THE ROLE OF TRUST ON BRAND LOYALTY AND BRAND EQUITY

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Abstract:
This study aims to identify the mediating effect of trust on brand loyalty and brand equity. Three antecedents including cognitive and experiential factors are evaluated to identify their direct effects on brand loyalty and brand equity. Their indirect effects through trust are also evaluated. This study conducted a survey through both paper-based and online based survey. The respondents were 292 cosmetics users in Taiwan. The results indicate that all three sets of antecedent variables have significant influence on brand loyalty and brand equity. Brand trust can also serve as a mediator that bridging the influences of these antecedents on brand loyalty and brand equity. As a result, brand trust is regarded as a partial mediator for brand loyalty and brand equity. Although a plenty of previous studies have tried to identify the roles of trust on brand equity, rare of them have integrated the influences of the three aspects of antecedents (i.e., experiential factors, cognitive factors, and marketing factors) and the roles of brand trust toward brand loyalty and brand equity. The results could be very helpful for academia to conduct, more validations and for marketers to design appropriate marketing strategies to promote brand loyalty and brand equity. This study examined relationships between the antecedents and brand loyalty and brand equity, and the mediating roles of brand trust in these relationships.

Keywords: *brand trust, experiential factors, cognitive factors, marketing factor, brand loyalty, brand equity*

1. RESEARCH BACKGROUND AND MOTIVATION

Brand trust is viewed as a central element for the success of brand. It is defined as "*the willingness of the average consumer to rely on the ability of the brand to perform its stated function*" (Chaudhuri & Holbrrok, 2001; Kabadayi & Alan, 2012). Brand trust is normally created and developed by the direct experiences of consumer via brands. Therefore, if firms can provide beliefs of safety, honesty, and reliability of the brand, the brand trust will be created accordingly.

Trust has long been considered to be a fundamental factor in explaining brand loyalty, repurchase behavior and word of mouth in both traditional and online channels (Bart et al., 2005). Although many previous studies have focused on the direct influences of consumer satisfaction on immediate intention behaviors, more and more scholars emphasized the impact of satisfaction on trust (Pizzutti & Fernandes, 2010; Ribbink et al., 2004). Komunda and Osarenkhoe (2012) stated that trust is logically and experientially a critical variable in relationships. Customers who do not trust a vendor in a competitive marketplace are unlikely to be loyal.

Both trust and loyalty are related to repurchase behavior. According to Chiu et al. (2009), trust is viewed as a set of beliefs that deal with the benevolence, competence, and integrity of another party. Benevolence is the belief that the trustee (e.g., vendor) will not act opportunistically. Competence is the belief that the trustee is capable of fulfilling its obligations as expected. Integrity is the belief that the trustee will be honest and will honor its communities. Ajzen (1991) adopted the theory of planned behavior and commented that trust beliefs can create favorable feelings toward an online vendor that are likely to increase consumers' intention to purchase/repurchase. Firms that fail to convey a sense of trustworthiness will discourage consumer's desire to engage in shopping (Zboja & Voorhees, 2006; Chiu et al., 2009).

Trust is also regarded as import from the perspective of relationship building. Trust leads to commitment and loyalty, which is required to build a successful relationship with customers. Thus, brands with higher level of trust can results in higher purchase power and greater sales, revenue, and market share (Morgan & Hunt, 1994; Thorbjornsen & Supphellen, 2014). Given that trust is a dominant factor to retain customers, the study of brand trust in the branding literature has not flourished (Delgado-Ballester & Munuera-Alem'an, 2005). Specifically, what are the roles of brand trust on the influence of cognitive and experiential variables on brand loyalty deserves further investigation.

