

EDITED BY BANG NGUYEN, TC MELEWAR & DON E. SCHULTZ

# ASIA BRANDING

亚洲品牌

CONNECTING BRANDS, CONSUMERS & COMPANIES

EDITED BY PHUNG NGUYEN, T. C. MILEWA  
& DON E. SCHUYLER

# ASIA BRANDING

BRAND STRATEGY, MARKETING  
& COMPANIES

ASIAN PERSPECTIVES

**EDITED BY BANG NGUYEN, T C MELEWAR  
& DON E. SCHULTZ**

# ASIA BRANDING

# CONNECTING BRANDS, CONSUMERS AND COMPANIES



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First published 2017 by

PALGRAVE

Palgrave in the UK is an imprint of Macmillan Publishers Limited, registered in England, company number 785998, of 4 Crinan Street, London, N1 9XW.

Palgrave Macmillan in the US is a division of St Martin's Press LLC, 175 Fifth Avenue, New York, NY 10010.

Palgrave is a global imprint of the above companies and is represented throughout the world.

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ISBN 978-1-137-48995-1 paperback

This book is printed on paper suitable for recycling and made from fully managed and sustained forest sources. Logging, pulping and manufacturing processes are expected to conform to the environmental regulations of the country of origin.

A catalogue record for this book is available from the British Library.

A catalog record for this book is available from the Library of Congress.

Printed in China

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## SOCIAL BENEFIT AND BRAND COMMITMENT: THE MEDIATING ROLE OF SATISFACTION AND BRAND TRUST

### Chapter overview

Important concepts exist to cultivate consumer–brand relationships; therefore, understanding these is crucial to firms' continuing success. This chapter focuses on the dynamics between social benefit, satisfaction, brand trust and brand commitment. In doing so, it considers how brands are perceived socially and the outcomes resulting from this, here in the context of Indonesian consumers. By using structural equation modelling (SEM), 275 undergraduate students' responses were analysed. The findings show that satisfaction has mediating roles on the link between social benefit, brand trust and brand commitment. In particular, satisfaction fully mediates the relationship between social benefit and brand trust, while it partially mediates the relationship between social benefit and brand commitment. This suggests that increasing the social benefit of the brand will not directly increase a consumer's trust towards the brand. Brand trust needs to be built through satisfaction. In addition, the results reveal the mediating roles that brand trust plays on the link between social benefit, satisfaction and brand commitment. Particularly, brand trust partially mediates the link between social benefit and brand commitment as well as the link between satisfaction and brand commitment. Implications for brand managers are presented.



### Learning objectives

After reading this chapter, you should be able to:

- Know what a brand is and why it has been considered the most important intangible asset for firms.
- Understand the difference between the four relational constructs (i.e. social benefit, brand satisfaction, brand trust and brand commitment).
- Know how to measure the four relational constructs.
- Understand the relationships between the four relational constructs, particularly the mediating role of brand satisfaction and brand trust.





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## Why is the topic important?

This topic is of importance to the success of individual firms and non-profit organisations, since:

- Largely, for-profit organisations neglect the importance of providing their consumers with benefits apart from functional benefits. It should be noted by these organisations that consumers would also appreciate social benefits.
- For non-profit organisations, they should be aware that creating commitment to their organisations involves more than just persuading their consumers. They should also account for other important factors, such as building consumers' trust towards their organisations.
- Organisations, either for-profit or non-profit, should measure their brand performance (e.g. brand satisfaction) periodically in order to manage their brand successfully.

**Keywords** – Social benefit, satisfaction, brand trust, brand commitment, Indonesia

## Introduction

Brands are ubiquitous to consumers' daily life since they are able to provide them with certain benefits (Albert and Merunka, 2013). Park et al. (2013) argue that brands are able to provide *social benefits* to consumers by helping them to express who they really are. For example, when an individual would like to be considered as belonging to a privileged group (i.e. high social class status), he or she might purchase or use a Louis Vuitton handbag. The social benefit of this purchase reveals that the individual is expressing a certain affinity to a specific status group. Social benefit has been defined as the extent to which consumers feel the pleasure of a close relationship with the brand through personal recognition, familiarity and friendship (Choi and Choo, 2016; Dagger and O'Brien, 2010).

