

Effects of consumer perceptions of brand experience on the web: Brand familiarity, satisfaction and brand trust

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Hong-Youl Ha

Hong-Youl Ha is a doctoral candidate of marketing at Manchester Business School in the UK. He is an active researcher and is very interested in consumer behavior, services and pricing in the online environment. His work has been published in the Journal of Computer-Mediated Communication, the Journal of Product and Brand Management, the Marketing Review, the Journal of Consumer Behavior, the Journal of Strategic Marketing, International Journal of Consumer Studies, and the Journal of Current Issue & Research in Advertising.

Helen Perks

Helen Perks is a senior lecturer of marketing at Manchester Business School. Helen's research interests lie in two domains: New Product and Service Development and Inter-organisational Relations. She regularly publishes in international journals such as Industrial Marketing Management, Journal of Product Innovation Management and the International Journal of Innovation Management.

Abstract

Creating a customer experience that is synonymous with a particular (website) brand is becoming increasingly recognised as a vital driver of e-performance. E-tailors are just as likely to try to influence consumers' shopping behaviour, through atmospherics and service, as brick-and-mortar stores. This study investigates several questions that have been left unanswered in recent studies of consumer behaviour in the context of internet-based marketing. Its focus lies in addressing the issue of whether there is a direct relationship between brand experience and brand trust or whether there is an indirect relationship via satisfaction or brand familiarity. The results of an empirical study of e-consumer behaviour show that brand trust is achieved through the following dimensions operating and interrelating as antecedent constructs: first, various brand experiences and the search for information, secondly, a high level of brand familiarity, and thirdly, customer satisfaction based on cognitive and emotional factors. These findings should assist marketers and academics in their understanding of the development of brand trust in an internet-based environment. Copyright 2005 John Wiley & Sons, Ltd.

Keywords:

Brand experience, familiarity, satisfaction, brand trust, e-tailor, e-consumer behaviour

Hong-Youl Ha
Manchester School of Management,
Manchester, M60 1QD, UK
Tel: +44 (0)161 200 3465/3460
e-mail: youl1227@hotmail.com;
h.perks@manchester.ac.uk

INTRODUCTION

Purchasing via the internet is one of the most rapidly growing forms of shopping, with sales growth rates that outpace buying through traditional retailing

mechanisms (Levy and Weitz, 2001). Indeed, Forrester Research (1999) estimates that more than 17 million households shopped online in 1999 and about 49 million will do so in 2004. The

average online spending by each of these households was US\$1,167 in 1999 and is estimated to be US\$3,738 in 2004. This environment is leading to the rapid market entry of new experience brands, developed through the innovative use of web technology (Keeney, 1999), and leading to an increasing variety of consumer experiences. Marketers are demanding knowledge of consumer behaviour in this environment and this is fuelling the research challenge of a more in-depth understanding and empirical investigation of such e-consumer behaviour.

A body of research is responding to this challenge. In particular, there has been pronounced interest in the role that brand trust plays in e-consumer behaviour. A number of researchers have shown that brand trust is a critical factor in stimulating purchases over the internet (Quelch and Klein, 1996; Corbitt *et al.*, 2003). Keen (1997) argues that the most significant long-term barrier to realising the potential of internet marketing for consumers was the lack of trust in merchants' honesty and in their competence to fill internet orders. It appears that brand trust does not simply act as a trigger, but is based on a positive consumer experience, with a particular website for example. Furthermore, the experience plays a crucial role in improving brand familiarity, satisfaction and ultimately brand trust. It appears that brand experience is the preliminary condition to consumers' e-commerce participation.

Brand trust also has been studied in relationship to brand satisfaction. During the past decade, both marketing academics and practitioners have been intrigued by the relationship between consumer satisfaction and brand trust (Shankar *et al.*, 2000; Garbarino and Johnson, 1999; Shemwell *et al.*, 1998; Johnson and Auh, 1998; Doney and Cannon, 1997). Most of these studies, however, have focused on the outcomes of individual satisfaction.

Research into the relationship between brand familiarity, satisfaction and brand trust and the consumer's brand experience in e-commerce has remained limited, both in terms of the actual number of studies undertaken as well as in the scope of these studies. The authors suggest that an investigation of the relationship between these constructs is important in order to understand e-consumers' perceptions in the context of purchases. In particular, it has been posited that the internet experience should be studied as a moderator variable, because this variable has been shown to affect both consumers' perceptions of websites (Bruner and Kumar, 2000) and consumer behaviour in electronic markets (Liang and Huang, 1998). Furthermore, there is some evidence that brand trust may be positively related to satisfaction and customer experience (Papadopoulou *et al.*, 2001; Urban *et al.*, 2000). Despite these advances, the exact relationship between brand experience, brand familiarity, satisfaction and brand trust in e-commerce has remained unclear. Specifically, one crucial question has been left unanswered: Is there a direct relationship between brand experience and brand trust, or is there an indirect relationship via satisfaction or brand familiarity?

