Impact of Relationship Marketing Variables on Brand Resonance: Mediating Role of Brand Attitude

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Abstract: Relationship Marketing has got its values strongly rooted in business and market place right from the year 1983. It is the core sphere of operation for all kinds of trade and no organization overlooks this concept. Holding this importance of Relationship Marketing as a core idea, the study aims at discerning the impact of Relationship Marketing Variables on Brand Resonance. Brand Resonance is yet another dominant state of psychological connect which every company would like to establish with the customers. The Relationship Marketing Variables Trust, conflict handling, empathy and Satisfaction are considered for the analysis. Brand Loyalty, Brand Community, Brand Engagement and Brand Attachment are the variables of Brand Resonance. Focusing on the relationship marketing variables that contributes towards high brand resonance would enable companies to contemplate on these profit enabling areas that eventually leads to a sustenance growth for the organization. Indian Shopping Websites has been given the prime importance in this study and data has been collected from 315 users of these websites. Multiple regression is employed as a main tool to examine the influential effect and for mediation analysis. The mediating effects of brand attitude over brand resonance is also examined in this study. Drifting from the traditional view of customer satisfaction influencing Brand Loyalty, this study has found Empathy as the most influential factor on Brand Resonance followed by Conflict handling and Trust. Brand Attitude strongly mediates the relationship between relationship marketing dimensions and Brand Resonance.

Keywords: Relationship Marketing, Brand Attitude, Brand Resonance

I. INTRODUCTION:

Online retailing has completely revolutionized the shopping industry and has given customers a different shopping experience. E retailing industry is currently facing a rapid growth of 51% per year and is expected to generate a revenue of US $200 billion by 2026. Currently the revenue of e commerce Industry is US$38.5 billion. In such a dynamically changing industry with strong players like Amazon, Flipkart, Snap Deal, Myntra etc. competing, it is a great challenge to retain customers. Today’s consumers before purchasing a product, analyze and compare the features of the product, prices, return policies, shipping information and payment options (Burke 2002)2. As the customers gain experience in e commerce, online shopping has witnessed a shift from transactional exchange to relation based exchange (Palmatier, 2017)2.

So it is believed that Relationship Marketing plays an important role in developing concrete relationships with e retail customers (Berry & Bendapudi, 1997)3. Eventually, the e retailers have started to establish relationship with customers online through online communities believing such an initiative would enhance the performance. But still little researches have been conducted to evaluate the effectiveness of Relationship Marketing (Sharma & Sheth, 2016)4.

Brand Resonance defines the customers relationship with the brand and the level of “sync” they establish with the brand (Keller, 2008)5. It plays a significant role in CRM and for building a strong brand equity with the customers (Moore & Wurster, 2007)6. When the brand resonance is high, customers exhibit high levels of loyalty which in turn enables them to have a close interaction with the chosen brand.

Brand Attitude are predispositions that are learned which has an impact on the customers to have favourable and unfavourable responses for the brands (Wilkie, 1994)7. Attitudes are formed with equal contribution of experience and information. The attitude formed by these two factors influence the customers judgements over the brand (Meyer, 2008)8. Previous research supports the positive relationship between Brand Attitude and Relationship Marketing strategies that involve two way communication (Ahn & Back, 2017)9. This proves that empathy and conflict handling, dimensions of relationship marketing share a positive relationship with Brand Attitude.

Brand power is determined by what resides in the minds of the customer which includes Brand Loyalty, Brand Engagement, Brand Community and Brand Attachment (Taghipourian, 2013)10. It is considered as one of the most valuable intangible asset of the company. With such great emphasis, Brand Resonance can be employed by the organization to gain competitive advantage (Keller, 2011)11. Many companies seek to enhance Brand Resonance dimensions by employing Relationship Marketing (Chang, 2005)12. Relationship marketing has more relevance to service organizations compared to product Organizations (Javalgi, 2006)13. Inspite of possessing great scope in bringing positive customer experiences and long lasting relationship with customers, researchers have focused little on Brand Resonance.
Considering this as a research gap, the study aims at determining the influence of Relationship Marketing Dimensions on Brand Resonance and the mediating effect of Brand Attitude between the 2 variables.

