# An integrated model of firms' brand likeability: antecedents and consequences

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## Abstract

Likeability plays an important role for firms that rely on their brands. However, few studies examine factors influencing customers' perceptions of likeable firm brands. Adapting a Private Brand model, the current study proposes a model of brand likeability that integrates four key variables measuring customer characteristics, namely: price consciousness, perceived quality, perceived risk and familiarity. Using an online survey to collect data, the study employs partial least square based structural equation modelling for hypothesis testing. Findings reveal that when customers are more familiar with the well-liked brand, they have more confidence in evaluating the quality, reducing perceived risk and price consciousness. In addition, the study highlights an important antecedent to brand likeability perceptions: brand familiarity. Marketers are encouraged to manage brand likeability more systematically to improve customer-brand relationships, brand reputation, and differentiate firms' brand personality. Not managing likeability creates disliked brands, resulting in customer dissatisfaction and negative word of mouth.



**Keywords** – Brand likeability, brand perception, brand familiarity, quality, price, risk, purchase intention.

## Introduction

A critical activity for marketers is to ensure that their firm brands are well-liked by customers (e.g. Hirvonen and Laukkanen, 2014; Landwehr, McGrill, and Hermann, 2011). Research establishes the importance of understanding customers' likeability perceptions and the factors influencing their responses to a firm (e.g. Reinhard and Messner, 2009). From the branding perspective, likeability is defined as the assessment of appeal a customer has for a brand (e.g., Nguyen, Melewar, and Chen, 2013). Marketers are known measure and stimulate customers' brand likeability perceptions in order to improve customer-brand relationships (Tuncay, 2012), brand reputation (Akdeniz, Calantone, and Voorhees, 2013), and to differentiate their brand personality (Aaker, 1997; Lee, 2013).

When customers dislike a brand, they are often reluctant to purchase the brand (Cialdini, 1993; Eagly *et al.*, 1991). Studies demonstrate that customers dislike poor service, resulting in resistance towards the firm (Bougie, Pieters, and Zeelenberg, 2003). This resistance, in turn, results in damage through customer dissatisfaction (Bougie *et al.*, 2003) and negative word of mouth (Reinhard and Messner, 2009), leading to lost customers (Homburg, Hoyer, and Stock, 2007), bad brand reputation (Weiss, Anderson, and MacInnis, 1999) and ultimately, lower sales and profits (Yang, Kim, and McFarland, 2011). Despite such damaging consequences, to date, little attention is paid to likeability in branding and customer management practices (e.g., Nguyen and Choudhury, 2013; Reysen, 2005), which in effect are built around likeable relationships between customers and firms alike.

Few studies examine what causes a firm or brand to be perceived as liked or disliked (e.g. Landwehr *et al.*, 2011). Although marketers implicitly emphasise likeability's importance in their strategies, the concept of brand likeability is not investigated thoroughly. There is not yet a complete understanding of factors that influence the likeability of firms and brands (e.g. Nguyen *et al*., 2013). To manage likeability effectively, marketers must understand both behavioural responses and psychological evaluations to various services and marketing efforts (e.g. Troye and Supphellen, 2012). Our paper examines the processes underlying those customer evaluations of likeability and their subsequent behaviours. It attempts to fill a much-needed gap in the literatures on brand likeability's antecedents and consequences (e.g., Reysen, 2005). Identifying the antecedents of likeability perceptions assist in understanding perceived brand likeability and in developing a more comprehensive theory of likeability. It ensures that marketers' efforts are well-liked, from a strategic point-of-view. Hence, the purpose of our paper is to develop an integrated model to predict customers' purchase intentions as a result of their attitude towards the firms' likeability.

The paper's focus is on the factors that influence customers' attitudes and intentions, as explained by a Private Brand model (Lin *et al.*, 2009). Thus, to understand these relationships, we seek to investigate the role of perceived service quality, perceived risk and price consciousness on purchase intentions, by adding an antecedent factor, familiarity (e.g. Maxwell *et al.*, 2012). To the best of our knowledge, few studies look at the customers' purchase intentions as a result of likeability or dislikeability. Even less, focuses customers' perceptions and attitudes towards firms' likeability in an integrated model. To accommodate these issues, we establish a need to investigate how customers form brand likeability perceptions, formulated as follows: *How do customers evaluate the likeability of the firm brand?* In order to answer our research question, we investigate the way in which the customers' develop likeability perceptions. Our framework assists firms to consider issues of likeability more systematically in their branding and customer management schemes in order to improve customer-brand relationships (Gustafsson, Johnson, and Roos, 2005). The findings echo into the implementation of successful brand management (e.g. Albert, Merunka, and Valette-Florence, 2008) and customer engagement literatures (Verhoef, Reinartz, and Krafft, 2010).

We organise the remaining of our paper as follows: We first present a brief review on the literatures on likeability theories. In the subsequent section, we examine the hypothesised model constructs and present the results of our research. In the concluding section, we discuss managerial and theoretical implications with suggestions for future studies.

