The Moderating Effect of Brand Trust on The Relationship Between Customer Brand Engagement and Brand Loyalty: A Conceptual Review

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Received: 6 November 2019 Revised from: 15 April 2020 Accepted: 10 May 2020 Published: 31 May 2020

Abstract

Brand loyalty has become a primary goal for a company in today’s business environment due to intense market competition. Therefore, companies need to engage with customers, as this may result in brand loyalty. Drawing from Dick and Basu customer loyalty model, this paper propose a conceptual framework on customer brand engagement, customer loyalty and brand trust. In addition, brand trust has received extensive attention and widely recognised as an essential variable that affects human relationships at all levels. Although the relationship between brand trust and brand loyalty has been widely discussed, however, how brand trust develops remains uncertain. Therefore, trust as a moderating variable trust is introduced in the conceptual framework to determine if there exist positive behavioural outcomes.

Keywords: customer brand engagement, brand loyalty, brand trust.

1. INTRODUCTION

Globalisation and competitive market directed the business to cope with numbers of challenges (Tabaku & Mersini, 2015). The advancement of Web 2.0 has given the customer the power to choose due to more choices to consider. Easy access for information on the brands is not limited to the products, also on the prices and services offered. The customer also became more empowered because of Web 2.0 (Berthon, Pitt, Plangger, & Shapiro, 2012). The shift of power from business to the customer have risen the brand competition (Cuillierier, 2016), and the companies require to look for initiatives to build and strengthen brand loyalty continuously.

Further, brand loyalty can provide a competitive advantage to the company (Winters & Ha, 2012) as well as a positive effect on company performance (Pihl, 2013) such as sales growth, cost efficiency, profitability and brand referrals (Bennur & Jin, 2017; Bijmolt et al., 2010). Given these advantages, the importance of brand loyalty has broadly stressed in the context of fostering repeat purchases in academic research (Makhot, Salleh, & Shaari, 2016). However, it is becoming increasingly difficult to ignore that many companies are having difficulties in retaining their customers. Retailers are required to develop strategies to improve and manage their customer experience to differentiate their business from their competitors (Greve, 2014; Klaus, 2015), because attracting new customers may increase the marketing cost as compared to retaining existing customers (Han et al., 2018). Numerous research has been conducted to examine the key determinants of brand loyalty, given the importance of brand loyalty construct in marketing and customer behaviour (Gupta, Schivinski, & Brzozowska-Wos, 2017). Thus far, it remains a challenging issue due to the intense competition despite the effort of managers emphasising strategies on customer loyalty (Nyadzayo & Khajehzadeh, 2016).
Today, brand loyalty has become practitioners primary goal by engaging and maintaining future connections with customers caused by increasing market competition (Rather & Sharma, 2016). Notably, attracting loyal customer is essential to competitive business strategies where in this competitive world, brand loyalty are vital for the profitability and existence of the firms (Jørgensen, Mathisen, & Pedersen, 2016). Hence, it is crucial to emphasise brand loyalty due to its ability to improve company growth and sales volume (Bennur & Jin, 2017). However, there other variables that may increase the level of brand loyalty, and this is worthy of further investigation (Mabkhot et al., 2016).

Also, the biggest challenge faced by the company is how to make a customer loyal to the brand. Thus, measuring the loyalty of a customer, which involves repeat purchase or recommending the brand to others is a logical step (Mishra, Kesharwani, & Das, 2016). Therefore, brand engagement is crucial in marketing activities, and it goes further than selling products, but, brand engagement means the customer has to be more passionate and involved about the brand (Wong & Merrilees, 2015).

In recent years, engagement has been viewed as a promising concept which is expected to contribute to the customer behaviour outcome, including brand loyalty (Hollebeek, Glynn, & Brodie, 2014). Some studies have viewed engagement as a process of building loyalty (Bowden, 2009) and others have this concept with empirical testing (Chan, Zheng, Cheung, Lee, & Lee, 2014; Dessart, Veloutsou, & Morgan-Thomas, 2015; Islam & Rahman, 2017). Customer engagement also has been declared as key research priorities by the Marketing Science Institute from 2010 to 2018 (Marketing Science Institute, 2010, 2012, 2014, 2016). Meanwhile, engagement in marketing has been conducted in various contexts, including social media (Hollebeek et al., 2014), brand communities (Brodie, Ilic, Juric, & Hollebeek, 2013), tourism (So, King, & Sparks, 2014), nursing homes (Verleye, Gemmel, & Rangarajan, 2014), public transportation (Jaakkola & Alexander, 2014), and customer/employee interactions (Kumar & Pansari, 2015). However, many studies have recommended extending customer engagement into other specific contexts (Hepola, Karjaluoito, & Hintikka, 2017; Islam & Rahman, 2017).

