No.	Statements	Mean Value	
		Academic Staff	Administrative Staff
1.	I am satisfied with my decision to buy this brand.	3.95	3.73
2.	I have truly enjoyed this brand.	3.90	3.87
3.	I feel good about my decision to buy this brand.	3.90	3.69
4.	Using this brand is a good experience.	3.88	3.80
5.	I am sure it was the right thing to be a customer of this brand.	3.85	3.69
<b>Overall Mean Value</b>		<b>3.90</b>	<b>3.76</b>

Source: Survey Data (2018)

As the results shown in Table (4.2), the customer satisfaction ratings are higher than the brand experience ratings. The mean values of all the statements of customer satisfaction are in the range of 3.40 – 4.19. This means high level of agreement to scales. The highest score for academic staff is 3.95 in which I am satisfied with my decision to buy this brand. The lowest mean scores for academic and administrative staff are 3.85 and 3.69 in which I am sure it was the right thing to be a customer of this brand. The highest mean values in administrative staff is 3.87 in that I have truly enjoyed this brand. The statement that I feel good about my decision to buy this brand also has the lower mean value 3.69 in administrative staff. The overall mean value for academic staff is higher than that of administrative staff.

### Brand Loyalty

Customer's loyalty towards the brand is very important because it will result in customers' positive commitment to the brand. There are five statements attempting to describe the response of the participants on the issue of their loyalty towards the brand evaluated. The mean value for academic and administrative staff of all scales to brand loyalty are described in this section. The descriptive results of each scales for brand loyalty is shown in Table (4.3).

**Table (4.3) Mean Values of Brand Loyalty**

No.	Statements	Mean Value	
		Academic Staff	Administrative Staff
1.	I would recommend this brand to friends and relatives.	3.75	3.62
2.	I intend to keep buying product at this brand.	3.64	3.55
3.	If I need product, this brand would be my preferred choice.	3.72	3.70
4.	I will speak positively about this brand.	3.73	3.70
5.	I intend to encourage other people to buy from this brand.	3.60	3.50
<b>Overall Mean Value</b>		<b>3.69</b>	<b>3.61</b>

Source: Survey Data (2018)

According to the results, the mean values of all statements for brand loyalty are in high agreement level. For academic staff, the highest mean score is 3.75 in that I would recommend this brand to friends and relatives and the lowest score is 3.60 in which I intend to encourage other people to buy from this brand. The statements that if I need product, this brand would be my preferred choice, and I will speak positively about this brand have the highest mean score 3.70 in administrative staff. The lowest mean score for administrative staff is 3.50 in which I intend to encourage other people to buy from this brand. For overall, the mean values for academic staff are higher than that of administrative staff.

### **Overall Perception on Brand Experience, Customer Satisfaction and Brand Loyalty**

Individual mean scores for brand experience, customer satisfaction and brand loyalty are presented separately as academic and administrative staff in this section. Overall mean values for each factor are shown in Table (4.4).

**Table (4.4) Overall Mean Values of Respondents' Perception**

Factors	Academic Staff	Administrative Staff	Total Overall Mean
	Mean	Mean	
Brand Experience	3.62	3.55	3.59
Customer Satisfaction	3.90	3.76	3.83
Brand Loyalty	3.69	3.61	3.65

Source: Survey Data (2018)

As shown in the above table, the overall mean scores of both academic and administrative staff for brand experience, customer satisfaction and brand loyalty are in the mean value range 3.40 – 4.19 that it means the high level of agreement for the statements to the variables. The total overall mean value for brand experience is 3.59. Brand experience in this study can be described as most respondents experience positive about the brand they have chosen. The overall mean value for customer satisfaction is 3.83. It can be said that customer satisfaction can be expressed that most of the respondents are satisfied with their chosen brand in this study. The overall

mean value to brand loyalty has 3.65. Therefore, with regard to the result, most of the respondents portray brand loyalty to their chosen brand.

## **4.2 Analysis of the Effect of Brand Experience and Customer Satisfaction on Brand Loyalty**

This study focus on the relationship between brand experience, customer satisfaction and brand loyalty. In this section, it presents the results of correlation and regression analysis with regard to achieve the two objectives of this study: to explore the impact of brand experience on customer satisfaction; and to analyze the effect of brand experience and customer satisfaction on brand loyalty.