## Background and literature review

Perceived likeability is a psychological factor that influences customers' reactions to a source such as a brand, service, price, or other marketing schemes (e.g. Reysen, 2005). Research suggests that customers are concerned with the likeability of a brand, especially when they find it attractive (Byrne and Rhaney, 1965). Drawing from the psychology literature, likeability is defined as 'a persuasion tactic and a scheme of self-presentation' (e.g. Cialdini, 1993; Kenrick, Neuberg, and Cialdini, 2002; Reysen, 2005). Alwitt (1987) describes likeability as a multidimensional construct with both cognitive and affective components. Leo Burnett Company's (1990) measurement scale suggests that visual effects, high quality production factors, degree of activity and the story of adverts are correlated to liking. Reysen's (2005) scale study likeability features by looking at factors such as friendliness, approachability, attractiveness, levels of knowledge, similarity to oneself and agreeableness. The Reysen Likeability Scale attempts to measure the likeability of a person, noting that more agreeable people are perceived as more likeable (Reysen, 2005).

Studies suggest that laughter is associated to aspects of liking (Reinhard and Messner, 2009; Reysen, 2005). In the advertising industry, firms have used funny advertisements to make their customers laugh for years (Bachorowski and Owren, 2001). Moreover, in the context of celebrity endorsements, research suggests using celebrities is a way for firms to induce likeability, aiming to create positive associations with a firm's services, and that such a front figure captures the customers' attention and creates brand loyalty (McCracken, 1989). Even so, firms do not pay enough attention to appear likeable amongst their customers (Nguyen and Choudhury, 2013). We posit that celebrities are likeable for what they do and who they are, so firms can do the same to tap into this likeability effect. Indeed, customers often have ideas about certain firms they like and other firms that they dislike (e.g. Fehr, 2006). To address how a firm's marketing efforts, such as services, communication and sales can create a likeability effect (Hovland and

Weiss, 1951), managers must not only understand customers' perceptions and issues related to likeability but also, clearly follow a path that emphasises likeability (Nguyen *et al*., 2013). This ensures successful implementation of likeable customer relationships (e.g. Byrne, 1971).

A growing stream of research is dedicated to the concept of 'brand love' (Batra, Ahuvia, and Bagozzi, 2012), suggesting customers' 'love' for brands. In consumer research, concepts such as inter-personal love (Ahuvia, 2005; Sternberg, 1986), customers' attachment to brands (Park et al. 2010) and customer-object bonds (Kleine, Kleine, and Allen, 1995) are explicitly related to studying brand love. With varying definitions of brand love, Batra *et al.* (2012) put forward that there is a disagreement in defining the concept, and suggest that it has anywhere from one to 11 dimensions (Albert *et al.,* 2008). They subsequently find seven elements pertaining to brand love, that consist of self-brand integration, passion-driven behaviours, positive emotional connection, long-term relationship, positive overall attitude valence, attitude certainty and confidence (strength) and anticipated separation distress (Batra *et al.,* 2012). We acknowledge that brand love and likeability may have similar cognitive and some emotional elements, but posit that there are reasons why the conceptualisations of brand love are different from that of likeability and therefore, that the brand love conceptualisations should not be directly applied to the likeability concept (Nguyen *et al.*, 2013). According to Batra *et al.* (2012) brand love - as experienced by customers - is represented as a higher order construct that include multiple cognitions, emotions and behaviours, which are organised as a mental prototype. These go beyond the concept of likeability, which is a less concerned with emotions, but rather about perceptions. Certainly, it may be suggested that likeability is a precursor to brand love; a concept which is more emotionally signified whereas likeability may be seen as more of a perception, i.e. a process of attaining awareness (Nguyen *et al.,* 2013). This is evident in many interpersonal relationships, where two people typically go through a process of liking (e.g. attraction) to loving (e.g. more affection, attachment and passion)(Fehr, 2006; Sternberg, 1986). Nevertheless, the lack of empirical studies in both brand love and the concept of likeability hinder the direct comparison of the two constructs. Therefore, we recognise that more research is called to conceptualise, classify, compare and contrast the two concepts. We suggest that exploring the antecedents of brand likeability is a crucial first step towards such comparison. Thus, we develop an integrated model to understand customers' perceptions and attitudes towards the likeability of the firm brand. Adapting a Private Brand Model, we reason that customers' brand perception is the result of the services, risk and prices that a customer receives through the firms' offerings (e.g. Lin *et al.,* 2009). We then demonstrate how customers judge the firm-level brands as likeable, and whether their subsequent intentions will result in purchase.

Next, we develop our model of brand likeability through a series of theoretical hypotheses, which are subsequently, empirically tested and analysed in a structural model.

## Model development and hypotheses: attitudes towards brand likeability

We utilise the Theory of Reasoned Action (TRA), using the 'beliefs-attitude-intention'-model (Fishbein and Ajzen, 1975) as an overarching framework to explain relationships between familiarity, attitudes towards likeability and purchase intentions in our conceptual model. The TRA model is extensively used in modelling customer attitude in both social psychological and marketing literature (Bagozzi, Wong, Abe, and Bergami, 2000; Oliver and Bearden, 1985). Several studies adapt the TRA model to explain the processes leading to customers' intention to buy a brand (e.g. Lin *et al.*, 2009). For example, Garretson *et al.* (2002) show that customer perceptions increase private brand purchases via their attitudes towards the private brand. Lin *et al.* (2009) adapt that the TRA model to create a model of Taiwanese customer attitudes towards European private brand food products.

The theory of reasoned action aims to predict and understand an individual's behaviour (Fishbein and Ajzen, 1975). The theory views customers as rational beings that make systematic use of information available to them before they engage in a given behaviour (Bagozzi *et al.*, 2000). TRA model suggests that beliefs (i.e. performing a particular behaviour that is considered as positive or negative) will affect the attitude and a person's perception of others, which in turn affect their intentions to carry out a certain behaviour (Azjen and Fishbein, 1980). Thus, the intention to perform a particular behaviour, such as purchase intention, is a function of the immediate determinant of the action. Attitude is a function of beliefs and represents a person's degree of liking or disliking (favourable or unfavourable view) of a person, place, or event (e.g. Bagozzi *et al.,* 2000; Lin *et al.,* 2009).

