Not all experiential consumers are created equals: the interplay of customer equity drivers on brand loyalty

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Abstract

Purpose – This study aims to use social exchange theory and the principle of reciprocity in proposing a theoretical model to examine the essential but unexplored unique roles of individual customer equity drivers (CEDs) and their contribution to brand loyalty. This study identifies a reciprocity pathway in that brand equity, which mediates the linkage between relationship equity and brand loyalty. This study further posits that the linkage between relationship equity and brand equity is contingent on value equity. The authors then incorporate value equity as a moderator upon which the interrelationships among CEDs and brand loyalty may vary.

Design/methodology/approach – A sample consisted of 2,268 shoppers in a metropolitan city in Vietnam.

Findings – Relationship equity significantly determines brand loyalty through the moderating effect of value equity and the mediating effect of brand equity. Interestingly, these relationships are diverse across different experiential types of consumers.

Research limitations/implications – This study contributes to a better understanding of why and when value equity, brand equity and relationship equity trigger brand loyalty. Brand equity and value equity are the two underlying mechanisms that establish a moderated mediation model between CEDs and brand loyalty. The findings of this study show that experiential consumers are not created equals. The strength of the relationships between CEDs and brand loyalty differ among the five clusters of experiential consumers.

Practical implications – This study reveals the critical relationships between the three components of customer equity in the supermarket industry. The findings provide concrete direction for managers and marketers to be more effective in allocating resources, tailoring their marketing strategies and, accordingly, promoting brand loyalty of different types of consumers.

Originality/value – This study reveals the underlying *modus operandi* that explains the reciprocity effects of CEDs and the contingency role of brand experience on the CEDs–loyalty link. This study shows that brand equity fosters and sustains the reciprocity generated when consumers perceive a high level of relationship equity, serving as a mediator between relationship equity and brand loyalty. Importantly, value equity is an important moderator for strengthening this reciprocity effect. Furthermore, this study identifies a typology of experience-focussed consumers and shows that the CEDs–loyalty link significantly varies by these types of experiential appeal that characterise the consumers.

Keywords Brand loyalty, Brand experience, Customer equity, Relationship equity, Brand equity, Value equity

Paper type Research paper

There is only one valid definition of business purpose: to create a customer.

Peter F. Drucker, The Practice of Management

Introduction

Practitioners and marketing scholars have acknowledged the importance of managing brand loyalty as an important determinant of profit (Bairrada *et al.*, 2018; Watson *et al.*, 2015; Evanschitzky *et al.*, 2012; Russell-Bennett *et al.*, 2013). Recent industry research on 25,426 consumers in 33 countries reveals that 57% of consumers would spend more on brands they are loyal to (Wollan *et al.*, 2017). In parallel with this trend is a prominent research stream in marketing that emphasises the linkage between relationship equity and brand loyalty (Ou *et al.*, 2017; Ou *et al.*, 2014; Zhang *et al.*, 2014; Dwivedi *et al.*, 2012; Vogel *et al.*, 2008). Relationship equity refers to the overall evaluation of the interaction quality between a brand and its consumers, representing all elements that contribute to the consumer–brand relationship (Rust *et al.*, 2001; Ou *et al.*, 2017; Vogel *et al.*, 2008). Premised upon social exchange theory, advocates of this reciprocity-based literature of brand loyalty claim that relationships evolve over time into loyalty on the basis of reciprocity (Cropanzano and Mitchell, 2005). The principle of reciprocity is rooted in interdependent exchanges (e.g. repayment in kind), social belief (e.g. one good turn deserves another) and moral norm (e.g. obligations to behave reciprocally). Although the linkage between relationship equity and brand loyalty has received ample support from recent literature (Ou *et al.*, 2017; Ou and Verhoef, 2017; Ou *et al.*, 2014; Zhang *et al.*, 2014; Dwivedi *et al.*, 2012; Vogel *et al.*, 2008), questions still remain regarding how and under which boundary conditions relationship equity contributes to brand loyalty.

First, relationship equity is necessary but not sufficient for creating and maintaining better brand loyalty. Indeed, the simultaneous existence of relationship equity and other customer equity drivers (i.e. CEDs: value equity and brand equity) is theoretically recognised in the extant literature (Zeithaml *et al.*, 2001). The three CEDs "work independently and together" (Lemon *et al.*, 2001, p. 1). However, prior empirical studies exhibit variation in their findings regarding the significance and direction of the CEDs–loyalty link. Some confirm the positive effects of the CEDs in fostering loyalty intention and purchase intention (Ou *et al.*, 2017; Ou *et al.*, 2014; Zhang *et al.*, 2014; Vogel *et al.*, 2008). Conversely, others find that value equity, relationship equity and brand equity are not always positively related to brand loyalty (Dwivedi *et al.*, 2012; Kim and Ko, 2012). These divergent effects indicate that there might be potentially more complicated relationships among the CEDs and brand loyalty, thus warranting further studies.

Second, a further phenomenal issue of interest is to create a strong experience for customers and to examine how such experience influences key business outcomes such as CEDs and loyalty (Lemon and Verhoef, 2016). The extant literature suggests that customers are heterogeneous in their preferences for different dimensions of brand experience (Schmitt *et al.*, 2015; Zarantonello and Schmitt, 2010). However, little is known about how such heterogeneity of experiential types of customers alters the CEDs–loyalty link. Thus, Brakus *et al.* (2009, p. 66) urge researchers to examine "can brand experiences build customer equity, and how should marketers manage brands to create experiences that build such equity?"

We address the above research gaps by developing a conceptual framework that integrates CEDs, brand loyalty and brand experience. The conceptual framework builds on social exchange theory and the principle of reciprocity that constitute an appropriate paradigm for explaining how and why individuals engage in reciprocity decision-making

(Cialdini *et al.*, 1975; Cropanzano and Mitchell, 2005; Montoya and Insko, 2008; Falk and Fischbacher, 2006). Based on the principle of reciprocity, we reveal the underlying *modus operandi* that explains the reciprocity effects of CEDs and the contingency role of brand experience on the CEDs–loyalty link. Specifically, we develop and validate a model that addresses the following questions:

Q1. What is the interplay among different drivers of customer equity (value equity, brand equity and relationship equity) and brand loyalty?

Q2. Do experiential types of consumers moderate the impacts of value equity, brand equity and relationship equity on brand loyalty?

By answering these questions, we make two contributions to the marketing literature. First, we decode the complexity of the CEDs–loyalty link by examining the highly essential but unexplored unique roles of relationship equity, brand equity and value equity that delineate a pathway through which the reciprocity effect occurs and the conditions under which this effect is most effective. Based on the social exchange theory, we propose that there exists a reciprocity effect and examine this reciprocity pathway from relationship equity through brand equity to brand loyalty. We further incorporate value equity as an important moderator strengthening or weakening this reciprocity effect. Our insights help answer Swoboda *et al.*'s (2013, p. 447) question about how firms can "take reciprocal effects into account when allocating resources," especially in the retailing context.

Second, our study responds to the calls by Lemon and Verhoef (2016) and Brakus *et al.* (2009) for further research on the contribution of brand experience to CEDs and brand loyalty. We achieve this goal by proposing a typology of experience-focussed consumers and examining whether these experiential types moderate the interrelationships among CEDs and brand loyalty. Specifically, we build on prior work of Zarantonello and Schmitt (2010) and propose that there exist different experiential types of consumers (i.e. holistic, hedonistic, action oriented, sensorial and utilitarian consumers) for which the interrelationships among CEDs and brand loyalty may vary.

The remainder of our article is organised as follows. We start with a discussion of literature covering brand loyalty and its relationships with CEDs. Next, we propose a moderated mediation model of the nexus between the three components of customer equity and brand loyalty. We then address a pertinent review of experiential types of customers and discuss how relationship equity, brand equity, value equity and brand loyalty vary across different experiential appeals. With the use of a large-scale survey undertaken in a metropolitan city, we test the hypotheses using partial least square structural equation modelling (PLS-SEM), PROCESS model and multi-group analysis (MGA). Implications, limitations and future research directions are finally discussed.