Remarkably, engagement could help companies to create a loyal customer (Kandampully, Zhang, & Bilgihan, 2015). Nevertheless, research confirming the main contribution of customer brand engagement to brand loyalty is still lacking either in exploratory or quantitative studies (Calder, Malthouse, & Maslowska, 2016; Dwivedi, 2015; So, King, Spaks, & Wang, 2016b). Furthermore, customer brand engagement tends to focus on a specific context and adopting a narrow view of the loyalty concept (Fernandes & Moreira, 2019). Moreover, empirical research on customer brand engagement is scant (Hollebeek et al., 2014; Khan, Rahman, & Fatma, 2016).

Likewise, the behavioural reactions of a customer could have a direct impact on the future behavioural intentions such as word of mouth and repeat purchase if the customer has an enjoyable or unenjoyable experience of a brand (Risitano, Romano, Sorrentino, & Quintano, 2017). A study in sports shoe usage has confirmed that brand loyalty increase as brand trust increases (Gecti & Zengin, 2013). Recently, brand trust has drawn intention from both practitioners and researchers (Alhaddad, 2015), and widely discussed. Brand trust also has become a central driver in customer decision making (Srivastava, Dash, & Mookerjee, 2015). In the marketing literature, trust has received extensive attention and widely recognised as an essential variable that affects human relationships at all levels (Sarantidou, 2018).

Therefore, brand trust is essential to maintain a long term relationship between customer and brands as well as maintaining the company’s competitive advantage (Hegner & Jevons, 2016). Although the relationship between brand trust and brand loyalty has extensively discussed; however, how brand trust has been found to be uncertain in different situations (Srivastava et al., 2015). Hence, in this highly competitive global market, building and maintaining trust with the customers are critical to a brand (Tatar & Eren-Erdogmuş, 2016). Therefore, establishing and keeping brand loyalty and brand trust is crucial for every firm in any competitive environment (Chinomona, 2016).

In view of the above discussion, this study proposes to address two key questions:

1. What is the relationship between customer brand engagement and brand loyalty?
2. What effect might brand trust have in moderating the relationship between customer brand engagement and brand loyalty?

By addressing the gaps mentioned above, therefore, it is pertinent to investigate whether customer brand engagement and brand trust result in positives behavioural outcomes. Investigating these relationships may enhance the understanding of customer brand engagement and brand loyalty (Algharabat, Rana, Alalwan, Baabdullah, & Gupta, 2019; Rather, Tehseen, & Parrey, 2018). Additionally, this study also attempts to enhance
the loyalty framework developed by Dick & Basu (1994) through the introduction of brand trust as a moderator. In general, this study is expected to contribute to the body of knowledge of brand loyalty and extend the study of brand loyalty into other industries (Islam & Rahman, 2017).

2. LITERATURE REVIEW

2.1 Brand Loyalty

Dick and Basu (1994) have defined customer loyalty as a commitment to re-purchase the product again in the future. Oliver (1999) later has suggested loyalty as a commitment to re-buy or re-patronised preferred product/services consistently in the future. Meanwhile, Morrison and Crane (2007) refer brand loyalty as an emotional bond between customer and the brand which will turn the customer to be an advocate for the brand and subsequently promoting the brand to others.

Therefore, brand loyalty exists when a customer’s attitude and intention focus on a specific brand. Besides, loyalty has been described as a two-dimensional concept, namely behavioural (e.g. repeat purchase) and attitudinal (e.g. positive attitude towards the brand) (Dick & Basu, 1994). The behavioural viewpoint measure loyalty as a static result of a dynamic process such as repeat purchase, frequency and actual consumption. While, the attitudinal viewpoint describes loyalty as an affection towards a brand and specifies trust, psychological attachment, and emotional commitment (Baloglu, 2002; Bowen & Shiang-Lih, 2001; Mechinda, Serirat, & Gulid, 2009; Petrick, 2004). Accordingly, Chaudhuri and Holbrook (2001) have agreed that brand loyalty consists of behavioural loyalty and attitudinal loyalty. The behavioural loyalty defines as a customer’s constant purchase from the same brand in the future, and attitudinal loyalty refers to a customer commitment and attitude towards the brand (Chaudhuri & Holbrook, 2001). Therefore, brand loyalty is a continuous customer preference to purchase the same brand or a specific product or category of service in the future (Muchardie, Yudiana, & Gunawan, 2016; Schiffman & Wisenblit, 2015).