### **4.2.1 Assessment on Reliability**

The variables involved in the study are brand experience, customer satisfaction and brand loyalty. Cronbach's alpha is a measure for the internal consistencies of the items that together cover the specific factor. It measures internal consistency of items to the concept. The values of Cronbach's alpha range from 0 to 1, and higher values indicate greater reliability. Researchers often use 0.7 as a minimum level.

**Table (4.5) Reliability of the Variables**

<b>Factors</b>	<b>No. of Items</b>	<b>Cronbach's Alpha</b>
Brand Experience	10	0.721
Customer Satisfaction	5	0.802
Brand Loyalty	5	0.850

Source: Survey Data (2018)

It could be observed that all of the alpha values are more than 0.7. According to Table (4.5), alpha value for brand loyalty is 0.850 which is the highest alpha value among other factors. Results show that Cronbach's alpha range between 0.721 and 0.850. Since each factor has Cronbach's alpha value greater than 0.7, they are internally consistent and the instruments are reliable to measure the variables.

#### 4.2.2 Correlation Analysis

Correlation is a measure of relationship between two variables. The correlation coefficient gives value (-1 to 1) for measuring direction and the strength of the linear relationship between two variables. Person's correlation coefficients were computed to test the relationship between the variables of this study. Correlations of all variables used in this study are shown in Table (4.6).

**Table (4.6) Correlation Values of the Variables**

		Customer Satisfaction	Brand Loyalty
Brand Experience	Pearson Correlation	.586**	.564**
	Sig. (2-tailed)	.000	.000
	N	105	105
Customer Satisfaction	Pearson Correlation		.744**
	Sig. (2-tailed)		.000
	N		105

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Survey Data (2018), SPSS Output

According to Table (4.6), the correlation coefficient between brand experience and brand loyalty is 0.564 at significant 1% level. This shows that there is positively relationship between brand experience and brand loyalty. The correlation coefficient between brand loyalty and customer satisfaction is 0.744 at significant 1% level. It shows that there is directly relationship between customer satisfaction and brand loyalty. It was also found that customer satisfaction is positively correlated with brand experience ( $r = 0.586, p < 0.01$ ).

Therefore, the analysis revealed that there is a positive and significant relationship between brand experience, customer satisfaction and brand loyalty. This means that if the companies can give good experiences about the products to their customers, it will lead to satisfy the customers. Also, as the customers are satisfied with the brand and its performance, it will increase their loyalty towards the brand.



In summary, brand experience and customer satisfaction have positive correlation with the brand loyalty. Among the two factors, customer satisfaction has the stronger relationship with the brand loyalty of the customers ( $r = 0.744$ ) than the brand experience of them.

#### 4.2.3 Regression Analysis

In this section, the outcomes of analyzing for this study objectives are presented. The two objectives were analyzed using regression analysis. This section includes the discussion of outcomes, including regression equations as well as estimates of variation of outcomes, and a full reporting of the linear regression outcomes from the statistical analysis.

##### Analysis of Customer Satisfaction on Brand Experience

Objective 1 stated is to explore the impact of brand experience on customer satisfaction. This was analyzed using simple linear regression, which determines the probability of the dependent variable based on the independent variable. For this model, the dependent variable is customer satisfaction and the independent variable is brand experience. The results are described in Table (4.7).

**Table (4.7) Regression Result of Customer Satisfaction on Brand Experience**

Independent Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
Constant	1.173	0.365		3.215	0.002
Brand Experience	0.742	0.101	0.586	7.345	0.000
n = 105 $R^2 = 0.344$ F = 53.946 (p-value = 0.000)					

Source: Survey Data (2018), SPSS Output

The above results show that all the coefficients in the model are significant at 1% level, which is indicated by the value of F-statistic. In addition, individual coefficient has expected positive signs. Independent variable namely brand experience

is significant. The magnitude of coefficient indicates the amount how much the score of the dependent variable will change if the score of an independent variable increases. That is, for each increase point on the brand experience, the level of customer satisfaction will increase by 0.742 point. Coefficients enable the construction of the linear regression equations that can be derived to describe the relationship. The unstandardized regression equation of the relationship between customer satisfaction and brand experience can be defined as follow:

$$\text{Customer Satisfaction} = 0.742 (\text{Brand Experience}) + 1.173$$

As the performance of regression model, the brand experience can explain about 34.4% of the variation of the customer satisfaction. These findings suggest that there is a modest, though statistically significant, predictive relationship between the brand experience and the customer satisfaction. It can be said that the extent of brand experience influences the customer satisfaction with the brand.