For our study, the TRA model aids in explaining the rational behaviour of customers' intentions to purchase based on their likeability attitude of the firm. Specifically, we provide, with the adoption of the TRA model, a framework for conceptualising the customers' evaluation and subsequent behaviours as part of a broader brand likeability strategy. We conceptualise that the customers' beliefs in the firm brand are predictors of their attitudes towards likeability, which in turn influenced the customers' behavioural intentions.

In the selection of our antecedents, we adapt a Private Brand model (Lin *et al.,* 2009), examining the role of perceived service quality, perceived risk and price consciousness on purchase intentions. Further, we add a new antecedent, familiarity, to further investigate the relationships between these variables, as explained below. Thus, as shown in Figure 1, the application of both the TRA and Private Brand models postulates that customers' beliefs in the firm's brand influence customers' attitudes towards likeability, which in turn affects customers' purchase intentions. According to our framework, a customer's judgment leading to likeability or dislikeability is a result of the effects of familiarity. In the next section, we describe each of the four variables in the proposed model and present the hypothesised relationships with theoretical underpinnings.

***Familiarity***

Scholars note that familiarity gives the customer the necessary ability to avoid products that fails to meet specific consumption requirements (Lin *et al*., 2009). Familiarity enhances confidence in the ability to judge the criteria needed to evaluate product quality (Richardson, Jain, and Dick, 1996). Laroche, Kim and Zhou (1996) provide evidence to suggest that brand familiarity influences overall customer confidence for a brand, affecting their attitudes towards that specific brand. Researches show a link between familiarity and price-quality relationships (e.g. Rao and Monroe, 1988). According to these studies, low prices are associated with low quality (Richardson *et al.,* 1996). However, with increased familiarity such associations are decreased (Rao and Monroe, 1988). Thus, due the familiarity, a low price does not mean a sacrifice of the quality, and an overall less reliance is put on the price itself (Richardson, Dick, and Jain, 1994). Researchers point out that in the absence of experience, greater familiarity increases customers' understanding that products are of better quality than expected (Dick, Jain, and Richardson, 1995).

Scholars demonstrate a negative correlation between the amount of information search and familiarity (e.g. Laroche *et al.,* 1996). For example, researchers suggest that less time is spent shopping for familiar brands (Bellizzi *et al.,* 1981; Biswas, 1992). In advertising, Kent and Allen (1994) show that familiar brand names are superior of less familiar brands because of superior recall of information. Arora and Stoner (1996) examine the relationship between name familiarity and service quality, and conclude that familiarity creates a favourable attitude towards the service.

The lack of familiarity is shown to remove brands from customers' purchase decision considerations (Dick *et al.,* 1995). Less familiar brands are seen as 'risky alternatives' (Baltas, 1997), highlighting familiarity as an important determinant in customer decision-making (Lin *et al.,* 2009). Past studies show that as customers become more familiar with foreign private brands, their brand knowledge changes (Mieres, Martin, and Gutierrez, 2006), decreasing uncertainty (Sethuraman and Cole, 1999) and increasing purchase intentions (Lin *et al.,* 2009). For example, when brands are cheap, customers may view these as risky alternatives, but with increased familiarity, concerns for safety issues are reduced (Richardson *et al.,* 1996). Lin *et al.* (2009) extend on previous studies to show how customers' focus changes from safety to price. They note that the greater the familiarity, the greater the focus in on price including savings or added costs. In our study, however, we posit the opposite to occur, that is, a reduced focus on price when familiarity is present. We base our proposition on the notion of relationship benefits (e.g. Fournier and Alvarez, 2012) suggesting concerns for quality rather than price (Boulding *et al.,* 2005). We suggest that when customers are more familiar with a brand, they focus on developing this relationship (Fournier, 1998). Thus, they are less concerned with price, but rather in other brand relationship elements, such as service quality, communication, loyalty, value and connection (e.g. Aurier and de Lanauze, 2012). Accordingly, from the above discussions about the firm's brand familiarity, we present three hypotheses, as follows:

*H1: Greater familiarity in the firm results in higher perceived service quality*

*H2: Greater familiarity in the firm results in lower risk*

*H3: Greater familiarity in the firm results in lower price consciousness*

***Perceived service quality***

In a customer-brand relationship, service quality is one of the most important elements (Parasuraman, Zeithaml, and Berry, 1988). During a service encounter, customers have the opportunity to evaluate the firm's performance (Raithel *et al*., 2012) shaping his/her opinion on whether the firm delivers a quality that makes he/she want to continue to do business with the firm (Barone and Roy, 2010). Research advocates that quality perception is one of the critical elements in customers' purchase decision (e.g. Lin *et al.*, 2009; Richardson *et al.*, 1996). When a brand is perceived to be of better quality, customers' purchase intentions are increased. This is consistently shown by past research, indicating a positive relationship between quality, customer demands and purchase behaviour (e.g. Baltas and Argouslidis, 2007), both in goods (Farley and Armstrong, 2007; Wellman, 1997) and services (Ekinci *et al.*, 2008).

