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SCHOOL OF ECONOMICS AND BUSINESS

MASTER'S THESIS

**CONSUMER-BRAND RELATIONSHIP IN DIRECT-TO-CONSUMER
BUSINESS MODEL**

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AUTHORSHIP STATEMENT

The undersigned Petja Oplotnik, a student at the University of Ljubljana, School of Economics and Business, (hereafter: SEB LU), author of this written final work of studies with the title 'Consumer brand relationship in Direct-to-Consumer Business Model', prepared under supervision of prof. dr. Vesna Žabkar.

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LIST OF ABBREVIATIONS

CBR – (sl. Razmerje znamka potrošnik); Consumer-brand relationship

D2C – (sl. Neposredna prodaja potrošniku); Direct-to-consumer

B2B– (sl. Poslovanje med podjetji); Business-to-business

CRM- (sl. Upravljanje odnosov s strankami); Customer relationship management

SME – (sl. Majhna in srednje velika podjetja); Small and medium-sized enterprises

1 INTRODUCTION

The research on consumer brand relationship has been an area of interest for both academics and the industry. Having strong consumer brand relationship (CBR) represents an opportunity for guaranteed cash flows, increased loyalty, minimized susceptibility to negative brand presentation and information, and to changes in prices. Furthermore, it is also protecting shareholders value in case of crisis (Kumar & Kaushik, 2020; Fournier, 2012). On the other hand, establishing a strong and meaningful relationship also benefits the consumer with several options, such as minimizing the consideration set, reducing the switching costs, and enhancing psychic benefits (Schultz & Block, 2015). Consumer – brand relationship is a connection between an individual and a brand that can be voluntary or enforced interdependently between the two (Blackstone, 2000; Fournier, 1994). The theory of CBR is grounded in the idea that individuals develop various types of relationships with different people they interact with (Keller, 2001; Kumar, & Kaushik, 2020). Because the customer engages daily with numerous brands, building strong and meaningful relationships is a key priority for the strategic brand management (Kumar & Kaushik 2020; Crespo, 2022).

Although previous research on CBR provides important insights, there may be two important tools which identify and develop long term relationships: brand experience and brand identification. Through brand experience, which can be conceptualized as subjective and behavioural customer responses, which are affected by brand-related stimuli such as brand design, identity, environment, communication, packaging, the company provides consistent performance and delivers brand value (Brakus et al., 2009). The term brand identification can be conceptualized as feeling one with the brand if the brand helps the customer find the identity fulfilling meaning (Stokburger-Sauer et al., 2012). The importance of brand experience and brand identification has been thoroughly explained by Kumar and Kaushik (2020), however little research has been done on the impact of individual elements of CBR such as loyalty, especially with the growing presence of direct to consumer - D2C businesses in e-commerce. The master's thesis will therefore focus on finding the impact of brand experience and identification on brand loyalty, analysing the D2C business environment.

The D2C brands were chosen based on the growing trends of these brands, especially during the Covid-19 pandemic, the choice was connected to my work experiences in a digital marketing agency, where I worked mostly with e-commerce brands. Moreover, there was little research done on what draws the customers to these types of brands and what types of strategies do the brands have (Kim et al., 2021). What differentiates D2C brands from traditional online brands is the specialization in a small suite of related products, business models, and innovativeness (Kim et al., 2021). D2C brands also offer different brand

experience and brand identification than the traditional online brands and have also influenced and changed consumer brand behaviour and brand loyalty in recent times.

Brand loyalty is an important concept in the era of online retailers and can be impacted by a series of factors, for example risk propensity, value creation, and social influence in brand community. Recent research has shown that there is a positive influence of social media-based brand community and social media marketing communication on loyalty (Chen, 2021). Online buyers aim to build the best relationships with the seller, therefore are very much attentive to signals coming directly from the seller, sellers' reputation, and communication style, as well as information about the seller from the relationship with its online community members (Kozlenkova, 2017). The establishment of an emotional connection with consumers is the key factor, which allows the brand to stand out from the competition, to enhance brand engagement, and increase brand loyalty (Crespo, 2022). Changes in the CBR, especially in the D2C segment, have impacted brands' marketing strategies and branding activities. Although previous research on CBR gives important insights in different relationship theories, the master's thesis will focus mostly on researching the impact of brand experience and brand identification and brand loyalty on CBR. Moreover, little connection of the latter terms has been given to the rise of e-commerce and online retailing and the changes it brings to the CBR in general. The D2C environment will be the basis for the research in the empirical part of the master thesis.

Following that, the aim of the master's thesis is to test and develop the framework of CBR from brand experience, brand identification, and loyalty perspective in the D2C e-commerce businesses in the clothing industry. In addition, the master's thesis will test the framework through in-depth interview with the CEO of a digital marketing agency and the customers in Slovenia and propose recommendations for brand managers.

Based on the set goal, the master's thesis will be analysing the following research questions:

- How relevant is consumer brand relationship in Slovenian e-commerce environment?
- How does brand identification affect brand loyalty in Slovenian e-commerce?
- How does brand experience affect brand loyalty in Slovenian e-commerce?
- How relevant is brand experience and identification for brand loyalty?
- Do brand experience, brand identification, and brand loyalty have a positive impact on Brand performance in Slovenia?
- Are consumers who purchase directly from brand website more prone to relationship building compared to the ones who purchase via online marketplaces – dedicated to clothing industry?

To answer the research questions, the methodology will consist of two parts. The first part will focus on theoretical research, determining the basis for an in-depth analysis of the topic, while the empirical part will consist of semi-structured in-depth interview and a questionnaire. Primary and secondary sources will be used. To answer the research

questions the standard literature and review and empirical research was performed. The first five chapters of the master's thesis are based on data retrieved from the secondary sources such as journals, scientific articles, and databases.

In the second chapter the emphasis was put on theoretical overview of the main theories and concepts describing CBR. Following that e-commerce business models are described, since they are the main point of analysis in the empirical part. The third chapter analysed the 3 selected branding concepts, brand experience, brand identification and brand loyalty. The fourth chapter focused on the review of the connection between the selected concepts and e-commerce business environment. The last subchapter includes graphical presentation of the model, based on literature review, which is also the base for the following empirical analysis.

The fifth chapter analyses the current e-commerce statistics in Slovenia, following that the sixth chapter begins with the empirical research for analysing consumer brand relationship in e-commerce, based on the 3 key selected concepts. For this purpose, an online questionnaire was designed to obtain the data from the respondents in a fast and efficient manner, as well as an in-depth semi-structured interview was conducted. The questionnaire was anonymous and conducted via platform 1KA. The survey could be filled out via computer, tablet, or smartphone, and was active between June 3 and July 3, 2023. The responses were downloaded from 1KA and imported to SPSS statistical tool, where the analysis was conducted. The seventh chapter presents the research results obtained from studying consumer brand relationship in e-commerce and the interview with a CEO from an e-commerce performance agency in May 2023. More concretely the analysis tackles the main findings from the interview, as well as the descriptive statistics with sample description, survey result analysis, results from hypothesis testing, and general discussion about the topic.