#### Analysis of Brand Loyalty on Brand Experience and Customer Satisfaction

The second objective posed for the research is to analyze the effect of brand experience and customer satisfaction on the brand loyalty. This analysis was undertaken using multiple linear regression analysis, with brand experience and customer satisfaction being the independent variable and brand loyalty being the dependent variable. The results of this analysis are presented in Table (4.8).

**Table (4.8) Regression Results of Brand Loyalty on Brand Experience and Customer Satisfaction**

Independent Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
Constant	-0.062	0.346		-0.180	0.086
Brand Experience	0.276	0.113	0.194	2.443	0.016
Customer Satisfaction	0.709	0.089	0.631	7.948	0.000
n = 105      R <sup>2</sup> = 0.579      F = 70.017 (p-value = 0.000)					

Source: Survey Data (2018), SPSS Output

According to the results shown in the above table, all the coefficients in the model are significant at 1% level, which is indicated by the value of F-statistic. In addition, individual coefficients have expected positive signs. All of two independent variables namely brand experience and customer satisfaction, all variables are significant. The magnitude of each coefficient indicates the amount how much the score of the dependent variable will change if the score of an independent variable increases. As the results, for each increase point on the brand experience and customer satisfaction, the level of brand loyalty increased by 0.276 and 0.709 points respectively. Using the unstandardized coefficient B, a description of the regression equation associated with these variables are as follow:

$$\text{Brand Loyalty} = 0.276 (\text{Brand Experience}) + 0.709 (\text{Customer Satisfaction}) - 0.062$$

As the performance of regression model, the model can explain about 57.9% of the variation of the brand loyalty of customers. As the results, among the brand experience and customer satisfaction, customer satisfaction is the key determinant for the brand loyalty of customers. The results of this analysis support a positive relationship between the two independent variables: Brand experience and Customer satisfaction, and the dependent variable: Brand loyalty.

## CHAPTER (5)

### CONCLUSION

This chapter aims to present discussions on the research findings to the objectives of the study. The recommendations and suggestions for future study are indicated.

#### 5.1 Findings and Discussions

This study was undertaken to explore the relationship between brand experience, customer satisfaction and brand loyalty in electronic products. To explore it, two objectives that were formulated for this study are as follow:

- 1) To describe the effect of brand experience on customer satisfaction; and
- 2) To analyze the effect of brand experience and customer satisfaction on brand loyalty

These objectives were undertaken using a quantitative survey of 105 respondents who are working in Yangon University of Economics. The quantitative survey was first analyzed descriptively. Objectives were achieved by using linear regression between independent variables and dependent variable.

In analyzing objective 1, it is found that there is a positive relationship between brand experience and customer satisfaction. This indicates that brand experience influence customer satisfaction. This could be a two-way relationship, with customer satisfaction also building on brand experience as customers return to have further experiences with a brand found to be satisfactory. As Choi et al., (2011) noted, brand experience influences customer satisfaction, which in turn encourages the consumer to return and have more exposure to brand experience. Thus, this can be described as a reinforcement or feedback loop between brand experience and customer satisfaction. The finding supports the idea that brand experience and customer satisfaction are related, with brand experience having a positive impact on customer satisfaction.

When analyzing objective 2, brand experience and customer satisfaction are as independent variables and brand loyalty as dependent variable. Regression analysis for this model showed a positive relationship between these two independent variables and customer brand loyalty. This could be a feedback relationship, with customer loyalty behaviors such as repeated purchase increasing both customer satisfaction and brand experience. In order to build customer brand loyalty, customers must have repeated, satisfactory experience with the brand and its characteristics. Thus, there is a clear causal relationship between these variables.

The relationship between brand experience and brand loyalty in this study has a moderate regression result and does suggest that there is a relationship between brand experience and brand loyalty. Under the brand equity model, the customer experience with the brand is the main determinant of the formation of the brand loyalty (Chaudhuri & Holbrook, 2001). The findings suggest that brand experience was important for developing customer satisfaction and brand loyalty.

The important finding is that brand loyalty, customer satisfaction and brand experience are not independent of each other. It is not possible to build brand loyalty without brand experience and customer satisfaction. Behaviors associated with brand loyalty (such as repeat purchase from a given brand) build brand experience and, if the brand is properly managed, increased customer satisfaction. This mutually constituted relationship means that the relationship between brand loyalty and customer experience is particularly important.

