

Does the millennial and non-millennial generations moderate the relationship between brand loyalty and brand experience?

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Abstract

This study aims to examine the effect of brand experience on brand loyalty by mediating affective commitment and the millennial and non-millennial generation as moderating variables for Xiaomi smartphone users in Pontianak. The population in this study is the people of Pontianak who use Xiaomi brand smartphones. The number of samples in this study were 100 respondents using the sampling technique, namely non-probability sampling with purposive sampling method. The data analysis method used in this research is Partial Least Square (PLS). The results showed that brand experience had a positive and significant effect on brand loyalty. Brand experience has a positive and significant effect on affective commitment. Affective commitment has a positive and significant effect on brand loyalty. Furthermore, the results obtained that affective commitment mediates the effect of brand experience on brand loyalty. The test of the moderating effect of the millennial generation moderating the effect of affective commitment on brand loyalty has a positive and significant effect. In addition, the test of the moderating effect of the non-millennial generation moderating the effect of affective commitment on brand loyalty has a positive and significant effect.

Keywords: brand experience; affective commitment; brand loyalty; millennials and non-millennials; Xiaomi

Introduction

In the current era of digital convergence, smartphones are a primary need and are no longer a luxury item for individuals, be it millennials to non-millennials. Many smartphone brands in Indonesia make consumers more selective in choosing the brand that suits them. One of the newcomer smartphone companies from China with a brand well known to the public is Xiaomi. Even with an image made in China, Xiaomi remains competitive in the market for affordable prices with competitive specifications and quality. IDC (International Data Corporation) in 2021 revealed the five best and best-selling smartphone brands in Indonesia, with Xiaomi going first. However, the number of manufacturers or competitors make many choices of smartphones with varied brands, so the demand for smartphones is increasing, but loyalty to a certain smartphone brand tends to decrease (Roza et al., 2015).

For this reason, this study is unique in examining the effect of age, divided into millennial and non-millennial generations, in influencing loyalty levels mediated by affective commitment. The emergence of differences in existing generation groups is due to historical events, accompanied by the development of the times and technology that is always moving forward. The millennial generation, or what is commonly called generation Y, are those who were born between 1980 and 2000, while the non-millennial generation, or so-called generation X, was born from 1960 to 1980 (Aprianti & Sabarinah, 2021). The differences in life experiences possessed by these two generations result in distinct characteristics that can lead to selecting, organizing, and interpreting different stimuli or perceptions of a product and brand to be chosen (Yasin et al., 2019).

Brand loyalty is significantly influenced by brand experience (Brakus et al., 2009). Iglesias et al. (2011) stated that the higher the brand experience a consumer has, the higher the affective commitment he will have for the brand. Furthermore, the higher a person's affective commitment to a brand, the higher the

loyalty to that brand. Then, it was found that there was a mediating relationship (affective commitment) between the independent variable (brand experience) and the dependent variable (brand loyalty), with significant results (Iglesias et al., 2011). In addition, the role of intergenerational age as a moderating variable is because product needs, mindsets, responses, marketing perceptions, and stimuli related to brand loyalty change from one age phase to another (Ye et al., 2019).

This study, therefore, conceptualizes the moderating effect of millennial and non-millennial generations on the relationship between affective commitment and brand loyalty. Harveila (2012) and Kumar & Lim (2008) argued that the motivational need for smartphone use is age-specific across generations. In the context of smartphone products offered by certain brands, consumers who will be more enthusiastic are younger consumers compared to older ones. It denotes that different generations are also one of the effects on consumer loyalty to the brand. In this study, millennial and non-millennial generations were used as moderating variables due to increasingly sophisticated developments in the digital era, such as smartphones, impacting consumer loyalty to a brand. In this case, generational groupings in the marketing world emerge following technological developments. Howe & Strauss (1991) divided generations according to the similarity of the time of birth and historical events.

Materials and Method

1.1 Brand Experience on Brand Loyalty

Brand loyalty is formed through a learning process, which is a process where consumers try to find the most suitable brand for them through their experiences. In a sense, the product of the brand can provide satisfaction in accordance with the expectations and needs of consumers. Consumers will continue trying various brands before finding a brand that fits. The experience of stimuli produces a pleasant feeling, so consumers want to repeat the experience. It indicates that brand experience should affect not only past satisfaction assessments but also consumer loyalty directed towards the future. Thus, consumers tend to repurchase the brand and recommend it to others (Mittal & Kamakura 2001; Oliver 1997). According to previous research, it was found that brand experience affected brand loyalty (Brakus et al., 2009). The same results were also revealed (Gultom & Hasibuan, 2021), showing that brand experience had a positive and significant effect on brand loyalty. However, different results in the research conducted by Samuel & Reynaldi (2018) found that the direct influence of brand experience on brand loyalty had no significant effect.