II. REVIEW OF LITERATURE

From the days of ancient trade, relationship is practiced by numerous business people and it is considered to be an oldest approach of marketing (Gronroos, 1994). The basic concept of relationship marketing is focused on retaining the existing customers instead of acquiring new customers (Berry 1983). Rashid (2003) found nine dimensions that plays pivotal role in the success of Relationship Marketing which includes commitment, experiences, social bonding, fulfilling promises, empathy, customer satisfaction, trust, communication and internal marketing. Ndubisi (2007) proposes 4 important dimensions which includes communication, trust, conflict handling and commitment in Service Industry. Trust and empathy are one among the four dimensions proposed by Callaghan (1995). The study carried out by Sin (2005), proved that relationship marketing dimensions were critical for the success of the business. Trust and satisfaction are relationship marketing dimensions considered in many B2B and B2C Context. But empathy, though has supporting evidence in B2B context (Yau, 2000, Chattananon & Trimitsoontorn, 2009). the growth of B2C and service industries have paved way for the increasing attention on empathy (Bojei, 2012).

According to Keller, Brand Resonance has four dimensions which includes Brand Loyalty, Brand attachment, Brand Community and Brand Engagement. Tracing out the linkage between Relationship Marketing Dimensions and Brand Resonance, Brand Attachment is directly influenced by the core factors of Relationship Marketing that includes trust and satisfaction (Tsai, 2011). Significant and positive relationship existed between the two factors, Conflict handling and Brand Loyalty through trust and relationship quality (Ndubisi & Chan, 2005). When the service providers handle the conflicts of customers satisfactorily, they develop a loyalty towards the company or the brand (Ndubisi, 2006). Beyond conflict handling, empathy too fosters loyalty of the customers as per the research conducted by Abdullah and Kanyan (2013).

Gefen (2003) in a study conducted in the field of online shopping portals found that trust enhances the intentions of loyalty towards the brand and thus dependence on control systems are reduced which eventually reduces the transaction costs. Studies carried out in the context of Internet Applications have validated a positive link between loyalty intentions and overall satisfaction (Harris and Goode, 2004). Moreover, Brand Community research suggest that satisfied relationships of the consumer with the brand encourages them to share their experience with like minded people and thus shares a positive relationship (Algesheimer, 2005). (Gashti and Chirani, 2017) in their study has proved a positive relationship between relationship marketing dimension (bonding, communication, interaction, shared values, empathy and trust) and brand attitude. He suggests that formation of attitude is based on the physical and mind related processes which gets started before product/service purchase and also continues post purchase. Taylor and Hunt (2003) in their study have found trust to be emerged as a significant antecedent of brand attitude. The study further suggests that brand attitude mediates the relationship between satisfaction and loyalty. Moreover brand attitude has a direct effect created by post consumption. From the past studies it is clear that brand attitude has a positive impact both on relationship marketing dimensions and brand resonance.

Underlying theory – Social Exchange theory

Social Exchange theory is proposed by Homans (1958) which assists to discern the relation between the social behaviour of individuals and the economic activities. The postulations of the theory suggests that consumer and supplier exchange services and goods just not for money, but also for benefits arising from non monetary factors that includes affection, love, approval and esteem (Cropanzano and Mitchell, 2005). The theory further suggests that, smooth and cordial relationship between supplier and customer adds utility and incremental value for the brand (Yoo, 2000). This means that when a consumer shares a pleasurable and memorable relationship with the company, eventually a positive image is created in the minds of the customer which results in increase of brand loyalty, an important dimension of Brand Resonance (Lawler, 2001). Thus based on Social Exchange Theory, the relationship between Relationship Marketing Dimensions and Brand Resonance is proved.

III. METHODOLOGY

The nature of the research is descriptive and involves cross sectional design. Sample size for the study is 515 and the primary data is collected using online questionnaires. Individuals who actively use online portals for shopping purpose were selected as sample respondents. Convenience sampling is the sampling method employed as online customers can be conveniently selected based on the ease of access. The Questionnaire consisted of four constructs (Trust, empathy, Satisfaction, Conflict handling) under relationship marketing and four constructs (Brand Attachment, Brand Engagement, Brand Community and Brand Loyalty) under Brand Resonance. Five point likert scale has been adopted with varying intensities

Regression Analysis is the statistical tool employed in this study. It is one of the efficient techniques which is used to find the relationship between variables (Bowerman, 1990). Dependent and independent variables are best related using the mathematical model built adopting Regression technique (Draper and Smith, 1981). The linear regression equation for the independent and dependent variable is represented as

\[ Y = a_0 + a_1 x_1 + a_2 x_2 + \ldots + a_n x_n \]
The mediating effects produced by brand attitude between Relationship Marketing variable and Brand Resonance was analyzed using the Multiple Regression Analysis.