This study attempts to answer this question. The authors propose a model that describes the relationship between satisfaction, brand trust and brand familiarity, taking into account and exploring the effect of brand experience. Since consumers' experiences play a crucial role in building a long-term successful business on the web, it is posited that their experiences may have a critical influence on brand trust. In particular, the authors believe that brand experience may act as an antecedent of relationships between brand familiarity, satisfaction and brand trust; however, it is the interrelationships between these constructs which are of particular interest.

This study aims to contribute to an understanding of the online experience of a customer. Specifically, first, it seeks to explore the linkage between customer experience of a particular website and cumulative e-satisfaction. Secondly, the research aims to investigate how cumulative customer experience translates into brand trust. The intention is to provide further understanding of the link between a website's attractiveness and customer brand trust. Finally, it is hoped that the study's findings will provide insights which can improve the marketers' ability to assess e-customer behaviour.

The rest of the paper is organised as follows. First, a conceptualisation for the study is developed through the exploration and definition of the constructs of the conceptual model. The authors do this by defining each construct of brand experience, brand familiarity, satisfaction and brand trust. Each construct is then explored in the context of online behaviour. For each construct, its relationship with the other constructs is investigated and research hypotheses are proposed. Secondly, the sample and measures employed in the study are described, and then the empirical research results are reported. In conclusion, the results are discussed along with the theoretical and managerial implications of the findings. Finally, limitations of the study are identified and future research directions proposed.

THEORETICAL BACKGROUND AND CONCEPTUALISATION

Brand experience

Experience has been defined as displaying a relatively high degree of familiarity with a certain subject area, which is obtained through some type of exposure (Braunsberger and Munch, 1998). For example, a consumer who has been through the process of information search, decision making and/or product usage would be considered to be experienced. Padgett and Allen (1997)

argue that consumer experience is a coalescing of symbolic meaning with allied behaviour, thoughts and feelings that occur during the service/product consumption. Consumers' brand experience refers to their knowledge of and familiarity with a brand or brand category (Alba and Hutchinson, 1987). Experience with a brand has more impact than product features and benefits. It can produce a deeper meaning and be more memorable, which can yield greater customer trust in the brand. As consumers' brand experience increases, it has been suggested that their abilities to categorise brands by attributes are enhanced (Weinberg, 2001; Murphy and Smith, 1982).

In this study, the website brand experience is explored. The authors define brand experience as 'a consumer's positive navigations (ie using web-based communities and participating in events) and perceptions (ie the attractiveness of cookies, variety and uniqueness of visual displays and value for money) with a specific website'. Increasingly, online customers expect websites to offer them not just a message, but also a positive experience. Usually, e-consumers are more likely to use a good website that offers a positive experience. A good website is one that delivers relevant and well-organised information in an engaging manner (Chen and Wells, 1999). In particular, as noted in the 1999 Forrester Report, a positive experience is what induces 75 per cent of consumers to return to their favourite website. The common goal is to establish a bond between a consumer and a brand as the consumer learns about the brand; however, it depends on a positive consumer experience.

Reichheld and Scheffer (2000), Kenny and Marshall (2000), McWilliam (2000), Shankar *et al.* (2000) and Ha (2003) have investigated a good online experience associated with familiarity and satisfaction with web communities. Familiarity and brand experience are major components of consumer

knowledge and should have a considerable impact on consumer cognitive structures (Alba and Hutchinson, 1987). The two terms, brand experience and brand familiarity, are sometimes used interchangeably, but, although for low involvement, experience-related and non-technical products these two components are highly interrelated and perhaps indistinguishable, the distinction generally made is that experience promotes better memory because experience attributes are more vivid and concrete (Paivio, 1971) when directly experienced and because experience requires more elaborative internal rehearsal and self-generation (Slameka and Graf, 1978). For example, consumers who do not have experience of a particular website will be more likely to use extrinsic cues in brand quality assessments, because they have relatively little intrinsic brand information in memory and a less developed schema, making processing intrinsic information more difficult. As consumers become more familiar with the brand, however, their ability to assess brand quality based on their knowledge of intrinsic attributes, that are informative about quality, improves. In terms of familiarity, consumers are more likely to be familiar with brands that have been around for longer periods and have had their reputations reinforced through brand experience (Pae *et al.*, 2002). Thus, forming brand familiarity might depend on consumers' perceptions based on brand experience on the web and, in turn, the two constructs are different because they might have different consequences. These studies show that, with respect to satisfaction based on consumer experience, it is the specific nature of the consumer's shopping task which appears to exert an influence on perceptions of active value (ie efficiency, economic value, useful information and enjoyment), whereas the interaction between task depth and surface