H1: Brand experience affects brand loyalty.

1.2 Brand Experience on Affective Commitment

The term “customer commitment” includes a customer's psychological and economic attachment to a particular brand or store. In this respect, a superior brand experience provides a strong emotional response from consumers, leading to satisfaction and commitment or loyalty. Brand experiences with varying strength and intensity can also form superior affective attachments to consumers or customers (Iglesias et al., 2011). In addition, according to Allen & Meyer (1990), affective commitment is defined as the customer's emotional attachment to a particular brand or store based on brand identification with that brand or store. According to previous research, it was found that the higher the brand experience a consumer has, the higher the affective commitment he will have towards the brand (Iglesias et al., 2011). Other studies also uncovered related results (Fatchurrohman & Hendayani, 2020), showing that brand experience affected affective commitment.

H2: Brand experience affects affective commitment.

1.3 Affective Commitment on Brand Loyalty

Commitment has a key role in generating loyalty because commitment reflects the evaluation of the consumer towards the context of consumption and an active decision to engage in a long-term relationship with a brand or company. Meanwhile, affective commitment involves the desire to maintain a relationship perceived by the customer to be of value (Morgan & Hunt, 1994). Affective commitment incorporates psychological states that reflect affective traits between individual customers and service providers (Gundlach et al., 1995; Evanschitzky et al., 2006). Customers' identification with a brand or company

often translates into positive feelings expressed about the brand or company (Evanschitzky et al., 2006). Thus, according to Fullerton (2003), the emotional attachment in affective commitment is translated into strong attitude loyalty both through the extremity of the attitude (attitude strength) and the extent to which customers are willing to lock up a specific relationship (attitude differentiation). According to previous research, the higher a person's affective commitment to a brand, the higher the loyalty to the brand (Iglesias et al., 2011).

H3: Affective commitment affects brand loyalty.

1.4 The Mediation Role of Affective Commitment in the Influence of Brand Experience on Brand Loyalty

Brand experiences that satisfy consumers can affect consumers' affective commitment (Oliver, 1999). Affective commitment is an emotional component and has received more attention than continuance commitment in recent years. According to Fullerton (2003), affective commitment mediates experience and loyalty. Then, Evanschitzky et al. (2006) argued that, given that buyers and sellers in consumer markets often have few alternatives available to them and low product switching costs, affective commitment generally has a greater impact on brand loyalty than continuance commitment. In addition, it is suggested (Amine, 1998; Punniyamoorthy & Prasanna, 2007) that affective commitment is a major determinant for the development of brand loyalty.

From several expert opinions regarding the definitions of the variables brand experience, affective commitment, and brand loyalty, it can be concluded that regarding the relationship between brand experience and brand loyalty mediated by affective commitment, the literature empirically supports a direct relationship between them (Brakus et al., 2009). According to previous research (Iglesias et al., 2011), it was found that there was a mediating relationship (affective commitment) between the independent variable (brand experience) and the dependent variable (brand loyalty) with significant results.

H4: Affective commitment mediates the effect of brand experience on brand loyalty.

1.5 The Moderating Effect of Millennials and Non-Millennials on Brand Loyalty Mediated by Affective Commitment

A generation is a group of individuals who identify their group based on the similarity of the year of birth, age, location, and events in the life of that individual group, which have a major influence on their developmental phase over time (Kupperschmidt's, 2000). Generation, or age, can play a key role in knowing how many consumers from different generations or ages, such as millennials and non-millennials, are loyal to a brand they like through their emotional attachment. Generation, or age differences, are also alluded to as other demographic factors vital in explaining consumer behavior (Lian & Yen, 2014). It is because people in the previous generation (non-millennials) are more likely to be less active and curious than the younger generation (millennials) and tend to be less receptive to the use of modern technologies (Koenigstorfer & Groeppel-Klein, 2012). Hutagalung & Perdhana (2016) found that age had a positive but insignificant effect on affective commitment. Then, there is a significant role of intergenerational age as a moderating variable since product needs, mindsets, responses, marketing perceptions, and stimuli related to brand loyalty change from one stage to another (Ye et al., 2019).

H5: Millennials moderate the effect of affective commitment on brand loyalty.

H6: The non-millennial generation moderates the effect of affective commitment on brand loyalty.