2. LITERATURE REVIEW

2.1. The influences of cognitive antecedents on brand trust, brand loyalty and brand equity

For cognitive antecedents, this study identifies brand awareness, brand associations, perceived quality of the brand, brand image and brand reputation as some of the most influential variables. According to Aaker (1991), brand equity is determined by four dimensions, including perceived quality, brand awareness, brand associations, and brand image. Brand loyalty has been considered as a separated construct that could affect other dimensions (Taylar et al., 2005). Keller (1993) presents the customer-based brand equity (CBBE) model and identify brand knowledge as the key factor to create brand equity. Teleghani and Almasi (2011) integrated Aaker (1991) and Keller (1993) and developed a conceptual model. The empirical validations showed that the above four dimensions of brand-related factors all have significant influence on brand loyalty and CBBE. Since the brand-related constructs, including brand awareness, brand association, perceived quality, and brand image could all be justified through cognitive thinking or reasoning, this study identifies them as the cognitive t antecedents of brand equity.

Although most of previous studies have focused on the antecedents of trust in terms of credibility and benevolence. Other dimensions such as brand awareness (Yoon, 2002), brand associations (Jevons & Gabbot, 2000), perceived quality (González, Comesaña, & Brea, 2007), and brand image (Yoon, 2002) are also considered to be essential to create brand trust. Yoon (2002) tried to identify the antecedents of trust of Korea students, and found that brand awareness and brand image (and reputation) are significantly associated with website trust. Jevons & Gabbott (2000) stated that when the trusting relationships are created, the influence of brand association on trust is expected. Rajapopal (2010) argued that higher brand attribute dimensions, including brand emotion, brand association, brand

image and brand reputation, will result in higher brand trust, which can further promote , brand loyalty, and brand equity.

Raimondo et al. (2008) argued that customer satisfaction and trust are two by far the most studied determinants of customer loyalty. Yasin and Shamim (2013) further confirmed the influences of brand trust on brand love, purchase intention, and WOM. Anwar et al. (2011) verified that brand trust would affect brand loyalty and consumer brand extention attitude. Rios and Riquelme (2008) validated that trust is positively related to loyalty. Panyachokchi (2013) confirmed that trust, in terms of benevolence and credibility could directly impact on brand loyalty.

Based on the above discussions, this study concludes that the brand-related dimensions, including brand awareness, brand associations, perceived quality, brand image, and brand reputation, all have significant influences on brand trust, and brand loyalty, and brand equity. Brand trust have significant influence on brand loyalty. Specifically, the following research hypothese are development.

Hypothesis H1: Cognitive antecedents positively influence brand trust.
Hypothesis H2: Cognitive antecedents positively influence brand loyalty.
Hypothesis H3: Cognitive antecedents positively influence brand Equity.

2.2. The influences of experiential antecedents on brand trust, brand loyalty and brand equity

Holbrook and Hirschman (1982a) stated that, compared to cognitive perception, experiential perception may be more effective for attitude change and purchase intention. Sheng and Teo (2012) argued that higher entertainment value, as the results from playfulness, enjoyment, and delight, can result in higher level of brand equity. Therefore, the experiential aspect of antecedents should be taken into consideration to enhance brand trust, brand loyalty, and brand equity. This study identifies several important experiential antecedents to evaluate their influences on those brand-related constructs. These antecedents include experiential perception, entertainment value, aesthetics value, brand attachment, brand affect, enjoyment value and hedonic attitude.

First of all, brand affect and brand attachment have been regarded as an important experiential factor that can enhance brand loyalty and brand equity. Brand affect is defined as " brand's potential to elicit a positive emotional response in the average consumer as a result of its use" (Kabadayi & Alan, 2012). It can be further elaborated as consumers' emotional response toward a brand in the consequences of having an experience with the brand. According to attachment theory, people tend to form, maintain, and dissolve affectionate ties with particular others, such as persons, places, firms, or brand. Malar et al. (2011) argued that brand attachment is one of the key factors for brand loyalty and equity. Vlachos et al. (2010) argued that consumer's brand attachment may be resulted from the trust toward firm, shopping enjoyment, self-expressiveness, or self-identity. Consumers' brand attachment toward the brand is a strong predictor of behavioral loyalty and word-of-mouth.