Literature review and theoretical model
Brand loyalty and customer equity drivers
Brand loyalty has been a significant factor that attracts remarkable attention of both academia and practitioners for decades (Bairrada *et al.*, 2018). Though there is a rich history with a long debate of the loyalty definition in the literature, existing research basically agrees that loyalty is a mix of attitudinal and behavioural aspects that benefit a brand over its competitors (Watson *et al.*, 2015; Chaudhuri and Holbrook, 2001; Dick and Basu, 1994). Specifically, Oliver (1999, p. 34) defines brand loyalty and captures its elements as:

a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour.

This definition indicates that the behavioural aspect of loyalty relates to the consumers' repeated purchases of the brand, while the attitudinal aspect of loyalty entails the consumers' dispositional commitment with the brand (e.g. the resistance of competitive offers). Achieving brand loyalty is a critical marketing goal because higher brand loyalty would lead to greater marketing outcomes such as increased consumers' repeat purchase (Meyer-Waarden, 2007), higher market share (Chaudhuri and Holbrook, 2001), greater premium prices (Evanschitzky *et al.*, 2012), more effective cross-selling promotion (Liu-Thompkins and Tam, 2013), higher share of wallet (Leenheer *et al.*, 2007) and higher share of visits (Evanschitzky *et al.*, 2012).

Research on customer equity argues that brand loyalty can be strongly predicted by the three CEDs (i.e. relationship equity, brand equity and value equity) (Ou *et al.*, 2017; Rust *et al.*, 2004). The benefits of this approach are that brands can maximise its long-term loyalty of consumers by allocating resources among the three major marketing areas (i.e. relationship equity, brand equity and value equity) rather than spanning all expenses across multitude areas (Dwivedi *et al.*, 2012). In this research, we investigate the complex relationships among the three CEDs and examine when and how these effects translate into brand loyalty. Figure 1 presents our theoretical model. We next discuss our proposed effect of relationship equity on brand loyalty, the mediating effect of brand loyalty, the moderating effect of value equity and the moderating effect of experiential types in the following sections.

Mediating effect of brand equity
Consumers tend to perceive high relationship quality when they receive advantages such as special treatment benefits; social benefits (e.g. feel familiar with the brand, stores and its employees); and trust or confidence benefits (e.g. feel confident with the quality of the products that a brand offers) (Vogel *et al.*, 2008; Hennig-Thurau *et al.*, 2002; Menictas *et al.*, 2012). These benefits indicate the *relational benefits* that customers might receive as a consequence of their long-term relationships with a brand (Gwinner *et al.*, 1998). According to the principle of reciprocity, relational benefits is central of reciprocity responses, which
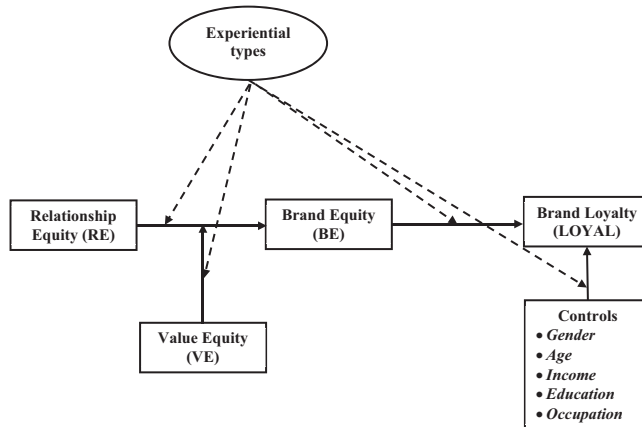
Figure 1.
Theoretical model

are the core contribution factors of a relationship marketing success (Bond *et al.*, 2019; Swoboda *et al.*, 2013). Indeed, a brand's relationship marketing effort creates short-term consumers' gratitude that boosts long-term outcomes based on gratitude-related reciprocal behaviours (Palmatier *et al.*, 2009). Therefore, when a brand offers relational benefits, consumers tend to reciprocate by building and maintaining a relationship with that brand (Ku *et al.*, 2018; Hennig-Thurau *et al.*, 2002). For instance, passengers participating in the frequent-flyer program are usually hesitant to switch entirely to another airline because they will be unable to redeem the accumulated miles (i.e. increased customer switching costs) (Rust *et al.*, 2001; Zeithaml *et al.*, 2001). As such, higher relationship equity might increase the consumers' propensity to become more loyal to a brand (Han *et al.*, 2018; Ou and Verhoef, 2017).

The preceding arguments explain why relationship equity is positively related to brand loyalty. To further justify this linkage, we consider the mediating role of brand equity. Brand equity specifies the subjective and intangible appraisal of a brand as strong, unique, attractive and likeable (Vogel *et al.*, 2008; Lemon *et al.*, 2001; Christodoulides *et al.*, 2015). Reciprocity principle predicts that if consumers receive relational benefits, consumers should respond in kind (Ku *et al.*, 2018; Cropanzano and Mitchell, 2005). Relationship equity which fosters reciprocity is thus critical in strengthening consumers' subjective evaluation towards that brand and enhancing brand equity (Aggarwal, 2004; Muniz and O'Guinn, 2001). Research in service branding has exemplified that to evaluate relationship quality with a brand (i.e. whether the brand treats the customers well and cares for customers), customers refer to prior incidents with that brand, which then helps them reduce uncertainty and increase confidence in the credibility and quality of the brand, thereby positively affects their evaluation of the brand's performance (Nyffenegger *et al.*, 2015; Aaker *et al.*, 2004). Moreover, research on the consumer–brand relationship has demonstrated that the consumer–brand connection is reinforced if the brand has values and personality align with the consumers' self-concept (Malär *et al.*, 2011; Dall'Olmo Riley and de Chernatony, 2000; Fournier, 1998; Sirgy, 1982). As a result, a high unique self-concept connection, which is regarded as a dimension of consumer–brand relationships, might not only promote the resistance to counter attitudinal information but also assist selective memory that fosters brand equity (Swaminathan *et al.*, 2007; Pomerantz *et al.*, 1995). For example, consumers with higher relationship commitment tend to resist negative information and choose to focus more on the positive information about a brand, whereas low-committed consumers are more affected by the negative information and exhibit a greater attitude degradation (Ahluwalia *et al.*, 2000). These evidence jointly support that a harmonious consumer–brand relationship helps build stronger brand equity (Dwivedi *et al.*, 2012; Keller, 2001; Blackston, 2000), which subsequently results in higher brand loyalty (Hariharan *et al.*, 2018; Ou *et al.*, 2017; Yoon and Oh, 2016; Zhang *et al.*, 2014; Vogel *et al.*, 2008). As such, brand equity might be a critical mechanism that explains why a consumer with a good relationship with a brand is more conducive to be loyal to that brand. We hypothesise the following [1]:

H1. Brand equity mediates the positive effect of relationship equity on brand loyalty.

Moderating effect of value equity
Value equity refers to the objective evaluation of consumers about what-is-given-up for what-is-received (Ou *et al.*, 2014; Vogel *et al.*, 2008; Rust *et al.*, 2004; Lemon *et al.*, 2001). Value is at the core of the consumer's relationship with the firm; without it establishing sound relationships with consumers will be insufficient (Lemon *et al.*, 2001; Vogel *et al.*, 2008). Building on this assumption, we extend our previous hypothesis by suggesting that high

(low) value equity strengthens (weakens) the linkage between relationship equity and brand equity.

Economic models of consumer behaviours indicate that rational consumers will consider the trade-offs between decision costs and the benefits of a particular decision (Jones *et al.*, 2000; Hauser and Wernerfelt, 1990). When perceived value increases, higher levels of relationship equity should more readily translate into brand equity as a result of the reciprocal responses;, because the consumers interpret the increased value as a relationship-building effort of the brand (Fazal-e-Hasan *et al.*, 2018). For instance, granting initially moderate discounts to new customers might, in return, activate the customers' motive to build long-term relationships with brands (del Rio Olivares *et al.*, 2018), which subsequently enhances consumers' brand equity and accelerates their purchases (Dwivedi *et al.*, 2012; Inman *et al.*, 1997). In the context of service branding, consumers perceiving that switching costs outweigh switching benefits are more inclined to maintain the relationship with a brand regardless of their satisfaction level with that brand (Lee and Cunningham, 2001; Jones *et al.*, 2000). Accordingly, the correlation between relationship equity and brand equity should appear strongest when the customers perceived that the brand offers overall high perceived values.