Following the analysis, we can conclude that the results from the literature review are in line with the results from the literature review. But nevertheless, there were some limitations and opportunities for future research which are discussed in the last chapter.

To conclude, the master's thesis provides an overview of the three key CBR concepts and their relevance in the e-commerce business environment. With these insights the e-commerce brand owners, or chief marketing officers can get a good insight into taking the right steps towards building an online relationship and consequently build an army of loyal and highly profitable customers, while focusing on three key terms. Besides that, the research can gain attention also from academics, since not a lot of research was conducted on the topic of e-commerce and relationship building.

Regardless, some limitation needs to be taken into consideration. Firstly, the research was conducted on the basis on clothing e-commerce brands, therefore the results from other niches might differ. Secondly larger sample would bring more reliable results and remove

potential biases. The analysis could be improved through focused groups with consumers to get more insights on the topic, higher number of semi-structured in-depth interviews to also get the brands perspective, not only through the eyes of an agency, to see if these three terms are relevant in the eyes of the brands in Slovenia, or not (yet).

2 CONSUMER BRAND RELATIONSHIP - CONCEPTUALIZATION AND MAIN THEORIES

The first terms used in the analysis of the CBR were connected to customer relationship management, where the main goal was to seek retention and loyalty with customers through different selling tactics. Nowadays, companies are more focused on individual relationship building and include customer centric approaches. The importance of CBR research in marketing was emphasized in the 1990s by Grönroos, who claimed that the role of “marketing is to establish, maintain and enhance the relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfilment of promises” (Grönroos, 1990, p. 138). In this case, the exchange is not only transactional but also involves relationship-building and the role of marketing becomes establishing, maintaining, and developing these relationships, which have a positive outcome (Morgan & Hunt, 1994).

With that in mind, CBR has attracted attention since the late 1990s because understanding the relationships, as well as establishing them, can produce positive outcomes for the businesses in general. The number of organizations interested in the topics of why consumers related to certain brands, why they love or hate them, was at the time growing. Companies were adopting consumer centric approaches/strategies, which are crucial for good and effective CRM. Therefore, understanding the mechanisms behind the CBR was an interesting point of research for many practitioners (Loureiro, 2012). Since the research on CBR began, there was an overflow of the research, concepts, models, and theories which were trying to explain the term. Even though there are several important works by Fournier (1998), Shimp and Maden (1988), Stenberg (1986), and others, which contributed immensely to the development of the term consumer brand relationship at that time, we are currently lacking research on CBR in the online environment, which has grown immensely with the Covid-19.

The following chapters will tackle understanding, relevance, and impact of three elements of CBR: brand experience, brand identification, and brand loyalty in the e-commerce business environment through literature review of the relevant works.

2.1 Theoretical background of consumer brand relationship

CBR has developed from the theoretical perspective in connection to person-to-person relationships, where brand is seen as an active partner in the relationship and has a distinctive personality as people do (Ghani & Tuhin, 2018; Fournier, 1998). Since the beginning, there were various concepts, models, and theories explained, for example brand commitment, love, passion, attachment, trust, self-brand connection, loyalty, and others. Each research focused on one or a few terms, which tried to explain the relationships. The theoretical framework has therefore constantly evolved and brought many different facets, which all contributed to the term we know today.

For deeper understanding of the term, the following paragraphs will present the main works and concepts developed. In 1960, an interesting flow of research emphasized that there is some deep psychological reasoning connected to the behaviour of people towards certain brands (Dowling, 2002, p. 90). Until 1980, the researchers have explored the role of brands and have concluded that the attitudes towards the brand are mostly related to a specific situation and can be culturally impacted. The ideas and foundations of the CBR were rooted and closely connected to the interpersonal relationship and the dynamics that are present in human-to-human relationship, where the brand needs to play to role of an active relationship partner (Ghani & Tuhin 2018; Fournier 1998). The backbone of the CBR therefore lies in different interpersonal relationship theories, such as interdependency theory by Thibaut and Kelley, which states that through the process of interaction, people influence other people's experience. Following that is the social penetration theory by Altman and Taylor, where the emphasis is put on intimacy of the relationship which develops through interpersonal communication, investment model by Rusbult, which explains why people remain in relationships, resource theory by Foa and Foa, which tackles the analysis of the relationship through the resources that are possessed by each of the participants in the relationship. The last is the social exchange theory by Homan, where the emphasis is put on the process of cost-benefit analysis (Ghani & Tuhin 2018; Fournier 1998).

In the 1980, with the research of Shimp & Maden (1988), it was the first time when relations between a person and an object were explored. They were the first ones to lay the theoretical foundation on consumer-object relation, which included a wide range of emotions; from disliking the product to loving it. At the time, the term relationship has not been used in connection to consumer/brand/product interactions with the purpose of fully grasping the idea of connection or association between concepts. The term relationship, according to Shimp and Maden (1988), enabled them to present several concepts that were not constrained by past biases. As a consequence of their work, the term relationship was determined as a separate concept for the first time. Their research was based on Stenberg's Triangular Theory of Love, which includes three components: intimacy, passion, and commitment/decision (Ghani & Tuhin, 2018). The basis for their research was person-to-person relationships and they combined the research with motivation, cognition, and

emotion to propose eight types of relationships, which exist between consumers and the products they consume. Moreover, they emphasized that it needs to be mutual for a relationship to be established. This means that the brand has some animate characteristics, which are initiated through marketing communications. This finding has later impacted the work of Fournier (1998), which became the most impactful work on CBR research.

More concretely, CBR is a term that has developed rather late in the 1990s. What was mentioned before, was connected to relationship marketing practice and not theory. The first attempts of developing the theory were connected to the term brand loyalty. Sadly, loyalty also lost full scope of its meaning due to focusing on the sequence of buying instead of capturing the true meaning of the term.

There were several attempts of CBR theory development written by Blackstone, Olsen, and others, however failed to fully grasp the concept. Using the theories from other fields, for example the interpersonal relationship theory was scarcely used for the analysis of consumer behaviour. Many other attempts of defining the term excluded some important relationships constructs or lacked the fundamentals behind the theory according to Fournier (1998, p. 344). That is why the first important milestone in the relationship theory associated with brands appeared with Fournier's work, developing the Brand Quality model, where the author argues that:

- Brands serve as viable relationship partners.
- The relationship is valid as a lived experience.
- CBR can be specified in many ways through conceptual vocabulary.

The study based its fundamental findings on interpersonal domain by Hinde (1995), where the relationships involve exchange between active and interdependent partners, bring meaning to both parties, are multiplex, and can evolve or change overtime. For the relationship to truly exist, there must be interdependence, which means both parties define, affect, and redefine the relationship. To think about the brand as a partner, one must think about the ways the brand can be humanized or personalised. Consumers do not have issues with assigning personality qualities to inanimate objects. With accepting the advertising attempts to attribute human characteristics, consumers accept brands as vital partners in the relationship. This can happen through spokespersons, brand-person associations or through brand characters which can show emotions. Moreover, brands need not only to have personification qualification, but also need to be active, which can be done through communication channels or via marketing plans and tactics, which count as a behaviour (Hinde, 1995).