The importance of loyalty is documented in the marketing literature for many decades (Chinomona, 2016). Brand loyalty can affect customer decision-making process to purchase the same product (Nyadzayo & Khajehzadeh, 2016). Even though competitors have tempted the customer to switch to their brand, the customers insist on purchasing the same brand and refuse to switch (Keller, 2009). Hence, brand loyalty has brought an advantage to a company such as reduced marketing cost, bring in a new customer, as well as higher trade leverage (Algesheimer, Dholakia, & Herrmann, 2005). Previous researcher has agreed that brand loyalty is beneficial to the company. Hence, to achieve brand loyalty, it requires that the customer must have confidence in the brand. Subsequently, the customer will become an advocate for the brand and will consistently promote the brand to another potential customer (Morrison & Crane, 2007).

Meanwhile, Rather (2017, 2018) concurred that brand loyalty signifies a positive attitude of a customer towards a brand or offering, in addition to the repeat buying behaviour. Therefore, brand loyalty marked as the main focus of marketing strategies, particularly in a service provider company, which is known to have a tight and undifferentiated market (Fournier & Yao, 1997).

Drawing from the work of Dick and Basu (1994), who propose that customer loyalty is the result of psychological processes and has behavioural manifestations both attitudinal and behavioural components, this study attempts to enhance Dick and Basu (1994) framework by adding advocacy as the additional dimension of brand loyalty. Also, this study propose to define brand loyalty as customer intention to offer positive referral (Sashi, Brynildsen, & Bilgihan, 2019), commitment, attitude and continuous purchase from the same brand in the future (Chaudhuri & Holbrook, 2001).

2.2 Customer Brand Engagement

The concept of engagement was first conceptualised by Kahn (1990) in the psychology context and defined engagement as “task behaviour that promotes connections to work and to others” which are expressed physically, cognitively, and emotionally, hence able to increase employee motivation as well as stimulate personal development. According to Bowden (2009), other authors also have emphasised that engagement is a psychological process arising from the combination of calculative commitment, development of trust, involvement, and finally affective commitment. Generally, engagement is based on interactions and subsequent from the interaction between the engagement subject and the engagement object. The engagement subject cited in the literature includes customers or consumers, while the engagement objects may include brands, offering,
organisations, and organisational activities occurring beyond purchase (Abdul-Ghani, Hyde, & Marshall, 2018; Patterson, Yu, & Ruyter, 2006; van Doorn et al., 2010).

There are many sub-forms discussed in engagement for example customer engagement (Halaszovich & Nel, 2017), consumer engagement (Brodie, Hollebeek, Jurić, & Ilić, 2011; Vivek, Beatty, & Morgan, 2012), online brand management (Calder, Malthouse, & Schaedel, 2009; Mollen & Wilson, 2010), customer engagement behaviour (van Doorn et al., 2010) or community engagement (Algesheimer et al., 2005; Dessart et al., 2015; Dessart, Veloutsou, & Morgan-Thomas, 2016). Moreover, recently, the term customer/consumer brand engagement has developed (Hollebeek, 2011a; Hollebeek et al., 2014) revealing the concept’s growing importance. Mostly, the engagement in marketing studies focuses on the consumer (Dwivedi, 2015; Hollebeek & Chen, 2014; Hollebeek et al., 2014) or customer (Vivek et al., 2012; Vries & Carlson, 2014) as the subject of the engagement. However, the object in engagement may vary, and commonly, it was studied in the contexts of brands (Dwivedi, 2015; Hollebeek et al., 2014).

Bowden (2009) has described engagement as a “psychological process that models the underlying mechanism by which customer loyalty forms for new customers of a service brand as well as the mechanisms by which loyalty may be maintained for repeat purchase customers of a service brand”. Meanwhile, van Doorn et al. (2010) has focused on specific engagement behaviour and define it as “customer’s behavioural manifestation that has a brand or company focus, beyond purchase, resulting from motivational drivers”. Kumar et al. (2010) has agreed with the definition and argued that without the presence of customer purchases from the firm, the engagement is not complete. Furthermore, Mollen and Wilson (2010) have characterised online engagement as a “cognitive and affective commitment to an active relationship with the brand as personified by the website or other computer-mediated entities designed to communicate brand value”. Whereas, Brodie et al. (2013), Dwivedi (2015), Greve (2014), Hollebeek (2011a, 2011b) and Hollebeek et al. (2014) has urged that the definition of engagement comprises of cognitive, emotional and behavioural dimensions.

