

# Moving single-brand retail shoppers from in-store to online: Is brand experience still important?

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## ABSTRACT

This study extends research on brand experience from an in-store retail setting to the online environment. The setting utilizes single-brand retailers to add further understanding to a little-studied form of retailing. Foundational to online retail brand loyalty are the experiences the shopper has while engaging the in-store environment. Leveraging in-store branding elements, the shopper's brand experience can lead to identification with the brand as well as community. The research reveals significant positive relationships throughout, from brand experience to behavioral loyalty. This indicates that brand experience has a significant impact on identification with the brand, (both self- and social-identification), as well as brand community and loyalty.

Through recent decades, the U.S. retail industry has experienced arguably as much change as any major industry in the world. In-store format change began with the growth of warehouse clubs in the 1970s, off-price and "category killers" in the 1980s, followed by channel change with the introduction of the internet in the late 1990s. E-commerce continues to drive change for retailers, not the least of which is the way retailers communicate with their shoppers. Retailers, particularly those which rely heavily on the sales of consumer package goods (CPG) for revenue, have seen communication shift dramatically, away from advertising, to in-store promotion. This trend has been on the increase since the late 1970's (Kumar & Leone, 1988). As e-commerce has increased, the online shopper has shown a distinct preference for access to the same communication found with in-store promotions. Some research indicates preference rates for cross-channel congruence may be as high as 87% (Burke, 2002). Further it has been shown that in-store promotions not only affect product and category performance, but can also lead to retail brand switching (Kumar & Leone, 1988). As such, in-store promotion can be considered an integral part of a retailer's brand communication. This research will examine if shoppers' brand experiences with a single-brand retailer in the online environment, can lead to shoppers identifying with the brand, community and ultimately generate loyalty with the brand. Does brand experience positively affect self-identification with the brand, and will that impact social identification with the brand? Will identity with the brand positively impact a connection with brand community? Will brand community

positively impact brand loyalty? The examination of these questions will form the foundation for this study.

## THEORETICAL FRAMEWORK BRANDING

Changes in the retail environment have increased pressure on retail brands from both intra and inter-format competitors (Ailawadi & Keller, 2004). Retailers have been required to develop multiple strategies to address the increased competitive pressure. One in-store strategy related to branding has been the use of targeted, vendor-supported in-store promotions which have become part of the retailer's brand message and strategy (Kumar & Leone, 1988). A different strategy has been to develop entire retail operations centered on a single-brand. Although little appears in the extant literature, the uniqueness of the single-brand retailer model, with its reliance on one brand, belies a gap in the retailing literature.

Brands, including the retailer brand, are assets which can be sources of competitive advantage (Barney, 1991; Keller & Lehmann, 2006; Runyan & Droge, 2008). Brands either through verbiage or symbols, provide shoppers a physical representation of the brand statement which is delivered through locations, products and/or experiences in the marketplace. Brands by design, distinguish products or retailers in the shopper's mind, with a goal of developing a sustainable preference (Keller, 1993). Most retailers, being multi-brand product purveyors, provide an assortment of manufacturers' brands, through which a majority of revenue is derived (Ailawadi & Keller, 2004). Multi-brand retailers (e.g.

Kroger, Walgreen's and Macy's) throughout their assortments share identical vendor-branded products with other multi-brand retailers, increasing competition for shoppers and sales. To counter this competition, multi-brand retailers build their "own brands" (e.g., private label) and attempt to link their retail brand to products (Ailawadi & Keller, 2004), in an effort to mitigate competition. The intent of the decreased competition is to increase profit as shoppers' have reduced bases on which to form product or pricing comparisons.

## SINGLE-BRAND RETAILERS

Single-brand retailers utilize a private label strategy where virtually all of the products sold in its stores and on its website(s) are the retailers "own brand." Examples of this type of retailer currently in the marketplace include: Gap, J. Crew, and Bath and Body Works. A single-brand retail strategy, while effectively eliminating price and product comparison inherent in a multi-brand offering, is not without risk. The single-brand retail strategy requires the retailer to maintain shopper loyalty with the single brand (Jones & Kim, 2011). This is in stark contrast to a multi-brand retailer who can experience multiple sub-brand failures and still maintain shopper loyalty (Livesey & Lennon, 1978). However, just like a multi-brand retailer, a successfully executed single-brand retailing strategy can be extended into a multi-channel setting (i.e. online, brick and mortar, catalog) (Smith & Brynjolfsson, 2001). Multi-channel engagement enhances access for and to shoppers, providing the retailer with a broader marketplace foundation for a more sustainable competitive advantage.

Single-brand retailers hold a unique position in the retail marketplace, as the "brand" is synonymous with the store, and as such are the quintessential private label marketer. This offers researchers a unique opportunity to examine private label performance at retail in a homogeneous setting. Especially as research has shown that private label offerings do increase the share of wallet and attachment to a retailer (Ailawadi, et al., 2008). Thus single-brand retailers may create a competitive advantage by growing shopper attachment to an even deeper level.