Olsen and Allen (1995) have explained that all marketing actions can be viewed as a set of behavioural incidents thorough which brand personality is actualized. Based on Fournier who concluded that everyday execution of the marketing mix is a set of behaviours from the brands side, which formed the relationship argument. Following this, the second argument

goes into the area of meaning and purpose, which are the basis for every relationship. If the relationship is meaningful, one can develop a strong self-concept. Meaning was identified from three different sources: psychological, sociocultural, and relational, which shape the importance of the relationship for everyone. Relationships define us, are not isolated, but exist in relation to other relationships we form, and impact us culturally through brand scapes¹. Relationships do change forms, can be distinguished by types of bonds they form, and emotions they develop can be formal or non-formal, kin or non-kin. Lastly, relationships do evolve and change through time, and according to Levinger (1983), go through 5 stages (a five-phased model of initiation, growth, maintenance, deterioration, and dissolution). The quality of the relationship between brands and consumers evolves through meaningful actions from both, the brand, and the consumer (Fournier, 1998).

After Fournier's research, the main finding was the following: "consumers do not choose brands, they choose lives" (1998, p. 367). Based on this, the Brand Quality model focused on 6 facets, which impact the quality of the relationships and are based on theoretical traditions in interpersonal theories: love, passion, self-connection, commitment, interdependence, intimacy, and brand partner quality (Fournier, 1998, p. 367).

1. Love and passion

The first dimension is at the core of all strong brand relationships. Feelings of love can range from warmth, affection, passion, infatuation, and selfish, obsessive dependency. These feelings of love can also encourage a biased and positive perception of the partner (Fournier, 1998, p. 364).

2. Self-connection

This dimension reflects how the brand delivers the identity tasks, themes, focusing mostly on how the brand expresses the aspect of self. Strong self-connections are the key supporters for relationship maintenance (ibidem).

3. Interdependence

The strong brand relationship usually has a high degree of interdependence, meaning that the brand and the consumer are both involved in frequent brand interaction.

4. Commitment

Commitment is perceived to be present when the relationship is strong and supportive.

¹ Brand scapes is a term describing a range of available brands in a specific market or niche.

5. Intimacy

Intimacy relates to knowledge and deeper layers of meaning. The knowledge is mostly related to the term that the consumer believes in the product performance, while brand meaning can be expressed through advertising slogans, brand characters.

6. Brand partner quality

Brand partner quality determines consumers evaluation of the brand's performance as a partner. The brand is perceived as a good partner when the consumer feels a positive orientation of the brand towards the consumer, the brand is reliable, predictable and exercises its partnership role well, brands adaptation to partnership rules and comfort in brands accountability for the actions. (Fournier, 1998, p. 365).

The work of Fournier became the setting stone of the theoretical developments of the CBR, and her work will be the basis for explaining the selected three terms (brand experience, brand identification, and brand loyalty in the D2C business environment) in the following chapter.

2.2 Consumer brand relationship building in online environment

The key terms Fournier identified in her work can be translated into analyzed three key terms: brand experience (intimacy and interdependence), where the focus is on the brand to deliver the value and provide positive, active experience, brand identification connected to self-connection, brand attachment (Fournier, 2009) and intimacy, and brand loyalty (commitment and brand partner quality), which is crucial for long-lasting relationships.

Although the idea of the key concepts remains relevant today, in the era of digital development and social media, new tools and touch points appear, through which we can interact, connect, and approach the customers. All of this enables marketers to establish and reinforce relationships. Most importantly, social media gave the consumers, as well as brands, the opportunity to be an active player in the relationship, find new ways to connect and promote/interact with the brand. This way the communication, feedback, and relationship establishment can be way faster, in a positive or negative manner. The relationship with mass communication in an online environment is based on Parasocial Interaction theory, which states that mass media gives the consumer the illusionary experience through which the consumers interact with persons or brands – gives them animate characteristics and a sense of a two-way communication, with this the brand becomes an active partner in the relationship (Ekicini, 2005). There are two crucial factors for building relationships in the online environment: openness and interactivity. If the relationship has relevant and timely communication, this can lead to increased loyalty and cooperation according to the relationship marketing literature (Labrecque, 2014).

Understanding customer's everyday behaviour has become an entry point for developing the customer-centric strategies, which has consequently turned the marketing tactics from a segment based to individuals and experience marketing. The more focus a company puts into the customer's experience, environment, and usage situations, the bigger the value proposition (Grönroos, 2006). Moreover, the company needs to allow the customer to have freedom of choice when interacting with the company, therefore having multiple channel options is nowadays a must (Prahalad & Ramaswamy, 2004b). D2C business model is about knowing the customers and communicating with them as a two-way street. The emphasis is put on customer relations and direct transactions.

The D2C companies are on the rise, mostly due to technological developments and changing behaviours of customers (Moser, 2019a). The more emphasis the brand puts on CBR, the higher the chances that the customers will feel a sense of affection and become the spokesperson for the brand in the online environment (Budi et al., 2021, p.116). The power of word of mouth and online communication is highly relevant in the competitive environment. This consequently leads to understanding the importance of consumer brand identification. Commitment to the relationship particularly means the feeling of affiliation and identification of the consumer to the brand or brand-name, as well as his or her involvement in the commercial relationship (Garbarino & Johnson, 1999). In terms of brand development and performance against the competition, this may develop into a significant competitive advantage.

To continue, e-commerce businesses are nowadays focusing mostly on consumer loyalty as key objective. The reasons behind it are connected to the rising acquisition costs with rising competition in the market, low conversion rates of visitors turning into buyers (less than 2 percent), and almost 2/3 of purchases on e-commerce sites are made from returning customers². Customer retention channels are important for the growth of e-commerce businesses. The focus of the managers is on e-version of CRM connected to websites, emails, forums etc. Loyalty establishments in e-commerce can vary in form. The buyer is very clever and price sensitive, therefore focusing on promotions in advertising can be considered one of the techniques. Online brand loyalty has 8 key drivers according to Srinivasan et al., (2002) (customization, contact interactivity, care, community, convenience, cultivation, choice, and character and will be described more in detail in Chapter 2.3).

On the other hand, providing enjoyable experience through convenience, usefulness, emotional commitment can be seen as equally important to other types of e-commerce businesses. Experience with the brand can be a make-or-break deal for the customers and can, in some cases, negatively impact brand's reputation, if not achieving customers' expectations.

² The data is from 2012 (N'goala and Cases, 2012).

The above analysed terms will be the focus of research in the following chapters, however, to fully understand the importance of D2C business models in recent times, the following subchapters will focus each specific term and later on data analysis of the D2C current trends within the EU and Slovenia, which will be the key market in focus for empirical analysis.