Therefore, customer brand engagement is known as a multidimensional construct where researchers have identified three dimensions of customer brand engagement: cognitive, affection, and activation (Hollebeek, 2011a; Hollebeek et al., 2014). However, it is essential to note that the use of each dimension may vary depending on the context used in the study (Brodie et al., 2011). Hollebeek (2011a) defined customer brand engagement as “the level of an individual customer’s motivational, brand-related and context-dependent state of mind characterised by specific levels of cognitive, emotional and behavioural activity in direct brand interactions”. Later, Hollebeek (2011b) analysed the themes of customer brand engagement and defined customer brand engagement as “the level of a customer’s cognitive, emotional and behavioural investment in specific brand interactions”.

Next, Hollebeek et al. (2014) in their study of social media setting has defined customer brand engagement as “a customer’s positively valenced brand-related cognitive, emotional and behavioural activity during or related to focal customer/brand interaction”. Meanwhile, Dwivedi (2015) describes customer brand engagement as “consumers’ positive, fulfilling, brand-use-related state of mind that is characterised by vigor, dedication and absorption”. Dwivedi (2015) adapted the definition of customer brand engagement and its dimension from Schaufeli, Martinez, Pinto, Salanova and Bakker (2002). Dwivedi (2015) also has urged that definition offered was correspond to the cognitive, emotional and behavioural aspects of customer brand engagement as identified by Hollebeek (2011b, 2011a) and Hollebeek et al. (2014).

After reviewing previous studies of engagement in marketing literature, this study proposed to use the term customer brand engagement and define customer brand engagement as a customer’s cognitive, affective and behavioural while communicating with the specific brand, adapted from Hollebeek (2011b).

2.3 Brand trust

‘Trust’ has been acknowledged by researches in many disciplines including psychology, sociology, economics, management and marketing (Bennur & Jin, 2017). Trust has been considered to be the element determining the relationship between a brand and its customer (Mishra et al., 2016). It is said that trust exists when one party has confidence in an exchange partner’s reliability and integrity (Morgan & Hunt, 1994). Brand trust also referred to the willingness of the customer to rely on the competency of the brand to perform its specified function (Chaudhuri & Holbrook, 2001). The definition has widely used by the previous researcher to define brand trust, e.g.; Gecti and Zengin (2013), Pavlou, Liang, and Xue (2007) and Wang and Emurian (2005).
Subsequently, according to Xingyuan, Li, and Wei (2010), brand trust is a positive expectation and willingness to rely on the brand. Meanwhile, Matzler, Grabner-Kräuter and Bidmon (2008) argued that brand trust is a mental mechanism where a customer reduces the uncertain risk related with the product choice. Hawass (2013) later has defined brand trust as the interaction between the customer and a specific brand name, emotionally and rationally. Hence, trust is a security-based feeling where the customer behaviour directed and driven by the positive intentions towards the brand.

Therefore, brand trust is a multidimensional variable. The range of conceptualisations has been offered by various researchers such as brand reliability and brand intentionality (Delgado-Ballester & Munuera-Alemán, 2005) reliability (Sichtmann, 2007), benevolence (Li, Kashyap, Zhou, & Yang, 2008; Sichtmann, 2007), competence (Li, Xu, Li, & Zhou, 2015) and trustworthiness and expertise (Sung & Kim, 2010). Also, Hegner and Jevons (2016) suggested referring benevolence and integrity as character-based trust. Hess and Story (2005) stated that trust is required to transform a positive transactional orientation towards a brand into an enduring and close personal— even committed— relationship with the brand. Thus, brand trust in this study is referred to the existence of confidence in the performance competence and benevolence intentions of a brand (Li et al., 2008).

3. CONCEPTUAL MODEL AND HYPOTHESES DEVELOPMENT

3.1 Relationship between customer brand engagement and brand loyalty

Brand loyalty is a customer continuous preference to purchase the same brand in the future (Muchardie et al., 2016). Brand loyalty provides a competitive advantage to the company (Winters & Ha, 2012) and consequently, given a positive company performance (Pihl, 2013). A loyal customer is willing to re-purchase other product from the same brand, bring new customers as well as create a positive public image (Tu, Wang, & Chang, 2012). Hence, customer brand engagement, effects brands loyalty (Sprott, Czellar, & Spangenberg, 2009). In addition to the repeat buying behaviour, brand loyalty also signifies the customer’s positive attitude towards a brand or offering (Rather et al., 2018).

Higgins (2006) described engagement as the state of being engaged is to be involved, occupied, and interested in something. Customer builds a positive attitude almost instantly if they are engaged with a brand as compared to a customer who is not engaged with the brand (Harrigan, Evers, Miles, & Daly, 2017; So et al., 2014). A customer who does not take action against the providers by complaining directly to the providers usually described as a disengaged customer (Anderson et al., 2013). Disengagement is a passive, slightly negative physiological orientation towards the relationship which occurs due to an attribute failure (Bowden, Gabbott, & Naumann, 2015).

