Strategies in Building Brand Loyalty Based on Consumers’ Experience, Trust and Satisfaction: A Study in Vietnamese Using Smartphone Context

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Abstract. Consumers’ interactions with a brand; via buying, receiving or consuming new products and services; will gradually develop the brand experiences. Because of its importance, marketers and businesses have express a great emphasis on brand experience, since it is a factor that lead to another more essential and core factor of a brand–customer relationship: brand loyalty. To clarify and examine the relationship between brand experience and brand loyalty both directly and indirectly through other factors, this research is conducted. Other factors that have their impact on this relationship are brand personality, brand trust and brand satisfaction. On the other hand, in order to provide a broad view over the relationship of brand experience and brand loyalty, the model of this research was adopted and restructured based on previous studies. The Smartphone industry was chosen for this study and the target sample was also selected accordingly in order to provide accurate responds. Quantitative method was applied for this research. The result of this research proved that there exists a positive relationship between brand experience and brand loyalty; directly and indirectly through other factors such as Brand Personality, Brand Trust and Brand Satisfaction. Based on the results, marketers should focus on enhancing their customers’ experiences; besides improving customers’ satisfaction and matching the brands’ personalities with their target customers’ in order to gain their trust. All of these efforts would contribute into building a strong brand loyalty.

Keywords. Brand experience; Brand trust; Bran satisfaction; Brand personality; Brand loyalty; Smartphone industry

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1. Introduction

1.1 Background of the Study
In today's consumer market, the importance of brand is increasing rapidly, especially in the Vietnamese market, when the economy is on its first steps of immersing with the international market [48]. Realizing a potential market with ready customers looking for goods and better standard of living, there are more and more international brand coming into Vietnam [50]. Moreover, with the encouragement from the government taking effects, startups and companies alike are investing their effort in building long-term strategies that could ensure their survival in the competitive market. Building a strong brand is one of such strategies that are aimed for which applied to both international and local companies.

A brand is the instrument that engage both buyer and seller in the customer–brand relationship [31]. However, branding is a complex process on its own which doesn’t only rely on the company’s effort but also heavily affected by customers’ interaction. There are many steps in building brand equity at which the final goal is to build customer–brand relationship [31]. Therefore, great efforts should be made into building this relationship. In order to make the process of branding clearer and more effective, there should be several factors that companies should focus more compared to other factors. Successfully indicating these factors along with clarifying their effects on customers’ loyalty will make the branding process easier and more effective. Companies could apply these findings for better results [48].

In Vietnam, the smartphone industry is entering a slow growth phase, with the growth rate in 2017 is only 8.4% compared to 2016’s 26.3%, according to GfK — a market research company. The smartphone industry in Vietnam is said to be saturated, as the shift in customers’ spending pattern. The market share of Samsung was also increased which contrasted with the decrease in the market share of IPhone brand ([49], [37]). As consumers can easily switch between one brand of smartphone to the other, it is important for companies to better consolidate their customer’s loyalty in order not to lose sales to their opponents.

Previous studies have focused mostly on emotional experience ([5], [33], [54]) and related experience ([36]); with not many research studies focusing on building customer–brand relationship from the brand experiential view.

1.2 Research Problem and Research Gap
Based on a report of the smartphone industry in the US by CIRP (Consumer Intelligent Research Partners), there are fluctuations in loyalty between different smartphone brands. According CIRP (2018), it is clear that there are differences in the loyalty level in the same brand in different times. On the other hand, compared to big brands like IPhone and Samsung, other smartphones brands such as LG and Motorola have low percentage of brand loyalty, which indicates that their customers tend to switch to other brands. This brand switching behavior could hurt the sales of the smaller brands and hinder the customer–brand relationship building progress. Therefore, to other smaller smartphone brands, keeping customer’s loyalty could be considered one important factor for the growth of the brand and its survivability in the market.
Moreover, with a high percentage of brand loyalty of IPhone and Samsung as well as the upward trend of the brand loyalty slope, it is clear that both brands are doing great at keeping their customers. The customers of Samsung and IPhone are highly loyal to the brands, meaning that they would often choose to upgrade their smartphones with a newer version without switching to other brands. Therefore, IPhone and Samsung are well maintaining their customer–brand relationship. If the research could study on the success of IPhone and Samsung in keeping a high brand loyalty rate, the result of the study could give valuable insights for smaller smartphone brands ([38], [39]).