Scholars show that poor service quality lead to complaint and customers leaving the firm (e.g. Gregoire and Fisher, 2008). Huppertz *et al.* (1979) suggest that if a customer experiences poor service and bad treatment, unfairness perceptions are induced, causing customers to opt out of relationships (Campbell, 2007). Gregoire and Fisher (2008) show that after a service failure and poor recovery, customers try to punish a firm through retaliation. On the other hand, studies show that brands with good service and increased quality perceptions increase their reputation (e.g. Abratt and Kleyn, 2012). Amonini *et al*. (2010) investigate how professional service firms compete and find that firms seek to differentiate themselves by developing long-term relationships, providing better service quality, greater value and creating brands with strong reputations.

Based on the above discussion, we posit that customers' evaluation of a firm's service quality shapes either a favourable or an unfavourable assessment of brand likeability perceptions (Nguyen *et al*., 2013). We recognise that the main determinant of brand likeability is the ability to deliver an acceptable level of service quality (DelVecchio, 2001; Lin *et al.*, 2009). Therefore, in the context of brands and in particular in relation to the relationship between service quality and likeability, we hypothesise that:

*H4: Greater perceived service quality results in more positive attitude towards the likeability of the firm.*

***Price consciousness***

According to Lichtensten *et al.* (1993) price consciousness is the degree to which the customer focuses exclusively on paying low prices. Lichtenstein *et al.* (1993) note that high prices reduce customers' willingness to purchase due to the perceived monetary losses. This is consistent with Zeithaml's (1988) definition that price is what a customer sacrifices in order to obtain a product. From a customer-economical perspective, research shows that larger price savings leads to a more positive attitude towards brands (Batra and Sinha, 2000). Laaksonen and Reynolds (1994) identify that monetary savings is one of the most important reasons for purchasing certain brands over others. Lin *et al.* (2009) note that when customers perceive larger price savings from purchasing private label products, they might have a more positive attitude towards them. This is supported by Jin and Suh's (2005) study, which confirms that lower priced private label brands directly increase customers' intentions to buy these products. Accordingly, we predict, using a similar line of reasoning, that the lower the price (or the lesser the price conscious), the more positive the attitude is towards the firm's likeability. Therefore, we hypothesise that:

*H5:* *Lesser price consciousness results in more positive attitude towards the likeability of the firm.*

***Perceived risk***

Perceived risk is extensively researched in customer behaviour (e.g. Honibrook *et al.*, 2005; Mieres *et al.*, 2006). Cunningham (1967) describes perceived risk as comprising of uncertainty and adverse consequences. Jacoby and Kaplan (1972) find five underlying dimensions to perceived risk associated with a purchase: functional, which describes the product's performance; financial, which associates the potential monetary loss; social, which are other's perceptions about the customer; physical, which identifies the risk on health or self-esteem, and; psychological, which describes the individual's self esteem (e.g. Lin *et al.,* 2009).

Research advocates risk as one of the most important elements in understanding the way in which customers make choices (Mieres *et al.,* 2006). For example, researches show that perceived risk is negatively correlated with customers' attitudes such that higher risk leads to increased negative attitudes towards a brand (Lin *et al.,* 2009; Mitchell, 1999). In comparing national versus private label brands, Narasimhan and Wilcox (1998) finds that customers prefer national brands if perceived risk is high in buying private label brands. Scholars conclude that perceived risk associated with the purchase of specific brands inhibits the purchase intentions (e.g. Mieres *et al.,* 2006). Thus, in accordance with the above discussion with particular relation to perceived risk, we hypothesise that:

*H6:* *Lesser perceived risk results in more positive attitudes towards the likeability of the firm.*

***Attitude towards firms' brand likeability and purchase intention***

While few studies investigate the relationship between brand likeability and purchase intentions, there are several research streams, which may explain the hypothesised outcomes. In the context of private label brands, favourable brand attitude and purchase intentions are shown to have a positive relationship (Burton *et* *al.,* 1998; Garretson *et al.,* 2002). Lin *et al.* (2009) note that early literatures relied more on actual brand purchases based on scanner data (e.g. Frank and Boyd, 1965), whereas later research uses purchase proneness (e.g. Richardson *et al.,* 1996), willingness (e.g. Veloutsou *et al.,* 2004) or intention (e.g. Grewal *et al.,* 1998) based on self reports. This is because using self-reports to measure purchase behaviour provides more information about their attitudes and preference of a brand (Lin *et al.,* 2009). Indeed, attitudes are widely used on customer behavioural literatures as a predictor to purchase intentions (e.g. Fishbein and Ajzen, 1975; Laroche *et al.,* 1996). However, Nguyen *et al.* (2013) note that there is a clear distinction between positive brand attitude and brand likeability concepts in that likeability is a perception, which is a different, though related concept to that of an attitude (Ajzen and Fishbein, 1980). Scholars demonstrate this difference between beliefs/perceptions (Lin *et al.,* 2009) and attitudes, showing that a perception is a precursor to an attitude (e.g. Garretson *et al.,* 2002). Perceptions, in turn, are opinions formed on the basis of the reception of varying stimuli (Fishbein and Ajzen, 1975). Once perceptions are created, based on single or multiple stimuli, attitudes are formed, here in the form of favourable attitudes, dictating their intentions to certain behaviours (Ajzen and Fishbein, 1980). From a cognitive perspective, therefore, the two concepts are related, but different. As mentioned above, the TRA model is built around the notion that an individual's attitude can lead to an intention, which is to buy or not to buy. Thus, in accordance with the TRA model and above discussion, with a particular focus on the association between firm brand likeability and customer purchase intentions, we present the following hypothesis:

*H7:* *More positive attitude towards the likeability of the firm's brand results in higher purchase intentions.*

Based on the hypotheses developed, our proposed model is shown in Figure 1.