2. Methods

2.1 Measurements

This research was conducted in Pontianak City, Indonesia, with observations on Xiaomi customers or consumers with a minimum duration of use of one year. Data collection techniques were carried out by distributing online questionnaires to Xiaomi customers or consumers in Pontianak, Indonesia.

2.2 Sampling and Data Collection

The sampling technique used purposive sampling with 50 respondents in each generation, with the criteria:

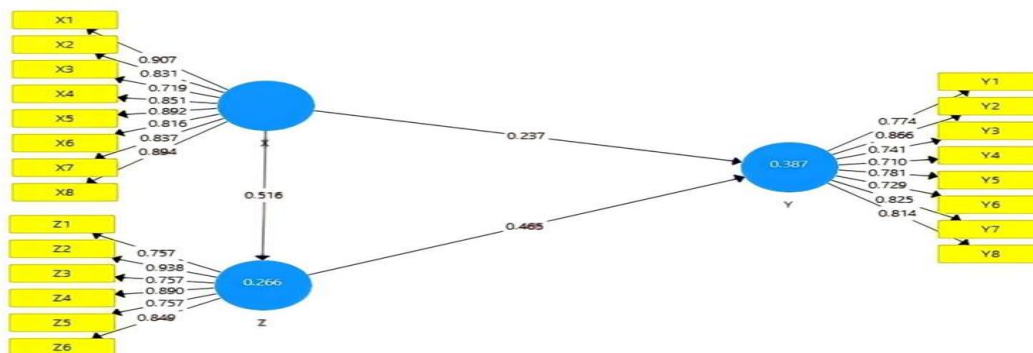
20-41 years old for the millennial generation and 42-62 years old for the non-millennial generation. According to Howard & Stoneier (2001); McMahan (2005); Jaume (2015), in general, the generation consists of several ages; this study used the millennial generation or generation Y born between 1981 to 2000 and the non-millennial generation or generation X born between 1960 and 1980.

2.3 Data Analysis

The data analysis technique utilized SmartPLS v.3.3.9. The model used to ascertain the link between latent variables and their indicators is known as the measurement model, or outer model. All indicators have an outer loading value greater than 0.7, which is used to identify the outer model using the convergent validity test. The average variant extracted (AVE) value, where all variables are > 0.5, is another measure used for validity testing. The Composite Reliability value, which must be > 0.70, can also be used to measure reliability.

Results and Discussion

A total of 100 respondents in this study consisted of 50 people representing the millennial generation and 50 representing non-millennials. The characteristics of respondents based on gender were dominated by 63 men and 37 women. Then, the validity test used the loading factor value with the test results between 0.710 and 0.938. The AVE value for all variables was higher than 0.5, between 0.611 and 0.714. Therefore, all constructs met the validity test criteria.



All constructs also met the reliability criteria because each construct had a composite reliability value above 0.7 and Cronbach's alpha value above 0.6. In addition, brand experience (X) had the largest composite reliability value, 0.952, while the value for Cronbach's alpha was obtained by brand experience (X), with a value of 0.942.

Table 1. Composite Reliability Test Results

Variable	Composite Reliability	Cronbach's Alpha
Brand Experience (X)	0.952	0.942
Affective Commitment (Z)	0.928	0.906
Brand Loyalty (Y)	0.926	0.908

Source: Primary Data Processing Results with SmartPLS v.3.3.9, 2022

Moreover, the X and Y test results obtained a t-statistic greater than 1.96, which was 2.289, with a p-value of less than 0.05, so the effect of the variables X and Y was significant. Then, testing the variables X and Z had a t-statistic greater than 1.96, equal to 5.963, and a p-value less than 0.05, so the effect of variables X and Z were significant. In addition, the effect of Z and Y was also significant, with a t-statistic of 4.836 and a p-value of less than 0.5. Furthermore, the affective commitment test of brand experience on brand loyalty had a t-statistic of 3.470 greater than 1.96 and a p-value of less than 0.5, so this mediation relationship was significant.

Table 2. Hypothesis Test Results

Hypothesis	Relationship between variables (explanatory variables-response variables)		Original Sample Estimate	T-Statistics	P-Value	Description	
H1	X	Y	0.237	2.289	0.023	Significant	
H2	X	Z	0.516	5.963	0.000	Significant	
H3	Z	Y	0.465	4.836	0.000	Significant	
H4	X	Z	Y	0.240	3.470	0.001	Significant

Source: Primary Data Processing Results with SmartPLS v.3.3.9, 2022

The test results showed that the millennial and non-millennial generation variables moderated the relationship between the affective commitment variable and brand loyalty. It can be seen from the t-statistic value greater than 1.96, i.e., the millennial generation of 4.082 and the non-millennial generation of 3.248. Also, the p-value of the millennial generation variable was 0.000, and the non-millennial was 0.001, less than 0.05. It signifies that it strengthened the relationship between affective commitment and brand loyalty.