Similar research studies have been conducted before on different targeted sample, who has different nation, references and mindset compared to the targeted sample of this research. Moreover, the targeted sample has different experiences regarding of brands therefore there should be differences to be clarified. On the other hand, previous research studies have only focused on different relationships of the model without a general view on the whole correlation relationships between the factors involved. The product/service industry in which previous research studies studied is also should be considered. Previous research studies have been made for automobile industry [44]; apparel, watch and perfume [47], while differences between industries should be considered, as the result from a certain industry is not guaranteed to be applicable for another. This research hopes to provide some insights regarding building brand loyalty for the smartphone industry and help smartphone brands to better differentiate themselves from the competitors and gain stronger loyalty from their customers ([37], [24]).

1.3 Objectives
Research is conducted to test whether Brand Experience, Personality, Trust and Satisfaction have effects on Brand Loyalty. This research study also aims to provide marketers and companies’ insights in order for them to build better customer–brand relationship, applying in the smartphone industry in Vietnam – which is having issues with saturation and brand switching behaviors.

1.4 Research Questions
• What are the effect of brand experience, brand trust and brand satisfaction on brand loyalty considering the smartphone industry in Ho Chi Minh City?
• What is the significance level that each factor has on brand loyalty?

1.5 Significance of Study
The research brings more information and consolidate the general believes so that marketers can manage their brand better and make it more attractive, trustworthy and build customer brand loyalty better.

Marketers could apply the results of this research in their business and brand to fix and improve the brand–customer relationship. The newly established brands could also follow the results of this research in order to have a decent base to support branding decisions from the beginning.
1.6 Scope of Study and Limitations of Study

The target sample of the research is young people regardless of gender from 18 to 40 years old living in Ho Chi Minh city. This particular age group is targeted because they are the generations that have the largest exposure to marketing efforts in general and branding in particular. Because of this unique exposure and the influences of globalization, this age group has the knowledge and basic ability to evaluate brands. The Vietnamese market is currently experiencing harsh competitions from both national and international brands as the result of globalization. These competitions allow the customers to freely switch between different brands and alternatives. Therefore, they have the opportunities to be exposed to many different brands and so can evaluate brand experience, trust and satisfaction. On the other hand, with great many choices of brand to choose in the market, they could also change their loyalties from this brand to another. Therefore, they are the appropriate target of this research.

However, there are many factors that could hinder the study which are the errors that are not entirely preventable. These limitations are the common errors that are encountered when doing research studies such as the ones that are made by respondents due to misunderstanding questions in the survey; unwillingness to answer.

2. Literature Review

2.1 Brand Experience

Brand Experience covers a whole different area compared to product experience. Brand experience consists of feelings, emotion, perception and behavior that customers harbor for the brand from stimulus such as brand identity, packaging communications and environments [9]. These factors are collected unconsciously through customers’ interactions with the brand via advertising, personal contact and the quality of the service and products they receive. Therefore, brand experience should have a positive effect on customer–brand loyalty.

There are four dimensions of Brand Experience: Sensory, Affective, Behavioral and Intellectual. The sensory dimension consists of the visual, physical, sound and taste generated from the brand. The affective dimension is comprised of both positive and negative feelings generated from the brand and the emotions that customers held towards that brand. The intellectual dimension of the brand indicates its capacity to stimulate the convergent and divergent thinking of the customers. The last dimension presents the physical experience, actions and usages of the brand from the customer’s perspective.

Brand experience is very important in understanding and managing brand trust and loyalty, in terms of conceptualization and development [9]. Marketers should be equipped with the knowledge of the way consumers experience the brands in order to develop better marketing strategies.

2.2 Brand Satisfaction

Brand Satisfaction is determined as the affective response to purchase intention [5]. Satisfaction is the positive reaction that comes from previous experience [19] then has its impacts on
subsequent purchases [41]. Satisfaction has been known as a one of the forces that influence relationships [21]. Brand relationship could be considered as the degree of satisfaction customers have for a brand as in a normal relationship. When the performance of the product or service meets customer’s expectation, the level of brand satisfaction would arise [25]. However, when the expectation is not met, dissatisfaction would take place [42]. Therefore, satisfaction is considered a result of brand experience; which depends on the differences between the expected performance and the performance received [32]. Brand satisfaction therefore is an antecedent to brand loyalty; which an increase in brand satisfaction would result in an increase in brand loyalty [8].

2.3 Brand Personality
When in animated objects such as commercial brands are assigned with a set of human characteristics, it is said that the brand has acquired a personality [1]. At the symbolic level, brand personality is a good way for brands to distinguish themselves from competitors [43]. Moreover, brand personality is also used by consumers to reflects their self-concepts ([15], [46]). Brand personality is created and maintain in the mind of the consumers; therefore, it can leave great impacts on brand trust.