properties influences the reactive source of value (ie visual appeal, entertainment and service excellence). In addition, Shankar *et al.* (2000) and Kania (2001) suggest that the website experience, which provides web communities, chat, games and other events, lets customers enjoy various meaningful experiences and can enhance brand trust.

In the authors' view, the level of brand experience can differ to some extent. That is, greater brand experience is not only associated with familiarity, but also impacts crucially on understanding, enjoying, enhancing and fostering the brand. Furthermore, positive brand experience might show a positive reaction to pricing associated with the purchase and impact indirectly or directly on brand trust. Many consumers on the internet are price seekers, rather than loyals. The focus of positive brand experience is on turning price seekers into trusted loyals. Therefore, hypotheses can be formulated as follows:

H_{1a}: A consumer with a high level of brand experience shows greater familiarity with the brand.

H_{1b}: A consumer who has had impressive brand experiences shows strong satisfaction associated with his/her experiences or purchases.

H_{1c}: A consumer who has had impressive brand experiences shows strong trust in the brand.

Brand familiarity

Brand familiarity with products or services derives from the number of brand-related experiences the consumer has had (Alba and Hutchinson, 1987). Baker *et al.* (1986) define brand familiarity as a uni-dimensional construct that is directly related to the amount of time spent processing information about the brand, regardless of the type or content of the processing involved. Hoch and Deighton (1989) refer to familiarity as the number of product-related experiences accumulated by the consumer. Familiarity appears to serve as an

umbrella term and is related, although not perfectly, to other important constructs including consumer expertise, prior knowledge and strength of belief. Familiarity also appears as a necessary, although not sufficient, condition for the development of expertise and the ability to perform product-related tasks successfully. Research evidence also indicates that brand familiarity reduces the need for information search. For example, Biswas's (1992) study revealed that consumers tend to spend less time shopping for a familiar brand than they do for an unfamiliar brand.

There has been very little research on consumer behaviour associated with brand familiarity on the web. Menon and Kahn (2002) proposed that when experiences, initially encountered in e-commerce situations, are judged to be more pleasant by consumers they are more likely to linger or explore further. Such behaviour appears to be closely related to positive brand familiarity.

In this study, brand familiarity has been defined as a store of favourable knowledge about a particular website, accumulated by the consumer's experience. When much time is spent on the search for information on a website, it can leave a deep brand impression. Accordingly, it can be assumed logically that a high level of familiarity with a brand might produce feelings of greater satisfaction or trust (unless the consumer has a negative perception of a brand). The most interesting finding of a research study conducted by Cheskin Research and Sapient Responses (1999) indicated that there was not a strong correlation between simple site usage and trust, instead familiarity was found to be a more important indicator of brand trust.

The authors suggest that the relationship between brand familiarity and brand trust will be affected by another mediator, namely satisfaction, as well as through the direct relationship. Indeed, Lane and Jacobson (1995) found that brand familiarity influences a

brand's performance (eg satisfaction) in the stock market. It is posited here, however, that many dot.com brands have not yet achieved the level of familiarity necessary to achieve satisfaction. H_2 therefore can be formulated as follows:

H_{2a}: Positive brand experiences, coupled with a sufficient amount of information search, increase brand familiarity and then this increased familiarity affects the brand satisfaction positively.

H_{2b}: Greater brand familiarity leads to a higher level of brand trust.

Satisfaction

Although satisfaction is recognised as an important facet of marketing, there is no general agreement on how the concept should be defined (Rogers *et al.*, 1992). Oliver (1997) defines satisfaction as the consumer's fulfilment response. It is a judgment that a product or service feature, or the product or service itself, has provided (or is providing) a pleasurable level of consumption-related fulfilment. This lack of a concise definition further validates the supposition that satisfaction does not mean the same thing to everyone (Oliver, 1980).