2.3 Direct-to-consumer e-commerce business models

Over the last few years, especially during the Covid-19 pandemic, the D2C business model has changed the e-commerce industry. With an increase in the number of businesses that sell, design, and ship the products without any intermediary, the industry has transformed. When mentioning the D2C brands, we can include either already established businesses or brands, which are digitally native, meaning they were established and grew only in the online environment (Statista, 2022). Based on the data in the year 2022, around 64 percent of worldwide customers were purchasing directly from an e-commerce brand. D2C business model is a way of avoiding the intermediaries and, as the name itself explains, sells directly to consumers. When the company is selling directly to customers through the e-commerce channels, it has adopted e-commerce. The rise of D2C was also enabled by a very easy online presence setup through the online stores. The current market environment and digital technology has enabled the D2C strategies to become an increasing trend (Lienhard et al., 2021).

The D2C businesses are driven by digital technologies, data analytics, algorithms, and new forms of connections. These organizations have quick access to assets, which makes the business model quite scalable, but at the same time very easy to copy. The relationship with customers is built directly, which gives them fast and powerful feedback loops, where the entire process of customization and experimentation gives them more flexibility compared to traditional retailers. The brands strive to complete an end-to-end process,³ where they capture the customers attention, data, and loyalty. The D2C brands offer always-on-experience using mobile technology, also known for outsourcing much of the operations and compete on a better customer experience (Gunther McGrath, 2020, p. 9-10).

According to the research done by Kim et al. (2021), there are 8 main determinants of the attitudes toward the D2C brands. The author examined the effect on attitudes towards D2C brands. These determinants are valid for repurchase intentions, co-creation, cost-effectiveness, website attractiveness, sustainability, brand uniqueness, social media engagement, and brand innovativeness:

1. Co-creation is helping brand build experiences and solve problems with combined efforts by both, the brand and the customer. The customer has, because of the quicker feedback loop, the opportunity to co-create values and offerings. With co-creation, the

³ End-to-end process – full solution, without the third party involved.

repurchase intentions rise, and the experiences improve. This has an impact on brand loyalty and experience.

2. Due to higher margins and better offer for price/quality, the D2C brands are cost effective. D2C brands are not usually the cheapest, but they are the better option. The customers view this as the ratio between price and quality, which increases the perceived value and impacts repurchase intentions and loyalty.

3. Website attractiveness is an important factor for D2C, since this is the main channel to retain and attract the customer with colours, logos, offers, graphics. The designs of the website have a large impact on the consumer behaviour and experience.

4. With the increasing care of the environment, another important factor, which needs to be taken into consideration, is sustainability. This has in the recent years proven to be an important decision-making criterion. In the minds of the customers, it is perceived that if the company is committed to sustainability, then there is a higher chance they will buy from this brand. This has an impact on brand identification, where sustainability can be one of the core values of the consumer (Coelho et al., 2018, p. 103; Kim et al., 2021).

5. Brand uniqueness presents the key difference of the brand with the rest of the brands with similar products. If the brand is well positioned, they can compete with others through offerings. When the brand has unique positioning, this can contribute to sustainable competitive advantage and convincing rationale to purchase the brand. We measure brand uniqueness with increase in repurchase intentions because these brands build a higher trust. Brand's role is to establish meaningful and committed relationships with the consumers, so that they can include brands in their self-concept, which has an impact on brand identification and brand loyalty (Susanty & Tresnaningrum, 2018; Kim et al., 2021).

6. The D2C brands are present on many channels and one of them is also social media, through which the brands communicate and interact with their customers for information sharing as well as advertising.

7. There is also an online community present, which strengthens the relationship with the brand. If the customer is highly involved in the online community, the repurchase intentions are greater.

8. Brand innovativeness is measured by the ways the brand can provide new ideas and solutions to the customer. The innovations can relate to business model changes, new product introduction, storytelling, or other activities. According to the research, if the consumer perceives brand as innovative, this can lead to brand loyalty (Kim et al., 2021).

Following the research executed by the authors, they concluded that D2C brands have a strong focus on consumer relationship and strive towards connecting every aspect of the business with the end consumer. The relationship goes through mutual exchange of benefits.

Consumers brand perception is crucial for brand positioning in the market, therefore new designs and technology are crucial for the competitive advantage (ibidem).

Since the analytical part of the master's thesis will focus on Slovenia, the Chapter 5 will take a detailed look into the current situation of D2C in Slovenia.

3 BRANDING STRATEGIES AND CONCEPTS

When discussing the following branding concepts, this chapter will discuss their developments and relevance for the topic.

3.1 Brand Experience concept and types

Historically, the concept of experience and consumption went hand in hand. The ground-breaking article on experience was written in 1982 by Holbrook and Hirschman, where the emphasis was that the existing research has tendency to disregard the experiential aspect of consumption, which fairly limits the knowledge on consumer behaviour, because it focuses too much on the consumer as an information processor (Holbrook & Hirschman, 1982, p. 193). Their further research focused on consumption and how it evokes experiences. With the start of the new century, a new term of experience economy rose, which meant that the highest value was experience, not products or services. With experiential marketing, the marketing related activities moved to marketing experiences, due to information technology development, brand dominance, widespread communication, and entertainment.

For the consumer product benefits, quality and brand image were something which impacts their emotions, senses, and minds. Marketing campaigns and communication need to be able to deliver experience (Schmitt, 1999, p.12). What we are witnessing currently is fully digitalized business operations, products and services are offered as digital products, social media is on the rise.

From the theoretical perspective, brand experience according to Brakus et.al is "conceptualized as sensations, feelings, cognitions, and behavioural responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications, and environments" (2009, p. 52). Brand experience can also be understood as quality of the consumer experience toward purchasing of the product (Budi et al., 2021, p. 116). Experience is created when the customer uses the brand's products and talks to others about it, searches for information, promotions, and events. Experience can create emotional bonds, but emotions are just one part of the broader experience shaped by internal stimulation, which causes experience. This experience also includes feelings of uncertainty about potential outcomes of one's actions and the possible discomfort that might arise (Tran et al., 2020).

The scope of brand experience goes way beyond product/service experience and has shown through the research positive impact also on other brand related constructs, including consumer behaviour, brand relation etc. If the brand offers experience benefits, this can be the turning point when determining consumer brand preferences, which can lead to connection between experience and brand equity (Faseeh & Fayaz, 2019).

The experience process can be positive or negative, short or long termed, and has a positive impact on satisfaction, trust, and loyalty. According to Brakus et.al., there is a measurable scale of brand experience, which incorporates four dimensions: affective, intellectual, behavioural, and sensory.

- Sensory experience impacts the five senses (sound, sight, touch, smell, taste) and is measured by the consumer touching, smelling or in any other way impacting the senses (Schmitt, 1999). Following this it is important to mention that brand experience consequently affects also brand loyalty and consumer satisfaction through the way the customer perceives brand personality.

- Affective experience focuses on emotions and feelings, which can lead to positive or negative feelings.

- In terms of intellectual experience, this goes in line with problem-solving and analytical experience.