There are five dimensions of Brand Personality, as developed by Aaker [1], which are: sincerity (domestic, honest, genuine, cheerful), excitement (daring, spirited, imaginative, up-to-date), competence (reliable, responsible, dependable, efficient), sophistication (glamorous, pretentious, charming, romantic) and ruggedness (tough, strong, outdoorsy, rugged).

2.4 Brand Trust
A brand could become the symbol of trust when not considering the effects of any tangible factors [31]. Trust is the expected treatment and quality that the customer entrusted on the brand that they believe the brand is capable of delivering. Brand trust represents the credibility of the brand from the customers’ perspective that influences repetitive purchasing intentions. Trust is one of the important elements to consider when building strong customer–brand relationship [17]. A trustworthy brand is a brand that could keep up with its good quality and meet customers’ satisfaction. Consumers who have high trust in a brand will develop reduced perceive risk and increase purchasing intention. Therefore, customers with high brand trust will develop a higher brand loyalty.

2.5 Brand Loyalty
In the business environment, brand loyalty is defined as repeat purchase, preference, engagement and devotion that ignores temporary effects of marketing situations that could cause the switching in customer’s behavior. Building customer–brand relationship is critical to brand loyalty [16]. Customer satisfaction is known to have a positive connection to brand loyalty ([8], [7], [52]); resulting in positive reactions from the customers when they are satisfied with the brand: repurchasing products or services and recommending the brand [6].
2.6 Related Theories

This research study was conducted based on previous research studies:

2.6.1 Brand Experience: What is it? How is it measured? Does it affect loyalty? (Brakus et al. [9])

This research study comprised of two parts: the first part was a qualitative study aiming to identify the dimensions of the Brand Experience; while the second part was a quantitative study which tried to find the effects of Brand Experience on Brand Satisfaction, Brand Personality and Brand Loyalty. The authors conceptualized dimensions of Brand Experience; which are Sensory, Affective, Behavioral and Intellectual. A qualitative research was conducted to see whether the conceptualized dimensions match the practical perceptions of the consumers. Then a set of brand descriptions were chosen for the respondents to distributed into different conceptualized dimensions. The qualitative research study result helped developing a complete measurement scale for Brand Experience, which would later be used in the quantitative research. Through adopting different scales from other previous research studies, the authors came up with a measurement scale for the quantitative research. A survey was distributed to 209 students asking for their experiences, the personalities associated, the satisfaction and the loyalty with the listed brands. The final result yielded positive correlation relationships between the indicated factors.

![Figure 1. Brakus, Schmitt and Zarantonello's Model](9)

2.6.2 Effects of Brand Personality on Brand Trust and Brand Effect – (Sung and Kim [47])

This research studied the relationships between the five brand personalities and brand trust as well as brand affect. The qualitative research asked the participants to identify the product categories which best expressed themselves in different social situation. After that, another test was conducted on 45 participants in order to sort out certain brands which associated strongly with different dimensions of Brand Personality based on the common preferences of the participants. The result of both tests provided the authors with 30 brands in 3 product categories that are sorted in 5 different personality dimensions. The final research applied the scales from the previous studies of Brand Affect, Brand Trust and Brand Loyalty in order to create a questionnaire. After collecting and analyzing the data, Brand Personality is proven to have a positive relationship to brand loyalty through brand trust and brand affect.
2.6.3 The Effects of Brand Experiences, Trust and Satisfaction on Building Brand Loyalty; An Empirical Research on Global Brands – (Sahin et al. [44])

This study was conducted in 2011 to examine the relationships between Brand Experience on Brand Loyalty through Brand Trust and Satisfaction. The authors aimed to provide an empirical result by focusing on the automobile industry; otherwise testing the model developed by previous research studies. A questionnaire was constructed using the measurement scales from other studies. There are 258 randomly selected respondents who did the survey. These respondents all used the same global brand of automobile and also used the same automobile model. The data was collected and analyzed using SPSS program through a series of tests. The result of this research was able to convince that Brand Experience has a positive effect on Brand Loyalty directly and indirectly through Brand Satisfaction and Brand Trust.
2.7 Research Model and Hypotheses

![Research Model](image)

Based on the model, the hypotheses in this research are:

**Hypothesis 1:** Brand Experience has a positive effect on Brand Personality

**Hypothesis 2:** Brand Personality has a positive effect on Brand Trust

**Hypothesis 3:** Brand Experience has a positive effect on Brand Satisfaction

**Hypothesis 4:** Brand Trust has a positive effect on Brand Loyalty

**Hypothesis 5:** Brand Experience has a positive effect on Brand Loyalty

**Hypothesis 6:** Brand Satisfaction has a positive effect on Brand Loyalty

3. Methodology

3.1 Research Design

According to GfK, Samsung, IPhone and Oppo are the three smartphone brands that have the largest market shares in the smartphone industry in Vietnam in 2017. Moreover, as mentioned earlier, Apple’s IPhone and Samsung both have a high brand loyalty rate therefore including these two brands as the target brands of the study could yield a more precise result. Therefore, Samsung, IPhone and Oppo are chosen as the target brands for this research.