< Insert Figure 1 About Here >

## Research methodology

Using a survey approach, we investigate customers of different firm-level brands[1] in the UK as our target population for our study (e.g. Woodside and Walser, 2006). To understand their perceptions and to comply with the aim of the study for understanding likeability perceptions of a firm's brand, we utilise a sample of 190 respondents, consisting of managers, academics, students and alumni at a large UK university in the southeast of the UK. We now describe our research methodology in more details.

[1] We focus on *firm*-level retailer brands, and define these to include retail and services firms, from the perspectives of end-customers, which is not to be confused with retail *product*-level brands.

### ***Questionnaire development***

We adapt the majority of the measurement items in the survey from previous studies (e.g. Dick *et al.*, 1995; Lin *et al.*, 2009; Richardson *et al.*, 1996). We include in Appendix A the full questionnaire used in our study and the relevant literature as sources. For the purpose of our study, we modified some of the questions with help from academics and experts knowledgeable in brands and customer behaviour (Lages, Lages, and Lages, 2005). Further, we undertook a focus group discussion with five participants from the university, who are common customers of most UK retail services brands (Klaus and Nguyen, 2013). Based on both their inputs and on receiving validation of the questionnaire items, we modified the questions to improve clarity and face validity.

The constructs measures consisted of multiple items on a five-point Likert scale (1=Strongly Agree, 2=Agree, 3=Neutral, 4=Disagree, 5=Strongly Disagree). To further test for validity, we obtained Cronbach Alpha scores; all items showed Cronbach Alpha above 0.70 indicating acceptable measures (Pallant, 2007).

### ***Sampling and data collection***

To invite participants to take part in our online survey, we randomly chose 1200 email addresses from a university email database and invitations were sent. 198 respondents completed the survey of which 190 were usable resulting in a response rate of 15.83%. We consider the response rate to be acceptable and similar to previous studies, such as to Peng and Wang's (2006), which achieved an effective response rate of 17.2%.

The choice of our university sample as informants was desirable for this study for four main reasons: (1) we stress that a university sample is an important segment of the population, considered as a micro-cosmos of the real world (Saunders, Lewis, and Thornhill, 2003); (2) in line with previous studies, the university sample is regarded to have appropriate knowledge and direct experiences with the firm branding context (Baltas and Argouslidis, 2007); (3) anecdotal evidence suggests that the university sample may have found customer-related themes more interesting and important, thus increasing the response rate (Chang and Lu, 2007); and, (4) the sample was the most accessible and expedient group of respondents to the study's researchers, with a hope to facilitate the data collection.

Descriptive statistics show that 33.8% of the respondents were male and 66.2% were female of which 24.6% were between the ages of 16-25 years, 36.9% were between the ages of 26-35 years, 18.5% were between the age of 36-45 years, and the remaining 19.9% were above the age of 46 years. All the respondents had a pre-university qualification of which 38.5% had a PhD. 29.2% of the respondents were students and 70.8% of the respondents were partly as well as fully employed. Further, the study showed that 6.8% of the respondents had income less than £13,500 annually; 4.6% had income below £20,400 annually. 40.9% of the respondents had their income between £45,000 and £20,400 annually. Lastly, 36.4% of the respondents had income above £45,000 annually. We compared the respondents' demographic profiles with the statistics of UK retail consumers obtained from the UK national statistics website (http://www.statistics.gov.uk/). We found that the characteristics were similar and we interpreted that the sample collected was representative of the population (Schonlau *et al*., 2002).

## Results and analysis

We tested our conceptual model using structural equation modelling since the model, as proposed in Figure 1, demonstrates inter-relationships (Hair, Black, Babin, and Anderson, 2010). We acknowledge the relatively small sample size, and thus employ partial least square based structural equation modelling for testing the hypotheses. Specifically, we used Smart PLS 2.0 using bootstrapping option to test our model. As the measurement items derived from previous studies, we initially ensured face validity as mentioned above (Churchill, 1979). Subsequently, we achieved convergent validity by having the composite reliability and the Cronbach Alpha scores above 0.70 (Hair *et al*., 2010; Netemeyer, Bearden, and Sharma, 2003) as shown in Table 1.

< Insert Table 1 About Here >

The average variance extracted (AVE) were all greater than 0.50, indicating further convergent validity. We ensured discriminant validity by using Fornell and Lacker’s (1981) suggested criterion. They state that the latent construct should share more variance with its assigned indicators that with another latent variable. Hence, as shown in table 1, all the constructs have an AVE higher than the squared correlations between the constructs and all other study constructs. Further, it shows that the square root of the AVE for each of the constructs is greater than the construct's correlations with the other constructs (Hair *et al*., 2010), and thereby indicates discriminant validity.

Having assessed and validated the model, the analysis reveals the following results as shown in table 2:

< Insert Figure 2 About Here >

Figure 2 shows the results in graphical forms. Two hypotheses were not supported. Hypothesis 2, showing the relationship between brand familiarity and perceived risk, was not supported. This is contradictory to the findings of Lin *et al.* (2009). Moreover, Hypothesis 6, showing the relationship between perceived risks with brand firm likeability, which is a new construct, was also proven to be non-significant.

