Chapter 22
Factors Affecting Electronic Service Brand Equity

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ABSTRACT

The purpose of this study is to determine the factors affecting electronic service brand equity and to investigate consumers' perceptions of the electronic service brands they prefer. Additionally, the study, based on the Rios and Riquelme's electronic brand equity model, determines whether demographic characteristics of consumers cause significant differences regarding perceptions of electronic service brand equity. Within the context of this study, an electronic service site in the book/magazine sector was employed. The survey sample size was 675 as a result of an electronic survey administered on selected Websites. The reliability of the scales used in the survey was tested via Cronbach's Alfa Method and the validity of the scales were tested via Factor Analysis. Hypotheses of the survey were tested using difference methods (e.g., ANOVA, multiple regression analysis, T-test). It was determined that e-image, e-quality, e-loyalty, e-trust, e-awareness, and e-value factors are effective for developing electronic service brand equity. Furthermore, it can be claimed that age, income, and education cause significant differences regarding perceptions of electronic service brand equity, while gender, occupation, and marital status do not cause significant differences of perceptions regarding the same.

INTRODUCTION

Electronic commerce has become critical with the increasing use of the Internet in recent years by companies which employ electronic commerce for marketing, advertising, and promotional activities. Through the Internet, consumers can choose between many alternatives and purchase cheaper and better products and services via price comparison. Businesses aware of recent developments in electronic commerce can implement different sales and marketing strategies via the Internet to be successful. Social networking sites such as Facebook, Twitter, and Friendfeed are widely used among consumers and have become an important source of information for them. Additionally, consumers may transmit positive and negative experiences via these sources to a wide network very quickly. In parallel with the development of electronic commerce consumers, firms can reach more consumers through new and innovative marketing strategies.

Increasing competition in electronic commerce requires the increased use of branding and brand equity concepts as businesses not only sell products and services, but also create quality brands to increase the value of their brands. In other words, businesses attempt to create a positive image for their brands in order to influence the purchasing intentions of consumers. Although studies have increased regarding the importance of brand value in electronic commerce, there exist very few studies in the extant literature discussing the brand equity concept in electronic commerce service brands. This situation played a major role in determining the subject of the present study which resulted in a research model after examining the related literature. A conceptual framework was created to ensure integrity and the findings from this study are explained in the Conclusion.

1. CONCEPTUAL FRAMEWORK

1.1. Brand Equity

Brand concepts which differentiate firms provide a competitive advantage to businesses (Lassar et al., 1995: 11). Brands that include logos, symbols, or a combination of these provide a positive image to firms for consumers (Palumbo & Herbig, 2000: 116). Brands involved in the establishment of long-term relationships based on trust between buyers and sellers (Davis et al., 2000: 179) have been used effectively to distinguish a product or service from other manufacturers' products and services for centuries (Konecnik & Gartner, 2007: 400). The brand equity concept emerged in the early 1990s in order to establish a bridge between short-and long-term marketing success (Christodoulides et al., 2006: 800; Konecnik & Gartner, 2007: 402). Brand equity representing intangible value (Ambler, 1997: 285) is defined in different ways for different purposes by many researchers (Tong & Hawley, 2009b: 263). According to Farquhar (1989: 47), brand equity is the value provided by a brand to products. Yoo et al. (2000: 196) defined brand equity as the differences in consumers' choice between products and services which are branded and not branded. High brand value indicates that consumers have positive connotations and perceptions about a brand's name and product and services (Rio et al., 2001: 452).

1.1.2. Electronic Experience

Electronic experience (electronic commerce) covers all the interactions occurring between the consumer and the brand on the Internet (Christodoulides & De Chernatony, 2004: 173), be it positive or negative. A positive experience and the satisfaction to consumers in electronic commerce is related to the fulfillment of promises made by

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