The respondents are asked to rate their opinions about the questions on a 5 point likert scale, of which anchors ranging from 1 (strongly disagree) to 5 (strongly agree). The language used in this survey is Vietnamese to optimize customer understanding of the questions and avoid errors to occur. The translation of the questionnaire from English to Vietnamese was done by the author and was adjusted through feedbacks from the advisor as well as feedbacks from the respondents who participate in the Pilot Test.

3.2 Research Method

Quantitative method is used in this research to reach the results. Quantitative methods emphasize objective measurements and the statistical, mathematical, or numerical analysis
of data collected through polls, questionnaires, and surveys, or by manipulating pre-existing statistical data using computational techniques. Quantitative research focuses on gathering numerical data and generalizing it across groups of people or to explain a particular phenomenon [4].

3.3 Sampling Design
In order to bring required results for the research, the respondents should satisfy the criteria as below:

- Both genders
- Belong to the age range of 18 to 40 years old
- Current or past users of either Iphone, Samsung or Oppo smartphones
- Have basic understanding about brands

3.4 Measurement Scale
The questionnaire is divided into two parts, the first part consists of 4 questions that collect respondents’ demographic information. The second part which consists of 59 questions aims to find the relationship between brand experience, satisfaction, trust and loyalty.

The constructs in the study were developed by using measurement scales adopted from prior studies:

- **Brand Experience**: Items used to measure was adopted from [9].
- **Brand Satisfaction**: Items were drawn from previous studies ([22], [18], [20], [26], [53], [23], [29], [11], [35], [34]).
- **Brand Trust**: Items for brand trust measurement were adopted from many sources ([28], [12], [13], [41], [10]).
- **Brand Loyalty**: Items were adopted from previous studies ([22], [2], [18], [26], [27], [30], [45], [55]).

3.5 Data Analysis
The Statistical Package for the Social Science (SPSS) program was used to analyze the collected data. The statistical methods that were applied in this study are: Descriptive statistics, Reliability analysis, Exploratory factor analysis, Hypothesis testing through Pearson’s correlations and Regression analysis.

4. Results
The PROCESS macro for regression analysis is applied in order to study the indirect and direct effects of Brand Experience on Brand Loyalty. Developed by Andrew F. Hayes, this modeling tool is widely used in social, business and health sciences to study direct and indirect effects in models that involve many simple or multiple mediators.
From the model developed in this research study, Brand Experience (X) is described to effect Brand Loyalty (Y) through three mediators (Brand Personality, Brand Trust and Brand Satisfaction). There are two indirect pathways; one of which goes through two mediators (Brand Personality and Brand Trust) while the other goes through Brand Satisfaction. The indirect effects of Brand Experience could be described as $a_1d_{21}a_2 + a_3b_3$, the direct effect of Brand Experience would be $c'$. Therefore, the total effects of Brand Experience would be $c = c' + a_1d_{21}b_2 + a_3b_3$.

The relationships between the independent variables and dependent variables can be explained through these regression equations:

\[
M1 = BP = 2.513 + 0.306 * EXP \\
M2 = TRU = 1.068 + 0.412 * M1 \\
M3 = SAT = 1.006 + 0.14 * EXP \\
\text{Brand Loyalty (LOY) = 0.223 + 0.23 * EXP + 0.16 * M2 + 0.272 * M3}
\]

From the equation, it is clear that the pathway through Brand Satisfaction has the highest indirect impact on Loyalty (0.272), while the pathway through Brand Personality and Brand Trust has the lowest impact level on Brand Loyalty.

The output of PROCESS also shows that $a_1$ (0.318), $d_{21}$ (0.499), $b_2$ (0.247), $a_3$ (0.41), $b_3$ (0.336) and $c'$ (0.236) all have positive values. This indicates positive effects of the antecedents on the descendants, therefore the hypotheses of this research study are properly supported.