IV. HYPOTHESES OF THE STUDY:

Relationship Marketing and Brand Resonance

Previous researches in the field of relationship marketing have suggested positive relationship between Brand resonance and relationship marketing. According to Cronin (2000), a strong positive correlation existed between the two variables in particular between empathy and Brand Loyalty. Jesri (2013) found that commitment and trust has a positive impact on Brand Resonance. The reason is, as the organizations gains trust of consumers, the consumers create a positive attitude towards the brand and eventually the organization is positioned as a reliable organization in the minds of people. Thus the customer commitment is enhanced which leads to higher levels of brand loyalty. Shaari and Ahmed (2017) found that Brand Community is strengthened by interactive communication, commitment and trust of the customers. Brand Engagement is strengthened by provoking the consumers through rewards, communication, experiential contents and shared values.

H1: Trust positively influences Brand Resonance
H2: Empathy positively influences Brand Resonance.
H3: Satisfaction positively influences Brand Resonance
H4: Conflict handling positively influences Brand Resonance

Brand Attitude, Relationship Marketing and Brand Resonance:

According to recent researches conducted in the field of relationship marketing, trust has emerged as an antecedent for Brand Attitude. The relationship between satisfaction and brand loyalty is mediated by brand attitude. Chiu (2004) investigated and found that both trust and satisfaction are antecedents to brand loyalty. Various researchers have focused on the importance of trust in relationship marketing and that trust plays a pervasive role in the enhancement of Brand loyalty. Moreover, Brand Loyalty is considered to possess true loyalty when it is strongly mediated by brand attitude (Kim and Swait, 2013). The study conducted on the basis of story telling theory and persuasion theory has resulted in a positive impact on brand attitude by empathy and sympathy (Yu & Chang, 2013). Based on the evidence of previous researches conducted in the appropriate fields, the following hypotheses were formulated.

H5: Trust positively influences Brand Attitude
H6: Empathy positively influences Brand Attitude
H7: Customer satisfaction positively influences Brand Attitude.
H8: Conflict Handling positively influences Brand Attitude.
H9: Brand Attitude positively influences Brand Resonance.

H10: Brand Attitude mediates the relationship between Trust and Brand Resonance

V. RESEARCH FRAMEWORK:

VI. RESULT ANALYSIS

Regression Analysis were carried out to discern the effects between the variables of Relationship Marketing and Brand Resonance. The relationship marketing variables taken into consideration for the analysis are trust, satisfaction, empathy and conflict handling. The analysis was carried out in three stages. Initially the effect of relationship marketing variables over Brand Resonance was analyzed. The second phase included the effect of relationship marketing variables over Brand Attitude. The third phase included the effect of relationship marketing dimensions over brand resonance through brand attitude. The change statistics data was analyzed in order to determine the mediation effects. The effects of Brand Attitude on Brand Resonance was also calculate using regression method.

Table 1: Regression Analysis: Relationship Marketing Dimensions and Brand Resonance

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Variables</th>
<th>Unstandardized Coefficient</th>
<th>Std Error B</th>
<th>Standardized Coefficient</th>
<th>t value</th>
<th>p value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Trust → BR</td>
<td>0.386</td>
<td>0.136</td>
<td>0.142</td>
<td>2.362</td>
<td>0.011*</td>
</tr>
<tr>
<td>H2</td>
<td>Empathy → BR</td>
<td>1.622</td>
<td>0.197</td>
<td>0.394</td>
<td>8.243</td>
<td>0.000**</td>
</tr>
<tr>
<td>H3</td>
<td>Satisfaction → BR</td>
<td>0.19</td>
<td>0.175</td>
<td>0.055</td>
<td>1.082</td>
<td>0.280</td>
</tr>
<tr>
<td>H4</td>
<td>Conflict Handling → BR</td>
<td>0.866</td>
<td>0.145</td>
<td>0.251</td>
<td>5.984</td>
<td>0.000**</td>
</tr>
</tbody>
</table>

BA – Brand Attitude, BR – Brand Resonance
Impact of Relationship Marketing Variables on Brand Resonance: Mediating Role of Brand Attitude

From the above table it is evident that since the R value is 0.647 (greater than 0.5), Relationship Marketing variables and Brand Resonance share a strong relationship. Adjusted R² value indicates that 41.4% of the variation in Brand Resonance is caused by Relationship Marketing variables. Except for satisfaction, all the other variables have got a significant p value with level of significance 1%. Empathy has got the highest co efficient value of 1.622, followed by Relationship Marketing variables.