Preliminary research of engagement in marketing literature indicated that engaged customers might show loyalty to the focal brand (Hollebeek, 2011a). Empirical research has recommended customer brand engagement positively influence brand loyalty (Alqarabat et al., 2019; France, Merrilees, & Miller, 2016; Machado, Vacas-de-Carvalho, Azar, André, & dos Santos, 2019). Also, some studies have shown that active engagement exerts a greater influence on the formation of favourable attitudes toward a specific brand versus passive or non-engagement (Kang, Tang, & Fiore, 2015; Leung & Jiang, 2018).

Nevertheless, research confirming the main contribution of customer brand engagement to brand loyalty still lacks either in exploratory or quantitative studies (Calder et al., 2016; Dwivedi, 2015; So et al., 2016b). Therefore, it is a needs to validate the relationship of customer brand engagement on brand loyalty (Fernandes & Moreira, 2019). Thus, the following hypothesis link between customer brand engagement and brand loyalty is proposed:

H1: Customer brand engagement positively influence brand loyalty

3.2 The moderating role of brand trust

Several researchers have considered trust as a moderating factor rather than the direct effect (Langfred, 2004; See-To & Ho, 2014). Hawass (2013), in his study, has mentioned that trust is the essential factor when the purchasing environment is risky, and costly choices involve, hence affect customer’s long-term relationship. Therefore, to gain the expected returns, trust involves risk-taking by putting the valuable resources at the disposal of the trustee. Moreover, Elliott and Yannopoulos (2007) mentioned that trust has become more relevant with a high level of involvement and high perceptions of purchase risk.
Trust, in general, is the belief that something or someone will perform to expectations and not disappoint. According to Delgado-Ballester, Munuera-Aleman, and Yague-Guillen (2003), brand trust is the confident expectations of the brand’s reliability and intentions. When a consumer trusts a brand, they will recommend it (Eggers, O’Dwyer, Kraus, Vallaster, & Guldenberg, 2013) consider it when making product purchase decisions (Bhandari & Rodgers, 2018; Luk & Yip, 2008), and use more of its products (Eggers et al., 2013). Consequently, if a customer does not trust a brand, it stands the risk of not being recommended and not being considered during purchasing decisions.

Indeed, Sánchez-Franco, Buitrago-Esquinas, and Yñiguez-Ovando (2015) have presumed that customer engagement, commitment and loyalty are higher towards a specific brand if the customer perceives a higher level of trust. Therefore, trust is an essential element of brand loyalty (He, Li, & Harris, 2012). Also, Halaszovich and Nel (2017) in their study of Facebook fan-page like intention have found that the customer intention to “Like” the fan page to obtain information or to engage in word of mouth is influenced by customer brand engagement when the brand trust is high. Therefore, engaged customers are more likely to be in trusting brand relationships which in turn, help to build brand commitment (Brodie et al., 2013; So, King, Sparks, & Wang, 2016a). Also, Eggers et al. (2013) have mentioned in their study that if customers trust a brand, they will use more of its products and recommend it to others. For instance, Kosiba, Boateng, Okoe and Hinson, (2018) have found out that trustworthiness informs how customers engage with the brand. Similarly, Kosiba, Boateng, Okoe Amartey, Boakye and Hinson (2018) has indicated in their study in the banking sector; customer engagement influenced by trust in the provider and economy-based trust.

Thus, among the contribution of this study is the examination and the incorporation of trust as a moderating variable in the conceptual framework. Thus, the following hypothesis is proposed:

H2: Brand trust moderate customer brand engagement and brand loyalty

Figure 1 below is the proposed conceptual framework derived from the literature review.

![Propose conceptual framework](image)

4. CONCLUSION

Brand loyalty has become a primary goal to a company in today’s business environment due to the increment of market competition from the globalisation. Moreover, the biggest challenge for a company is to make a customer loyal to the brand. Therefore, customer engagement has been viewed as a concept which expected to contribute to the customer behaviour outcome such as brand loyalty. Engaging the customer would lead to loyalty, purchases, customer-based profits, as well as customer ambassadorship for the brand.

Additionally, brand trust has received extensive attention and widely recognised as an essential variable that affects human relationships at all levels. The relationship between brand trust and brand loyalty has been widely discussed; however, how brand trust develops remains uncertain. Thus, this study proposed to investigate the relationship of brand loyalty and customer brand engagement and brand trust as the moderating variable. This study expects that customer brand engagement and brand trust will result in positive behavioural outcomes.
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