As value equity decreases, we expect that relationship equity should be less strongly associated with brand equity. When the value received from brands is little, consumers might be less likely grateful towards the brands and less concerned about the violation of the reciprocity norm (Palmatier *et al.*, 2009; Dahl *et al.*, 2005). For instance, when a price promotion is retracted, consumers could easily switch to competing brands as an attempt to find a better value of price, thus leading to a decline in brand equity of the current brand (Ku *et al.*, 2018; Peinkofer *et al.*, 2015; Chang *et al.*, 2009; Jones *et al.*, 2000). Even consumers who have developed a relationship with a particular brand (i.e. they purchase a single brand repeatedly) would be less likely to patronise that brand if they experience that the brand no longer provides attractive benefits (Guha *et al.*, 2018; Kahn and Louie, 1990). Therefore, the positive effect of relationship equity on brand equity might diminish under low-value equity.

Combining the above arguments, we expect the linkage between relationship equity and brand equity are contingent on value equity. Higher value equity tends to reinforce the nexus between relationship equity and brand equity as a result of reciprocal behaviours. By contrast, consumers perceiving low-value equity may have less pressure to reciprocate and might not necessarily pay much attention to the consumer–brand relationships and their evaluation of a brand. Thus, we hypothesise the following:

H2. The positive effect of relationship equity on brand equity is stronger when value equity is higher and weaker when value equity is lower.

Experiential types of consumers
Complementing and extending research on the customer-level moderators of the loyalty effects of CEDs (Ou *et al.*, 2014; Ou and Verhoef, 2017; Ou *et al.*, 2017), we further propose that our preceding hypothesised linkages vary across experiential types of consumers. We focus on experiential types of consumers because in today's changing retail landscape, consumers are increasingly concerned about brand experiences that stem from consumer interactions and impressions of a brand at various touchpoints along the consumer journey (Brakus *et al.*, 2009; Schmitt, 2013; Schmitt *et al.*, 2015). Brand experience is defined as the subjective, internal consumer responses (sensory, affective and intellectual) and behavioural

responses evoked by "brand-related stimuli that are part of a brand's design and identity, packaging, communications and environments" (Brakus *et al.*, 2009) [2].

Depending on the intensity of the brand experience's dimensions evoked, consumers might be different from others (Schmitt *et al.*, 2015; Zarantonello and Schmitt, 2010). Based on the four dimensions of brand experience (i.e. sensory, affective, intellectual and behavioural), Zarantonello and Schmitt (2010) identify five clusters of consumers that preferring different experiential types: holistic consumers, hedonistic consumer, action-oriented consumers, inner-directed consumers and utilitarian consumers.

Despite its importance, existing studies have not fully explored the heterogeneity of experiential types of customers and their impact on critical marketing outcomes (e.g. brand loyalty). These experiential types might not contribute equally to the marketing outcomes because of the essence "not all customers are created equal" (Hallberg, 1995). Within one portfolio of consumers, there would be some profitable, some unprofitable and some break-even consumers (Payne and Holt, 1999). In a similar vein, Zarantonello and Schmitt (2010) pinpoint that experiential types may trigger impulsive behaviour; for instance, the effect of brand attitude on purchase intention is strongest for the holistic consumers but weakest for the utilitarian consumers. Consequently, further exploration of the effects of experiential types on consumer perceptions and behaviours will provide critically important insights for marketers and retailers to develop and tailor their experiential strategies.

In keeping with the aforementioned arguments, we propose that the impacts of relationship equity, brand equity and value equity on brand loyalty vary across different experiential types of consumers. Our core argument is that different experiential profiles might trigger different levels of relationship equity, brand equity and value equity, which result in differential levels of brand loyalty. Indeed, for experiential consumers, brand experience has significant impacts on relationship equity, brand equity and value equity across various touchpoints (i.e. communication contact, personnel contact and product usage contact), whereas for utilitarian consumers, these effects only exist at the product usage contact point (Chen *et al.*, 2016). With respect to relationship equity, experiential consumption might amplify or lessen relationship equity in such a way that higher (vs lower) value derived from experiential consumption will positively increase the tendency to maintain the long-term relationship between brand and its customers (Tsai, 2015).

With regard to brand equity, prior literature has highlighted that stronger experiential values associating with pleasure, usability and social value of products will directly magnify consumer-based brand equity (Datta *et al.*, 2017; Mishra, 2016). Besides, research on out-of-stock occurrence postulates that the hedonic level of products significantly moderates the impact of brand equity on customer reactions. Such that consumers who encounter the out-of-stock situation of high-equity brands of a hedonic (vs utilitarian) product are less (vs more) conducive to postpone the purchase and tend to choose a substitute item of the same brands (Sloot *et al.*, 2005).

In relation to value equity, research on experiential consumption indicates that consumers are inclined to make less (vs more) comparisons of experiential (vs material) purchases (Carter and Gilovich, 2010). Comparing monetary values (e.g. cost vs benefits) more likely occurred for material consumption than that for experiential consumption (Mann and Gilovich, 2016). Consequently, value equity might be higher for a low experiential profile (e.g. utilitarian) but lower for a high experiential profile (e.g. hedonic). Taken together, different experiential profiles might trigger different levels of relationship equity, brand equity and value equity.

Furthermore, ample research on consumer psychology shows that experiential pursuits might foster customer satisfaction and happiness in comparison to the utilitarian purchases

(Lee *et al.*, 2018; Atulkar and Kesari, 2017; Gilovich *et al.*, 2015; Carter and Gilovich, 2012, 2010; Nicolao *et al.*, 2009; Van Boven and Gilovich, 2003). Higher customer satisfaction is a key factor to predict stronger brand loyalty (Atulkar and Kesari, 2017; Brakus *et al.*, 2009). As such, different experiential types of consumers might associate with varying levels of brand loyalty. Taken together, the preceding arguments suggest that different experiential profiles might trigger different levels of relationship equity, brand equity, value equity and ultimately brand loyalty. Thus, we hypothesise the following:

H3. The effects of value equity, brand equity, relationship equity on brand loyalty vary across experiential types of consumers.

Research methodology and data collection
Data collection and sampling
This study analysed the Vietnamese supermarket and hypermarket industry. Although traditional retailers have dominated the retailing in Vietnam (especially for grocery products), this channel has reached its maturity. In 2016, grocery sales of hypermarkets and supermarkets recorded value growth of 15.7% and 8.3%, respectively, whereas traditional retailers' sales only reported a 6.7% increase (Euromonitor International, 2017). Sales are predicted to remarkably shifting to modern retailing channels towards the end of 2021 (Euromonitor International, 2017). Indeed, the proliferation of supermarkets and hypermarkets in Vietnam has well fitted to the emerging busier lifestyles in metropolitan cities. The diversity of products and the comfortable, spacious modern shopping environments have facilitated consumer shopping enjoyment. Consumers have also become more familiar with weekly shopping trips to the supermarkets with their families instead of traditional daily shopping.

The mall intercept method was used to survey shoppers in a metropolitan area of Vietnam. This method is a relatively inexpensive approach that enabled us to obtain high quality, accurate data in a face-to-face manner (Bush and Hair, 1985). The data collection was conducted over six months by interviewing shoppers at different supermarkets and hypermarkets in Ho Chi Minh city. We drew on the literature to build the scales used in this study. The survey questionnaires contained questions regarding consumers' shopping behaviour, their demographics and rating of the measurement scales. A convenience sample consisting of 2,268 participants was achieved after data cleaning. Table 1 presents the demographics of the respondents. Female consumers accounted for 55.6% of the sample. There were 81.3% of respondents belonged to the 18–30 years of age group, 13.2% to 31–40 years of age and 5.6% to 40+ years of age. A substantial proportion of the interviewed shoppers (81.5%) earned less than 10 million VND monthly. Most of the respondents have attained undergraduate education (63.8%). Around 43.5% of the respondents were students, 22.1% and 10.4% of the sample comprised clericals and tradespersons, respectively.