## ONLINE EXPERIENCE

Part of the competitive advantage achieved by the single-brand retailer is through the use of specific experiential brand elements. However, the literature largely characterizes the online shopping experience as utilitarian, trivializing brand experience and minimizing the hedonic value of the brand (Bergstrom, 2000). Not all sales channels are conducive to the complex brand elements/cues single-brand retailer's leverage within the in-store channel. Clarity of brand

elements in the shopper's mind is a critical component in the development of brand equity, which is closely associated with brand loyalty (Chaudhuri & Holbrook, 2001). Retailers unable to maintain consistency within brand elements across channels, risk weakening their overall brand image (Kwon & Lennon, 2009b). Missing, altered or added brand elements in a channel can fundamentally alter the shopper's brand experience. Single-brand retailers may choose to mimic in-store experiential cues (e.g., color, ambient light level and graphic styles) in an effort to minimize differences in brand experience between online and in-store sales channels.

Changes to brand element delivery to the online channel can fundamentally alter the brand experience for the shopper (Bergstrom, 2000). In-store marketing and promotional levers used by the single-brand retailer to drive shoppers' purchasing behavior, may differ significantly when moved to the off-line environment (e.g., shipping and tax rates, online exclusives, channel specific sales events), creating further brand message disparities. Single-brand retailers also face unique challenges in the multi-channel marketplace, where they must target a varied clientele, with multiple messages related to a single-brand. This is markedly different from multi-brand retailers, which can utilize a variety of vendor supplied brand messages to target unique consumer needs. The multi-brand retailer can offer a retailer brand message to unite shoppers, while simultaneously leveraging supplier brand messages as a segment tool. Single-brand retailers do not enjoy the two-tier marketing benefit of the multi-brand retailer. Single-brand retailers must satisfy unique shoppers, with differentiated messages while avoiding brand message conflict.

The shopper through brand elements, messaging and in-store promotion develops brand knowledge related to the in-store environment (Keller, 2003). The shopper extends his/her in-store brand knowledge to the online brand and thus makes the online environment subject to the same expectations s/he holds for the in-store brand (Kwon & Lennon, 2009b). Shoppers expect the in-store brand experience including in-store promotions to be extended to the online environment. This remains true even for those shoppers whose preferred sales channel is online (Kwon & Lennon, 2009a). Thus by definition, in order for the online environment to be successful and brand affirming, it must be representative of the in-store experience (Bergman, 2004).

To maximize the benefits of a multi-channel strategy, retailers and particularly single-brand retailers need to better understand how shoppers experience the brand in an online environment (Noble, Guggenheim, Shenkan, & Shi, 2009).

Developing an understanding of the relationship between brand experience, and its impact on loyalty through the shoppers self-and social-identification with the brand, and brand community is crucial for successful multi-channel retailing. These factors give strong support for retailers to operate in the multi-channel environment and also to embrace web-based social media. The factors also demonstrate the need for single-brand retailers to fully understand key brand elements, and how best to represent them in a multi-channel environment. While brand message management across channels is important for all retailers, it is paramount for the single-brand retailer, with only one brand to establish and maintain a relationship with consumers. Failure to maintain the clarity and efficacy of that message can result in failure for the single-brand retailer.

## BRAND EXPERIENCE

Single-brand retailers almost uniformly exploit a dense assemblage of brand cues in-store along with targeted in-store promotion, to differentiate themselves from their competition and to better define the brand for their shoppers. These layers of in-store brand cues, including task and ambient lighting, color, imagery, sound, aroma and custom fixturing, are designed to enhance the brand experience while increasing shopper interaction and ultimately spending with the single-brand retailer (Turley & Milliman, 2000).

Similar to all other retail brands, single-brand retailers offer a variety of brand communications (Ailawadi & Keller, 2004). Manufacturer brands position themselves in the shoppers' minds as a primary purchase option by employing a variety of marketing elements, such as advertising, packaging, styling, and particularly in-store promotion. Each of these messages generated by the manufacturer is specifically designed to match the brand and the product to the shopper's interest and needs (Keller & Lehmann, 2006). These messages, including in-store promotion, become part of shopper brand experience (Brakus, Schmitt, & Zarantonello, 2009; Keller & Lehmann, 2006). Single-brand retailers, just like manufacturers, must develop product and brand messages along with brand cues which serve to represent the retail brand for shoppers.

Unfortunately for manufacturer brands they cannot control the overall brand experience. Once the product moves to retail the product is subject, in some form, to the execution interest and skill of the retailer. Single-brand retailers in contrast retain control of the entire brand experience from brand conceptualization to the shopper experience with the brand. Brand experience then is a representation of the sum of all of the experiences shoppers have from their interaction

with a brand: product, shopping, service, and consumption (Brakus, Schmitt, & Zarantonello, 2009).

Brakus, et al., (2009) operationalized a brand experience scale with four dimensions: sensory, emotional, behavioral, and intellectual. They describe brand experience as closely related to many brand constructs (e.g., involvement, personality, attachment) but distinct in its relation to shoppers' experience with brand (Brakus, et al., 2009). Additionally, brand experience has a behavioral impact on shoppers, which affects consumer's satisfaction and loyalty to the brand (Brakus, et al., 2009). Therefore, as the shopper's experience with a single-brand retailer engages the shopper's sense of self from the behavioral, reflective and emotional perspective, it is proposed that the elements of brand experience; sensory, affect, behavioral, and intellectual will have a positive effect in the development of both self- and social-identification the brand. Therefore we propose the following in the context of a single brand retailer:

**H1:** *Brand experience will positively impact on the shoppers' development of a self-identification with brand.*

**H2:** *Brand experience will positively impact on the shoppers' development of a social-identification with brand.*

## SELF-IDENTITY WITH THE BRAND

The foundational aspect of brand experience is brand itself, which the literature has established as being part of a relationship between the consumer and the products that are sold under the brand (Levy, 1959). Brand can also be used by consumers as a tool to reduce choices in a saturated retail environment replete with choices (Farley, 1952). The characteristics of a brand that associate symbolism and its relationship to the consumer, its heuristic nature, and consumer's choice have lead to myriad brand theories (Bhat & Reddy, 1998; Dichter, 1966; Hirschman & Holbrook, 1982; Holbrook & Hirschman, 1982; Levy, 1959). The symbolic representation of brand is distinct from other representations, particularly the functional representation of a brand (Bhat & Reddy, 1998). This is important for the establishment of a relationship between brand and shopper, which can develop into consumer identification with a brand.

Successful brands create tight bonds with shoppers, resulting in a form of competitive insulation from other brands. This insulation allows the brand to flourish even during times of negative economic change (Ailawadi & Keller, 2004). Brand experience is the initial step in the relationship between brand and shopper, and ultimately determines how the shopper will interact with the brand (Oliver, 1997). Consistent

and repeated brand experiences over time, either positive or negative, lead to a “persistent expectation” of the brand by the shopper (Oliver, 1997). Consistently positive brand experiences help the shopper form an identification with the brand both individually (self) and collectively (social), as well as develop a sense of community through the brand, product, company and other shoppers of the brand. The shoppers’ feeling of belonging established in community, will ultimately lead the shopper to establish a sense of loyalty to the brand (Muniz & O’Guinn, 2001).

In this study we model brand experience as an antecedent of shopper identification with the single-brand retailer. If all experiences are similar in direction, either positive or negative, the persistence intensifies. The most successful brands reinforce and are consistent with self-brand image (Dolich, 1969). Self-identification with a brand extends a shopper’s self-identity to the shopper’s possessions (Escalas & Bettman, 2005). Shoppers place the highest importance of possession on brands that integrate shopper self-image with aspirational image (Escalas & Bettman, 2005). Self-identification with the brand is based on congruent meaning between shoppers and brand, and is reflected in the shared social symbolism embodied in the brand, and shared with a larger community (Escalas & Bettman, 2005).

In the online environment, the brand synergy must incorporate in-store brand elements, promotions and communication. Because a single-brand retailer carries only its own brand in stores, self-identification can be a powerful representation of the retailer’s connection to its shoppers. As the shopper internalizes a self-identification with a single-brand retailer s/he can further develop identification outward to a social group who possesses the same brand identification. It is therefore hypothesized:

**H3:** *Self-identification with brand in the online environment will have a positive impact on the shopper developing a social-identification with the brand.*

The attachment to possessions and the brand represented within those possessions are foundational to establishing self-identification with a brand (Hogg & Terry, 2000). Further, self-identification is reinforced by the nature of in-store shopping where shoppers’ preferences may be more present through physical display by other shoppers, thus reinforcing to the self. The physical shopping environment can also introduce casual interactions between shoppers which can also further identification (Hogg & Terry, 2000). The in-store environment itself is a source of positive associations for the shopper, deepening brand affinity which in the online

environment is inherently absent. Thus we would propose the following:

**H4:** *Self-identification with brand in the online environment will have no significant effect on shopper engagement with brand community.*

## SOCIAL-IDENTITY WITH THE BRAND

Hogg and Terry (2000) describe a social dimension of the association between shoppers and brands. Brands that are prototypical representatives of shoppers’ attitudes and beliefs serve as symbols to others. These symbols indicate similarities in attributes, which are shared in common with others establishing an “in-group.” Alternatively, symbols can be indicative of dissimilarities of attributes, which would represent an “out-group” (Hogg & Terry, 2000). Self-identification in today’s society has moved from certainty to a constantly re-evaluating identity model (Elliott & Wattanasuwan, 1998). The constant reassessment inserts uncertainty and instability into the self-concept, which can be countered by the stability found in the brand.

Social-identification, however, seeks to extend the shopper’s identity with others of like values, while at the same time distinguishing themselves from others with differing values (Tajfel, 1974). Shoppers who establish social-identification with a single-brand retailer gain social stability from shared “narratives” inherent in the brand message (Elliott & Wattanasuwan, 1998). These “narratives” reflect the shared beliefs and attitudes between shopper, brand, and other shoppers. Therefore, shoppers who socially identify with a single-brand retailer can use brand community to further connect to other shoppers who have a similar brand affinity. Likewise the deeper relationship with the brand formed in social-identification can also lead to a desire to connect beyond solely other shoppers, and connect with the brand, company and products as well. It is therefore proposed that the social-identification with a brand in the online experience will have a positive effect on brand community.

**H5:** *Social-identification with brand in the online environment will have a positive effect on shopper engagement with brand community.*

## BRAND COMMUNITY

Brand community further extends the concept of brand-identification in the form of action. Brand community moves the passive acknowledgement of social-identification with a brand to an active pursuit to join with others who identify publicly with the same brand, in an extended community (Schau, Muñiz, & Arnould, 2009). Brand community from



this standpoint can be viewed as a “shopper centric” model, where the brand-identified individual interacts with the brand, other shoppers of the brand, products of the brand and the company itself (McAlexander, et al., 2002).