The total indirect effects of Brand Experience on Brand Loyalty are calculated as $a_1d_{21}b_2 + a_3b_3 = 0.04 + 0.14 = 0.178$. While the direct effect is defined as $c' = 0.236$. Therefore, the total effect of Brand Experience on Brand Loyalty is $c = c' + a_1d_{21}b_2 + a_3b_3 = 0.236 + 0.178 = 0.414$. This value could be deciphered as an increase in 1 of Brand Experience would lead to an increase of 0.414 in Brand Loyalty.
5. Conclusion and Recommendation

5.1 Conclusion

The objective of this research is to examine the relationships between Brand Experience, Personality, Trust, Satisfaction and Loyalty. The findings of the research are able to confirm that not only that there exist relationships between the factors but the factors also have positive effects on Brand Loyalty. This result is supported by the findings of previous research studies of Brakus et al. [9], Sung and Kim [47].

As the equation indicates, Brand Satisfaction is the strongest direct predictor of Brand Loyalty; while Brand Experience have the greatest impacts in general. Through the model, it can be concluded that Brand Loyalty is built upon complex indirect and direct effects. Customers are loyal to brands that are capable of satisfying their needs, while having good and accumulated experiences with certain brand also help consolidate their loyalty. Moreover, customers tend to trust the brands which have similar personalities to their own and turn to be a loyal customer to said brands. On the other hand, the brand experiences that customers have with their smartphone, whether it’s positive or negative, would directly affect their satisfaction with the brand and determine how loyal the customers would be to the brand.

The factors and their effects are proven and supported by the model of the study. As for the other objective, this research aims to provide marketers the insights on building their customer’s loyalty. Based on the findings of this research, brands have many directions to improve the loyalty from their customers.

Since all of the paths from the model start from Brand Experience, and it also has significant impacts on the intermediate factors leading to Brand Loyalty, smartphone brands should focus their efforts in enhancing this aspect. Although the pathways from Brand Experience leading to Brand Loyalty are different in terms of their levels of impacts, they all have a positive relationship to Brand Experience. Therefore, building Brand Loyalty gradually from Brand Experience is a firm and reliable strategy.
In this era of information and technology, there are many different aspects of Brand Experience for companies to explore and exploit. Smartphone brands can use these opportunities to create new types of brand experiences for their customers, giving that the smartphone industry still have rooms for growth and innovation.

From the equation concluded, the path from Brand Experience through Brand Satisfaction to Brand Loyalty has the highest value (0.336), therefore, this is the most effective way for brands to raise the level of loyalty from their customers. Therefore, brands can also focus on building create enjoyable satisfying experiences for their customers in order to raise Brand Loyalty.

5.2 Recommendation
Another pathway to build Brand Loyalty is through Brand Personality and Brand Trust, which has the effective value of 0.247. Since the concept of branding is growing and more recognized in Vietnam, it is crucial for brands to focus on building their brand personalities. Brand Personality can help brands distinguish themselves from competitors and serves as an attraction for customers who perceive the personalities as similar to their own. The consistent image built from the personalities would create a sense of trust within the customers, turning them into loyal followers of the brand. As a result, they would also react more positive to changes; are more willing to buy new and premium products from the brand.

5.3 Limitations
Although precaution is greatly regarded and emphasized, there are still many limitations in this research, which are mainly time and budget limitation, geographic and demographic characteristics of the sample.

Time and budget limitation can dictate the bias in choosing the sample size. The result of this research could be more accurate and reliable if the sample size is relatively larger and can better represent the target sample of the research. Moreover, also due to time and budget limitations, this research cannot be conducted in different areas at the same time, leading to all of the respondents are from Ho Chi Minh city only. Therefore, the result may not represent the accurate generalization of the target sample.

The target sample of this research has the age range from 18 to 40, however, the collected data shows that the percentages of the age groups are not equally distributed; therefore this does not lead to the optimal result that this research study can achieve. Other factors from the questionnaire may also affect the result of this research study, such as the translation from the original English questionnaire into the Vietnamese version. Although translating the questionnaire was for making the questionnaire more approachable for the respondents, translation errors may occur and affect the respondents’ understanding and choices.

Since the target industry used in this research is the smartphone industry, the result may not be applicable for other product industries. Moreover, in order to reach the largest and most...
common smartphone consumer base, the 3 smartphone brands which have the highest market shares were chosen for the research. This may lead to over-generalization as the result may not be able to cover all of the brands in smartphone industry.

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**Competing Interests**

The authors declare that they have no competing interests.

**Authors’ Contributions**

All the authors contributed significantly in writing this article. The authors read and approved the final manuscript.

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