Previously, Hennig-Thurau et al. (2002) showed that social benefit influences commitment and loyalty in the services industry. Although these authors hypothesised social benefit to influence satisfaction, they failed to find support for this link. In another study, also in the service sector, Dagger and O'Brian (2010) find that social benefit influences satisfaction, trust and commitment, but only for experienced consumers. Chen and Hu (2010), in the case of coffee outlets, show that social benefit together with special-treatment benefit and confidence benefit positively influence perceived value and customer loyalty. However, these authors do not directly show the direct effects of social benefit since it is regarded as one of the dimensions of relational benefit. In addition, another research in the service context finds that relational benefits mediate the link between satisfaction and customer loyalty (Ju, Rebecca Yen and Gwinner, 2013).

Recent research investigated the direct link of social benefit with satisfaction and brand attitude for a fashion retail shop (Choi and Choo, 2016). These authors find that satisfaction fully mediates the link between social benefit and brand attitude. This indicates that many variables (i.e. satisfaction) mediate the relationships between consumers and brands (e.g. Nam et al., 2011). Finally, in an experimental study of luxury brands, Lee et al. (2015)

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display the social benefit of brand logos. While they showed that consumers gain social benefits through brand logos, their study only measures recognition of status and recognition of wealth to reflect the perceived social benefits. Researchers note that social benefit is beyond status and wealth (Choi and Choo, 2016; Dagger and O'Brien, 2010).

However, despite the importance of social benefits to branding, limited research has examined how social benefit influences other important marketing constructs. Although research has investigated the link between social benefit and its consequences, little is still known on how a network of relational constructs (i.e. social benefit, satisfaction, brand trust, and brand commitment) are linked to each other (Ulaga and Eggert, 2010). Particularly, how these constructs perform in a product context rather than in a service context needs further investigation. It has been argued that research on relational constructs is lacking in the B2C context and within the product context since many studies are investigated in the B2B context and within the service sector (Athanasopoulou, 2009). It is also still unclear how the other relational variables mediate the relationships between social benefit and its consequences, for instance, in Choi and Choo's (2016) study. In the context of Asian consumers, the above relationships remain lacking (cf. Japutra et al., 2015). Therefore, this study aims to investigate how satisfaction and brand trust might mediate the link between social benefit and brand commitment within the lens of Indonesian consumers. Specifically, this study considers two key research questions:

- 1 How do social benefit, satisfaction, brand trust and brand commitment relate to each other, particularly from the Indonesian consumers' perspective?
- 2 Do satisfaction and trust play a mediating role in these relationships?

By addressing the two research questions, this study offers several contributions. First, the study investigates the nomological network of the four constructs in a B2C context and within product category (i.e. athletic shoes) – answering Athanasopoulou's (2009) call for further research in order to validate the relational constructs across different types of products. Second, this study also highlights how Indonesian consumers perceive global brands. Finally, this study enlightens the literature on the mediating role of satisfaction and brand trust.

## Theoretical background and hypotheses development

### Social benefit, satisfaction, brand trust and brand commitment

Extant research (e.g. Meyer-Waarden et al., 2013; Drèze and Nunes, 2009; Lacey et al., 2007) considers that social-relational benefits enable consumers to (1) gain status, (2) be identified with a privileged group and (3) establish a brand relationship, which results in a more interpersonal relationship and allows the brand to satisfy consumers' needs better. Social benefit pertains to the affective part of the relationship between consumers and employees through personal recognition, familiarity and friendship (Dagger and O'Brien, 2010). Out of the three relational benefits (i.e. confidence, social and special treatment) identified in the service industry, Gwinner, Gremler and Bitner (1998) argue that confidence benefit is the most important to consumers. Hennig-Thurau et al. (2002) highlight the significant relevance of social benefit, which is considered to concentrate on the relationship itself

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compared to the performance. It is the individual connection as the result of personalisation and customisation from the firm (Grégoire et al., 2009).

Oliver (1999) conceptualises brand satisfaction as a consumer's overall judgement on whether a brand meets their expectations or fulfils their usage needs. Odekerken-Schroder et al. (2003) define satisfaction as a consumer's affective predicament towards a firm as a result of the relationship between the two. While Fullerton (2005) notes that satisfaction refers to an overall assessment of the experiences as customer of a product/brand, another definition of satisfaction includes the feelings of disappointment or contentment towards the performance of a firm or brand against the consumer's expectation (Kotler and Keller, 2006). Being satisfied with the brand based on prior experiences influences consumers' intention to repurchase the brand (Bolton et al., 2000). By increasing consumers' satisfaction, firms achieve a higher retention rate, positive word of mouth and increased profits (Zeithaml, 2000), although it might not be enough to predict customer loyalty (Kumar et al., 2013).