In this study, however, e-satisfaction has been defined as the contentment of customers with respect to their prior purchasing experience with a given electronic commerce firm (Anderson and Srinivasan, 2003). The concept of cumulative satisfaction has been used, which recognises that customers rely on their entire experience when forming intentions and making repurchase decisions. Thus, cumulative evaluations should better predict customers' intentions and behaviour (Olsen and Johnson, 2003). In contemporary marketing, it is argued that satisfaction includes both cognitive and emotional components. The cognitive component refers to a customer's evaluation of the perceived performance in terms of its adequacy in comparison to some kind of expectation standards (Liljander and

Strandvik, 1997; Wirtz, 1993). The emotional component consists of emotions, such as happiness, surprise and disappointment (Yu and Dean, 2001; Cronin *et al.*, 2000; Liljander and Strandvik, 1997; Oliver, 1993). This study examines brand satisfaction by considering these two factors. Because brand familiarity based on experience is strong, this points to the importance of the cognitive factor, but experiences also include emotional factors.

Customer satisfaction/dissatisfaction requires experience with the product or service, and is influenced by the perceived performance and the value of the products or services (Anderson and Sullivan, 1993). With respect to perceived performance/disconfirmation, perceived performance indirectly affects satisfaction through disconfirmation (Wirtz, 1994; Richins, 1983), or influences it directly without parameters (Tse, 1999; Andreassen and Lindestad, 1998; Yi, 1993).

Customer satisfaction is closely related to brand trust (Delgado-Ballester and Munuera-Aleman, 2001). In e-commerce, the dissatisfaction of customers leads to negative word of mouth regarding the inability of the service provider to meet consumer needs (Dolinsky, 1994; Halstead *et al.*, 1993). On the contrary, customer satisfaction is associated with positive word-of-mouth communications and increases brand trust (Athanasopoulos *et al.*, 2001). More specifically, such findings indicate that when customers experience a high level of satisfaction, they decide to stay with the existing service provider and overrule their negative behavioural intentions. Therefore, the following hypothesis is proposed for empirical testing:

H₃: Based on positive experiences and relationships, a customer who was satisfied by the perceived performance of the brand shows strong trust in the brand.

Brand trust

Borrowing Bainbridge's (1997) words, a trustworthy brand places the consumer at the centre of its world and relies more

on understanding real consumer needs and fulfilling them than the particular service or product. Brand trust goes beyond consumer's satisfaction with the functional performance of the product and its attributes (Aaker, 1996). Brand trust has been defined as 'a feeling of security held by the consumer in his/her interaction with the brand, such that it is based on the perceptions that the brand is reliable and responsible for the interests and welfare of the consumer' (Delgado-Ballester, 2001).

In this study, brand trust has been defined as the willingness of the average consumer to rely on the ability of the brand to perform its stated function. In an online environment, the development and maintenance of consumer brand trust on the web appears to be critically important, especially in the face of highly unpredictable markets with reduced product differentiation (Fournier and Yao, 1997; Papadopoulou *et al.*, 2001; Urban *et al.*, 2000). Issues surrounding privacy and security, associated with the major dimensions of e-brands, have made the online audience sceptical of e-commerce or marketing websites, particularly unknown ones. To meet this challenge, web brands must add other dimensions—familiarity and security—when building brand trust. According to Ha (2003), familiarity with a company or brand produces feelings of greater trust. Furthermore, Ha's (2003) study shows that a high level of brand commitment means that dot.com companies are maintaining long-term relationships with their customers for the purpose of achieving brand trust. Hence, a customer–web retailer relationship, on the basis of brand experience, may have a positive effect on the level of brand trust.

Based on the above hypotheses, the relationships between the variables have been summarised in Figure 1, which illustrates the conceptual model.

METHOD

A survey-based procedure was used to collect data for this study. The data were

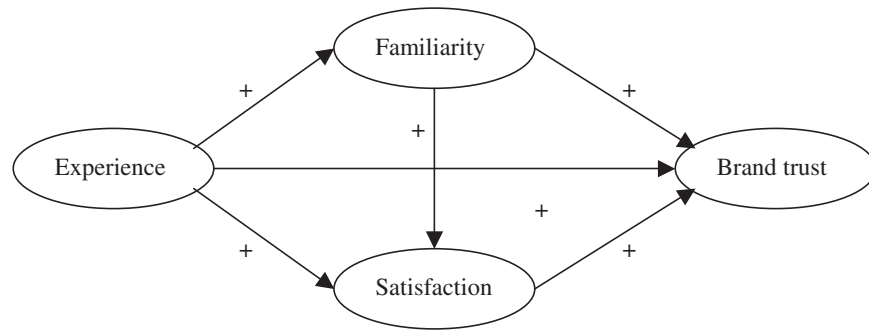


Figure 1: Conceptual model depicting the relationships between web brand experience, brand familiarity, satisfaction and brand trust