Secondarily, as proposed by Holbrook and Hirschman (1982a), the hedonic consumption perspective emphasizes the multisensory, fantasy and emotive aspects of consumption experience. Further studies have recognized that the hedonic attributes (such as entertainment and aesthetics values) and hedonic attitudes (such as exciting, fun, delightful, thrilling, and enjoyable) are essential for brand loyalty and purchase intention. Sheng and Teo (2012) argued that both utilitarian (or instruemtal) and hedonic (or experiential) attributes are important for brand loyalty and brand equity. According to Cyr et al. (2006), Wei (2008), and Moon and Kim (2001), when consumers are in the state of entertaining, enjoyable, and playfulness, they will find the interaction intrinsically interesting, which will further enhance brand preference and behavior intention. Kwat, McDaniel and Kim (2012) stated that, in the sport video games, the influences of satisfaction on brand loyalty may be mediated by hedonic attitudes and perceived gaming skills.

Thirdly, previous studies have suggested that affective determinants are important for hedonic product (Voss, Spangenberg, & Grohmann, 2003). Among these affective determimants, perceived enjoyment could be a key determinant for customer loyalty. Enjoyment is defined as "the extent to which a brand is perceived to be personaly enjoyable and fun" (Chiu et al., 2009). Lee and Murply (2008) stated that when enjoyment level was higher, consumer's brand loyalty tended to be enhanced. Chiu et al. (2009) also confirmed that an emotional arousal in the hedonic context tended to exert higher levels of

commitment and repurchase intention. Similar results have also obtained from Bart et al. (2005) and Cyr et al. (2006).

Based on the above discussion, this study proposes that the experiential antecedents including experiential perception, entertainment value, enjoyment value, aesthetics value, brand attachment, brand affect, and hedonic attitude have significant influences on brand trust, brand loyalty and brand equity. Specifically, the following hypotheses are developed.

Hypothesis H4: Experiential antecedents positively influence brand trust.
Hypothesis H5: Experiential antecedents positively influence brand loyalty
Hypothesis H6: Experiential antecedents positively influence brand equity.

2.3. Interrelationship between brand trust, brand loyalty and brand equity

Among equity-related constructs, brand trust, it is regarded as the major mediators that can mediate the influences of cognitive, experiential, and marketing antecedents on brand equity. First of all, many brand trust models have been developed from previous studies (Sanchez-Franco et al., 2009; Gecti & Zengin, 2013; Yasin & Shamim, 2013; He, Li, & Harris, 2012; Anwar et al., 2011). These trust models showed that trust is imfluenced by perceived value, customer satisfaction and commitment. Brand trust will result in brand loyalty, brand equity, and purchase intention. Therefore, when consumers perceive higher levels of trust toward certain brand, their commitment and loyalty toward the brand will also be higher (Sanchez-Franco et al., 2009). Trust is considered as on of the key characteristics for any successful long-term relationships (Dolgado-Ballester & Munuera-Aleman, 2005). Trust will also promote intention (Sung, Kim, & Jung, 2010). As suggested, the attributes of the brand will promote his/her brand trust, such a trust will further enhance trustworthy and integrity, which further promotes brand loyalty and brand equity.

Hypothesis H7: Brand trust positively influence brand loyalty.
*Hypothesis H8: Brand trust positively influence brand equity.*
Hypothesis H9: Brand loyalty positively influence brand equity.

3. RESEARCH DESIGN AND METHODOLOGY

Based on the results of literature review and the qualitative study, 9 research hypotheses were developed. The research model of this study is shown in Figure 1.