Table 3. Path Analysis Results of Millennial and Non-Millennial Generation Moderation

Hypothesis	Moderation Effect	Original Sample	T-Statistics	P-Value
H5	The millennial generation strengthens the effect of affective commitment on brand loyalty.	0.457	4.082	0.000
H6	The non-millennial generation strengthens the effect of affective commitment on brand loyalty.	0.542	3.248	0.001

Source: Primary Data Processing Results with SmartPLS v.3.3.9, 2022

Conclusions

Brand experience will begin when consumers search for products, buy products, receive services, and consume products from the brand. From these results, it can be concluded that extensive knowledge about Xiaomi brand smartphones, which are considered to have excellent quality and specifications at low prices, formed positive consumer loyalty to Xiaomi brand smartphones. This study supports research (Brakus et al., 2009; Gultom & Hasibuan, 2021), which found a positive and significant effect between brand experience on brand loyalty. In this regard, brand experiences of varying strength and intensity can form superior affective attachments to consumers or customers.

Then, affective commitment, where consumers or customers are emotionally attached to the Xiaomi brand smartphone, impacted the desire to maintain a relationship (loyal). This study reinforces the research results (Iglesias et al., 2011), stating that the higher and more positive a consumer's brand experience is, the higher and more positive the affective commitment he will have to the brand.

In addition, customer loyalty to the Xiaomi smartphone brand was a strong commitment to consistently subscribe to or buy Xiaomi brand smartphones in the future. Loyal consumers will provide increased profitability and can help favor Xiaomi brand smartphones. This study aligns with research (Iglesias et al., 2011) that the higher and more positive a person's affective commitment to a brand, the higher and positive the loyalty to the brand.

Furthermore, the mediating role of affective commitment (Z) in the relationship between brand experience and brand loyalty (Y) was positive. The experience of the Xiaomi brand smartphone that satisfied consumers could affect consumers' affective commitment. Affective commitment here is the main determinant for developing consumer or customer loyalty to Xiaomi brand smartphones.

The moderating effect of the millennial generation (M) on brand loyalty (Y) mediated by affective commitment (Z) was positive. In this respect, the millennial generation is often referred to as the echo boom generation, which means the technology generation, where this generation has higher levels of education, diversity, and the use of technology. Therefore, according to Hawkins et al. (2007), the millennial generation is familiar with the development of smartphones because their main characteristic is technology. Based on the understanding of technology in the millennial generation, it makes it easier for them to be loyal to a smartphone brand that is already tied to them. This study confirms the research results (Hutagalung & Perdhana, 2016), finding that age or generation had a positive but insignificant effect on affective commitment. In addition, the importance of the role of intergenerational age as a moderating variable emerges since the need for a brand or product, mindset, responses, marketing perceptions, and stimuli related to brand loyalty change from one stage to another (Ye et al., 2019).

Moreover, the moderating effect of the non-millennial generation (M) on brand loyalty (Y) mediated by affective commitment (Z) was positive. It can be seen that generation or age could play an important role in determining how many consumers from different generations or ages, such as the non-millennial generation, are fairly loyal to a brand they like through their emotional attachment. Generation, or age differences, are another important demographic factor explaining consumer behavior in understanding a brand, such as Xiaomi brand smartphones. It is because some people in the previous generation (non-millennials) are likelier to be less active and have no curiosity than the younger generation (millennials).

Xiaomi, with a variety of price options, adjusts the capabilities of consumers according to the value received by convincing consumers that affordable prices do not mean the products offered are of low quality. On the contrary, it has advantages and differences from smartphone products from other brands. These advantages can create a consumer experience for the brands and products offered, creating consumer attachment to Xiaomi smartphones. With consumers' attachment to trusted brands, they can provide a pleasant experience, generating consumer loyalty to brands they have trusted and making repeat purchases in the future.

Data Availability

The data already in sub results and discussion

Conflicts of Interest

The author declare that there is no conflict of interest regarding the publication of this paper.

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Authors' contributions

Authors may use the following word for this section. “_first author’ designed the study, performed the statistical analysis, wrote the protocol, and wrote the first draft of the manuscript. “second author’ managed the analyses of the study.

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