Thus the hypotheses H5, H6, H7, H8 are supported.

Table 2: Regression Analysis: Relationship Marketing Dimensions on Brand Attitude(BA)

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Variables</th>
<th>Unstandard Coefficient</th>
<th>Std Error of B</th>
<th>Std. Coefficient</th>
<th>t value</th>
<th>p value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td></td>
<td>5.100</td>
<td>0.764</td>
<td></td>
<td>6.67</td>
<td>0.000</td>
</tr>
<tr>
<td>H5</td>
<td>Trust → BA</td>
<td>0.314</td>
<td>0.046</td>
<td>0.272</td>
<td>6.84</td>
<td>0.000</td>
</tr>
<tr>
<td>H6</td>
<td>Empathy → BA</td>
<td>0.373</td>
<td>0.054</td>
<td>0.292</td>
<td>6.92</td>
<td>0.000</td>
</tr>
<tr>
<td>H7</td>
<td>Satisfaction → BA</td>
<td>0.167</td>
<td>0.048</td>
<td>0.155</td>
<td>3.47</td>
<td>0.001</td>
</tr>
<tr>
<td>H8</td>
<td>Conflict Handling → BA</td>
<td>0.184</td>
<td>0.040</td>
<td>0.176</td>
<td>4.64</td>
<td>0.000</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td></td>
<td>0.544</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

F-value 154.059***
R value 0.740

Table 3: Regression Analysis: Relationship Marketing Dimensions, Brand Attitude and Brand Resonance

<table>
<thead>
<tr>
<th>Model</th>
<th>Value of R</th>
<th>Value of R²</th>
<th>Adjusted R²</th>
<th>F value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.647</td>
<td>0.419</td>
<td>0.414</td>
<td>91.932***</td>
</tr>
<tr>
<td>2</td>
<td>0.697</td>
<td>0.485</td>
<td>0.480</td>
<td>96.06***</td>
</tr>
</tbody>
</table>

*** indicates significance level at 1% and **indicates significance level at 5%
The above table suggests that Brand Attitude positively influences Brand Resonance as the co-efficient value 1.259 is significant with p value 0.000. Thus hypotheses H9 is supported.

VII. CONCLUSION AND FUTURE WORK

The findings of this study has a shift from the traditional findings. Earlier online shopping portals placed more emphasis on Customer Satisfaction to drive Brand equity and Brand resonance. As the customers preference for online shopping dimensions has confronted a shift in the recent years, the influential effects too has encountered a transformation. As far as the service industry is concerned and in particular, e commerce industry, empathy and conflict handling plays a vital role as the concept of return policy has gained importance. The online shopping portals should focus on relationship marketing strategies and formulation of a system that would handle the grievances of the customers efficiently. Not even a single grievance of the customer should be overlooked upon. Online shopping Industry is transforming at a fast pace in which product differentiation or low cost may not be the critical factors for gaining competitive advantage but strategies that would empathize with the customers and handle their conflicts would be the corner stone for success. The noteworthy finding is that customer satisfaction has no direct influence on Brand resonance and is no longer considered as a significant variable enhancing Brand Resonance. This finding is in congruence with the recent studies where customer satisfaction has no direct impact on the variables of Brand Resonance. As brand attitude mediates the relationship between the two variables, it is imperative for the organizations to position themselves strongly in the minds of the people so that they feel good about the shopping portal in both the stages of purchase (pre purchase and post purchase). Brand attitude formation starts even before the customer purchases the product/service and so additional focus should be given right from the stage of consumer awareness. The scope for future research can be taken forward by adding other relationship marketing variables and different mediators and moderators.

REFERENCES:

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AUTHORS PROFILE

Dr. V. S. Divyasree, has got a right blend of teaching and industrial experience. She is currently working as Assistant Professor in SRM Institute of Science and Technology in the Department of Business Administration. Her total teaching experience is around 4 years. Academic qualifications are B.E., M.B.A., Ph.D (Business Administration) and SET qualified. She has already published 6 research papers in Scopus Indexed and UGC refereed Journals. She has presented several papers and has participated in workshops and seminars organized by prestigious Institutions like IIT.

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