The ability to connect shoppers virtually to interact with each other on topics of interest and share information creating virtual “communities” is increasingly becoming the focus of internet communication (Kaufman-Scarborough, 2002). As such, the internet is rapidly returning to its original premise which was for the sharing of information, social interaction, networking and community (Reckseidler, 2009). A recent Annenberg study noted that online communities doubled in the years 2005-2007 and that members find their community important, refer to it frequently and over half have met an online community member in person (Turner, 2008). The extension of community to a virtual model online is important for the single-brand retailer. Traditional models for clubs or gatherings as modes of community are often, time and geographically bound, whereas the internet offers a more immediate and flexible method of community (Ba, 2001). Due to the power of the online environment, community need no longer be bound by physical factors, such as geography, ethnicity, and time (Muniz & O’Guinn, 2001).

Retailers are faced with increasing use of social networking and other forms of online communication, forming virtual communities. As has been described by Turner (2008), these communities are seen by their members to be extremely important. Brand community has the ability to leverage the shopper’s connection to the brand, company, product and other shoppers, to make the brand more important to the shopper and thus drive loyalty. This makes understanding brand community and loyalty increasingly important (Muniz & O’Guinn, 2001). Although not unique to this particular type of retailer, this is especially true for single-brand retailers with regard to community adoption as a potential to positively impact brand loyalty. The shared brand attributes between shoppers of a brand is one way to increase trust in an online environment, which can lead to strong brand attachment and loyalty in both in-store and online retail channels (Ba, 2001). This is especially true for single-brand retailers with regard to community adoption as a potential to positively impact brand loyalty. The shared brand attributes between shoppers of a brand is one way to increase trust in an online environment, which can lead to strong brand attachment and loyalty in both in-store and online retail channels (Ba, 2001).

Brand community and the connection that it stands for between brand and shopper can be used to describe, in a broader sense, a competitive advantage for the company

(Muniz & O’Guinn, 2001). Muniz & O’Guinn (2001) explain brand community as a buffer, reducing the need for product differentiation as the defining element of competition. The holistic nature which comprises the relationship found in community leads to intimate ties that exceed simple loyalty (Fournier, 1998). Therefore a shopper’s positive relationship with brand community will generate loyalty, extending beyond a uni-dimensional form of loyalty. As a result it is proposed that brand community will positively impact the multi-dimensional levels of cognitive, affective, conative and action found in behavioral loyalty. Therefore we propose:

**H6:** *The multi-dimensional nature of brand community in the online environment will have a positive impact on the development of multi-dimensional behavioral loyalty with a brand.*

## BEHAVIORAL LOYALTY

Brand loyalty is a behavioral construct rooted in the past performance and future intention of the shopper to patronize a brand (De Wulf, Kristof, & Iacobucci, 2001), and can be measured by patronage intention, word of mouth, loyalty, and trust (Keller, 2003). Behavioral loyalty is an established benchmark for marketing quality, representing the successful integration of the marketing strategy into a relationship between the brand and shoppers (Sharp & Sharp, 1997). Behavioral loyalty includes both an attitude toward a brand and behavioral intent toward purchase continuity with a brand (Dick & Basu, 1994). Behavioral loyalty can be seen as an integration of four levels of loyalty: cognitive, affective, conative and action (Oliver, 1997). As such behavioral loyalty is also subject to the four elements of brand experience; sensory, emotional, behavioral, and intellectual which is proposed as the antecedent construct in the model for this study which can be seen in **Figure 1**.

## RESEARCH MODEL DEVELOPMENT

The in-store experience with a brand or retailer sets shopper’s expectations for the online experience. The successful retailer will leverage its established in-store communication including experiential brand cues as well as promotions to create a sense of security with the shopper. A sense of security is a critical step in the process of moving a first-time channel shopper to become a channel adopter (Kwon & Lennon, 2009b). Shopper’s perception of the online brand extension is reflective of the shopper’s prior in-store experiences with the brand or retailer. The positive in-store brand experience can be so significant that the shopper will overlook poor and even negative online performance (Kwon & Lennon, 2009a). However, repeated or escalating negative online experiences over time will not only damage

the online shopper-brand relationship, it will also damage shopper-brand relationship in-store (Kwon & Lennon, 2009a). Brands that create a seamless experience from in-store to online help mitigate negative experiences from the new sales channel, and further increase the new sales channel adoption rate (Kwon & Lennon, 2009b).

The proposed model is designed to examine shopper's brand experiences from a single-brand retail store in the online sales channel. The model will further examine whether self-identification and social-identification with a brand will function as a mediator of brand community. Brand community is important to the single-brand retailer, as the internet is rapidly transforming the availability and breadth of community. The commitment the shopper has to sharing his/her lifestyle with others in a brand community is a strong indicator of the level of loyalty the shopper exhibits in regard to the brand (Yim & Kannan, 1999). Therefore, this study examines brand experience as an antecedent to brand identification, brand community and behavioral loyalty, for single-brand retailers in the online sales channel. The model can be seen in **Figure 1**.