- Through behavioural experience, we can observe changes in behaviour through several interactions (Brakus et al., 2009)

Consequently, for marketers, the consumer experience is highly relevant for any further marketing strategies. There were many other authors which included other dimensions in the mix, however for the purpose of this research, Brakus model will be taken into consideration. Following this, there are also many other experiences we can observe, such as consumption, product, shopping experience etc. However, in this case we will investigate brand experience, since it connects both, customers and non-customers (Zarantonello & Schmitt, 2010), which is highly relevant for the observation of e-commerce businesses, as well as connects or predicts brand loyalty (Iglesias et al., 2011).

When discussing brand experience types, the experience for the consumer has different stages, it starts in the early stages of searching for the product, following this is the process of purchasing the product, and when the product is used in practice of consumed. The consumer in the purchasing process is exposed to many different stimuli from the brand, such as brand related colours, shapes, slogans, which are all part of the brand's identity and design, marketing, packaging (Brakus et al., 2009, p. 53).

- Product experience is the process of searching for the product, making comparisons, evaluation. This touchpoint can happen in a physical form or in the online market – through ads, website search etc.

- Shopping and service experience – this experience was mostly connected to physical stores – focusing primarily on the salespeople's behaviours and customers instore experience. However, in D2C can be supported with customer services and website shopping experience.

- Consumption experience – is related to the process of consuming the product and tackles the goals that occur during and after the consumption.

- Indirect experience – is added as the bonus, however it is very relevant for the D2C online environment how the consumer experiences the advertising and marketing communication in online purchasing environment (ibidem).

Brand experiences can differ in insensitivity, duration, and reactivity. In the digital world, we observe other brand communication tools, for example advertising, event marketing, public relations etc. (Schmitt et al., 2014).

Table 1: Brand experience scale

Brand Experience factors	Dimensions
Sensory experience	This brand makes a strong impression on my visual sense or other senses. I find this brand interesting in a sensory way. This brand does not appeal my senses.
Affective experience	This brand induces feelings and sentiments. I do not have strong emotions for this brand. This brand is an emotional brand.
Behavioural experience	I engage in physical actions and behaviours when I use this brand. This brand results in bodily experiences. This brand is not action oriented.
Intellectual experience	I engage in a lot of thinking when I encounter this brand. This brand does not make me think. This brand stimulates my curiosity and problem solving.

Source: Brakus et al. (2009).

3.2 Brand identification concept

Brands, as carriers of symbolic significance, can aid customers in achieving their fundamental identity aspirations and objectives. Feeling belongingness or oneness with something or someone is a part of an organisational behaviour literature (Stokburger-Sauer et al., 2012). Customers often associate with brands and assets from a young age because they help them emphasize their uniqueness, express their personality, and give them a feeling of the past. Consumers tend to develop strong relationships with brands because they represent and strengthen their identities, which are significant in their everyday lives (Tuškej et al., 2013).

According to Lam (2012), brand identification has been one of the most important topics in marketing research field in the 2010s. Studies have shown positive correlation between consumer-brand identification and marketing success. This leads to consumers becoming brand representatives, helps on building long term relationships, and gives competitive advantage towards the competition. As mentioned in the 1998 by Fourier, people usually choose brands because they have some background or long-term relationships/connections with them (1998). The term brand identification has developed from the social identity and self-categorization theory. The theories are focused on the fact that individuals form groups in a society to fulfil self-definition. This is achieved by finding a homogenous group, which is on the outside different than others. This was also the basis for organizational identity, which received a lot of attention in the past (Tildesley & Coote, 2009).

In 2003, Bhattacharya and Sen introduced the term consumer-company identification, which is the fundamental psychological basis for the type of deep, enduring, and significant connections that marketers are increasingly trying to establish with their clients. This has been an important milestone to understanding why consumers choose certain brands and keep on returning to them. Brands have the role to ensure the company's identity and several research has also concluded that it is more important for brands to create value in consumers mind, than its products or services (Susanty & Tresnaningrum, 2018, p.1). The concept of brand identification also needs to be viewed in line with other impacts, such as consumer buying related decision, satisfaction, brand loyalty brand preference, and others. The study by Susanty and Tresnaningrum however focuses on the two concepts, mostly in terms of the impact brand identification has on brand loyalty.

Brand identification “can be defined as the primary psychological substrate for deep, committed and meaningful relationships that marketers are increasingly seeking to build with their customers” (Susanty & Tresnaningrum, 2018, p.1). Some other definitions also include that this is a decision from the consumers side to define themselves by incorporating a specific brand into self-concept. Researchers recognize that brand identification process also influences consumer's buying related decisions, loyalty, feeling of brand community and commitment, consumer satisfaction, and repurchase intentions. This also opens the opportunity for consumers to purchase products of premium price and share the positive

WOM (Tuškej et al., 2013, p.53). Consumer brand identification is possible in two perspectives: personal one, where brands help the consumer emphasize their personality, values, and beliefs, and in terms of the social perspective, brands are a communication instrument of consumers' aspiration and self-status. Based on that, the outcomes in behaviour can be extra-role (cooperative), in-role (loyal consumers). Through the brand, the consumers can express their own uniqueness, their identity, and can give a sense of the past. Consumers could identify with the brand, especially if the brand is humanized. Laswell defined through his identification theory the term brand identification as being one with the brand (Coelho, 2018).

The framework, on which the brand identification was mostly built, is also the social identity theory. Following this, the identification according to previously mentioned theory is how one perceives oneness with a group of people (Kuenzel & Halliday, 2010, p. 168). According to this theory, the consumer brand identification can be explained by the degree with which the brand expresses and enhances the consumer's identity (Tuškej et al., 2013, p. 54). Identifying yourself close to a group fulfils the need for self-definition and social identity.

When the term is used for the purpose of understanding the CBR, the process can also happen without any contact with the brand or the organization. When a customer identifies himself as a part of an organization, the person will consequently define himself in a relation to that group and find some differences with the members of other groups or brands. The main idea behind the social identity theory in connection to CBR is to understand the consumer's behaviour in which the consumer does not need to act together with other consumers but can still feel very much a part of the group (Kuenzel & Halliday, 2010, p. 168-169). One very important concept connected to brand identification is reputation. If the customers have positive feeling about the brand, consequently they can identify with the brand due to good reputation (*ibidem*). Reputation can come from different sources, from a personal experience, the word-of-mouth, or the media. (Kuenzel & Halliday, 2010, p. 168-169). According to Kuenzel and Halliday, if the consumer perceived the brand as having high reputation, this leads to higher level of brand identification and brand loyalty. With strong external marketing communication, this might lead to better reputation and increase the levels of brand identification with a particular brand (Kuenzel & Halliday, 2010, p.174). Strong brand identification therefore leads to desirable outcomes, such as brand loyalty.

When explaining the social identity theory in the corporate context and in the process of identification, it helps the customer compare and evaluate brands' characteristics and values to their own. In case of a match, the brand identification is stronger (Stokburger-Sauer et al., 2012). Identification is a dynamic process and does over time change and evolve. This concept is especially important for new brands entering the red ocean markets, where a new launch of a brand is a critical event, in which all the consumers are exposed to at the same

time. New brands rely mostly on new products' brand identities to impact the industry and alter the market. (Lam et al., 2012).