collected by use of e-mail on the internet. It has been suggested that, in order to understand e-consumer behaviour or perceptions, marketing research through the internet may be a more useful method than questionnaire interviews or an experimental method offline (Grossnickle and Raskin, 2001). The authors are aware that current research has identified two key limitations, unique to e-mail, that must be considered when planning an e-mail survey. First, unsolicited surveys may be considered aggressive by respondents, and not in keeping with the internet culture (Mehta and Sivadas, 1995; Sheehan and Hoy, 1999). Minimising a perception of intrusiveness should help to address this problem (Schillewaert *et al.*, 1998) and this approach was adopted in this survey. Secondly, the changing nature of the internet suggests it is possible that e-mail addresses may become out-of-date fairly quickly (Smith, 1997). Addressing this issue early on prepared the authors for dealing with delivery failures. This research method has the advantage that it can offer statistically significant data at low cost (Kim, 2001; Johnson, 2001; Ranchhod and Zhou, 2001). Furthermore, all e-mail communications have a date, time and address, allowing researchers to contact the subjects and return partially completed questionnaires. It also benefits from time efficiencies over postage, envelope stuffing and printing.

The survey was designed to include a number of different websites in South

Korea. These covered the categories of bookstores, Abata malls (a popular web-chatting site focusing on the customer's own unique characteristics and tastes, which assists customers who want to purchase items such as a hairstyle, t-shirt, trousers etc), CD malls and web travel agencies. This selection gave variation in the dimensions of brand experience and relationship. Furthermore, these industrial categories are relevant for testing a customer–web retailer relationship because they are broadly accessed by many users (Van Dolen and de Ruyter, 2002) and globally compete on the web to keep loyal customers. Their broad popularity also meant most web consumers had purchased from and enjoyed these websites. This facilitated the search for respondents with the appropriate background for the survey.

Within these categories, yes24.com, daum.net, interpark.com and hanaro.co.kr represent leading websites and formed the key websites investigated. Other websites were also included in the study. Details of the sample of websites are given in Table 1. The choice of these websites was further validated on the basis of a pre-test carried out on 17 postgraduate students from a large north-west UK university who were familiar with navigating the web. The pre-test was used for the traditional assessment of validity and comprehension and to determine if the directions for completing the survey were clear, as well as to assess response

Table 1 Details of the sample of websites

Bookstores	Abata malls	CDs	Travel agencies
Yes24.com	Daum.net	Interpart.co.kr	Hanaro.co.kr
Kyobobook.co.kr	Freechell.com	Yes24.com	Lotte.co.kr
Morning365.com	Hanmir.com	Csclub.com	Samsungmall.co.kr
Wowbook.com	Partyparty.co.kr	Lgshop.com	
Ypbooks.co.kr			
Okbook24.com			

and non-deliverable rates. The pre-test assisted in addressing one of the key limitations of e-mail: the number of undeliverable surveys. Acknowledging the response rate limitation allowed for the estimation of an adequate sample size to achieve response goals.

Data were collected in a systematic multi-stage procedure. In the first stage, short solicitation messages were posted on 35 popular and heavy-traffic newsgroups, inviting members to participate in a 'web consumer behaviour survey'. A raffle of department store vouchers was offered to encourage participation. In total, 461 interested responses were received as a result of this solicitation. Questionnaires were sent to these respondents, in which each respondent was randomly given four categories. In total, 203 completed surveys were received, resulting in a response rate of about 44 per cent.

The variables of the study were measured with multiple, five-point, Likert-type items (1 = strongly disagree to 5 = strongly agree, or 1 = very dissatisfied to 5 = very satisfied), adapted to this context from published scales (see the Appendix for specific items). Brand experience was measured with five items adapted from Ha (2003) and Shankar *et al.* (2000). The three outcome facets of experience impacts were measured as follows: familiarity, with four items adapted from Baker *et al.* (1986) and Hirschman (1986); satisfaction, with four items adapted from Delgado-Ballester and Munuera-Aleman (2001) and Anderson and Srinivasan (2003); and brand trust, with four items adapted from Shankar *et al.* (2000) and Morgan and Hunt (1994).

RESULTS

The reliability analysis of these scales yielded favourable results. The constructs exhibited a high degree of reliability in terms of coefficient alphas. Most values exceeded the recommended value of Cronbach's alpha of 0.7 (Nunnally and Bernstein, 1995). Table 2 presents the results of the reliability analysis.