Measurement instruments
The participants were requested to report their agreement on a seven-point Likert scale, ranging from 1 = strongly disagree to 7 = strongly agree. All scales in our study have demonstrated a high psychometric validity in previous literature. Brand experience scale developed and tested by Brakus *et al.* (2009) was used. Brand experience is a higher-order construct, comprises 12 items that reflect 4 dimensions, namely sensory, affective, intellectual and behavioural. Each dimension consists of three items. All three components of customer equity in this study were consumer-based, which means that the measurement

Demographics	Frequency (n = 2,268)	(%)	Demographics	Frequency (n = 2,268)	(%)
Gender			*Education*		
Male	1,008	44.4	High school	267	11.8
Female	1,260	55.6	Undergraduate	1,448	63.8
Age group			Postgraduate	151	6.7
18–30 years	1,843	81.3	Others	402	17.7
31–40 years	299	13.2	Occupation		
41–50 years	86	3.8	Student	986	43.5
>50 years	40	1.8	Unemployed	87	3.8
Monthly income (EUR)			*Tradesperson*	235	10.4
<113	598	26.4	Clerical	502	22.1
113 to <188	690	30.4	Technical person	154	6.8
188 to <377	560	24.7	Self-employed	153	6.7
377 to <565	250	11.0	Professional	77	3.4
565 to <753	101	4.5	Retired	25	1.1
>53	69	3.0	Others	49	2.2

Table 1.
Demographics of the respondents

of these constructs was at the consumer level through a consumer survey (Yoo and Donthu, 2001). A four-item scale to measure *brand equity (BE)* was adapted from Vogel *et al.* (2008), capturing the invisible assessment of a brand. *Value equity (VE)* was measured using a six-item scale adapted from Vogel *et al.* (2008), expressing the consumers' perception of the utility of a brand based on their objective evaluation. *Relationship equity (RE)* was measured using a five-item scale developed by Vogel *et al.* (2008), expressing the propensity that the consumers retain the relationship with the brand. *Brand loyalty (LOYAL)* was a five-item scale adapted from Chaudhuri and Holbrook (2001), Groth *et al.* (2009), Ha *et al.* (2010) and Vogel *et al.* (2008). This study incorporated the demographics (gender, age, income, education, supermarket and occupation) to control for potentially confounding effect.

Clustering analysis
We used a cluster analysis to create the consumer typology preferring different experiential appeals in the supermarket industry. Cluster analysis is a group of multivariate techniques for classifying the respondents based on their characteristics (Hair *et al.*, 2010) – in our case, the consumers who have similar brand experiences. As the numbers of the clusters were unknown in advance, we performed a hierarchical cluster with Ward's method (rather than a K-means cluster) to form the consumers into similar groups. The average ratings of the four dimensions of brand experience (i.e. sensory dimension, affective dimension, intellectual dimension and behavioural dimension) were treated as the clustering variables. The output indicated the possibility of five or six clusters. Based on the dendrograms and agglomeration outcome, we opted for the five clusters distribution as the most appropriate solution.

Table 2 describes the mean and standard deviations of the four brand experience dimensions and illustrates how the five clusters of consumers varied across the total sample, the male sample and the female sample, whereas Figure 2 provides a more visual illustration of different means among the five clusters of consumers. We discover five experiential types of consumers based on their intensity of four dimensions of brand experience. This result includes four groups of consumers that are proposed by

	Cluster	Sample size		Mean (SD)			
		N	(%)	Sensory	Affective	Intellectual	Behavioural
Total sample	(1) Holistic	448	19.8	5.65 (0.57)	5.75 (0.58)	5.68 (0.63)	5.66 (0.64)
	(2) Hedonistic	188	8.3	5.11 (0.71)	5.17 (0.61)	3.59 (0.68)	4.27 (0.73)
	(3) Action-oriented	927	40.9	4.27 (0.66)	4.57 (0.61)	4.71 (0.61)	4.61 (0.60)
	(4) Sensorial	471	20.8	3.68 (0.78)	3.46 (0.71)	3.35 (0.75)	3.41 (0.59)
	(5) Utilitarian	234	10.3	2.71 (0.75)	2.49 (0.75)	2.02 (0.62)	2.12 (0.67)
	Total	2,268	100.0	4.33 (1.10)	4.41 (1.18)	4.25 (1.28)	4.28 (1.20)
Male sample	(1) Holistic	201	19.9	5.61 (0.56)	5.72 (0.60)	5.70 (0.62)	5.69 (0.63)
	(2) Hedonistic	67	6.6	5.22 (0.61)	5.14 (0.55)	3.69 (0.69)	4.34 (0.69)
	(3) Action-oriented	439	43.6	4.30 (0.65)	4.54 (0.64)	4.69 (0.61)	4.59 (0.57)
	(4) Sensorial	200	19.8	3.70 (0.76)	3.51 (0.60)	3.40 (0.76)	3.42 (0.58)
	(5) Utilitarian	101	10.0	2.71 (0.63)	2.43 (0.70)	2.08 (0.65)	2.16 (0.61)
	Total	1,008	100.0	4.35 (1.07)	4.40 (1.15)	4.31 (1.25)	4.32 (1.18)
Female sample	(1) Holistic	247	19.6	5.68 (0.57)	5.77 (0.56)	5.67 (0.64)	5.63 (0.65)
	(2) Hedonistic	121	9.6	5.05 (0.75)	5.19 (0.64)	3.53 (0.67)	4.23 (0.76)
	(3) Action-oriented	488	38.7	4.25 (0.67)	4.59 (0.59)	4.72 (0.61)	4.63 (0.62)
	(4) Sensorial	271	21.5	3.67 (0.79)	3.42 (0.79)	3.32 (0.75)	3.40 (0.59)
	(5) Utilitarian	133	10.6	2.70 (0.84)	2.54 (0.78)	1.97 (0.60)	2.09 (0.70)
	Total	1,260	100.0	4.31 (1.13)	4.41 (1.20)	4.20 (1.30)	4.25 (1.22)

Table 2.
Mean and standard deviations of clustering variables of the total sample, male sample and female sample

Zarantonello and Schmitt (2010) (e.g. holistic consumers, hedonistic consumers, action-oriented consumers and utilitarian consumers). The inner-directed consumers were not found from our analysis. However, we have explored one novel group that focusses mostly on the sensorial experience (e.g. sensorial consumers):

- Holistic consumers: The first cluster comprised 19.8% of the total sample (mean = 5.686). This group included the consumers with similarly highest scores (above 5.65) on all four experiential dimensions, although the affective dimension was slightly higher than other dimensions (mean = 5.75). This segment of consumers reflects the highest experiential profile that would be attracted by all four dimensions of brand
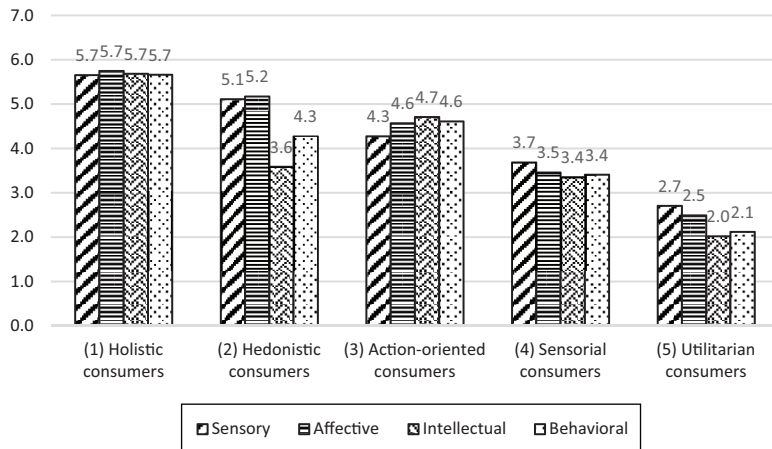
Figure 2.
Cluster means on the four brand experience's dimensions

experience simultaneously (e.g. sensory, affective, intellectual and behavioural) (Zarantonello and Schmitt, 2010).

- Hedonistic consumers: The second cluster only made up 8.3% of the sample (mean = 4.535). Members of this cluster had considerable experience on the two dimensions, sensory and affective (mean = 5.11 and 5.17, respectively), but less experience on the behavioural (mean = 4.27) and intellectual (mean = 3.59). These so-called hedonistic consumers preferred brands that attached strong sentiments and impression on their senses (Zarantonello and Schmitt, 2010).