3.3 Brand loyalty concept

With the increase in technology and increase in the standards of the products, consumers usually notice little difference between the brands. The focus from the brand perspective is put on ensuring an emotional connection with the customers, rather than functional value (Noble & Kumar, 2008). Regardless of the focus, consumers still tend to switch to other brands, unless they understand the values of the company (Kato, 2021). The concept of brand loyalty is quite complicated and is only possible when the customer feels that the product is a good fit in terms of quality/price ratio. Companies do make different marketing steps to acquire loyal relationship. The focus behind marketing communications is to build relationships that last, consequently leading to increasing loyalty (Budi et al., 2021, p. 116; Šeric, 2020, p. 338). However, if the brand fails to reach the consumers expectation, the consumer will move to the competition. What affects brand loyalty is also brand experience trust and relationship. Oliver et al. explained the concept as firm commitment to use or not consistently selected products from the same brand. However, brand loyalty can be impacted by some marketing actions or outside influencers, which can cause the customer to change the purchasing habits and behaviours (Budi et al., 2021, p.116). In 1999 Oliver developed the definition and presented brand loyalty as "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour" (Gommans, 2001, p. 44).

Brand loyalty factors include quality, design, UX/usability, performance (Kato, 2021). Besides Melewar et al. (2017) describes that controlled (website, promotion, visual identity) and uncontrolled communication (WOM, social media marketing, public relations) can lead to superior brand loyalty. Following the above factors, brands need to focus on several item to ensure fruitful grounds for brand loyalty. The concept of brand loyalty has been discussed through two different dimensions, first one being the behavioural, while the second one is attitudinal loyalty.

Attitudinal loyalty includes cognitive, affective, and behavioural dimensions. In traditional marketing communication, the focus was put on brand image, while in the online shopping environment, the focus is on the cognitive dimension due to more personalized or customized data available, and through the affective dimension, the security and privacy have a much bigger role (Gommans, 2001, p.45). In general, if the customer has a positive attitude towards the brand, the chances to stay loyal are bigger. Behavioural intent presents an intermediary between the attitude and behaviour. It presents the intention to act and buy in the decision process. In e-loyalty, the main emphasis needs to be on converting this intent to immediate purchasing action (Strauss & Frost, 2001).

Behavioural loyalty is defined as repeat buying behaviour. In e-commerce, this can be translated into repeat site visits without purchase and time spent at the website. If the customer is satisfied, the likelihood of buying is higher. In e-commerce, the customer receives a lot of information about the product, which has an impact on the buying intentions. Behavioural loyalty in this case is more difficult to be achieved than in offline channels (Gommans, 2001, p. 46).

4 IMPACT OF DIRECT-TO-CONSUMER BUSINESS MODEL ON CONSUMER BRAND RELATIONSHIP

To understand the marketing mix and actions of e-commerce brands, it is important to emphasize the key factors that have the impact on CBR in the D2C business environment. Companies focus on branding as a strategy to differentiate themselves from the competition. Keller (2001) presents branding as a communication strategy, which is a long-term communication process that consists of different steps that together at the end develop perceived differences in a consumer's mind about distinct brands. This type of the communication strategy operates at the corporate, marketing, and marketing communications levels. On the other hand, the CBR presents a concept which examines the relationship between consumer and the brand. Due to this type of the relationship, Vargo and Lusch (2004, p. 2) explained that brand experience should move to service-dominant logic, where intangible resources and value co-creation in the relationship are emphasized. Brands can achieve successful differentiation when the customers perceive close relationship with the brand because of branding experiences and value of the relationship (Prahalad & Ramaswamy, 2004a).

With the rise of social media, the term value proposition has been redefined, where the emphasis is put on experiences that are memorable, meaningful, engaging, and pleasurable. If the brands want to be competitive in the field, they need to respond with value proposition (Nadeem et al., 2021). From the online presence, for the experiences to be meaningful and impactful (in the red sea of competition), the consumer experience is defined as a combination of interactions created by the company through branding, which causes customers reaction. Consumers are nowadays searching for experiential value (cognitive value- quality of service; hedonic value-pleasure and enjoyment; social value – reputation, and ethical value -trust). For the online shopping experience, the most important value is navigation flow and aesthetic appeal (Wang & Hajli, 2014).

4.1 Relationship and e-brand experience in the e-commerce

In the digital environment, experience can be defined as a set of interactions, which is created from the brands side and is striving for a response from the customers. The experience is dynamic and impacted by different marketing communication channels. The

main idea behind is to differentiate the brand from the competition (Nadeem, 2021; Schmitt et al., 2014). This leads to the development of experiential value, where experiences become a part of the offering. The experiential value can be cognitive (quality of services), hedonic, social, and ethical value (ibidem). Following that, the term e-brand experience, which is linked to online brand experience, website experience, online flow experience, can be explained as the personal reaction of an individual when in contact with the e-commerce brand (Morgan-Thomas & Veloutsou, 2013).

Brand experience is much more than just emotions, it's connected to feelings, behavioural responses, sensations, and cognitions, which are affected when the customer is connected to the brand. Brand experience is a private, very subjective response from the customer, which is affected by brand-related stimuli, such as product quality, packaging, identity (Brakus et al., 2009). Brand experience can positively influence consumer satisfaction and brand loyalty, as well as brand trust and brand equity (Ha & Perk 2005; Schmitt, 2014; Zarattonello & Schmitt, 2013). The experiences in the online environment need to connect to positive psychology, providing optimal experiences and happiness (Schmitt, 2014). In D2C, brand experiences are more than just marketing tools; they are devices for making people happy.

4.2 Relationship and brand identification in e-commerce

Consumers form deep and meaningful relationships with brands (Fournier, 1998), become emotionally attached to them, and use them to express their personality (Ghani & Tuhin, 2018). In the online environment, it is easy to establish a relationship and form identification through interactive activities. Customers have become active players in the business development, who co-create value through product innovation and competitive strategy (Luo et al., 2015). The brands are fundamentally changing the way they communicate and interact with their customers, social media as a platform brings a lot of advantages connected to consumer engagement and building stronger relationships with them (Tuškej & Podnar, 2018). The term consumer-brand engagement positively influences emotional connection, brand loyalty, and the intent to use brand's products. The consumer consumption has changed over the years, which means the perception of product value for the consumer is different. For the consumer, value needs to be co-created through consumer-brand interaction.

In e-commerce, there are various activities present in the digital environment, where people, who identify more with the brand, are usually more active when it comes to brand activities on social media. This is in line with the previous literature on brand identification, where customers, with strong brand identification, contribute significantly more to company's endeavours on social media, or take on other types of behaviour to help brand grow (Stokburger-Sauer et al., 2012). Stronger identification leads to online brand identity promotion and participation in online activities (Tuškej & Podnar, 2018).

4.3 Relationship and brand loyalty in e-commerce

For D2C brands, brand loyalty, building, and establishing relationships is crucial. Experience leads to brand loyalty, referral, and increased profitability (Morrison & Crane, 2007). Customer retention and loyalty impact brand's financial performance. Establishing strategies to retain and build long term relationships is the goal to long term brand growth.