The relational marketing orientation (e.g. Dywer et al., 1987; Morgan and Hunt, 1994) brought the concept of trust into the field. According to Casaló et al. (2007) trust has traditionally been analysed from two different perspectives: behavioural component (the willingness to rely) and cognitive component (a set of beliefs). However, the behavioural component could be considered as a result of trust itself. Sirdeshmukh et al. (2002) note that trust reflects a consumer's expectation on the dependability and reliability of a firm to deliver its promises. This is in consonance with the definition of trust from Chaudhuri and Holbrook (2001), which defined brand trust as a consumer's willingness to rely on a brand's performance in its stated function. Therefore, trust embraces two basic dimensions: perceived competence or credibility and perceived benevolence (Lam and Shankar, 2014).

Fournier (1998) defines brand commitment as a consumer's intention to act in a manner supportive of a long-term relationship, due to reasons such as emotional attachment, barrier to switching or stability provided through brand consumption. Geyskens et al. (1996), examining the interorganisational relationship, distinguish between calculative and affective commitment; the first one is related to costs, and the second one is related to emotions. Commitment refers to a consumer's long-term, behavioural and attitudinal inclination towards a firm, which occurs when attitudinal devotion and purchase intentions exist (Chaudhuri and Holbrook, 2002). It is the efforts of the consumer to uphold the relationship with a firm (Odekerken-Schroder et al., 2003). Danes et al. (2012) note that brand commitment refers to the degree to which a customer makes an emotional investment in a relationship with the brand, including feelings of loyalty and the expectation of emotional and functional benefits.

## Hypotheses development

Hennig-Thurau et al. (2002) argue that in the service industry, social benefit is significantly related to satisfaction. However, they did not find support to this link. In another study about the service industry, Dagger and O'Brien (2010) find that for experienced users the link between social benefit and satisfaction is supported. Recently, Marinkovic and Obrađović (2015) showed that social bonds have a positive influence on customer satisfaction in the retail-banking industry. When the brand is able to contribute social benefits to the



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consumers (i.e. being regarded in a privileged group), they tend to be more satisfied with the brand. Based on the above arguments, the following hypothesis is proposed:

*H1: There is a positive relationship between social benefit and satisfaction.*

The link between social benefit and brand trust has not been properly investigated, particularly in the product category. Gwinner et al. (1998) and Patterson and Smith (2001) show that social benefit drives trust in the service industry. In consonance, Dagger and O'Brien (2010) find that for experienced services consumers, social benefit positively affects trust. In the retail context, Reynolds and Beatty (1999) also find that social benefit predicts trust. In line with these studies, the present study argues that not only in a service context but also within product context, by providing their consumers with social benefits, a brand will be considered as trustworthy since the brand is able to foster their self-esteem (Lee et al., 2015).

In a B2B context (Ulaga and Eggert, 2006) as well as in a B2C relationship (Delgado-Ballester and Munuera-Aleman, 2001), satisfaction has been shown to have a significant impact on trust. In addition, research in the private label consumer goods industry finds that the higher the degree of consumer satisfaction the greater the trust in the brand (Miquel-Romero et al., 2014). Moreover, long-run satisfaction encourages brand trust in the fast-food industry (Danes et al., 2012). Based on the above arguments, the following hypotheses are proposed:

*H2: There is a positive relationship between social benefit and brand trust.*

*H3. There is a positive relationship between satisfaction and brand trust.*



Hennig-Thurau et al. (2002) empirically show that social benefit significantly affects commitment. In the retail banking industry, Marinkovic and Obradovic (2015) find that social bonds act as a strong antecedent of commitment. In line with these studies, this study posits that when the brand provides consumers with social benefits, they tend to be committed to the brand.

In their study, Hennig-Thurau et al. (2002) also indicate that satisfaction positively influences commitment – confirming the findings of Delgado-Ballester and Munuera-Aleman (2001). Casaló et al. (2007) find that satisfaction is positively related to a consumer's commitment to a website. Meanwhile, Sung and Campbell (2009) find that satisfaction significantly affects commitment level across brands from a wide range of product categories. Hence, it is evident that satisfaction towards a brand increases the consumer's commitment to the brand.