**METHODOLOGY**  
**SAMPLING AND DATA COLLECTION**

The sample was obtained from undergraduate students

bodies at two large southeastern U. S. universities. Student samples have been found to be a reliable and legitimate sample source especially when the topic of the research is applicable to the student population (Calder, Phillips, & Tybout, 1981; Enis, Cox, & Stafford, 1972). To broaden the scope of the sample in quantity, age, ethnicity, gender and economic background, we followed (Hennig-Thurau, Gwinner, & Gremler, 2002) methodology. To broaden the scope of the sample in quantity, age, ethnicity, gender and economic background, we followed (Hennig-Thurau, Gwinner, & Gremler, 2002) methodology, which enlists initial respondents to each gather data from an additional five respondents, in exchange for some non-monetary incentive (in this case extra-credit in a college course).

As a result a sample of 268 respondents was generated. Such sample expansion methods have been found to be a useful and acceptable as a tool to enhance sample variation (Goodman, 1961; Salganik & Heckathorn, 2004). This sample achieved a participant mix that was comparable to those targeted by the single-brand retailers used in this study. The demographic make-up of the sample can be seen in **Table 1**. Nine surveys were considered to be missing significant data and were discarded leaving a final sample size of 259.

**FIGURE 1**  
**On-Line Brand Experience Model**

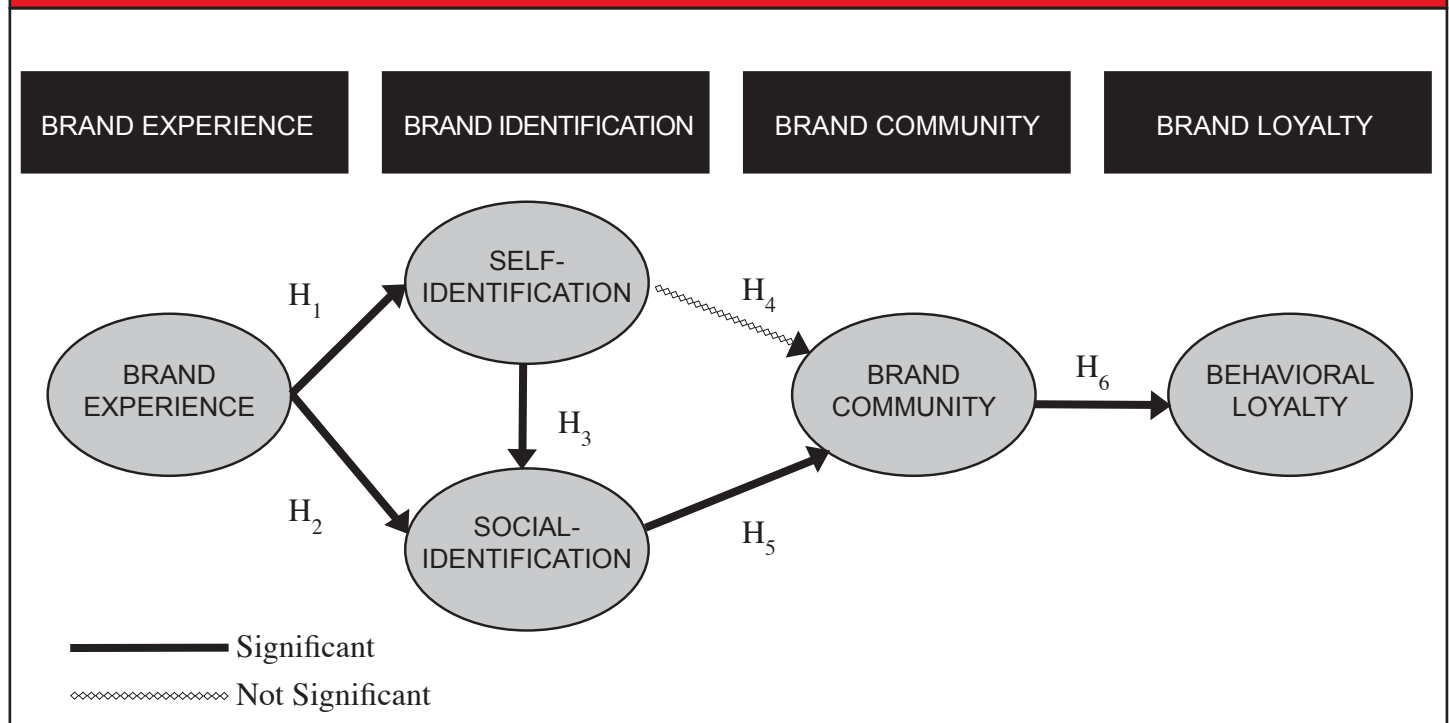


TABLE 1 Demographics		
Gender	Male 22%	Female 78%
Marital	Single 79%	Relationship 21%
Employment	Work 56%	Student 43%
	Retired 1%	
Ethnicity	Caucasian 88%	African American 7%
	Hispanic 2%	Asian 2%
	Other 1%	
Age Avg.	25	
Income	\$30,000 - 39,999	

## MEASURES

Respondents were asked to select one single-brand retailer from a list provided. They were requested to respond to all survey questions based on their relationship to, and online experiences with, only that single-brand retailer. Several large branded-product manufacturers (e.g., Nike, Fossil, Lucky Brand) have widespread retail distribution in multi-brand retail stores, as well as in their own outlets which we refer to as “proprietary-brand” stores. These proprietary-brand stores were therefore not included in the original list of single-brand stores, from which respondents could choose a favorite. The measures for the balance of the survey were comprised of established scales. Scale items for *brand experience* are adapted from the brand experience scale (Brakus, et al., 2009); *self-identification with a brand* from the self-brand connection scale (Escalas & Bettman, 2003); *social-identification with a brand* (Mael & Tetrick, 1992); *brand community* (McAlexander, et al., 2002); and *behavioral loyalty* (De Wulf, et al., 2001). The brand experience, brand community, self-identification and social-identification scale items were rated on a 7-point Likert scale. Behavioral loyalty is measured with two frequency measures and a 7-point scale anchored by “very rarely” to “very frequently.” The survey concluded with a brief set of demographic questions.

