

THE EFFECTS OF RELATIONAL BONDS ON BRANDED APPS USE

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ABSTRACT

This study adopts the perspective of relational bonds and relationship quality to attempt to uncover why consumers exhibit willingness to download and use the branded APPs on their smart devices. Using sporty branded APPs as the context, this study collected empirical observations to test the proposed research model with SEM technique. The results showed that: (1) structural bonds between the brand holder and consumers have positive impact on their relationship quality (standardized path: 0.733, $p < 0.001$ ***), however, financial bonds and social bonds fail to significantly generate positive effects toward the relationship quality in the sporty branding industry; (2) the relationship quality between brand holders and consumers has positive effect on the branded APPs download intention (standardized path: 0.462, $p < 0.001$ ***); (3) The download intention does in turn positively lead to the branded APPs use (standardized path: 0.202, $p < 0.05$ *). Detailed implications and recommendations are finally discussed.

Keywords: *Branded APPs, Relational Bonds, Relationship Quality, Download Intention, APPs Use, Sport Branding*

INTRODUCTION

We are moving to a world equipped with handy smart devices accessing to several hundred thousand APPs and services, enabling that brand marketers observe the great opportunity to penetrate daily lives of consumers and prospects. Despite the actual effects feedback to brand are still unclear, various branded APPs have been bravely proposed and distributed to consumers, aiming to enhance the engagement and experiences with the brand among consumers [1][19]. However, due to the lack of theoretical guidance with empirical supports, marketers can only rely on their imaginations to implement functionalities and provide information over their branded APPs. They then distribute these APPs to users without understanding the mobile innovation adoption behavior [5], and wait to see what could be happened contributing to their brands. Relational bonding developed by Berry [3] indicates the useful means for service providers to effectively connect with customers. Marketing organizations can exercise financial, social, and structural bonding strategies to effectively enhance their relationship quality with consumers and finally acquire loyal responses of their customers [6] [7] [11] [12] [16] [20]. As a matter

of fact, this study believes that installing branded APPs on handy smart devices expresses the willingness of brand consumers or prospects to stay closely connected and to continuously retrieve product and brand information distributed by brand holders, indicating that there might be a relational tie inherently developed between consumers and vendors and such a relational exchange certainly induces further relational outcomes [16], one of which could be in a mobile connection form in contemporary APPs deployment environment. This investigation attempts to validate a theoretical model depicting the antecedents of consumers' APPs use behavior. A literature review for hypotheses derivations is firstly presented, after which the research design and empirical results are subsequently described, and discussions with recommendations for both researchers and brand marketers are finally addressed to conclude this study.

LITERATURE AND HYPOTHESES

Berry[2] argued that attracting customers and maintaining stable relationship facilitate service organizations to well communicate and deliver satisfying services, making that the loyal base among customers may develop and marketing cost can thus be reduced. Berry [3] later elaborated the useful means for service providers to effectively connect with customers, including financial, social, and structural bonds. Various forms of relationship bonding keep customers willing to stay in a stable interactions and perform transactional activities. Crosby et al. [8] pointed out that relationship quality, which scales the degree that a relationship meets mutual needs and expectations is appropriate for governing dimensions expressing such a long term interaction, such as trust, satisfaction. Commitment was later appended by successive researchers to compose a holistic view of relationship quality [11] [13][20]. Better relationship quality facilitates customers to effectively manage consumption uncertainty and risks and thus rationally well explains why exercising relationship bonding helps to develop a loyal customer base [8].

The relational bonds-relationship quality-relationship outcome framework [16] has attracted many attentions and accumulated considerable empirical supports in various kinds of service contexts [6] [7] [11] [12] [16] [20]. This study believes that installing branded APPs on handy smart devices expresses the willingness of brand consumers or prospects to stay closely connected and to continuously retrieve product and brand information distributed by brand holders, suggesting that consumers may enter a long term relationship with the brand holder and thus the extant knowledge of such a relational outcome process framework could be reasonably applied and deduced to explain the branded APPs installation and use. We can expect that all the bonding efforts made by brand holders, including financial, social, and structural means are perceived by consumers and prospects to effectively foster better relationship quality between customers and the marketing organizations, which in turn induces intimacy responses like expressing willingness to install the branded APPs deployed by brand holders and actually using the

APPs. Therefore, H1~H5 are proposed as below:

H1: Financial bonds fostered by the brand holder are positively related to the relationship quality perceived by consumers

H2: Social bonds fostered by the brand holder are positively related to the relationship quality perceived by consumers

H3: Structural bonds fostered by the brand holder are positively related to the relationship quality perceived by consumers

H4: The relationship quality perceived by consumers is positively related to the branded APP download intention of consumer

H5: The branded APP download intention is positively related to the consumer's branded APP use

Such a relational process model appeared in mobile platforms is certainly helpful for explaining why consumers explore and retrieve more about the products, services, and the brand over mobile communications, leading that brand holders may truly enjoy more advantages in communicating and maintaining their loyal customer base by deploying APPs technologies. The research design aimed to validate the research hypotheses is then provided.