The findings showed that by adding customer satisfaction to brand experience, there was a much stronger relationship with brand loyalty. This suggests that brand experience and customer satisfaction are paired or complementary constructs. Without customer satisfaction, the brand experience is not enough to promote loyalty. While brand building is important, it is equally important to ensure customer satisfaction and meet expectations if the company wants to build a long-term brand loyal customer base.

From the findings generated by this study, it can be concluded that all the objectives in this research has been achieved. The results show that there are positive and significant relationship between brand experience, customer satisfaction and brand loyalty. It can be said that the more the customers have good experience about

the brand, the more the customers have satisfaction; and the more the customers are satisfied with the brand, the more the customers will be loyal towards the brand.

## **5.2 Recommendations**

The ultimate marketers' goal in brand-relationship development is a customer who is loyal towards the brand. Understanding and managing brand loyalty is especially important in durable goods industries (e.g. electronics industry) in which products can involve large profit margins on the hand but involve long placement cycle for buyers on the other hand. The latter issue makes it challenging for electronics manufacturers to ensure that consumers will repeat-purchase within the same company when it is time to replace their electronics.

Brand loyalty acquisition and maintenance is an important challenge in today's competitive markets. Many marketing researchers emphasize on the interaction between consumers and brands in terms of customers' satisfaction, creation of favorable attitude towards a brand and improvement of link between customers and brands. Loyalty to brand is followed by advantages like increasing sales and income, fighting against competitors, reduction in customer attraction costs and prevention from customers' sensitivity to competitors marketing actions. Brand loyalty creation involves investment in marketing programs and especially potential customers.

Marketers ought to pay attention to both brand experience and customer satisfaction in order to build customer brand loyalty. In order to generate true customer loyalty, companies need to be really good in the substantive product they are offering. Basically, by improving the quality of brands and supplying them accompanied with quality service, customers are likely to be satisfied and give loyal to the brands. Brand experience creates and develops trust-based relationship platform between brand and customers.

Brand experiences arise in a variety of settings when consumers search for, shop for, and consume brands. In this study, brand experience is conceptualized as subjective consumer responses that are evoked by specific brand-related experimental attributes. The positive feeling and experience which have obtained after using the electronics influence the brand loyalty. In order to build strong brand loyalty among

the competitors, the electronic companies should try to promote their products with good styles, improved technology and higher quality.

Customer satisfaction is the result of experience of a product or service and is affected by a product's performance. Satisfaction with the preferred brand is one of the determinants of brand loyalty. Satisfaction is a matter of promise which companies give to customers. If they keep a promise to fulfill their customers' need, customers will be satisfied. Satisfaction in electronic products is primarily based on the quality and functionality. If customers satisfy the products, they will have brand loyalty towards the brand or its products. It will benefit the companies due to repeated purchases and continued customer loyalty.

Loyalty is in fact a kind of psychological belonging and tendency to relationship with the company. If the companies are able to design a brand well and attract customers' attention, they will be able to guarantee customer satisfaction and followed by brand loyalty to products. This means long term relationship between customers and company; and long term profitability. Therefore, as the companies, they have to continue to build strong brand experience and also should focus on building a community around the brand and encouraging identification of their consumers with the brand.

### **5.3 Suggestions for Future Study**

This study and results indicate directions for further study. This study only focused on teachers and staffs of Yangon University of Economics and the sample size is relatively small. Therefore, the future study can be strengthened by increasing the sample size and focusing on other groups of respondents that have varied income level and more purchasing power than the respondents who participate in this study. With an increased sample size, a more detailed empirical analysis among the independent variables and the variables that have multiple categories can be performed. The findings from this study should be replicated with different product categories and brands.

In addition, for future research, it can be added other potential variables beside the current variables that can influence customer brand loyalty. Besides customer being satisfied and experiencing to the brand, additional variables can be used to

further widen the research to find out what other positive contributions can influence customer brand loyalty among the customers. The present study did not examine personal factors, brand involvement, brand trust, brand image, brand personality, perceived value and so forth. Thus, it need to develop a more detailed understanding of the relationship between brand loyalty and other variables related to relationship marketing.