- Action-oriented consumers: The third cluster constituted most of the sample (40.9%, mean = 4.540). These consumers had above-average scores among the four dimensions. They were especially interested in the intellectual dimension (mean = 4.71), behavioural dimension (mean = 4.61) and affective (mean = 4.57) but had less concern about sensory (mean = 4.27). As such, these consumers could be possibly attracted by brands that resulted in problem-solving encouragement, physical actions and emotional appeals. Hence, our finding has pinpointed one more aspect of the action-oriented consumers (i.e. affective dimension) as compared to previous research (Zarantonello and Schmitt, 2010).

- Sensorial consumers: We found a new cluster that accounted for 20.8% consumers in the sample (mean = 3.476). The members of this group seem to be opposite of the action-oriented consumers: sensorial gratification played a remarkable role towards this cluster (mean = 3.68), whereas affective, behavioural and intellectual experiences scores were below the average value 3.5. This consumer-type looks for the brands associated with sensory appeals and less compelling with physical actions, bodily experiences and stimulation of thinking. Hence, we call this group as sensorial consumers.

- Utilitarian consumers: This group composed 10.3% of the sample (mean = 2.334). In contrast to holistic consumers, this cluster accounted for consumers that had the lowest scores among the five clusters, ranging between 2.02 (intellectual) to 2.71 (sensory). Similar to the typology of Zarantonello and Schmitt (2010), this utilitarian group is the low experiential profile that does not seem to attach much importance to any brand experience dimension.

To validate our cluster analysis result, we adopted two of the most widely used methods from the literature:

(1) performing a new cluster analysis on the subsamples; and

(2) conducting a discriminant analysis to establish membership of each individual (Zarantonello and Schmitt, 2010).

Firstly, the cluster analysis conducted on the two subsamples (1,008 males and 1,260 females) revealed a highly consistent result with the total sample's clusters outcome. Five different clusters emerged in the two subgroups demonstrating analogous characteristics with the five clusters segmented from the total sample. Details of the cases classification of the total sample and two subsamples are represented in Table 2.

Secondly, the tests of equality of group means based on the discriminant analysis result indicated strong group differences (i.e. Wilks' Lambda for all four variables were much lower than 1) and all were significant, such as Sensory (Wilks' Lambda = 0.382, $F(4, 2151) =$ 869.048, $p < 0.001$), Affective (Wilks' Lambda = 0.278, $F(4, 2151) = 1398.039$, $p < 0.001$), Intellectual (Wilks' Lambda = 0.268, $F(4, 2151) = 1467.082$, $p < 0.001$) and Behavioural

(Wilks' Lambda = 0.323, $F(4, 2151) = 1124.739$, $p < 0.001$). Moreover, the result from the chi-square statistic was highly significant (Wilks' Lambda = 0.075, $\chi^2 = 5561.511$, df = 16, $p < 0.001$). There was 99.3% of original-grouped cases correctly classified into five clusters. This result showed a highly similar distribution with the cluster analysis. Hence, the validation for the five-cluster solution could be confirmed.

Data analysis and findings

Measurement model

Table 3 depicts the strong psychometric properties of the measurement based on the criteria of construct reliability, convergent validity and discriminant validity. Firstly, the construct reliability was achieved because all-composite reliabilities (ranging between 0.87 and 0.91) were considerably greater than the threshold of 0.7 (Nunnally and Bernstein, 1994).

Secondly, convergent validity was satisfactory as the average variance extracted (AVE) of all constructs (ranging from 0.75 to 0.82) were well above 0.5 (Fornell and Larcker, 1981).

Constructs and manifest variables	Loading
Relationship equity AVE = 0.57 composite reliability = 0.87 (adapted from Vogel *et al.*, 2008; 7-point scale 1 = "strongly disagree" and 7 = "strongly agree")	
1. As a member of the loyalty program, they do services for me that they	0.78
don't do for most customers	0.80
2. I am familiar with the employees that perform the service	0.66
3. I am glad to meet other customers in this supermarket	0.76
4. Employees in that supermarket know my name	0.75
5. I have trust in this supermarket	
Brand equity AVE = 0.63 composite reliability = 0.87 (adapted from Vogel *et al.*, 2008; 7-point scale 1 = "strongly disagree" and 7 = "strongly agree")	
1. This brand is a strong brand	0.79
2. This brand is an attractive brand	0.80
3. This brand is a unique brand	0.79
4. This brand is a likeable brand	0.80
Value equity AVE = 0.61 composite reliability = 0.90 (adapted from Vogel *et al.*, 2008; 7-point scale 1 = "strongly disagree" and 7 = "strongly agree")	
1. The quality–price ratio with the dealer with respect to products is very good	0.77
2. The quality-price ratio with the dealer with respect to services is very good	0.79
3. The supermarket is very attractive	0.81
4. How would you rate your overall shopping experience at this supermarket ("extremely good value/extremely poor value")?	0.78
5. For the time spent at this supermarket, would you say shopping is ("highly reasonable/highly unreasonable")?	0.80
6. For the effort involved in shopping at this supermarket, would you say shopping is ("very worthwhile/not at all worthwhile")?	0.74
Brand loyalty AVE = 0.67 composite reliability = 0.91 (adapted from Ha *et al.*, 2010; Chaudhuri and Holbrook, 2001; Groth *et al.*, 2009; Vogel *et al.*, 2008; 7-point scale 1 = "strongly disagree" and 7 = "strongly agree")	
1. This supermarket would be my first choice	0.81
2. I will not purchase from other supermarkets if the services and products are available at this supermarket	0.83
3. I intend to keep shopping at this supermarket	0.83
4. I will recommend this supermarket to someone who seeks my advice	0.81
5. I would repurchase at this supermarket	0.82

Table 3.
Measurement model results

Factor loadings of the focal constructs (ranging from 0.66 to 0.93) surpassed the required cut-off value of 0.5 (Hair *et al.*, 2010) and all were significant.

Thirdly, discriminant validity was also obtained as the squared roots of AVE values were consistently higher than the off-diagonal correlations, as shown in Table 4 (Fornell and Larcker, 1981). Finally, a second method to evaluate the discriminant validity is the employment of heterotrait–monotrait ratio (HTMT) recommended by Henseler *et al.* (2014) which is demonstrated as a more powerful assessment of discriminant validity. The HTMT for all reflective constructs in our model (ranging from 0.25 to 0.80) did not exceed the conservative value of 0.85 (Kline, 2011), thus guaranteed the constructs' discriminant validity. The highest upper confidence interval (CI) of all HTMT was 0.82, which significantly differed from 1. Consequently, these results strongly supported that all constructs achieved satisfactory construct validity.

Common method variance
The study investigated possible common method bias (CMV) effects that may cause spurious relationship among variables (Podsakoff *et al.*, 2003) by using Harman's single-factor test (Podsakoff and Organ, 1986), unmeasured latent method construct (ULMC) technique in partial least square (PLS) (Liang *et al.*, 2007) and marker-variable technique (Lindell and Whitney, 2001; Malhotra *et al.*, 2006). The result of Harman's single factor test indicated that the first factor only composed of 35% of the overall variance. Given that a factor did not comprise most of the variance, the CMV effect is unlikely to bias our analysis. We conducted an ULMC test as suggested by Liang *et al.* (2007), where a latent method factor is included in our PLS model. The results showed that the method factor loadings were either insignificant or the variance explained by the method factor was smaller than the variance attributed to the substantive construct. The results showed that the method factor loadings were either insignificant or that the variance explained by the method factor was smaller than the variance attributed to the substantive construct. The findings suggest that CMV is not a severe issue in our study.

Additionally, using the marker-variable technique (Lindell and Whitney, 2001; Malhotra *et al.*, 2006), we examined the correlations of a marker variable and the other variables to obtain a more robust result for the CMV check. The proficiency in using Microsoft Word of the respondents was used as the marker variable, as it represented the smallest positive correlation with the dependent variable in the correlation matrix ($r = 0.05$, $p = 0.03$). The average absolute correlation between the marker variable and the other factors of the model was $r_m = 0.04$ ($p = 0.04$). The average difference between the original and the CMV-adjusted correlations was only 0.02. As such, none of the original correlations significantly differed from their CMV-adjusted counterparts, proving that CMV was not existing.