Hypothesis 1, hypothesising familiarity with perceived service quality, has been supported ($\beta$= 0.49, P<0.001), which is similar to the findings of Richardson *et al.* (1996) and Lin *et al.* (2009). Similarly, Hypothesis 3, showing relationship between familiarity and price consciousness, was also supported ($\beta$= 0.25, P<0.001) and the path co-efficient is similar to the findings of Lin *et al.* (2009). Hypothesis 4, predicting perceived service quality and positive attitudes towards brand firm likeability have been significantly supported ($\beta$= 0.72, $P<0.001$). This indicates that perceived quality is influential factor for likeability of brands. Hypothesis 5 has been proven significant ($\beta$= - 0.14, $P<0.001$). It implies that when the price is less, customers will have more likeability towards a certain brand. Simultaneously, higher the price of a brand will result in less likeability. This implies that customers are price sensitive. Finally, Hypothesis 7, proposing brand firm likeability to have a positive influence on customers' purchases intentions, is supported ($\beta$= 0.35, $P<0.001$). This indicates that firms who like a brand will very likely buy that brand.

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## Discussion and implications

Our study develops a model of brand likeability, showing new relationships between likeability and customer intentions. Drawing aspects of a Private Brand Model (Lin *et al*., 2009), we introduce relationships between familiarity, perceived service quality, perceived risk and price consciousness on the likeability of firms, showing its effect on purchase intentions. Two of the relationships (H2 and H6) were not supported despite being proved in previous studies (Richardson *et al.*, 1996; Lin *et al.*, 2009). Our findings show that more brand familiarity leads to increased understanding of whether the brand adheres to high quality performance in terms of usability (Dick *et al.*, 1995; Nguyen *et al.*, 2013). Associated with that is the perceived feeling that low price will be of inferior quality (Rao and Monroe, 1988; Richardson *et al.,* 1996). The insignificant relationship between risk and brand likeability (H6) shows that lesser risk does not lead to increased brand likeability. Rather it is the perceived quality of the brand and the associated service that will lead to firm brand likeability (Nguyen *et al.*, 2013). It seems that customers are more concerned about the quality rather than the lower price incentives or associated reduced risk. This may be explained by customers' increased confidence in the quality of the brand (Laroche, Kim, and Zhou, 1996) based on familiarity (Dick *et al.,* 1995) and ultimately, likeability (Richard and Messner, 2009). This, in turn, decreases uncertainty (Sethuraman and Cole, 1999) and increases purchase intentions (Lin *et al.*, 2009). We speculate that the insignificant relationships concerning risk are due to the retail services context. For example, when purchasing brands at retail services stores, there is a minimal amount of risks involved. Thus, customers' apprehension towards risks is non-existent, even when determining a pre-purchase element such as likeability. We consider that if branded goods were high-involvement products, customers may be more interested in the inherent risks with the purchase, thus, more inclined to using familiarity and likeability perceptions to conclude whether a purchase is acceptable. In summary, our findings indicate that when customers are more familiar with the firm's brand, they have more confidence in evaluating product quality, reducing perceived risk and price consciousness. Such behaviour leads to brand likeability and subsequently, to purchases. We, thus, contribute to theory by adding new antecedents and exploring complex relationships in the emerging brand likeability framework (Landwehr *et al.*, 2011; Nguyen *et al.*, 2013).

### *Managerial implications*

From the managerial perspective, our study submits that firms, in order to enhance brand likeability among customers, must focus on quality, and promote features of the brand, which reflect quality in order to create brand likeability. We suggest that firms should increase familiarity through various activities, such as promoting quality reviews, increase PR efforts surrounding quality or invest in product quality associations. Customers determine brand likeability based on the evaluation of firm offerings, such as service quality, level of risk and price. Poor service results in dislikeability perceptions, which may lead to customer misbehaviour and negative word of mouth (e.g. Gregoire *et al.*, 2009). We propose that a firm should increase their likeability perceptions strategically by focusing on increasing familiarity and building a good reputation.

The brand likeability concept has stark implications for firms' brand personalities. By being perceived as likeable, firms may increase their likeability zone (Nguyen *et al.*, 2013b) and increase their goodwill. This enables them to build closer customer-brand relationships that are beyond those of today. They may even increase prices, without a corresponding risk in being perceived as acting opportunistically. Firms should continually seek to increase their brand likeability and to manage it more systematically in order to differentiate themselves from their competition and to gain sustainable competitive advantage.

Finally, as likeability is gaining increased attention among brand managers, using brand likeability more methodically may prove to be an important indicator (and measure) of customers' brand perception and evaluation. For example, brands are often measured in popularity by means of their brand reputation or satisfaction; however, likeability perceptions may be useful as an early and important indicator of how well-liked firms' brands are. Scholars note that likeability is different from reputation in that likeability is more about liking, whereas reputation is more about 'being famous' (Nguyen *et al.*, 2013). Further, while satisfaction is post-purchase evaluation (Ekinci *et al.*, 2008), likeability is perceived as pre-purchase. Likeability, thus, is an early measure of favourability and appeal towards the brand, and adds a new dimension to the brand equity concept. Such knowledge about likeability can be translated to actionable guidance for brand managers.

## Limitations and future research

Our research makes important contributions for both academics and practitioners, however, we acknowledge limitations when interpreting our findings, as follows: (1) First, we conducted the study in a single setting. As it deals with firm-level retail services, it cannot be guaranteed that the results are generalizable to other settings. (2) Second, the research design conducted for this study is cross-sectional, representing static relationships between the variables. Since cross-sectional data capture the variables' relationships at a single point in time, there may be idiosyncrasies, which are detected if the data were collected at other periods.