Ulaga and Eggert (2006) show that trust has a significant impact on commitment. In agreement, Miquel-Romero et al. (2014) find the same result: that trust influences brand commitment. According to Curras-Perez and Sanchez-Garcia (2015), in the airlines industry, a consumer's commitment is determined by trust. Trust has also been shown to be a strong predictor of commitment towards banks (Marinkovic and Obradovic, 2015). The higher the trust that consumers place in a brand, the higher the level of commitment that consumers put towards the brand. Based on the above arguments, the following hypotheses are proposed:

*H4: There is a positive relationship between social benefit and brand commitment.*

*H5: There is a positive relationship between satisfaction and brand commitment.*

*H6: There is a positive relationship between brand trust and brand commitment.*

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## Research methods

This research aims to study the responses of consumers in Asia (i.e. Indonesia) towards global brands, exploring their perceptions and consequences. The main research purposes are to find out (1) whether social benefit, satisfaction, brand trust and brand commitment relate to each other, and (2) whether satisfaction and brand trust have mediating roles in the relationships. The research model that guides this study is summarised in Figure 9.1.

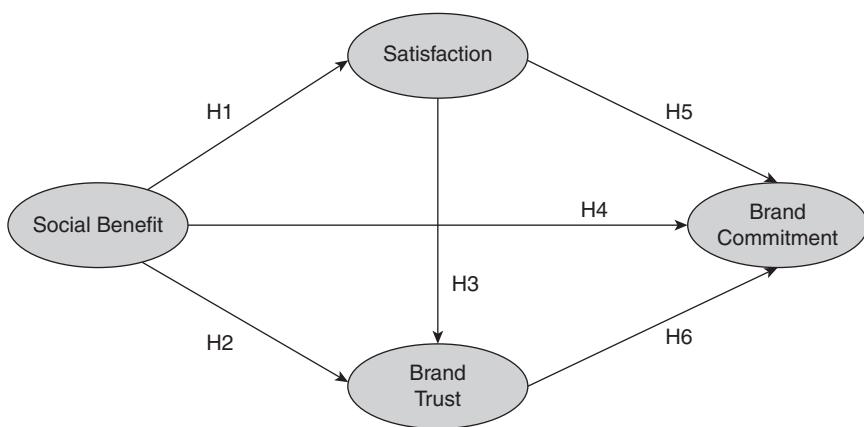


Figure 9.1 Research model

In order to test the proposed research hypotheses, a research questionnaire was developed for this study. The questionnaires were distributed to undergraduate students in a large private university in Jakarta, Indonesia. The data collection followed a convenience sampling technique. However, the questionnaires were distributed on different days and in different locations throughout the university. After checking for incomplete responses, there were 275 valid questionnaires. As many as 58 per cent were males, who were either in their second year (38 per cent) or third year (30 per cent).

Initially, respondents were given random assignments on two different brands (Nike or Adidas). They were asked to answer questions with regard to the two different brands. In particular, the athletic shoes category was chosen since it has been argued that this category is highly relevant with undergraduate students, and these two brands are well-known (Walsh et al., 2010). Afterwards, respondents were given questions to evaluate based on the brand that they received.

The measures in this study were derived from previous research. Social benefit was measured using three items on a seven-point scale ('1' = strongly disagree to '7' = strongly agree) following Grégoire et al. (2009). Satisfaction and brand trust were measured using three items and two items, respectively, on a seven-point scale ('1' = strongly disagree to '7' = strongly agree) following Mende and Bolton (2011). Brand commitment was measured using four items on a seven-point scale ('1' = strongly disagree to '7' = strongly agree) adapted from Grégoire et al. (2009) and Park et al. (2013).

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## Findings

The Structural Equation Modelling was tested using AMOS 21 (maximum likelihood method). Before conducting a confirmatory factor analysis (CFA), normality tests were conducted. The absolute value of the Skewness and Kurtosis of the items were within the range of -1 and +1, suggesting the data were normally distributed (Hair et al., 2010).

The measurement model produced the goodness-of-fit (GoF) statistics as follows: ( $\chi^2$ : 88.89; df: 48; GFI: 0.95; NFI: 0.97; CFI: 0.98; RMSEA: 0.06; SRMR: 0.03). The fit statistics indicated good fit. Table 9.1 displays the descriptive statistics, reliability and correlations between the constructs.

Construct		Descriptive		Reliability	Correlations			
		mean	SD		1	2	3	4
1	Social benefit	3.95	1.39	0.90	<b>0.75</b>			
2	Satisfaction	5.74	0.96	0.92	0.24	<b>0.78</b>		
3	Brand trust	5.53	1.01	0.87	0.15	0.40	<b>0.78</b>	
4	Brand commitment	3.54	1.44	0.93	0.43	0.29	0.22	<b>0.76</b>

Note: The diagonal values in bold indicate the average variances extracted (AVE). The scores in the lower diagonal indicate squared inter-construct correlations (SIC).