## REFERENCES

1. Aaker, D. (2014). *Aaker on branding: 20 principles that drive success*. Morgan James Publishing.
2. Ahmed, S., & Moosavi, Z. (2013). *Factors Influencing the Cell Phone Brand Loyalty of Swedish Generation Y*.
3. Ahmed, Z., Rizwan, M., Ahmad, M., & Haq, M. (2014). Effect of brand trust and customer satisfaction on brand loyalty in Bahawalpur. *Journal of Sociological Research*, 5(1), 306-326.
4. Awan, A. G., & Rehman, A. U. (2014). Impact of customer satisfaction on brand loyalty: An empirical analysis of home appliances in Pakistan. *British Journal of marketing Studies*, 2(8), 18-32.
5. Aye Nyein Win. (2017, Nov 8). *Yangon to set standards for electronics*. Myanmar Times. Retrieved from <https://www.mmtimes.com/news/yangon-set-standards-electronics.html>
6. Bjerre, M., Heding, T., & Knudtzen, C. F. (2009). *Brand management: research, theory and practice*.
7. Chinomona, R. (2013). The influence of brand experience on brand satisfaction, trust and attachment in South Africa. *The International Business & Economics Research Journal (Online)*, 12(10), 1303.
8. Ferrell, O. C., & Hartline, M. D. (2008). *Marketing Strategy*. 4<sup>th</sup> edition, Thomson Learning Inc.
9. Future Market Insights. (2017, Dec 5). *Global consumer electronics market: Key players focusing on developing technologically advanced products*. Retrieved from <https://www.futuremarketinsights.com/press-release/consumer-electronics-market>
10. Greene, C. (2016, May). *Yangon electronics market of Pansodan*. Myanmar Insider. Retrieved from <http://www.myanmarinsider.com/yangon-electronics-market-of-pansodan>
11. Hill, N., Roche, G., & Allen, R. (2007). *Customer satisfaction: The customer experience through the customer's eyes*. The Leadership Factor.

12. IBIS World. (August, 2017). *Global consumer electronics manufacturing – Global market research report*. Retrieved from <https://www.ibisworld.com/industry-trends/global-industry-reports/manufacturing/consumer-electronics-manufacturing.html>
13. Investopedia. (n.d.). *Brand Loyalty*. Retrieved from <https://www.investopedia.com/terms/b/brand-loyalty.asp>
14. Kapferer, J. N. (2008). *The New Strategic Brand Management: Creating and Sustaining Brand Equity Long Term*.
15. Keller, K. (2013). *Strategic Brand Management: Building, Measuring and Managing Brand Equity*. Global edition. Pearson Higher Ed.
16. Khadijah, K. (2010). *Relationship between Customer Satisfaction, Brand Trust and Customer Brand Loyalty* (Doctoral dissertation, Universiti Utara Malaysia).
17. Knapp, D. E. (2008). *The Brand promise: How Costco, Ketel One, Make-a-wish, Tourism Vancouver, and other leading brands make and keep the promise that guarantees success!*.
18. Kotler, P. Keller, Kevin Lane. (2012). *Marketing Management*. 14<sup>th</sup> edition, Pearson Practice Hall.
19. Lucintel. (2012, July). *Growth opportunities in the global consumer electronics market*. Retrieved from <http://www.lucintel.com/consumer-electronics-market-2017.aspx>
20. Market Business News. (n.d.). *Brand Loyalty-definition and meaning*. Retrieved from <http://marketbusinessnews.com/financial-glossary/brand-loyalty/>
21. Market Research. (n.d.). *Consumer electronics market research reports and industry analysis*. Retrieved from <https://www.marketresearch.com/Consumer-Goods-c1596/Consumer-Goods-Retailing-c80/Consumer-Electronics-c112>
22. Muth, A., Ismail, R., & Langfeldt Boye, C. (2012). *Customer Brand Relationship: An empirical study of customers' perception of brand experience, brand satisfaction, brand trust and how they affect brand loyalty*.
23. Nut-Arin, M. (2013). *The Effect of Brand Experience and Customer Satisfaction on Brand Loyalty: A Case Study of True Coffee in Bangkok, Thailand* (Master's thesis, Prince of Songkla University, Thailand)
24. Robinette, S., & Brand, C. (2001). *Emotion marketing: The hallmark way of winning customers for life*. McGraw Hill Professional.