(3) Third, due to time and financial constraints, we collected the data for the study using a university sample, consisting of managers, academics, students, and alumni. With support from precedents in the literature (e.g. Nguyen and Simkin, 2013), we acknowledge the usual caveats that apply to survey research using university samples. We recognize that social and behavioral differences observed are inasmuch a university-educated sample are more educated than the general population, creating issues of generalizability. As mentioned by Bolton *et al*. (2010), we also note that university samples are naturally plagued by a set of inherent confounds, including several layers of cultures and sub-cultures within a population. We encourage future research to consider these sub-cultural dimensions, and call for expansive consideration of sample variation. A comprehensive sample may uncover other important antecedents and consequences that are important in brand likeability. In addition, future studies are encouraged to include larger samples for conducting cross validation of the model so that generalisability can be ensured. Additionally, adopting model-building approach in SEM to derive new path relationships in the model is desired. From a conceptual perspective, future studies are encouraged to investigate the relationships between brand likeability and other constructs such as satisfaction, loyalty and brand love. Understanding these relationships enables scholars to compare and contrast between these concepts. Our study of the antecedents of brand likeability is a first step towards achieving this.

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Figure 1: Conceptual Model

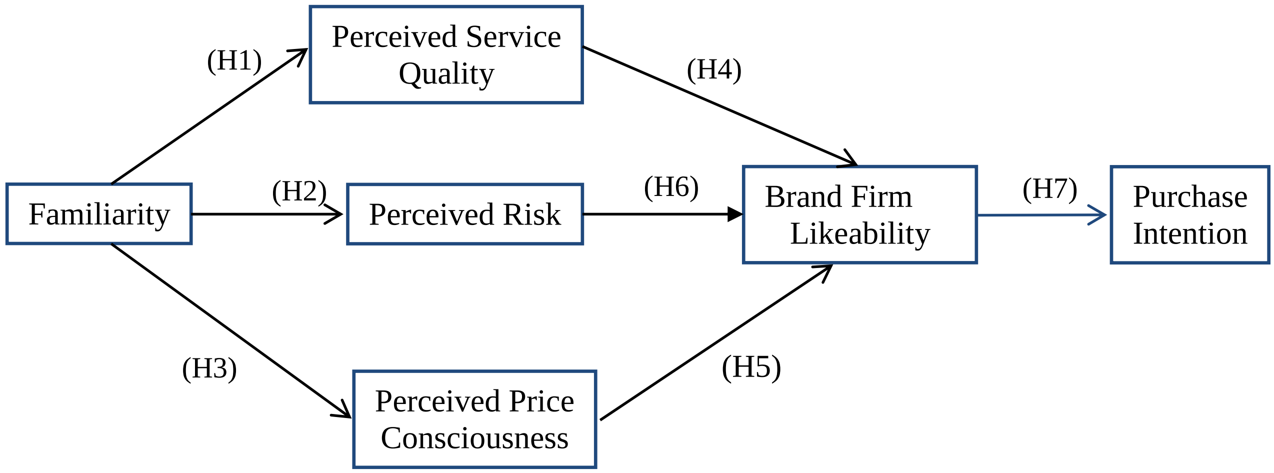
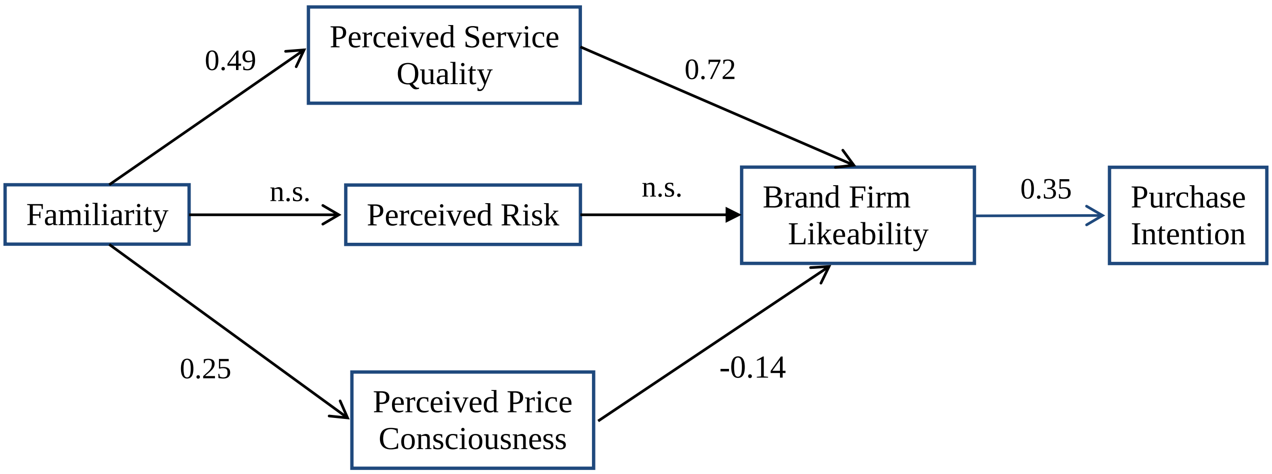


Figure 2: Results of Testing the Conceptual Model




Notes: *p* < 0.001, n.s refers to non-significant relationships.