**Table 9.1** Descriptive statistics, reliability and correlations

The results in Table 9.1 show that convergent validity and discriminant validity were achieved – the average variance extracted (AVE) values were above 0.50 and were above the squared inter-construct correlations (SIC) (Fornell and Larcker, 1981). Reliability was also achieved since the composite reliability (CR) scores were above 0.70 (Hair et al., 2010). Next, to test the hypotheses, a structural model was built.

The GoF statistics of the structural model were good: ( $\chi^2$ : 88.89; df: 48; GFI: 0.95; NFI: 0.97; CFI: 0.98; RMSEA: 0.06; SRMR: 0.04). The results support H1, which predicts that there is a positive relationship between social benefit and satisfaction ( $SPC = 0.49$ ;  $t = 7.77$ ;  $p < 0.001$ ). However, the results do not support H2 ( $SPC = 0.11$ ;  $t = 1.70$ ;  $p > 0.05$ ). This means that there is no direct positive effect between social benefit and brand trust. The findings support H3 and H4, which predict positive relationships between satisfaction and brand trust as well as social benefit and brand commitment ( $SPC = 0.58$ ;  $t = 7.76$ ;  $p < 0.001$  and  $SPC = 0.51$ ;  $t = 7.99$ ;  $p < 0.001$ , respectively). The findings also show support for H5 and H6 ( $SPC = 0.20$ ;  $t = 2.84$ ;  $p < 0.01$ ) ( $SPC = 0.14$ ;  $t = 7.77$ ;  $p < 0.05$ ). Table 9.2 displays the results of the hypotheses testing.

The link between social benefit and brand trust was not supported by the data. Since the link between satisfaction and brand trust was supported by the data, there is enough evidence to claim that satisfaction fully mediates (Baron and Kenny, 1986) the link between social benefit and brand trust. Furthermore, satisfaction partially mediates the link between social benefit and brand commitment. In addition, brand trust partially mediates the link between social benefit and brand commitment as well as the link between satisfaction and brand commitment.

## Discussion

This study adds to the literature by highlighting the nomological network of social and relational constructs (i.e. social benefit, satisfaction, brand trust and brand commitment). Much research on the nomological network of relational constructs has been done in the

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	Relationships	SPC	t-value
H1.	Social benefit → Satisfaction	0.49	7.77***
H2.	Social benefit → Brand trust	0.11	1.70
H3.	Satisfaction → Brand trust	0.58	7.76***
H4.	Social benefit → Brand commitment	0.51	7.99***
H5.	Satisfaction → Brand commitment	0.20	2.84**
H6.	Brand trust → Brand commitment	0.14	2.03*
Variance explained (R <sup>2</sup> )			
Satisfaction		0.24	
Brand trust		0.41	
Brand commitment		0.51	

Note: SPC = Standardized Path Coefficient; \*  $p < 0.05$ ; \*\*  $p < 0.01$ ; \*\*\*  $p < 0.001$

**Table 9.2** Hypotheses testing

B2B context and within service categories (Athanasopoulou, 2009). This study enlightens the relationships between these relational constructs in the B2B context and within product categories. Furthermore, this study investigates Indonesian consumers' perspectives towards global brands. It has been noted that studies investigating consumers in Asia are lacking (Japutra et al., 2015). Finally, this study highlights the mediating role of satisfaction and brand trust.

The present study empirically supports the relationships between social benefit and satisfaction (H1), satisfaction and brand trust (H3), social benefit and brand commitment (H4), satisfaction and brand commitment (H5) as well as brand trust and brand commitment (H6). When the brand is able to provide consumers with social benefits, they tend to be more satisfied and committed to the brand. These findings conjointly suggest that consumers purchase or use brands due to the brand's symbolic nature (Ekinci et al., 2013). For example, people who take an African safari tour are considered as outgoing or adventurous by other people. Managers in Asia could use this in their advertising while promoting their local safari with, for example, 'The only African Safari in Asia.' Branding their local safari as 'the African Safari' (rather than simply the Safari) would also render some social benefit to the participants.