Figure 1: The research model of this study
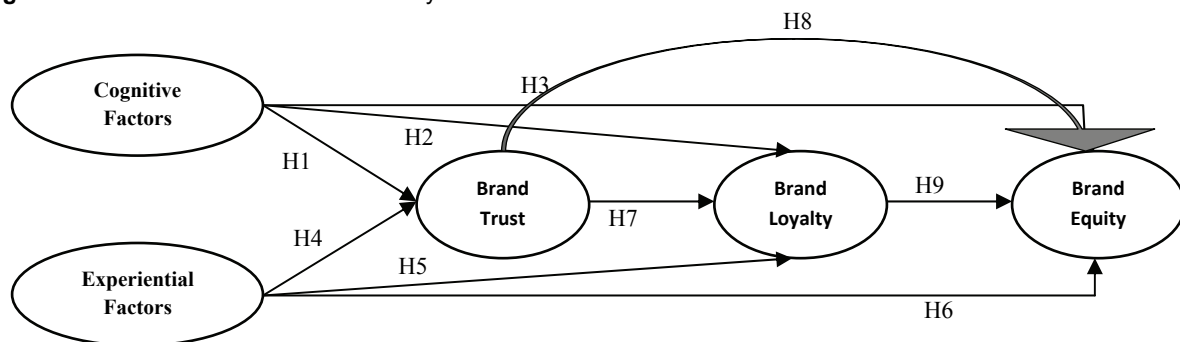
3.1. Research instruments

This study identified 5 research constructs and evaluated the inter-relationship among these constructs. These constructs are experiential factors, cognitive factors, brand loyalty, brand trust, and brand equity. For each construct, the operational definitions and measurement items were also identified.

For experiential factors, this study identified experiential perception, entertainment value, enjoyment value, aesthetic value, brand attachment, brand affect, and hedonic attitude as the experiential antecedents that could influence brand trust, brand loyalty, and brand equity (CBBE). Experiential perception was measured with 9 items modified from Sheng and Teo (2012). Entertainment value was measured with 6 items modified from Sheng and Teo (2012). Aesthetic value was measured with 7

items modified from Sheng and Teo (2012). Enjoyment value was measured with 5 items modified from Chaudhuri and Holbrook (2001), and Childers et al. (2001). Brand attachment was measured with 5 items modified from Corroll and Ahuvia (2006). Brand affect was measured with 5 items modified from Chaudhuri and Holbrook (2001).   Hedonic attitude was measured with 5 items modified from Sarkar (2011).

For cognitive factors, this study identified brand awareness, brand association, perceived quality, brand image, and brand reputation as the cognitive antecedents that counld influence , brand trust, brand loyalty, and brand equity (CBBE). Brand awareness was measured with 5 items modified from Aaker (1996) and Chen (2010). Brand association was measured with 7 items modified from Lassar et al. (1995); Aaker (1996); Netemeyer et al. (2004); Pappu et al. (2005, 2006), and also employed in Buil et a. (2013). Perceived quality of the brand was measured with 5 items modified from Aaker (1996) and Yoo (2001). Brand image was measured with 5 items modified from Keller (1993) and Chen (2010). Brand reputation was measured with 5 items modified from Aaker(1991). All of the above items were measured based on a seven-point Likert scale from 1= totally disagree, 7= totally agree. All of these questionnaire items have been modified from previous studies based on the opinions of the respondents in the qualitative study and the settings of this study.

For brand equity, this study identified brand equity from three aspects: value equity, psychological equity and relationship equity. Value equity was measured with 5 items modified from Brady et al. (2002), and Yoshida and Gordon (2012). Psychological equity was measured with 8 items modified from Yoo & Donthu (1997), Delgado et al. (2005), and Yoshida and Gordon (2012). Relationship equity was measured with 5 items modified from Rust et al.'s (2000), De Wulf et al.'s (2001), and Yoshida and Gordon (2012).

For brand Trust and brand Loyalty, this study identified brand trust and brand loyalty as mediators of brand equity (CBBE). Brand trust was measured with 5 items modified from He, Li, and Harris (2012) and Chaudhuri and Holbrook (2001). Brand loyalty was measured with 5 items modified from Yoo et al. (2000), Yoo and Donthu (2001) and He, Li, and Harris (2012).
All of the above items were measured based on a seven-point Likert scale from 1= totally disagree, 7= totally agree. All of these questionnaire items have been modified from previous studies based on the opinions of the respondents in the qualitative study and the settings of this study.