Factor analysis was used to explain groups among ratio scales. Table 3 shows the results of factor analysis using varimax rotation. Fornell and Larcker (1981) also stress the importance of examining composite reliability and variance extracted. Bagozzi and Yi (1988) suggest two criteria: composite reliability should be greater than or equal to 0.60, and variance extracted should be greater than or equal to 0.50. For this study, all 11 composite reliabilities were greater than 0.88 and all 11 variances extracted were greater than 0.53 (see Table 3).

The hypothesised structural model was tested using AMOS 4.0 (Arbuckle, 1999). Table 4 shows an overview of the correlation between the main factors: brand experience, familiarity, satisfaction and brand trust. Table 4 shows a strong relationship between brand experience and brand trust ($r = 0.93$). In addition, all of the main factors were found for the positive relationships.

Table 2 Results of the reliability analysis

	Cronbach's alpha
Brand experience (five items)	0.814
Familiarity (four items)	0.704
Satisfaction (four items)	0.823
Brand trust (four items)	0.845

Table 3 Results of the factor analysis for the divisibility dimension

Measurement item	Respondents (n = 203)	
	Mean (SD)	Variance explained
<i>Exogenous constructs</i>		
Experience		
Community	3.77 (0.70)	0.88
Event	3.49 (0.84)	0.70
Visual factor	3.63 (1.00)	0.83
Cookies	3.64 (0.64)	0.86
Appropriate price	3.69 (0.84)	0.82
<i>Endogenous construct</i>		
Familiarity		
Goodwill	4.15 (0.87)	0.87
Awareness	4.38 (0.63)	0.81
Reputation	4.10 (0.81)	0.72
Favourable feeling	3.86 (1.03)	0.68
Satisfaction		
Performance	3.58 (0.85)	0.62
Happiness	4.21 (0.70)	0.56
Word of mouth	4.23 (0.58)	0.65
Impression	3.64 (0.63)	0.53
Brand trust		
Preference	3.37 (0.89)	0.73
Privacy	3.66 (0.80)	0.82
Reliability	2.85 (0.78)	0.58
Ongoing relationship	3.93 (0.64)	0.76

Note: The complete text of measurement items used in the measurement models is provided in the Appendix.

Next, a path analysis was performed relating to each of the dimensions affecting consumer perceptions of brand experience in the web environment. As viewed in Table 5, the results obtained for this model show a good fit.

Table 6 shows the measures for the final model. Figure 2 shows the results of the structural model for the hypotheses of the study.

All hypotheses—H_{1a}, H_{1b} and H_{1c}—were supported. The positive brand experiences affected brand familiarity

Table 4 Correlation coefficients among the factors affecting consumer perceptions of brand experience on the web (discriminant validity, $p < 0.01$)

	EXP	FAM	SAT
FAM	0.684		
SAT	0.638	0.436	
BTU	0.933	0.680	0.659

Notes: EXP = experience; FAM = familiarity; SAT = satisfaction; BTU = brand trust. All significant < 0.001.

Table 5 A model fit for examining the hypotheses

Structural equation model	
Chi-square (X^2)	13.606
Degrees of freedom (df)	6
X^2/df	2.267
CFI \neq	0.993
NFI \neq	0.994
RFI \neq	0.936
TLI \neq	0.938
RMSEA'	0.085

Notes: \neq CFI, NFI, RFI and TLI close to 1 indicate a good fit.

The lower the RMSEA value, the better the model is considered.

and showed significant reaction to the perceived pricing. The experiences also showed satisfaction with the brand and then strong intentions for future purchasing. Furthermore, the study showed that impressive brand experiences significantly influence the brand trust of customers.

Brand familiarity affected satisfaction significantly. That is, web experience, enough search and customer experience all associated with the purchase directly affected satisfaction. Thus, H_{2a} was supported. H_{2b}—positing that brand familiarity directly influences brand trust—was rejected. As previously mentioned, it implies that increased brand familiarity is indirectly affected by satisfaction as a mediator, rather than having a direct impact on brand trust.