In the e-commerce business environment, the term is changed and adapted to the online environment. Therefore, the discussion is connected to the term e-loyalty. "Schultz (2000) describes customer/brand loyalty in cyberspace as an evolution from the traditional product driven, marketer-controlled concept towards a distribution driven, consumer controlled, and technology-facilitated concept." (Gommans, 2001, p. 44). E-loyalty pays a lot of attention to quality customer support, on-time delivery, interesting product presentations, reasonable shipping price and handling, and trust-worthy pricing policies. Since loyalty impacts the financial performance, it is crucial that also e-retailers develop a deep understanding base of the predecessors of e-loyalty, which is customer loyalty to a business that sells online (Srinivasan et al., 2002).

According to Srinivasan et al. (2002), there are eight e-business factors that have an impact on e-loyalty.

1) Customization – where the retailer can tailor the product, service, and the transactional environment to each individual consumer. Customization can also be defined as an extent to which the e-retailer or, in this case, e-commerce brand can recognize an individual customer and offer then customized shopping experience.

With this the customer, it is more likely to find a product they intent to buy, as well as make the entire process of buying more efficient. If the page is customized, the customer is more keep on visiting the site again.

2) Content interactivity – describes the connection and engagement between the e-commerce brand and the customer through the website. The lack of interactivity is a huge problem, since the websites dan provide insufficient information and are late in replies. This is mostly connected to the responsiveness of the customer support and has an enormous impact on loyalty, because it enables a quick search process, provides more information regarding the product itself. The whole navigational process also increases the freedom of choice and the level of control, which is experienced by the customer.

3) Cultivation - e-commerce brands need to use their databases to cultivate customers actively and effectively. If the brands actively offer desired information, the customers will be invited to return.

4) Care – focuses on the pre and post purchase activities, mostly related to paying attention to details and ensuring the entire process goes as smoothly as possible. This is highly relevant since online buyers have quick access to competitors.

5) Community - a virtual community can present an important factor in increasing customer loyalty through word of mouth. The community can also build the perception of belongingness to a group.

6) Choice – an e-commerce brand can usually offer a wider range of products and product categories, compared to a conventional retailer. This way the e-retailer can reduce the opportunity costs of time and increase the loyalty of the customer by being the first destination for shopping.

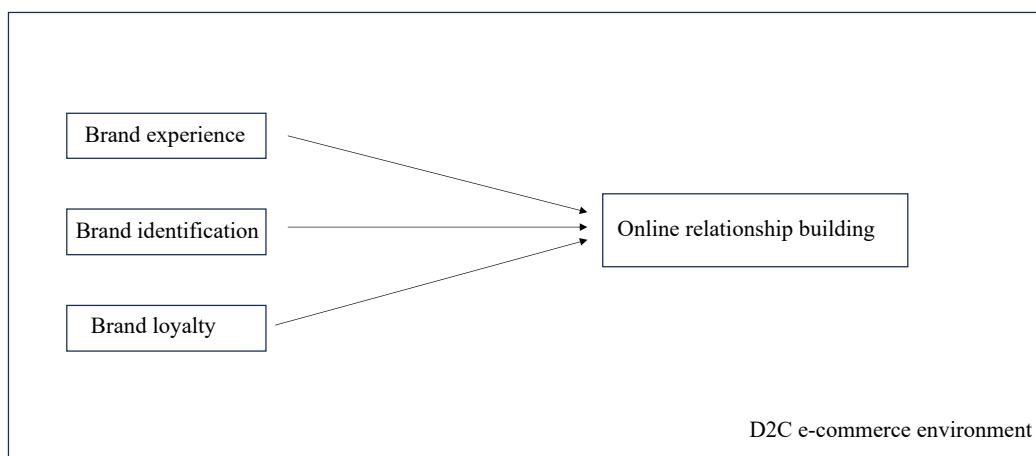
7) Convenience in online shopping relates to the characteristics of the website, this is crucial because it represents the only interface in the marketplace.

8) Character – with creativity one can build a positive reputation and character of the brand in the minds of consumers. Character is defined as an overall image or personality through text, style, colours, logos, themes etc. If a customer is positively influenced by such stimuli, this can have a great impact on the customer attitude.

4.4 Proposed framework – brand identification-experience-loyalty

The following model was prepared in line with the literature review and will be tested with statistical methods in later chapters. The master’s thesis will focus on analysing the mutual effects of each term and the interdependence between them. The proposed framework looks graphically as shown in Figure 1.

Figure 1: Proposed theoretical model of brand identification, brand loyalty, and brand experience



Source: Own work.

Since the three key dimensions were researched several times individually or in pairs in the literature analysis, brand identification and brand experience dimensions has been analysed by Kumar & Kaushik (2020), the following analysis will tackle the relationship between brand experience, brand loyalty, brand identification on online relationship building to check the goodness of model fit. Based on several research, consumer brand identification leads to brand loyalty, since it influences how the consumer perceives the brand, recognizes, and evaluates the brand. However, some researchers claim brand identification has no impact on brand loyalty (Kumar & Kaushik, 2022; Kim et al., 2021), therefore in the following chapters the relationship among dimensions will be analysed on the case of Slovenia.

Following that consumers tend to identify with brands, which provide personal experience. Focusing on providing a memorable brand experience leads to brand identification, since the customer fills the needs of self-referencing and self-definition, which builds strong emotional bonds. Based on this we can expect that there is a connection between brand identification and brand experience, which was also tested in the model proposed by Kumar and Kaushik in 2020.

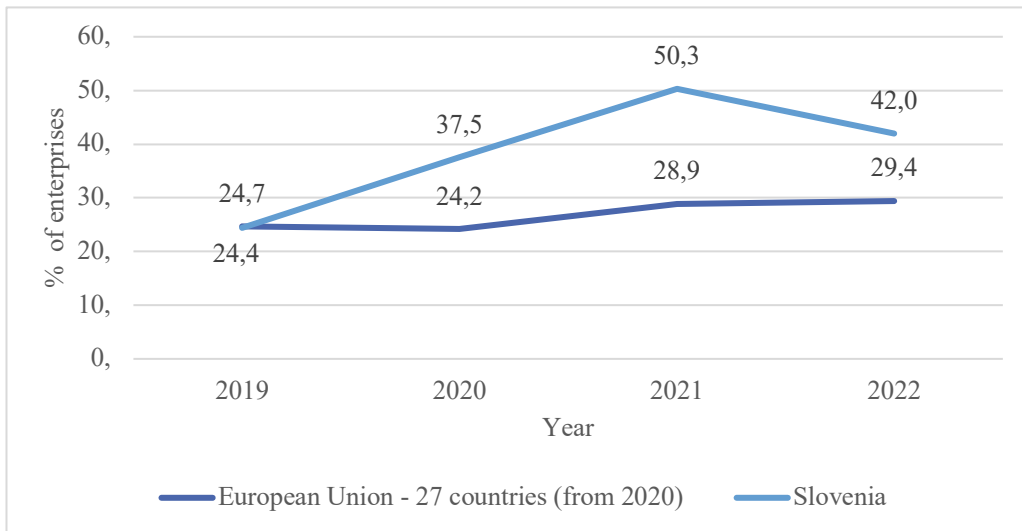
Although some studies have tackled the relationship between individual concepts the individual effects of dimensions and the relationship between the selected three dimensions have scarcely been researched especially in the area of e-commerce businesses. Based on that, the research hypothesis will be presented in Chapter 6.