For basic information of respondents, a preliminary version of this questionnaire was designed by the author based on a critical review of previous literature. The questionnaire was pre-tested using brands of cosmetics products as the participants. The questionnaire items were further revised based on the results of the pre-test before being put into the final form. The entire questionnaire was designed in English, and then translated into Chinese and then back-translated into English by two independent bilingual individuals to ensure the equivalency of the meaning (Brislim, 1980). Respondents were asked to view and rate based on their opinions for all of the questionnaire items.

3.2. Sampling plan and data collection procedure

To consider the length of the questionnaire, the survey data was collected via intercept interviews in the malls, the department stores, or other converient space. Intercept interview has the advantages of getting access to relevant participants and having opportunity to have a personal contact with the participants (He, Li, & Harris, 2012). Respondents were the customers of the brands (of cosmetics products) in Taiwan. Respondents were asked to identify a cosmetics brand that they most favorite. They were then interviewed with reference to one of the brands that they have mentioned. Respondents were asked to express their real consumption experience with that specific brand. Table 1 shows the frequencies of cosmetics brands were adopted by respondents ranging.

Table 1: Selected brands of cosmetics by ranking

Ranking	Brand Name	Frequency
1	Shiseido	70
2	Maybelline	68
3	Mentholatum	63
4	Anna Sui	47
5	Kate	39
6	Kose	39
7	Za	37
8	Avon	37
9	L'oreal	35
10	Aqualabel	31
11	Olay	29
12	Lancome	25
13	Kanebo	23
14	Chanel	23
15	Integrate	22
16	Mac	19
17	Estee Lauder	19
18	Sofina	18
19	Clinique	17
20	Revlon	17

Following Marcoulides and Saunders (2006) and Kerlinger and Lee (2000), the required sample size of this study are calculated based on the following formula:

$$n = \frac{z_{\alpha/2}^2 \cdot \sigma^2}{\varepsilon^2}$$

Generally, for 7 point-scale questionnaire, previously studies most adopted the standard deviation as one below, therefore in this research sampling assessment, the tolerance is $\varepsilon = 1.3\%$, accordingly,

$$n = = \frac{z_{\alpha/2}^2 \sigma^2}{\varepsilon^2} = \frac{z_{\alpha/2}^2 \sigma^2}{(7X\%)^2}$$

- Assuming
- e=0.02, Z=1.96, σ=1.3

$$n = \frac{(1.96)^2(1.3)^2}{(7 \times 0.02)^2} = 331$$

3.3. Characteristics of respondents

The survey of this study is conducted between February 2014 and April 2014. The characteristics of respondents were gathered. The descriptive analysis of Study three is shown in Table 2. For the 311 valid respondents in this study, 245 were female (78.47%), and most of the respondents were aged between 18 and 25 years old (38.24%), followed by 26-35 years old (28.90%). More than 93% of the respondents had an educational background with a Bachelor degree or above. For monthly income, most of the respondents claimed to receive from NT$ 500,000-1,000,000 of annual income (46.18%), followed by the group earning less than NT$ 500,000 (25.21%).

Table 2: Demographic and descriptive information of sample for this research

Demographic Variables		Frequency(n=311)	%
Gender	Male	76	21.53
	Female	245	78.47
Age	Less than 17 years old	20	5.67
	18 to 25 years old	135	38.24
	26 to 35 years old	102	28.90
	36 to 45 years old	52	14.73
	46 to 55 years old	24	6.80
	More than 55 years old	20	5.67
Education	High school or lower	23	6.52
	Bachelor degree	201	56.94
	Master degree	118	33.43
	Doctoral degree	11	3.12
Working Experience	No working experience	51	14.45
	Less than 3 years	132	37.39
	3 to 5 years experience	91	25.78
	6 to 9 years experience	45	12.75
	10 to 15 years experience	20	5.67
	More than 16 years experience	14	3.97
Current Career	Student	114	32.29
	Official	36	10.20
	Administration Staff	20	5.67
	Financial/Accounting	40	11.33
	Educational Service	13	3.68
	Medical Services	30	8.50
	R&D Technological	7	1.98
	Tourism and Leisure Industry	28	7.93
	Doing Own Business	14	3.97
	Unemployed	13	3.68
	Others	38	10.76
Annual Income(NT$)	Less than 0.5 million	89	25.21
	0.5 million-1 million	163	46.18
	1.1 million-2 million	67	18.98
	2.1 million-3 milion	22	6.23
	3.1 million-4 million	12	3.40