A customer who positively experiences the brand and keeps an ongoing relationship shows solid brand trust for the brand. This means that satisfied customers are not merely retained but they also turn from satisfied customers into brand trusting customers, ultimately fostering other trusting customers. Accordingly, the following models represent the findings.

$$BTU = b_0 + b_1 (EXP) \quad (1)$$

$$BTU = b_0 + b_1 (EXP) + b_2 (SAT) \quad (2)$$

$$BTU = b_0 + b_1 (EXP) + b_2 (FAM) + b_3 (SAT) \quad (3)$$

Table 6 Final path models of consumer perceptions of brand experience on the web: Structural parameter estimates ($n = 203$)

Path	Hypothesis	Coefficient	Final model t -value R^2
EXP → FAM	H _{1a}	0.68	3.04* 0.58
EXP → SAT	H _{1b}	0.63	2.92*
EXP → BTU	H _{1c}	0.93	5.93**
FAT → SAT	H _{2a}	0.62	3.13* 0.44
FAT → BTU	H _{2b}	0.70	1.34 (ns)
SAT → BTU	H ₃	0.67	2.16* 0.46

Notes: The standardised parameters are shown as * and **; parameters are significant at a confidence level of * $p < 0.05$ and ** $p < 0.01$.

Based on the above models, the ultimate model is as follows.

$$\text{BTU} = b_0 + b_1 (\text{EXP}) + b_2 (\text{EXP} * \text{SAT}) + b_3 (\text{EXP} * \text{FAM} * \text{SAT}) \quad (4)$$

DISCUSSION AND MANAGERIAL IMPLICATIONS

The objective of this study was to investigate whether there is a direct relationship between brand experience and brand trust or whether there is an indirect relationship via satisfaction or brand familiarity. The findings show that a variety of brand experiences increase familiarity with the brand. The result is closely related to the Forrester's Report (1999) results, whereby it was found that 90 per cent of all online shoppers consider good customer experience to be the critical factor when choosing a favourable website from which to make purchases. Put simply, improving a customer's experience leads to greater

familiarity towards the website. Internet technology is providing a new kind of interest to consumers, attracting new customers, offering a diversity of cookies to existing customers and inducing a positive customer experience of the website.

For managers, this finding implies that website marketers should monitor customer interests, provide continuous cookies and foster communities where customers can share their experiences. For example, customers of Abata malls expect continuous information on new fashions. They are very interested in the type of information that enables them to buy clothes or accessories tailored to match their tastes. The virtual experience, involving an individual interacting with a 3-D computer simulation in e-commerce, is another example of an enhanced experience for the customer (Li *et al.*, 2001). Investment in community-building infrastructure (such as chat rooms, bulletin boards and interactive events) is also likely to

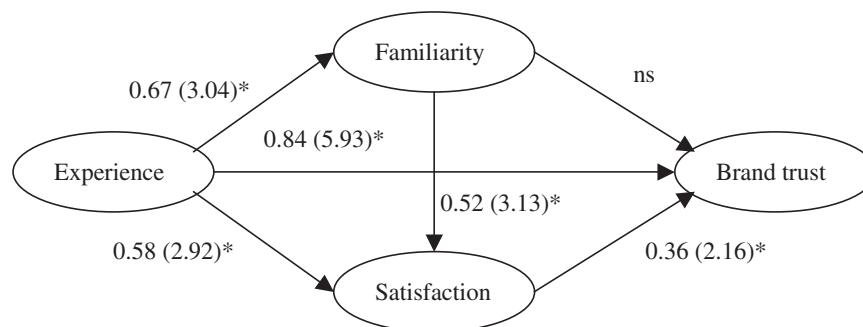


Figure 2: The final model of consumer perceptions of brand experience for the hypotheses

Notes: The standardised parameters are shown as * and **; parameters are significant at a confidence level of * $p < 0.05$ and ** $p < 0.01$. Items in brackets are t -values.

support the range and diversity of brand experiences.

The findings also show that brand experience significantly affects customer satisfaction. In particular, customers showed a high level of satisfaction with the pricing offered, based on various cookies; however, inexpensive pricing does not satisfy all customers. A customer who has experienced high involvement products or services, such as travel, might focus on the quality rather than the satisfaction of low pricing. This finding has implications for managerial action. It suggests that marketers must improve the quality of customer experiences and invest much more to offer optimal cookies. Amazon's 'customer recommendation' content page, which provides customised information based on a customer's previous 'click' experiences, offers a leading example. If cookies do not match a customer's current tastes and interests exactly, the customer may ignore the recommendation and perceive the experience to be poor. Managers should be aware that this might damage the customer relationship, ultimately resulting in customer defection and decreased profitability.

Brand experience significantly affects brand trust. Although many web brands are making an effort to improve their brand trust, just a few possess the advantages of having leading brands. Consumers' brand experiences for such brands appear to have much more weight. This result implies that managers should cultivate customers to build a strong brand on the basis of positive customer experiences. For example, a free demo version of a game might result in positive word-of-mouth communication to the player's friends or colleagues who might decide to purchase the full-version game.