Constructs	Relationship equity	Brand equity	Value equity	Brand loyalty
Relationship equity	*0.75*			
Brand equity	0.46	*0.79*		
Value equity	0.68	0.50	*0.78*	
Brand loyalty	0.21	0.40	0.22	*0.82*

Notes: Sample size = 2,268; diagonal entries show the squared roots of AVE values; all correlation coefficients are significant at the 0.01 level. The italic values (diagonal) are not correlation coefficients but AVE. Thus, no significance level was attached. Besides, the off-diagonal elements are the correlations among the constructs and all were significant at $p < 0.01$.

Table 4.
Descriptive statistics
and correlations for
study variables

Endogeneity check
The potential endogeneity in the model was controlled by using a two-stage least square approach and education used as the instrumental variables. Education was chosen based on the following two criteria:

(1) it correlated with relationship equity in the first stage; and
(2) it did not correlate with brand loyalty in the second stage.

The ivendog command in STATA 14 was applied. The result from the endogeneity proved that there was no endogeneity bias in our model (Durbin–Wu–Hausman chi-squared test: $\chi^2 = 0.04$, *p*-value = 0.83; Wu–Hausman *F*-test: $F(1, 2265) = 0.04$, *p*-value = 0.83) (Wooldridge, 2009).

Hypotheses testing
After segmenting the consumers by clustering analysis and discriminant analysis, we used the PLS-SEM analysis with SmartPLS 3.0 to test the proposed hypotheses. PLS is a non-parametric approach based on ordinary least squares (OLS) regression and is designed to optimise the explained variance (Ringle *et al.*, 2015; Sarstedt *et al.*, 2019). We opted for PLS-SEM instead of covariance-based structural equation modelling because of the following:

• our goal was to examine the primary driver constructs;
• formative constructs were part of our structural model; and
• the latent variable scores were used in our subsequent analyses (Hair *et al.*, 2014).

After that, we confirmed the moderated mediation effect using approach (PROCESS Model 7), with a 95% CI and 5,000 bootstrap samples (Hayes *et al.*, 2017; Hayes, 2013; Preacher and Hayes, 2008). Finally, we used the MGA in PLS to test the potential differences of the proposed model for different clusters.

Structural model
H1 predicted that brand equity would mediate the link between relationship equity and brand loyalty. To test this hypothesis, we followed the approach suggested by Hair *et al.* (2014) and developed Model 1 and Model 2. We firstly estimated the PLS path model without brand equity as the potential mediator in Model 1. Then, we included the mediator variable brand equity and tested the significance of the indirect effect of relationship equity on brand loyalty via brand equity in Model 2. Finally, we evaluated the strength of this mediation effect by measuring the variance accounted for (VAF) that represented the percentage of the indirect effect out of the total effect. As suggested by Hair *et al.* (2014), if VAF is lower than 0.20 or higher than 0.20 but lower than 0.80, there is no mediation or partial mediation, respectively. Full mediation can be affirmed if VAF is larger than 0.80.

As reported in Table 5, relationship equity positively influenced brand loyalty (Model 1, $\beta = 0.19$, *t*-values = 10.71) and brand equity (Model 2, $\beta = 0.47$, *t*-values = 29.51), which also positively affected brand loyalty (Model 2, $\beta = 0.38$, *t*-values = 19.61). Contrary to Model 1, we found that the positive effect of relationship equity on brand loyalty converted into insignificant in Model 2 ($\beta = 0.01$, *t*-values = 0.59). The direct effect of relationship equity on brand loyalty was 0.01, whereas the indirect effect via brand equity had a value of 0.18. We found that the size of the indirect effect in the total effect was 93.3% (>80%). As such, brand equity fully mediated the link between relationship equity and brand loyalty. Then, *H1* was supported.

	Model 1	Endogenous model Model 2		Full model	
Exogenous variables	Brand loyalty	Brand equity	Brand loyalty	Brand equity	Brand loyalty
Direct effects					
Relationship equity	0.19* (10.71)	0.47* (29.51)	0.01 (0.59)	0.23*(9.21)	0.01 (0.62)
Brand equity			0.38* (19.61)		0.38* (19.54)
Value equity				0.37* (14.29)	−0.01 (0.30)
RE × VE				0.08* (5.89)	
Indirect effects					
RE → BE → BL			0.18* (15.09)		0.09* (7.78)
Control variables					
Gender	0.07* (3.87)	0.01 (0.58)	0.07* (3.79)	−0.01 (0.56)	0.07* (3.79)
Age	0.07* (2.79)	−0.01 (0.25)	0.07* (3.01)	−0.01 (0.61)	0.07* (2.98)
Income	0.13* (5.60)	−0.01 (0.67)	0.13* (6.02)	−0.01 (0.29)	0.13* (5.79)
Education	0.01 (0.60)	−0.02 (1.02)	0.02 (1.00)	−0.02 (1.10)	0.02 (1.01)
Supermarket	−0.07* (3.23)	−0.10* (5.23)	−0.03 (1.35)	−0.03 (1.34)	−0.03 (1.31)
Occupation	0.02 (0.73)	0.02 (0.77)	0.01 (0.54)	0.02 (0.92)	0.01 (0.55)
R^2	0.09	0.22	0.20	0.29	0.20

Note: *$p < 0.01$

Table 5.
Structural model
results

H2 proposed that value equity would moderate the indirect effect of relationship equity on brand loyalty through brand equity. We expected that the mediated relationship would be stronger if value equity increased. The full model was developed to test this moderation effect. As shown in the full model in Table 5, both relationship equity ($\beta = 0.23$, *t*-values = 9.21) and value equity ($\beta = 0.37$, *t*-values = 14.29) had positive impacts on brand equity. More importantly, the interaction effect of relationship equity and value equity also demonstrated a positive influence on brand equity ($\beta = 0.08$, *t*-values = 5.89). Hence, the linkage between relationship equity and brand loyalty via brand equity would increase when value equity becomes higher, supporting *H2*.

Moderated mediation analysis
Moderated mediation effect was assured by using the bootstrapping bias-corrected CI procedure of the SPSS Macro PROCESS Model 7 (Hayes, 2013). The OLS path analysis was applied to estimate the model coefficients. The analysis confirmed that the moderation model with brand equity as the outcome variable was significant, $F (3, 2264) = 306.33$, $p < 0.001$, $R^2 = 0.29$. Also, the mediation model with brand loyalty as the outcome variable was significant, $F (2, 2265) = 215.19$, $p < 0.001$, $R^2 = 0.16$. Furthermore, the index of moderated mediation was significant, $\beta = 0.03$, 95% CI = [0.02, 0.04], indicating that the indirect effect of relationship equity on brand loyalty through brand equity differed significantly at varying levels of value equity. This result was substantially identical to our PLS-SEM result.

To ensure the robustness of our proposed model, we checked competing models for potential interaction effects among the three CEDs: relationship equity (RE), brand equity (BE) and value equity (VE) (e.g. VE moderates BE → RE; BE moderates VE → RE). We further checked the potential mediating effects of brand equity and value equity on the link between relationship equity and brand loyalty. We found neither significant moderating nor mediating effects, suggesting the high level of robustness of our proposed model.

Multigroup analysis
To test *H3*, we used multigroup analysis (PLS-MGA), the statistical procedure to explore whether there are differences between path coefficients in the structural model. PLS-MGA is a set of different techniques that can be used to compare the PLS models across subgroups of data (Hair *et al.*, 2010). To avoid ambiguity in the interpretation of the MGA results, before testing and interpreting differences in the path coefficients, we followed Bagozzi and Yi (2012) to examine the factor-loading invariance across five clusters of consumers. We found that for each of the main variables in our model, there was at least a factor loading per variable was invariant ($p > 0.05$) across the five clusters. Therefore, the differences discovered for the path coefficients could be interpreted unambiguously (Bagozzi and Yi, 2012).