25. Sahin, A., Zehir, C., & Kitapci, H. (2011). The effects of brand experiences, trust and satisfaction on building brand loyalty; an empirical research on global brands. *Journal of Procedia-Social and Behavioral Sciences*, 24, 1288-1301
26. Schiffman, L. O' Cass, Aron. Paladino, Angela. & Carlson, Jamie. (2014). *Consumer Behavior*. 6<sup>th</sup> edition, Australia: Pearson.
27. Singh, B. (2016). *Factors Influencing Brand Loyalty For Samsung Mobile Users In Nepal* (Master's thesis, University of Agder).
28. Stiff, D. (2010). *Sell the brand first: How to sell your brand and create lasting customer loyalty*. McGraw Hill Professional.
29. Vazifehdost, H., Rahnama, A., & Mousavian, S. J. (2014). Evaluation of the impact of brand purchase involvement, satisfaction, experience and brand trust on loyalty to brand. *Mediterranean Journal of Social Sciences*, 5(20), 3054.
30. Wikipedia. (n.d.). *Brand Loyalty*. Retrieved from <https://en.m.wikipedia.org/wiki/Brandloyalty>
31. Wikipedia. (n.d.). *Consumer Electronics*. Retrieved from [https://en.m.wikipedia.org/wiki/Consumer\\_electronics](https://en.m.wikipedia.org/wiki/Consumer_electronics)
32. Zay Yar Linn. (2016, May 23). *Branding talks consumers enticed*. Myanmar Times. Retrieved from <https://www.mmtimes.com/special-features/223-it-and-electronics/20451-branding-talks-consumers-enticed.html>

## APPENDICES



4. Occupation (position) : \_\_\_\_\_

5. Career (year) : \_\_\_\_\_

6. Please tick *only one electronic product Brand* that you are currently most using.

Sony

Samsung

LG

Panasonic

Philips

Others, please state: \_\_\_\_\_

## Part B

In this section, a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5) will be used to analyze the customer brand loyalty regarding to brand experience, customer satisfaction and brand trust. With respect to your own thinking in the brand you are currently using, please answer the following statements by ticking one in the scale which best reflects the strength of your agreement or disagreement in relation to statement.

Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	2	3	4	5

### Brand Experience

No.	Statements	1	2	3	4	5
1.	This brand makes a strong impression on my visual sense.					
2.	I find this brand interesting in a sensory way.					
3.	This brand appeals to my senses.					
4.	This brand induces feelings and sentiments.					
5.	I have strong emotion for this brand.					
6.	This brand is an emotional brand.					
7.	This brand results in bodily experience.					
8.	This brand is action oriented.					
9.	I engage in a lot of thinking when I encounter this brand.					
10.	This brand stimulates my curiosity.					

## Customer Satisfaction

No.	Statements	1	2	3	4	5
1.	I am satisfied with my decision to buy this brand.					
2.	I have truly enjoyed this brand.					
3.	I feel good about my decision to buy this brand.					
4.	Using this brand is a good experience.					
5.	I am sure it was the right thing to be a customer of this brand.					

## Brand Loyalty

No.	Statements	1	2	3	4	5
1.	I would recommend this brand to friends and relatives.					
2.	I intend to keep buying product at this brand.					
3.	If I need product, this brand would be my preferred choice.					
4.	I will speak positively about this brand.					
5.	I intend to encourage other people to buy from this brand.					

***\*\* Thank You So Much for giving your precious time \*\****



## APPENDIX B

### Results of Brand Loyalty on Brand Experience and Customer Satisfaction

#### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	Customer Satisfaction, Brand Experience		Enter

a. Dependent Variable: Brand Loyalty

b. All requested variables entered.

#### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.761 <sup>a</sup>	.579	.570	.37270	1.552

a. Predictors: (Constant), Customer Satisfaction, Brand Experience

b. Dependent Variable: Brand Loyalty

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.452	2	9.726	70.017	.000 <sup>b</sup>
	Residual	14.169	102	.139		
	Total	33.621	104			

a. Dependent Variable: Brand Loyalty

b. Predictors: (Constant), Customer Satisfaction, Brand Experience

### Results of Customer Satisfaction on Brand Experience

#### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	Brand Experience		Enter

a. Dependent Variable: Customer Satisfaction

b. All requested variables entered.

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.586 <sup>a</sup>	.344	.337	.41186

a. Predictors: (Constant), Brand Experience

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.151	1	9.151	53.946	.000 <sup>b</sup>
	Residual	17.472	103	.170		
	Total	26.622	104			

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), Brand Experience