4. RESULTS AND DISCUSSIONS

4.1. Evaluation of the measurement model

According to Hair (2011), although the covariance-based structural equation modeling (CB-SEM) has dominated since its first appeared in the 1980s, the partial least squre SEM (PLS-SEM) has called a great deal of attention in recent years. While CB-SEM aims at reporducing the theorectical covariance martrix rather than on explained variance, PLS-SEM focuses on maximizing the explained variance of the dependent latent constructs. Therefore, PLS path modeling has been encountered increasingly among marketing researchers, because of its ability to model latent constructs under conditions of non-normality distribution with small to medium sample sizes (Hair et al., 2011). PLS has been recognized as an effective analytical technique, particularly for those studies focusing on prediction of an outcome (Chin, Marcolin, & Newsted, 2003). Hair et al. (2011) contended that PLS-SEM path modeling can be a "silver bullet" to provide parameters that can maximize the explained variance (R^2 value) of the dependent constructs.

Following Hair et al. (2011), there are several criteria to measure the reliability and validity of the measurement model. The first criterion is the coefficient of determination (R^2) which measures the amount of explained variance of each endogenous latent variable. According to Schroer and Herterl (2009), R^2 value of more than 0.672 is considered to be substantial, 0.33 is described as moderate, while less than 0.19 is considered to be weak. The second criterion is the average variance extracted (AVE) which assess the convergent validity, AVE should be greater than 0.5 to assure that the latent

variables can explain more the average (Henseler et al, 2009). The third criterion is the composite reliability (CR), which should be greater than 0.6 to confirm that the variance shared by the respective indicators is robust (Nunnally & Bersin, 1994). The fourth criterion is the Cronbach's alpha coefficient, which should be higher than 0.7 to confirm the internal consistency of the research construct.

Using the above criteria, the reliability and validity of the measurement model can be verified. As shown in Table 3, the coefficient of determination (R^2) for the five endogenous latent variables are as follows: 0.929 for experiential factors, 0.866 for cognitive factors, 0.756 for brand loyalty, 0.654 for brand trust, and 0.723 for brand equity. These R^2 coefficients are considered as substantial, according to Schroer and Herterl (2009). The AVEs of the constructs are ranged from 0.579 to 0.841, which are much higher than the benchmark of 0.5 as recommended, and demonstrate a satisfactory reliability and convergent validity of the research constructs. The Cronbach's alpha coefficients are ranged from 0.844 to 0.941, which have fulfilled the criteria of 0.7, and confirm the internal consistency of the measurement items. The CR coefficients are ranged from 0.903 to 0.955, which are much higher than the criteria of 0.6 and show that the variance shared by the respective indicators is robust. Based on the above discussions, it can be concluded that the reliability and convergent validity of the research model is appropriate, which enables us to proceed to an evaluation of the structural model.

Table 3 : Evaluation of the measurement model

Construct	AVE	CR	Cronbach's Alpha(α)	R^2
Aesthetic Value	0.660	0.931	0.914	-
Brand Attachment	0.752	0.924	0.890	-
Enjoyment Value	0.748	0.937	0.916	-
Entertainment Value	0.741	0.935	0.913	-
Expectation	0.661	0.921	0.897	-
Hedonic Attitude	0.706	0.923	0.895	-
Experiential Factors	**-**	**-**	**-**	**0.929**
Brand Associations	0.682	0.928	0.906	-
Brand Awareness	0.699	0.921	0.893	-
Brand Image	0.747	0.936	0.915	-
Brand Reputation	0.650	0.903	0.865	-
Perceived Quality of the Brand	0.812	0.928	0.884	-
Cognitive Factors	**-**	**-**	**-**	**0.866**
Brand Loyalty	**0.810**	**0.955**	**0.941**	**0.756**
Brand Trust	**0.756**	**0.939**	**0.919**	**0.654**
Brand Equity	**0.762**	**0.906**	**0.844**	**0.723**

Note: - i.e. Formative index cannot calculate CR and AVE.