As shown in Table 6, the MGA results indicated substantial differences among the five clusters of consumers, supporting *H3*. As can be seen, the impact of relationship equity on brand loyalty of sensorial consumers was significantly lowered than that of the holistic consumers ($|p^{(Ho)} - p^{(Se)}| = 0.225$, $p < 0.01$), hedonistic consumers ($|p^{(He)} - p^{(Se)}| = 0.187$, $p < 0.05$) and action-oriented consumers ($|p^{(Ac)} - p^{(Se)}| = 0.149$, $p < 0.1$). Besides, the influence of relationship equity on brand equity was stronger towards holistic consumers rather than hedonistic consumers ($|p^{(Ho)} - p^{(He)}| = 0.157$, $p < 0.05$) and sensorial consumers ($|p^{(Ho)} - p^{(Se)}| = 0.230$, $p < 0.05$). Regarding brand equity, the results indicated that the effect of brand equity on brand loyalty was significantly stronger for holistic consumers and hedonistic consumers than action-oriented consumers, sensorial consumers and utilitarian consumers ($p < 0.1$).

Moreover, action-oriented consumers also experienced a significantly higher impact of brand equity on brand loyalty than sensorial consumers ($|p^{(Ac)} - p^{(Se)}| = 0.148$, $p < 0.1$). In terms of value equity, we found that the influence of value equity on brand equity towards holistic consumers was stronger than the four other groups of consumers ($p < 0.1$). Overall, the MGA result confirms that the strength of the relationship among three components of customer equity (i.e. value equity, brand equity and relationship equity) and brand loyalty would differ significantly among the five experiential types of consumer. Based on the analysis results, all hypotheses in our research were strongly supported.

Conclusion and implications
Theoretical implications
Our study focusses on decoding the complexity of the CEDs–loyalty link and examining the contingency role of brand experience on this link. In this connection, we use the principle of reciprocity from social exchange theory (Cialdini *et al.*, 1975; Cropanzano and Mitchell, 2005; Montoya and Insko, 2008; Falk and Fischbacher, 2006) to delineate a reciprocity pathway in that the unique roles of CEDs are identified towards creating the reciprocity effects. Concerning the first question on the reciprocal relationships among CEDs and brand loyalty, we propose that brand equity fosters and sustains the reciprocity generated when consumers perceive a high level of relationship equity, serving as a mediator between relationship equity and brand loyalty. We further posit that the linkage between relationship equity brand equity is contingent on value equity. For the second research question, we incorporate brand experience as a potential moderator upon which the interrelationships among CEDs and brand loyalty may vary. The study findings provide full support on the proposed hypotheses and make contributions to the growing body of work on customer equity (Ou *et al.*, 2017; Rust *et al.*, 2004), brand loyalty (Chaudhuri and Holbrook, 2001; Oliver, 1999) and brand experience (Brakus *et al.*, 2009; Zarantonello and Schmitt, 2010).

Relationships	$\|p^{(Ho)}-p^{(He)}\|$	$\|p^{(Ho)}-p^{(Ac)}\|$	$\|p^{(Ho)}-p^{(Se)}\|$	$\|p^{(Ho)}-p^{(Ut)}\|$	$\|p^{(He)}-p^{(Ac)}\|$	$\|p^{(He)}-p^{(Se)}\|$	$\|p^{(He)}-p^{(Ut)}\|$	$\|p^{(Ac)}-p^{(Se)}\|$	$\|p^{(Ac)}-p^{(Ut)}\|$	$\|p^{(Se)}-p^{(Ut)}\|$
RE → LOYAL	0.037	0.076	0.225***	0.096	0.038	0.187**	0.058	0.149*	0.020	0.129
RE → BE	0.157**	0.074	0.230**	0.118	0.083	0.073	0.039	0.156	0.044	0.112
BE → LOYAL	0.004	0.120**	0.269***	0.169**	0.116**	0.265***	0.165**	0.148**	0.048	0.100
VE → BE	0.176***	0.129*	0.157*	0.164*	0.047	0.019	0.012	0.028	0.036	0.008
VE*RE → BE	0.026	0.029	0.036	0.024	0.003	0.010	0.002	0.007	0.005	0.012
Gender → LOYAL	0.013	0.006	0.009	0.042	0.019	0.005	0.029	0.015	0.048	0.034
Age → LOYAL	0.009	0.110*	0.079	0.095	0.101*	0.070	0.104	0.031	0.205**	0.174
Income → LOYAL	0.006	0.085	0.245***	0.080	0.078	0.238***	0.073	0.160	0.005	0.165
Education → LOYAL	0.042	0.062	0.027	0.095	0.105*	0.015	0.052	0.090	0.157*	0.067
Supermarket → LOYAL	0.040	0.028	0.052	0.106	0.012	0.013	0.145**	0.025	0.133	0.158
Occupation → LOYAL	0.004	0.031	0.154	0.141	0.035	0.158*	0.145*	0.123	0.110	0.013

Notes: $p^{(Ho)}$, $p^{(He)}$, $p^{(Ac)}$, $p^{(So)}$ and $p^{(Ut)}$ is the path coefficients of the holistic consumers, hedonistic consumers, action-oriented consumers, sensorial consumers and utilitarian consumers, respectively. ***$p < 0.01$; **$p < 0.05$; *$p < 0.1$

Table 6.
Multi-group analysis
results: path
coefficients
differences

Firstly, we introduce a reciprocity perspective to decode the complexity of the CEDs–loyalty link. Previous studies emphasise the direct effects of CEDs in establishing consumer loyalty (Ou *et al.*, 2017; Vogel *et al.*, 2008). However, firms still have little insights on how to make effective resources allocation to value equity, brand equity and relationship equity. Such equal investments in marketing efforts might turn out inefficienct if they miss their goals (Rust *et al.*, 2001). Current literature has limited knowledge of the interplay among value equity, brand equity and relationship equity. Understanding this interrelation is significant to clarify why and when CEDs trigger loyalty. The principle of reciprocity may help us solve this puzzle. Indeed, we find empirical evidence that reciprocity pathway exists between CEDs and brand loyalty in which individual CED plays a unique role in creating reciprocity effect. Our findings shed lights on brand equity and value equity as the two underlying mechanisms that establish a moderated mediation model between CEDs and brand loyalty. Our study is a response to a call by Swoboda *et al.*'s (2013, p. 447) on how firms can "take reciprocal effects into account when allocating resources" especially in a retailing context. This study is among the first to open the black box of the CEDs–brand loyalty linkage through the lens of reciprocity.

Second, we contribute to marketing literature by providing evidence of the moderating effect of brand experience on the CEDs–loyalty link. There is a relative paucity of knowledge about individual differences or consumer-based segmentation variables associated with brand loyalty and other marketing-related variables (Chaudhuri and Holbrook, 2001). Our study forges this missing gap and studies how the moderated mediation proposed model varies for different types of experiential consumer. We reveal an important phenomenon: there exists a typology of experience-focussed consumers and these experiential types moderate the interrelationships among CEDs and brand loyalty. We discovered five emerging types of experiential consumers comprising holistic consumers, hedonistic consumers, action-oriented consumers, sensorial consumers and utilitarian consumers. The result of MGA indicates substantial differences among the five clusters of consumers in enhancing the impact of customer equity mechanisms on brand loyalty. Scholars have called for research to examine the contribution of brand experience to CEDs and brand loyalty (Lemon and Verhoef, 2016; Brakus *et al.*, 2009). By positioning brand experience as an important moderator, we also advance theory on the boundary conditions of the reciprocity effect.

Managerial implications
The retailing landscape is changing remarkably. For example, retailers such as Walmart have thrived on beating the retail battle by refining their value equity. Its recently launched smart pricing strategy has allowed the online consumers to share in the lower costs associated with in-store collection instead of delivery (Weinswig, 2017). Thus, our theoretical viewpoint aims to reflect fresh marketing insights for the dynamic retail settings. We demonstrate a rationale for firms and suggest useful managerial solutions for marketers to manage and allocate resources more efficiently, to better understand the diversity of consumers towards brand experience dimensions and to ultimately boost the brand loyalty of the consumers.

The results offer valuable insights for managers that are responsible for building brands, managing relationships and fostering brand loyalty of the consumers. Companies should devote their attention to strengthening their brand equity because of its directly positive mediating effect of the nexus between relationship equity and brand loyalty. If consumers consider a brand as unique, strong and preferable, they experience higher brand equity (Verhoef *et al.*, 2009) and they would prefer choosing that brand than others (Vogel *et al.*, 2008). Firms can build their brand equity in several ways. For example, enhancing brand awareness of the consumers by using marketing communications (Lemon *et al.*, 2001; Yoo and Donthu, 2001), starting with quality products to build brand image and gain positive consumer

evaluation (Baalbaki and Guzmán, 2016), creating positive brand attitude to leverage the consumer purchase decision (Lemon *et al.*, 2001) and evolving a consistent brand image to form a special relationship between the brand and its consumers (Keller, 1993).