Recent research has also shown that brands are able to provide social benefits to consumers through their logos (Lee et al., 2015; Park et al., 2013). Hence, marketing managers should pay attention in designing their logos to increase the perceived social benefits. Additionally, Choi and Choo (2016) argue that salesforces also determine the perceived social benefit. Marketing managers should thus utilise their salesforces to build friendly, close and even personal relationships with consumers.

The study expects a positive relationship between social benefit and brand trust (H2), but the results show that there is no direct effect between the two variables. Dagger and O'Brien (2010) also do not find support between social benefit and trust for novice consumers. This could be one explanation: that the respondents were novice users of the two brands. However, this would not be the case in the present study since 39 per cent of the respondents have been using the brands for 1–3 years, 25 per cent of the respondents have been using the brands for 4–6 years, and 22 per cent of the respondents have been

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using the brands for more than 6 years. Another explanation for H2 not being supported is related to the mediating effects of satisfaction and brand trust. Since the link between social benefit and satisfaction as well as the link between satisfaction and trust are supported, satisfaction fully mediates the link between social benefit and trust. In order to confirm this, the data were re-analysed after eliminating the link between satisfaction and trust. The fit indices of the structural model were poor compared to the initial structural model: ( $\chi^2$ : 162.44; df: 49; GFI: 0.91; NFI: 0.94; CFI: 0.96; RMSEA: 0.09; SRMR: 0.10). However, the link between social benefit and trust was supported ( $SPC = 0.42$ ;  $t = 5.76$ ;  $p < 0.001$ ). These results offer support for the mediating role of satisfaction. Brand trust also plays a mediating role in the relationships. The results display that brand trust partially mediates social benefit and brand commitment as well as satisfaction and brand commitment. So what does it mean for consumers/managers?

Out of the two mediators (i.e. satisfaction and trust), satisfaction plays a more prominent role compared to brand trust. According to the results, increasing social benefit does not directly increase brand trust. Brand trust should be built through satisfaction, which results in a higher level of brand commitment. Hence, managers should put their marketing efforts in increasing consumers' satisfaction towards the brand. This can be done through cognitive or affective methods. Satisfaction through cognitive methods can be achieved through the design and quality of the products, whereas the affective results can be achieved through retail staff behaviours (e.g. friendliness).

## Managerial implications

The present study enlightens brand managers, particularly Asian (i.e. Indonesian) brand managers, on how to increase brand commitment. The results show that social benefit, satisfaction and brand trust predict brand commitment. Out of the three drivers of brand commitment, social benefit displays the greatest influence. Many brand managers in Asia are focusing on making their consumers satisfied through increasing brands' functional benefit (e.g. quality).

Apparently, increasing only the functional benefit is not enough; brand managers should start thinking about the perceived *social benefit* that consumers see in brands. Recent research shows that social benefit is more prominent compared to functional benefit in explaining satisfaction with the salesperson (Choi and Choo, 2016). Hence, in crafting their brand strategy, managers must consider including social benefit among their objectives.

## Limitations and further research

Limitations of this study are the convenience sampling technique, which is used for the data collection, and the use of undergraduate students (cf. Peterson and Merunka, 2014). Although the use of a student sample in this study is appropriate to the chosen product category (i.e. athletic shoes), it is still a limitation. In order to increase the generalisability of the results, future research should use random sampling and increase the sample size.

Next, future research should broaden the dynamics of the network between dimensions of relationship quality by incorporating other dimensions, such as perceived service quality



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(Rauyruen and Miller, 2007), amount of information sharing, communication quality and long-term relationship orientation (Lages et al., 2005). It would be interesting to know how these dimensions interact with each other.

Finally, future studies should also consider the effect of differences in consumers on the relationships between relational constructs (i.e. social benefit, satisfaction, brand trust and brand commitment). Dagger and O'Brien (2010) show that there are significant differences between novice and experienced consumers. Apart from novice and experienced customers, future studies should also consider other variables that may produce different results, such as purchase orientation (Meyer-Waarden et al., 2013), product category involvement (Malar et al., 2011) or hedonic vs. utilitarian consumption (Kronrod and Danziger, 2013).



## Further investigation

- 1 The model should be replicated in other parts of Asia to discover whether it produces the same results.
- 2 In a consumer–brand relationship setting, how may each of the relational constructs (i.e. social benefit, satisfaction, brand trust and brand commitment) translate into real-world case examples?
- 3 There are differences between novice and experienced consumers. How should firms account for this difference when considering their social benefit?
- 4 Considering novice and experienced customers, what can be done to develop and maintain brand trust for long-term commitment?



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