4.2. Evaluation of the structural model

The structural model with its research hypotheses was tested using the parameter estimates of the path between research constructs. Using a sample of 311, a non-parametric bootsrapping procedure was performed with 2500 sub-samples to obtain the statistical significance of each path coefficient for hypotheses testing. The goodness-of-fit (GoF) index is used to measure the overall fitness between the data and the model. Following Vinzi et al. (2010), GoF greater than 0.36 is considered to be large, 0.25 is described as medium, while 0.10 is described as small. The GoF of this structural model is 0.738,

which is considered to be large. This result confirmed that the structural model is appropriate with high predictive power. Based on the structural model as shown in Figure 2.

Figure 2: The measurement model of this research
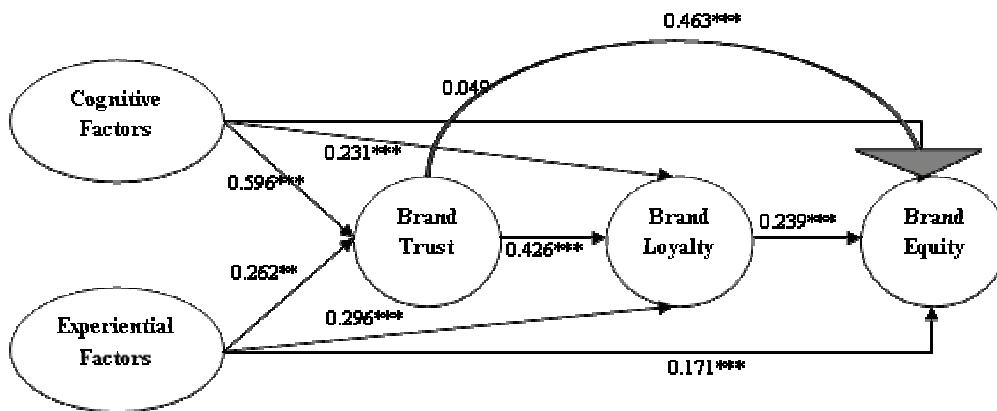
5. CONCLUSIONS AND IMPLICATIONS

5.1. Conclusions

The purpose of this study is to identify the antecedents, mediators, moderators and consequences of brand equity. Several conclusions could be drawn from the results of this work. First of all, cognitive, and experiential antecedents have significant effects on brand trust, brand loyalty, and brand equity. As all marketing activities are designed to fulfill the needs and wants of customers, Kabadayi and Alan (2012) stated that marketers should concentrate on their marketing communication and promotion strategy to create brand trust and brand loyalty. Holbrook and Hirschman (1982) stated that both cognitive and affective processes are affective in persuasion. In addition, experiential antecedents such as experiential perceptions, entertainment value, aesthetic value, brand attachment, enjoyment value and hedonic attitude are influential factors to enhance brand loyalty and brand equity. Furthermore, cognitive antecedents such as brand awareness, brand association, perceived quality of the brand, brand image and brand reputation are influential factors to promote brand loyalty and brand equity. These two aspects of antecedents tend to be equally important in promoting brand trust, brand loyalty and brand equity. Therefore, these results suggested that marketers should emphasize not only on cognitive aspect but also the experiential aspect of marketing activities. Therefore, it is very important for marketers should promote brand equity not only by offering the factors of cognitive and experiential aspect, but also by focusing on the mediators like brand trust, and brand loyalty. Brand trust can be promoted through providing brand values, investing in satisfaction programed, establishing complaint handling mechanism, and providing experiential experience (Delgado-Ballester, & Munuera-Alem'an, 2005). Brand loyalty is the integrated results from value, satisfaction, commitment and trust, none of these factors can be neglected in promoting brand loyalty and brand equity (Anwar et al., 2011). Thirdly, brand trust has significant effect on brand equity. The study's results are in line with Kang et al. (2013), Chen and Phou (2013), and Orel and Kara (2014), which suggested that the relevant antecedents are very important variables that not only can have directly impact on brand equity, but also can indirectly influence brand equity through the mediating variables such as brand trust and brand loyalty. These two mediators may serve as a bonding agent that provides firm connections between the brand and the customers. Marketers should view these three mediators as the key performance indexes to retain customers.