Additionally, with a focus on relationship management, our findings suggest that any attempt from the supermarkets to consolidate its relationship with consumers will favourably stimulate positive influences on brand loyalty via brand equity. Savvy brands should look for innovative ways to bring significantly greater benefits to their consumers (Lemon *et al.*, 2001). For example, through the launch of the loyalty program on mobile apps, supermarkets will be able to deliver more customised, relevant promotions to their shoppers. Such apps will also make it more convenient for consumers to easily collect their rewards. Though the idea of the loyalty program has been long recognised, a global study of Nielsen on more than 29,000 in 58 nations in 2013 specifies that 84% surveyed consumers opt for retailers that offer a loyalty program (Nielsen, 2013). Furthermore, literature has found that the salespeople, who engage in a variety of selling behaviours for the long-term relationship, will accordingly have a favourable impact on the consumer's perception of relational quality (Crosby *et al.*, 1990). Thus, using well-trained in-store staffs is another approach for managers and marketers to reinforce the relationships between brands and their consumers.

Furthermore, we also present significant implications for managers and marketers that are responsible for improving value equity. Our study has exemplified how value equity can strengthen the link between relationship equity and brand equity through its moderating effect. It is noteworthy that 34% of the consumers would quit shopping if they are unaware of enough benefits (Nielsen, 2013). Therefore, companies should highlight the visibility of value that they provide to consumers. Such efforts should be implemented to leverage the three fundamental levers that influence value equity, including quality, price and convenience (Lemon *et al.*, 2001). One way for managers is to continuously boost their innovation and differentiate their products to meet consumer needs, reach prospective consumer segments and prevent existing buyers from switching. Managers and marketers should also track the operation of new launches and use that information to make sure that they develop the right products at the right price. Firms could consider offering different facets of value to consumers, such as convenience, engagement, quality products and services, advertising campaigns and price promotions with a caution to the different consumer types. Through these efforts, companies should be able to promote value equity and, accordingly, facilitate the link between relationship equity and brand equity.

Finally, our study has also distinguished among holistic consumers, hedonistic consumers, action-oriented consumers, sensorial consumers and utilitarian consumers. For instance, holistic consumers prefer the entire aspects of brand experience, whereas utilitarian consumers are unlikely to attach considerable concern to any brand dimension. More importantly, the findings indicate that the moderated mediation effects of value equity, brand equity and relationship equity on brand loyalty vary significantly depending on the types of experiential appeal that characterise consumers. Consequently, managers and marketers can interpret our results as support to set up a more effective resource allocation and tailored marketing strategies that generate long-term effects on different experiential consumer appeals. For example, understanding that value equity may be more dominant in fostering brand equity – for those associated with holistic consumers rather than other types of consumer – suggests different marketing strategies and themes for these consumer segments.

Limitations and future research directions
Our unique findings should be viewed in light of their limitations. Firstly, we particularly examined the supermarket industry in Vietnam. Therefore, caution must be executed in

determining if the effects still hold to other industries or other countries. Secondly, our study highlighted a snapshot of the CEDs and brand loyalty across different segments of consumers by using the data from one point in time. By doing so, we assumed that time lag did not occur between the customer equity mechanisms and brand loyalty. Consequently, we encourage future research to establish stronger inference and generalizability of our findings by extending the impacts of the focal constructs in the model over time. Thirdly, we recognise that there exists the age bias among respondents. Although the age range of respondents is from 18 to above 50 years, the 18–30 group accounts for a large portion of the sample and is not representative of the general population. A positive aspect of this limitation is that this group of consumers should receive more attention from the retailers. Fourthly, our sample is limited to consumers of a metropolitan city in Vietnam, making it difficult to generalise our findings across other geographies. Future studies could focus on other geographies, such as country provinces.

Fifth, our study is also limited to the cross-sectional design. Future studies could use a randomised experiment as another alternative. Sixth, because of a paucity of research in discovering the moderating impact of experiential types, directional hypotheses would be premature at this point in our study. In a recent study, Gao *et al*. (2020) examine the moderating role of social influence in the linkages between the CEDs and customer experience quality. Additional research might benefit from exploring the potential moderating effects of customer experience quality on the linkages in our model.

Finally, our findings on segmented clusters and associated moderating effects might be sample specific. Indeed, our findings confirmed four out of five segments from prior work (Zarantonello and Schmitt, 2010). We probed into a typology of experience-focussed consumers using the four dimensions of brand experience (i.e. sensory, affective, intellectual and behavioural). Yet, we did not examine the stability of the segments, which depends on the particular cluster solution from the sample (Wedel and Kamakura, 1998; Kim and Lee, 2011). Thus, the results on the moderating effects of experiential types should be generalized with caution given the nature of the sample. Despite the preceding limitations, this study provides a solid foundation for understanding the managerial implications of the nexus among value equity, brand equity, relationship equity in enhancing brand loyalty and how these mechanisms differ towards different brand experience appeals of consumers.

Notes

1. It is worth noting that the reversal causation (e.g. brand equity fosters relationship equity) is not likely occurred in this research. In fact, relationship equity measures the strength of the brand relationship, beyond its objective and subjective values, whereas brand equity focuses on the subjective perceptions of the brand only (Rust *et al*., 2001; Zeithaml *et al*., 2001). An increase of brand equity does not necessarily associate with a rise in relationship equity (Dwivedi *et al*., 2012). For example, a Scottish supermarket hired the robot assistant with the intention to boost their business. While this initiative seemed to increase brand equity at the beginning, it did not improve the relationship quality and turned out to be customers' disappointment when the robot failed to interact properly with customers (*The Telegraph*, 2018). Moreover, empirical investigation from prior research directly emphasises that the mediating effect of relationship equity on the link between brand equity and brand loyalty is not existing (Veloutsou, 2015; Dwivedi *et al*., 2012). Hence, the causation should flow from relationship equity to brand equity rather than from brand equity to relationship equity.

2. See Appendix for the brand experience scale.

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Appendix

Dimensions	Items	Scale
sensory	This brand makes a strong impression on my visual sense or other senses I find this brand interesting in a sensory way This brand appeals to my senses	1 = Totally disagree 7 = Totally agree
Affective	This brand induces feelings and sentiments I have strong emotions for this brand This brand is an emotional brand	1 = Totally disagree 7 = Totally agree
Intellectual	I engage in a lot of thinking when I encounter this brand This brand makes me think This brand stimulates my curiosity and problem solving	1 = Totally disagree 7 = Totally agree
Behavioral	I engage in physical actions and behaviors when I use this brand This brand results in bodily experiences This brand is not action oriented	1 = Totally disagree 7 = Totally agree

Table A1.
Brand experience
scale (Brakus *et al.*,
2009) and different
experiential types of
consumers
(Zarantonello and
Schmitt (2010)

- Sensory brand experience refers to the aesthetics and sensorial impressions that a brand induces; affective brand experience reflects feelings, sentiments and emotions generated by the brand; behavioral brand experience involves physical, bodily actions and interactions with the brand; and intellectual brand experience is encouraged by the ability of a brand to stimulate the consumers' curiosity, thinking and problem-solving (Brakus *et al.*, 2009).

- Building on the four dimensions of brand experience proposed by Brakus *et al.* (2009) and Zarantonello and Schmitt (2010) have identified five clusters of consumers that prefer different experiential types: holistic consumers, hedonistic consumer, action-oriented consumers, inner-directed consumers and utilitarian consumers. On one extreme, holistic consumers are high-experiential shoppers that tend to attach remarkable importance to all four dimensions of brand experiences. On the other extreme, utilitarian consumers seem to be opposite (e.g. they are low-experiential consumers that prefer a more rational, functional approach toward a brand). In between, three different experiential types of consumers exist: hedonistic consumers who are strongly affected by the sensorial gratification and emotional appeals, action-oriented consumers driven by sentiments and behaviors and inner-directed consumers evoked by brands with strong activation on the internal processes (i.e. sensations, emotions and cognitions).

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