## PRELIMINARY ANALYSIS AND MEASUREMENT MODEL

Confirmatory factor analysis (CFA) was employed using the maximum likelihood estimation with AMOS 18, to assess the measurement model. The initial model fit was not satisfactory. Several reverse coded items failed to load on their designated factor requiring the elimination of four measures reducing brand experience to nine scale items, one from social-identification reducing the included scale

items to ten. Using the modification indices as a guide, additional scale items were trimmed to enhance the fit and reduce collinearity within the model (Bentler & Bonett, 1980). The result was a reduction of three scale items from self-identification reducing the scale items included to four and six scale items from social-identification further reducing the scale items included to three. (The scale items eliminated can be seen in **Appendix Table 1** and the remaining scale items used in the model with their factor loadings can be found in the **Appendix Table 2**.) The measurement model was then examined for fit using the following indices:  $\chi^2$  (336) = 704.62,  $p < 0.000$ ;  $\chi^2/df$  ratio = 2.09; CFI = 0.91; and RMSEA = 0.06, which all fall within normal ranges of acceptance (Kline, 2010). Factor loadings were all above 0.50, which establishes adequate loading on each factor (Fornell & Larcker, 1981). The composite reliabilities ranged from 0.86 – 0.99, indicating adequate internal consistency (Nunnally & Bernstein, 1994). Each factor demonstrated an average variance extracted (AVE) greater than 0.50 (see Table 2) exceeding the level necessary to explain that the variance is greater than measurement error (Fornell & Larcker, 1981).

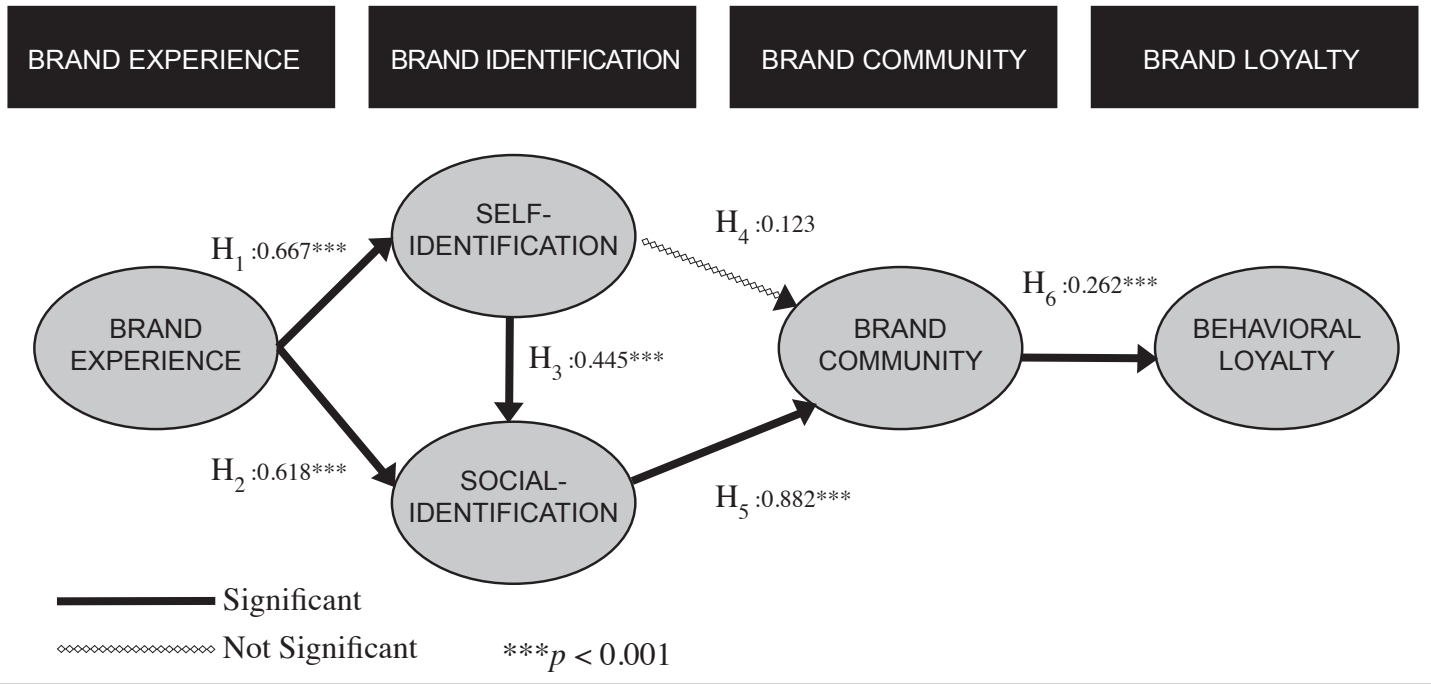
TABLE 2 Construct Validities of the Measurement Model (AVE)						
Factor	Composite Reliability	1	2	3	4	5
Brand Experience	0.99	0.95				
Self Identification	0.97	0.67	0.94			
Social Identification	0.95	0.86	0.83	0.93		
Brand Community	0.99	0.92	0.93	0.86	0.87	
Behavioral Loyalty	0.86	0.18	0.19	0.13	0.29	0.87