METHODOLOGY AND DATA COLLECTION

Antecedent factors comprised three bonding tactics. Financial Bonds can be measured by 3 items adopted from [3][4]. Social Bonds can be measured by 3 items adopted from [3][4][15]. Structural Bonds refers to the consumer-perceived efforts made by brand holder to provide value-added benefits not readily available else where. It can be measured by 3 items adopted from [3][4][15]. The mediating factor Relationship Quality refers to the consumer-assessed relational tightness with the brand holder, that consists three components including satisfaction, trust, and commitment assessed brand holder. They can be measured by 2, 3, 3 items compiled from scales shown in previous studies [8][14][18] respectively. As to the criterion variable predicted in this study, Branded APP Download Intention can be measured by 3 items adapted from Davis [9]. Finally, Branded APP Use refers to the degree and manner in which customers utilize the functionalities of a branded APP system to receive information and access online services provided by the brand holder through smart devices. It can be measured by 3 items adapted from DeLone and McLean [10] and Petter et al. [17]. All these scales detailed as above were designed into 5-point Likert scales distributed for respondents. Sport exercise APP is one of the most aggressive attempts deployed by brand holders to penetrate consumers' daily lives for its high potential to utilize and leverage personal geographical movements [1]. This study investigated the current deployments of branded APPs provided in domestic sport branding marketers in Taiwan, and

found that NIKE and ADIDAS are the only frontiers launching sport branding APPs. Using rewarding incentives posted on APPs market forums and APPs fans communities, this investigation successfully recruited 160 current sport APPs users completing the questionnaires. These samples were skewed to female (58.1%), mainly in early twenty's (aged 15~20: 27.5%; aged 21~30: 60%), mainly well-educated (college or above: 86.9%), mostly students (students: 68.1%; service sector: 15.7%; government agencies: 9.4%; manufacturing sector: 5.6%; medical sector: 1.9%; housewives: 0.6%), and limited income or monetary capability (<500 USD/month: 71.7%; 500~1000 USD/Month: 12%; > 1000 USD/month: 16.3%). Their mobile platform in use are mostly based on ANDROID (63.8%), APPLE iOS (23.1%), and WINDOWS family (13.1%). Nearly half/half samples were collected from each sport branding marketers in Taiwan (Nike+Running: 51.9%; Adidas-micoach: 48.1%). All the empirical data was further analyzed with SPSS 19.0 and SmartPLS 2.0 M3.

RESULTS

The reliabilities of collected measures were good enough (Cronbach's Alpha: 0.768~0.929) and also well secured in both convergent and discriminant validity (standardized factor loading in first or second order factor structures: 0.778~0.948, $t > 5.412$, $p < 0.001$ ***; factor AVE: 0.671~0.851, and were greater than all the squared factor correlation expressing cross factor coupling). Through using PLS algorithm and Bootstrapping process within the analytic modules, an estimation for testing both the measurement and structural model was derived. Overall, our major arguments of hypotheses were supported. Relationship quality was found to be positively related to APPs download intention (standardized path=0.462, $t=5.571$, $p < 0.001$ ***, H4 was supported), and download intention was in turn also found to be positively related to actual APP use (standardized path=0.202, $t=2.305$, $p < 0.05$ *, H5 was supported); However, regarding the exogenous model of relationship quality, three conventionally specified bonding strategies were not all observed to be effective to foster relationship quality. The financial bonds were not significantly related to relationship quality (standardized path=-0.032, $t=0.406$, $p > 0.05$, H1 was NOT supported). Similarly, the social bonds were not significantly related to relationship quality (standardized path=0.095, $t=1.171$, $p > 0.05$, H2 was NOT supported). The structural bonds is the only effective bonding strategy for sporty consumers to induce relationship quality between the brand holder and consumer (standardized path=0.733, $t=10.272$, $p < 0.001$ ***, H3 was STRONGLY supported). Is it due to the global fame of the assessed company who is supposed to be strong enough in attracting consumers without financial and social efforts? or to the conveniently recruited questionnaires skewed to young populations who are impatient with monetary and inter-personal promotions? The answer seems to need further clarifications in successive studies.

CONCLUSION

It was found that, for sporty branded APPs, relationship quality between the marketer and consumer does positively lead to consumer's download intention and consequently cause the actual use of the deployed branded APPs. Such an empirical observation provides a preliminary support for explaining the branded APPs use behavior through a relational perspective. It validates that consumers install and use the branded APPs since they need the mobile platform to maintain a close relationship, within which they can access rich information regarding the products, services, and the brand. The relational process actions are witnessed, however, not surprisingly, as repeatedly reported in the literature, the relationship launched from the exogenous factors, mediated through download intention, to actual usage does gradually decay. It is still a challenging issue for APPs deployers to fight for the quite limited execution opportunities over handy devices. The researcher suggests brand marketers and APPs deployment managers to encourage those consumers appreciating or close to your brand to download your branded APP. This shall be one of the most effective way to successfully launch your branded APP. For future studies, in addition to re-testing our proposed model in different APPs usage contexts, this study also recommends successive researchers: to trace antecedents upward for effectively exercising structural bonding strategies, to verify that the branded APPs use is consequently really beneficial to your customer loyalty, to explore more contingency factors exerting significant moderating effects, or to set up more competing models portraying the influencing factors leading to the branded APPs use behavior. Hopefully, this study expects to contribute to the theoretical systems and practices of APP mobile technology deployment management, and inspire more studies investigating the possible feedback made by branded APPs to the brand equity.

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