

Chapter 9


The Effect of Online and Offline Brand Experience on Brand Equity

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ABSTRACT

Brand experience is still an exploratory area, and despite the increase in the research on it, there are still many challenges in defining the relationships between online and offline experiences, and how both can affect the brand equity of the organization. This chapter addresses a relationship between the in-store brand experience, online brand experience, customer satisfaction, and brand equity according to a new study that combined these four constructs together and compares its results with previous studies. Some researchers have presented the relationship between brand experience and brand equity in stores, and others have examined this relationship in the online environment. However, the effect of a combination of online and offline brand experience on brand equity together has not been found in one study. Consequently, the aim of this chapter is to present interesting findings from a study carried out in Egypt on the effect of online and offline brand experience on brand Equity.

INTRODUCTION

In the current era of digitalization, the market is changing at an exceptional pace. Customer tastes are changing faster than they used to be. Therefore, Customer experience is more important than ever. Not only physical experience, but also digital experience. Long time ago, it was known that customers like to go shopping for many reasons, one of them is to enjoy the store's atmosphere. The atmosphere of the

DOI: 10.4018/978-1-6684-5844-0.ch009

store plays a crucial role in its success. But now it has been observed that customers like to shop online too, and even may prefer online shopping on physical one, especially if the store is branded. Brands are living entities that drive business organizations in the modern era, (Beig & Nika, 2022). Customers associate with their brands not only because of the products that the brands provide to them but also because of the experience they get and that remains in their memory (Keller, 1993). Customers are emotionally and mentally attached to their favorite brands and always expect to get the best from these brands (Kim & Sullivan, 2019). As well as they expect whole integrated experience from the branded stores for the online and offline environments to fulfill their expectations and even exceed it. On the other hand, branded retailers are interested in building brand equity as it is considered one of the most valuable intangible assets. Therefore, stakeholders of these branded retails invest a lot of money, time, and technology to improve the brand experience at all touch points of their customers to increases the level of customer satisfaction and thus affects the brand equity in a positive way. In recent years, the dimensions and consequences of brand experience have been recognized in the literature in physical stores such as the study for Brakus et al., (2009); Khan & Fatma, (2017); Shukla et al., (2022). Also dimensions and consequences of brand experience in online platform were highlighted by Rose et al., (2012); Bhattacharya et al., (2019); Yunpeng & Khan, (2021). Most of the previous articles studied either the relationships between the in-store brand experience and its consequences, or the relationships between the online brand experience and its consequences separately. However, the combination of the in-store brand experience and the online brand experience was not studied together in one study and none of the studies offers an integrated view of all of these constructs – instore brand experience, online brand experience, customer satisfaction and brand equity - in a single framework. Thus, a new study is carried out to answer the following questions:

Does the presence of both brand experiences -online and offline- affect the brand equity differently than the presence of only one of them? Which one of the online experience or the in-store experience has more impact on brand equity? Should customer satisfaction be a mediator between this relationship – brand experience and brand equity? Or it can be a direct relation? And lastly, what is the effect of online experience on the in-store experience?

This book chapter mainly examines the effect of online and offline brand experience on brand equity. For this purpose, this book chapter section will consist of the title's introduction, background, main focus of the chapter, solutions and recommendations, future research directions, and conclusion.

BACKGROUND

The concept of experience appears in the marketing literature through varied expressions such as consumption experience by (Holbrook & Hirschman, 1982), service experience (Michael K. Hui, 1991), shopping experience (Kerin, 1992), product experience (Hoch, 2002), consumer experience (Tsai, 2005), customer experience (Schmitt B., 1999), and brand experience (Brakus et al., 2009). Although the term customer experience has been widely used in the past two decades, the term brand experience by Brakus is the broadest and most comprehensive, where it meets the needs of customers even before they become customers (Schmitt B., 2009). Zarantonello & Schmitt argue that brand experience is considered the umbrella term of experience (2010). Since the remaining terms refer to specific part, such as offerings which related to service/product experience, or specific phases in the consumer life cycle such as shopping experience. The concept of brand experience has also recently started to spread in

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