A structural model was used to test hypothesized relationships among constructs. Goodness-of-fit statistics indicated the overall acceptability of the structural model, (369) = 778.89,  $p < 0.000$ ;  $\chi^2 /df$  ratio = 2.11; CFI = 0.90; and RMSEA = 0.06. The model illustrating the results of hypotheses testing can be found in **Figure 2**.

Hypothesis 1 and 2 were accepted, indicating a positive and significant relationship between brand experience and both self- and social-identification with a single-brand retailer ( $H_1, \gamma = 0.667, p < 0.001$ ;  $H_2, \gamma = 0.618, p < 0.001$ ). Hypothesis 3 was accepted, indicating a positive and significant impact

**FIGURE 2**  
Structural Model and Hypotheses Testing

**ONLINE BRAND EXPERIENCE STRUCTURAL MODEL**



of self-identification on social-identification with a single-brand retailer ( $H_3, \gamma = 0.445, p < 0.001$ ). Hypothesis 4 was also accepted indicating no-significant relationship between self-identification and brand community ( $H_4, \gamma = 0.123, p = 0.305$ ). This supports the hypothesis that the anonymity of shopping online does not significantly benefit the shopper in the development of a feeling of inclusion into a community with others who identify with the brand. Hypothesis 5 is supported, indicating a significant relationship between social-identification and brand community ( $H_5, \gamma = 0.882, p < 0.001$ ). It should be noted that this was the highest path weight in the model. Therefore the ability to easily connect with others, the brand, company and products online does benefit the shopper in deepening a relationship through community with the brand. Hypothesis 6 was likewise accepted indicating a positive and significant relationship between brand community and behavioral loyalty ( $H_6, \gamma = 0.262, p = 0.001$ ).

**DISCUSSION**

This study examines single-brand retailers in the online environment, which allows for greater understanding of how brand elements can be transferred from the traditional in-store shopping environment, to an online environment. The research extends the literature

for single-brand retailers by highlighting the special relationship shoppers have with these brand stores. Significant from a multi-brand retailer, the sense of community and loyalty are grounded in a single brand relationship. Understanding that relationship in the online environment is important to retailers due to the exclusive nature of that relationship built on a single point of brand reference. This relationship is a focal point in terms of in-store shoppers and is crucial to single-brand retailers which need to continue moving the shopper toward a social-identification, encouraging community and loyalty with the brand. This is the first research to extend the reach of the brand experience scale, by validating its use in the online environment. We also extend the applicability of the brand experience scale to select environments by utilizing it with single-brand retailers. Scale items adapted to the current study, show promise for scholars investigating brand experience in the online environment, as opposed to the off-line environment where the scales originated. As noted, the complete set of scale items appears in the Appendix for use by researchers interested in replicating this study.

This research indicates that the brand experience scale



can be used as a reliable research measure in both in-store and online environments. In addition we establish brand experience as an antecedent element, applicable to both self and social-identification with a brand. This important relationship helps to answer questions raised by the authors of the scale.

The research adds insight to into the identification relationship (both self and social) with the brand, community and loyalty in the online environment. While brand experiences have a positive influence on both forms of identification with a brand, self-identification only effects social-identification and has no significant relationship to community. Understanding how self and social-identification with a brand perform in relation to community and loyalty is crucial in further development of the brand relationship with the online shopper. It is clear from this research that retailers must continue to send self-identification reinforcing brand messages to the online shopper, as well as adopt messaging and or events which can further direct the brand-identification to become more socially oriented. These are tactics employed towards the in-store shopper which must be consistently carried through to the online channel. Absent a social-identification with the brand, brand community and social networking are lost on the shopper. This is a key finding as our research clearly demonstrates a positive relationship between brand community and social networking, and behavioral loyalty. Online retailers should observe the shopper for signs of community oriented behavior (e.g., online product reviews, blog entries, event entries, participation in social media about the brand). These serve as indicators the shopper has moved the brand relationship toward a point of receptivity to community involvement. This research also confirms that message control in the online environment is crucial to loyalty. Further it should be noted that moving in-store promotions and messages into the online environment is a significant benefit to the shopper. These in-store messages provide a closer tie to the in-store environment which is the foundational element in setting expectations of the shopper while in the online environment. Reinforcing the in-store feel in the online may also encourage a stronger self-identification for the shopper further enhancing their connection to the brand.

## LIMITATIONS AND FUTURE RESEARCH

This study as are all is faced with some limitations. First this research was limited in relation to the narrow focus on single-brand retailers. It is possible that our results could be different when examined from a multi-brand retailer perspective. The median age of 25 may further

limit generalizing the results to a broader population. Additionally, the researcher provided the stores to be included and presented to the participants which may have impacted how the participants responded to the survey items. The modeling of the data especially as it related to brand required special attention to model trimming, to accommodate the high collinearity generated by the close brand relationships inherent among the constructs included. Future research may look at using alternate measures which may reduce the high collinearity found in this model. Examining this model from the in-store perspective would add valuable insight into the relationships developed here.