5.2. Managerial implications

Several managerial implications can be drawn from the results of this study. First, previous studies on brand management have emphasized brand awareness, brand association, brand image, and perceived quality as the core components that can be used to promote brand loyalty and brand equity. This study extended the theoretical foundation and found that the experiential or hedonic aspects of brand marketing could be convincing. As mentioned by Abratt & Bick (2000) brand managers has spent substantial resources on measuring brand awareness and brand image. The results of this study

indicated that brand managers should also pay attention the experiential side of brand marketing. Thus, the performances of experiential perceptions, entertainment values, aesthetic values, brand attachment, enjoyment value and hedonic attitude are equally important that should be emphasized and become the key performance indicators of brand management. Producing innovative and experiential elements in the marketing programs become important practices to promote brand trust, loyalty, and equity (Tzou & Lu, 2009).

In addition, this study further found that brand trust is even more important factors to enhance consumer loyalty and brand equity. The results of this study further highlighted the importance of promoting brand trust, and brand loyalty as two most important mediators that can promote brand equity. Therefore, marketers can use these four variables as the key performance index of management indicators that need to be evaluated periodically. Previous literature has shown that brand trust have impacts on brand loyalty (Rajagopal, 2009), and all of these mediators have impacts on brand equity (Anwar et al., 2011). Specifically, brand trust and brand loyalty can conduct certain marketing advantages such as reducing marketing cost, gaining new consumers, providing greater trade leverage, and resisting among competitors. Therefore, with such advantages, marketers have to list their marketing priorities on maintaining customers' trust and loyal customers by different marketing channels, including advertising, pricing, purchasing, symbols, logos, slogans, and face-to-face contacts.

5.3. Limitations and future research directions

Although the results of this study are interesting and draw attention to the influences of antecedents, mediators as well as the consequences of brand equity, there remain several limitations that suggest directions for future research. First, this study develops a comprehensive research framework that encompasses the antecedents, mediators, moderators, and consequences of brand equity; it cannot guarantee that those variables that did not include in this study are not important. Further empirical validations to identify the importance of additional brand-related factor are encouraged. Second, the research framework of this study has integrated some constructs that are conceptually similar and most of the measurement items are adopted from previous literature. Therefore, the common variance issue has to be investigated. Although this study has evaluated this problem through Harmon's one-factor test and discriminate test. Future research should take further validations, not only on the common variance issue, but also the construct measurement issue. Third, although this study has illustrated many theories to explain the influential paths of the research model, the comparisons of explained power among different theories are not conducted. Future study can adopt a competing model to compare the explained variances using different theories from different point of views. Fourth, as the formation of brand trust, and brand loyalty is a complicated process, future research could adopt a qualitative methods and a longitudinal approach to investigate the generalizability of the current research findings. Seventh, since this study used cosmetics brand as a target for questionnaire survey, future research can extend to cover more product categories to identify the generalizability of study results. Eighth, additional consequences of brand equity can be included in the research model to reach a better understanding of the influences of antecedents and mediators on the outcome of brand equity. Finally, although this study has tried to explainin the phenomenon of brand loyalty and brand equity from different theoretical perspectives, it has no intention to compare or compete the explanation power of different theories for the same phenomena. This research issue can lead to a future research direction.

REFERENCE LIST

Reference available upon request to the first author.