As mentioned earlier, the two terms, brand experience and brand familiarity, are often used interchangeably, but this study distinguishes between the constructs of experience and familiarity.

Results show that only experience has a direct influence on brand trust, however, this may be partially mediated via familiarity. Thus, this study also shows that the two constructs have different consequences. The findings also show that increasing customer brand familiarity affects customer satisfaction. In other words, increasing the number of positive experiences increases customer brand familiarity and directly affects customer satisfaction. Particularly, increasing experiences associated with purchase and then increasing brand familiarity affected all of the customers' cognitive and emotional factors. This finding implies that brand familiarity affects customers' perceived performance positively and improves customer impressions with regard to the purchase situation facing them.

For managers, this finding suggests that they must understand the context and the marketing environment of their customers. Even satisfied customers with a high level of brand familiarity may change their cognitive and emotional factors due to contextual or situational changes. Managers should make efforts to monitor the customer environment as part of their on-going brand trust-building strategy. This would help to predict and ultimately to avoid the dangers of customer defection to competitive brands.

Finally, customer satisfaction shows a significant impact on brand trust. The authors' viewpoint is that brand satisfaction on its own cannot affect brand trust. This study implies that brand trust is developed due to the following: first, various brand experiences and the search for information, secondly, a high level of brand familiarity, and thirdly, customer satisfaction based on cognitive and emotional factors. All of these factors greatly affect the solidity of the relationship between a customer and a brand. A trusting customer is one with a high level of brand preference and there is ultimately a good possibility of

APPENDIX: SCALE ITEMS

Construct	Measurement item
<i>Exogenous constructs</i>	
Brand experience:	I often like to participate in the community of the bookstore. I participate in a special event offered on the site. The variety of visual displays in the site is more interesting than other sites. Cookies that are supplied in this site usually fascinate me. Offering reasonable prices is very important on the web.
<i>Endogenous constructs</i>	
Brand familiarity:	The brand gives me a feeling of goodwill. I am always aware of the brand on the web. The site has a good reputation. Navigation at the site makes me feel comfortable.
Satisfaction:	I am satisfied with my decision to purchase from the website. I enjoy visiting this site. I recommend the services of the site to friends or colleagues. Providing unexpected service sometimes impresses me deeply.
Brand trust:	The preference for purchases at this site is consistently high. The privacy of my information is secure on this site. I trust the brand whenever I visit the site. I will keep an ongoing relationship with the brand.

Note: All are five-point scales ranging from 1 ('strongly disagree') to 5 ('strongly agree').

converting a trusting customer into a loyal customer.

This finding implies that marketers should maintain an ongoing relationship with customers and develop and foster advocates or loyal customers through segmented programmes and through good feedback with their customers. For example, managers should provide facilities where the customer can display satisfaction, thereby giving an important indicator of how the overall e-service experience is going and providing the website brand owner with a clear view of how the customer is likely to assess the website's performance. Furthermore, a customer's displayed satisfaction can serve as an important discriminating cue enabling contact e-employees to enhance their own performance.

Based on these results, it is suggested finally that, although e-satisfaction has an impact on e-loyalty (Anderson and Srinivasan, 2003), this relationship should be moderated by the levels of consumers' individual factors, such as their cumulative experience, familiarity and trust. Competitors are only a mouse click away in e-commerce settings, so it is critical that managers understand how to build customer experience in online

markets. The results of this study can help marketers better understand the brand trust process by drawing attention to each building block.

LIMITATIONS AND FUTURE RESEARCH

While this research offers insights into the consumer's perception process for generating brand trust on the web, it is not without limitations. Customer experience, familiarity, satisfaction and brand trust often undergo changes over time and the temporal nature of consumer e-behaviour was not accounted for in this study. Indeed, few researchers have investigated potential changes in customer satisfaction and preference over time (Mittal *et al.*, 2001; Severin *et al.*, 2001; Sultan and Henrichs, 2000). The authors suggest that future research could adopt a longitudinal perspective and examine the changing nature over time of the brand dimension relationships identified in this study. Further research also could make developments towards the construction of a theoretical framework of cognitive/emotional behaviour effects according to various brand experiences.

Although this research did not adopt a wide sampling of various kinds of web

categories, the web categories chosen for this study represent some of the most popular and leading web industries. Even so, future research might undertake an in-depth study to compare both high involvement categories and low involvement categories. Such studies might put more attention on contextual and environmental factors and explore brand customer behaviour and organisational practices on a micro level, providing considerable help to marketers on a more practical level.

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