## MANAGERIAL IMPLICATIONS

Managers should examine the online environment to assess the congruity with the in-store environment. The examination should identify that all salient brand messages and cues found in-store are well represented in the online environment. Particular attention should be paid to in-store promotional messages which the shopper sees as central when shopping online. Further a review should highlight messages unique to the online environment that can be combined with in-store elements, to further self-identification with the brand. Managers should look for ways to leverage in-store events against online forums, blogs with members of the retailer team (even the local store). This will substitute for the social shopping connection absent in the online channel. Retailers should also leverage mobile messaging of in-store promotions, by repetition in the online store. This reinforces a holistic brand message, driving deeper identification. Combined, these tactics can drive a deeper identification with the brand, build a stronger sense of community, and build loyalty with the shopper.

## APPENDIX TABLE 1

### Scale Items Removed

#### Brand Experience

- THIS STORE BRAND does not make me think. (REVERSE CODED)
- THIS STORE BRAND does not appeal to my senses. (REVERSE CODED)
- I do not have strong emotions for THIS STORE BRAND. (REVERSE CODED)
- THIS STORE BRAND is not action oriented. (REVERSE CODED)

#### Social-identification

- I don't act like the typical person who owns product from THIS STORE BRAND. (REVERSE CODED)
- If a story in the media criticized THIS STORE BRAND, I would feel embarrassed.
- I have a number of qualities typical of people who shop at THIS STORE BRAND.
- The limitation(s) associated with people who shop at THIS STORE BRAND apply to me also.
- When I talk about THIS STORE BRAND, I usually say "we" rather than "they."
- THIS STORE BRAND's successes are my successes
- I act like others who shop at THIS STORE BRAND to a great extent.

#### Self-identification

- I can identify with THIS STORE BRAND
- I feel a personal connection to THIS STORE BRAND.
- THIS STORE BRAND suits me well.

## APPENDIX TABLE 2

### Variables and Their Measures (Confirmatory Factor Analysis)

Scale	Composite Reliability		Standard Estimate	t-value
Brand Experience	0.95	THIS STORE BRAND makes a strong impression on my visual sense or other senses.	0.785	9.628***
		I engage in a lot of thinking when I encounter THIS STORE BRAND.	0.838	13.715***
		THIS STORE BRAND stimulates my curiosity.	0.839	7.832***
		THIS STORE BRAND stimulates problem solving.	0.766	12.784***
		I find THIS STORE BRAND interesting in a sensory way.	0.770	9.986***
		THIS STORE BRAND induces feelings and sentiments.	0.750	9.689***
		THIS STORE BRAND is an emotional brand.	0.713	8.773***
		I engage in physical actions and behaviors when I use THIS STORE BRAND.	0.511	9.961***
		THIS STORE BRAND results in bodily experiences	0.655	8.372***
Self-Identification	0.97	THIS STORE BRAND reflects who I am.	0.803	15.054***
		I use THIS STORE BRAND to communicate who I am to other people.	0.748	13.756***
		I think THIS STORE BRAND (could) help(s) me become the type of person I want to be.	0.688	12.350***
		I consider THIS STORE BRAND to be "me" (it reflects who I consider myself to be or the way that I want to present myself to others).	0.807	15.288***
Social-Identification	0.83	When someone criticizes THIS STORE BRAND, it feels like a personal insult.	0.698	12.417***
		I'm very interested in what others think about THIS STORE BRAND.	0.749	13.659***
		THIS STORE BRAND's successes are my successes	0.804	14.975***

## APPENDIX 2 (CONTINUED)

### Variables and Their Measures (Confirmatory Factor Analysis) {CONTINUED}

Scale	Composite Reliability		Standard Estimate	t-value
<b>Brand Community</b>	.70	Products from THIS STORE BRAND are some of my favorite possessions.	0.827	9.794***
		I am proud of my products from THIS STORE BRAND.	0.807	12.02***
		I love my products from THIS STORE BRAND.	0.702	14.616***
		If I were to buy product that THIS STORE BRAND sells, I would buy it from THIS STORE BRAND.	0.797	11.228***
		Product from THIS STORE BRAND is of the highest quality.	0.739	12.329***
		I would recommend THIS STORE BRAND to my friends	0.639	10.568***
		THIS STORE BRAND cares about my opinions.	0.707	8.785***
		THIS STORE BRAND understands my needs.	0.652	9.422***
		I have met wonderful people because of THIS STORE BRAND.	0.535	8.983***
		I feel a sense of kinship with other people who own products of THIS STORE BRAND.	0.623	8.381***
		I have an interest in a club or social network for people who own product of THIS STORE BRAND.	0.549	9.162***
<b>Behavioral Loyalty</b>	.77	How often do you purchase THIS PRODUCT from THIS STORE BRAND compared to brands at other stores?	0.565	14.566***
		Of the 10 times you select a store to buy THIS PRODUCT at, how many times do you select THIS STORE BRAND?	0.807	14.564***
		What percentage of your total expenditures for THIS PRODUCT do you spend in THIS STORE BRAND?	0.793	10.588***

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