Table 1: Reliability and Discriminant Validity Tests

| **Construct** | **CR** | **Cronbach Alpha** | **AVE** | Brand Likeability | Familiarity | Perceived Risk | Perceived Service Quality | Price Consciousness | Purchase Intention |
|---|---|---|---|---|---|---|---|---|---|
| Brand Likeability | 0.7411 | 0.8198 | 0.6826 | 0.8262[a] | 0.1486[c] | 0.014 | 0.5720 | 0.0767 | 0.1227 |
| Familiarity | 0.7413 | 0.8107 | 0.7310 | 0.2891[b] | 0.8550 | 0.0340 | 0.2354 | 0.0632 | 0.0704 |
| Perceived Risk | 0.8248 | 0.8064 | 0.7445 | -0.1187 | -0.1844 | 0.8628 | 0.2045 | 0.0468 | 0.0081 |
| Perceived Service Quality | 0.7235 | 0.7420 | 0.7075 | 0.7563 | 0.4852 | -0.1566 | 0.8411 | 0.0386 | 0.04 |
| Price Consciousness | 0.8516 | 0.7853 | 0.6684 | -0.2769 | 0.2513 | -0.2164 | -0.1964 | 0.8176 | 0.0176 |
| Purchase Intention | 0.7672 | 0.7484 | 0.7065 | 0.3503 | 0.2653 | -0.0900 | 0.2001 | -0.1327 | 0.8405 |

CR=Composite Reliability
AVE= Average Variance Extracted
[a] Square root of the AVE reported in the shades on the diagonal of the matrix
[b] Correlations of the latent constructs are reported in the lower matrix.
[c] Shared variances are reported in the upper half of the matrix.

Table 2: Standard Regression Coefficients of the Structural Model

| **Path Relationship** | **Path Co-efficient** | **T Statistics** |
|---|---|---|
| H1: Familiarity -> Perceived Service Quality | 0.4852 | 5.2684 |
| H2: Familiarity -> Price Consciousness | 0.2513 | 1.0690 (n.s.) |
| H3:Familiarity -> Perceived Risk | -0.1844 | 1.1086 (n.s.) |
| H4: Perceived Service Quality -> Brand Likeability | 0.7225 | 12.8279 |
| H5: Price Consciousness -> Brand Likeability | -0.1429 | 2.8739 |
| H6: Perceived Risk -> Brand Likeability | -0.0365 | 0.4279 (n.s.) |
| H7: Brand Likeability -> Purchase Intention | 0.3503 | 3.8440 |

* t-values are significant (i.e. $p < 0.001$).
n.s.: t-values are non-significant (i.e. $p > 0.05$).

# APPENDIX A: THE QUESTIONNAIRE

Please recall a specific retailer of packaged goods (indicate which category) that you are satisfied with.

| **Constructs** | | **Relevant Literature for Scale Items** |
|---|---|---|
| **Familiarity** | | |
| FAM1 | I am very familiar with this retailer. | Koschate-Fischer *et al.* (2012), Diamantopoulos, Smith, and Grime (2005), Lin *et al.* (2009) |
| FAM2 | I am very familiar with the various retailers available in the marketplace. | “ |
| FAM3 | I have much usage experience with this retailer. | “ |
| FAM4 | I would say that I am an experienced shopper with this retailer. | “ |
| **Perceived Quality** | | |
| SQL1 | The retailer is of excellent quality overall. | Parasuraman *et al.* (1988), Dick, Jain and Richardson (1995), Lin *et al.* (2009) |
| SQL2 | When the retailer promises to do something by a certain time, it does so. | “ |
| SQL3 | Employees of the retailer are always willing to help you. | “ |
| SQL4 | Employees of the retailer have the knowledge to answer your questions. | “ |
| **Perceived Risk** | | |
| PRK1 | The purchase from the retailer is risky because the quality of the retailer is inferior. | Dick, Jain and Richardson (1995), Richardson, Jain and Dick (1996), Sweeney *et al.* (1999), Lin *et al.* (2009) |
| PRK2 | Since the retailer is of poor quality, buying from them is a waste of money. | “ |
| PRK3 | There is a chance that there will be something wrong with the retailer’s product or that it will not work properly. | “ |
| PRK4 | This retailer’s product is extremely risky in terms of how it would perform. | “ |

**Price Consciousness**

| | | |
|---|---|---|
| PCN1 | I am not willing to go to extra effort to find lower prices.* | Lichtenstein, Ridgway and Netemeyer (1993); Burton *et al.* (1998) |
| PCN2 | I will shop at more than one retailer to take advantage of low prices. | “ |
| PCN3 | The money saved by finding low prices is usually not worth the time and effort.* | “ |
| PCN4 | When it comes to choosing a product for me, I rely heavily on price. | “ |

**Purchase Intention**

| | | |
|---|---|---|
| PIN1 | I buy the retailer’s products. | Ailawadi, Gedenk and Scott (2001); Jin and Suh (2005); Sweeney *et al.* (1999), Lin *et al.* (2009). |
| PIN2 | I would consider buying a product at this retailer. | “ |
| PIN3 | There is a strong likelihood that I will buy a product at this retailer. | “ |
| PIN4 | My shopping cart will contain products from this retailer. | “ |

**Brand Likeability**

| | | |
|---|---|---|
| BLY1 | I like this retailer. | Reysen (2005) |
| BLY2 | This retailer is friendly. | “ |
| BLY3 | This retailer is physically attractive. | “ |
| BLY4 | The employees of this retailer are approachable. | “ |
| BLY5 | The employees of this retailer are knowledgeable. | “ |

**Negatively worded items*