5 RESEARCH ON CBR IN E-COMMERCE IN SLOVENIA

During the Covid-19 pandemic, the e-commerce businesses in Slovenia were on the rise. Slovenia is currently 89th largest market for e-commerce worldwide. The revenue according to the predictions is expected to grow with a compound growth rate by 2027 of 10.8 percent. The largest niche for Slovenian market is fashion, accounting for approximately 35.2 percent revenue, followed by electronics and media 26.3 percent, and food and personal care with 16.9 percent (ecommerceDB, 2023).

In Figure 2, the two lines represent the comparison of percent of enterprises with e-commerce sales during the Covid-19 period. The comparison is done between Slovenia and EU average. For Slovenia, the year 2021 brought a peak in the rise of companies, involved in online retailing due to Covid-19. Compared to the EU average, there is 21.4 percentage point difference. In 2022, we observed a falling trend, however the percent of enterprises in Slovenia was still higher than the EU average, where we can conclude the online businesses will remain and important player in the country.

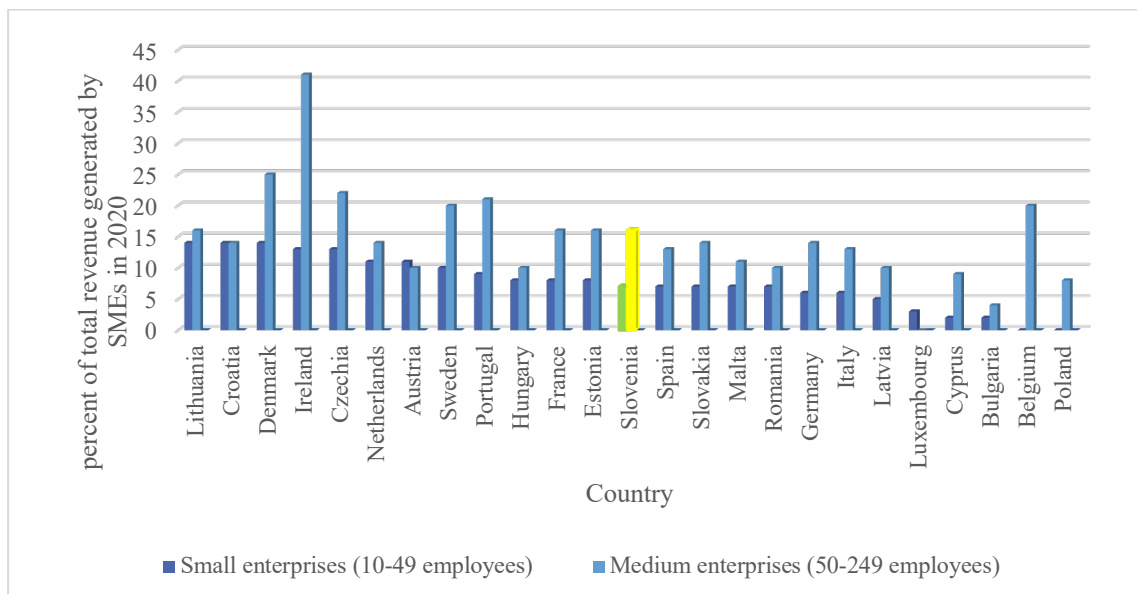
Figure 2: Comparison of percent of enterprises with e-commerce sales in EU and Slovenia during the period of 2019-2022



Source: Eurostat (2023).

In Figure 3, we can observe the percent of total revenue generated by e-commerce Small and medium sized enterprises (SME's) in Slovenia compared to the rest of the EU countries. E-commerce SME's have generated around 15 percent of total revenue in 2022, among those, there was 6 percent, which was generated by small enterprises. Similar share can as well be observed in France and Estonia, while the largest contributors to the percent of total revenue can be found in Ireland, followed by Denmark. Since the latest available data is from 2020, the percentages have increased during the Covid-19 pandemic.

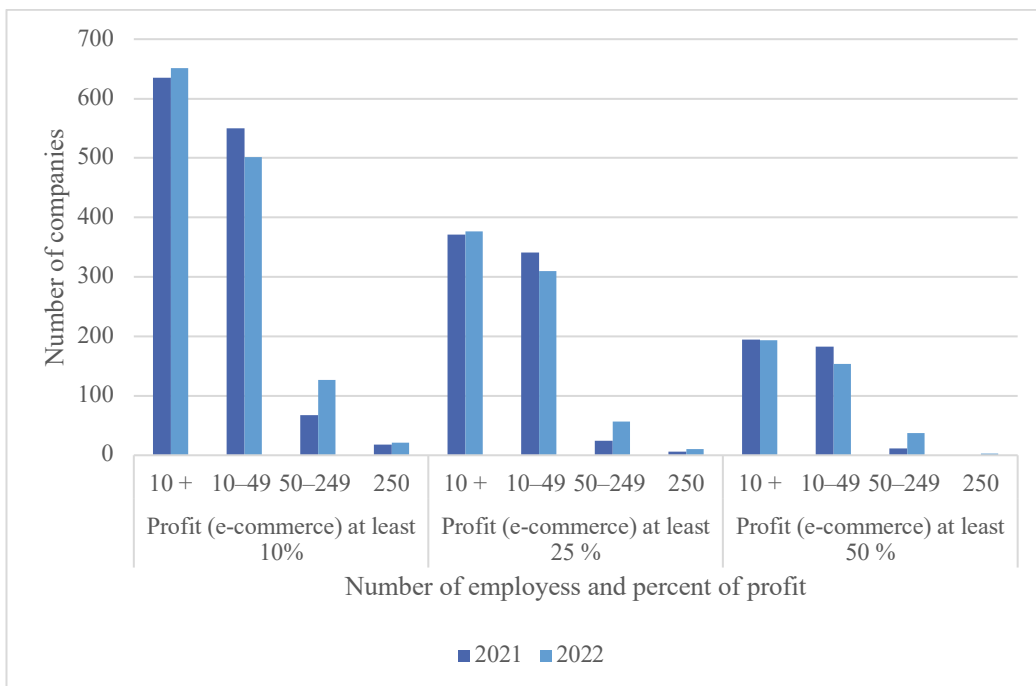
Figure 3: E-commerce share in SMEs revenue in the EU 2020, by country



Source: Statista (2023).

In Figure 4, we can observe the percent of profit e-commerce brands generated in the years of 2021 compared to 2022, where covid was not at the peak. We can observe that there is large number of companies with e-commerce providing at least 10 percent of total profit, which is a consequence of government restrictions during the pandemic, where the companies had to establish online presence. We can observe that there is a lower number of companies where the e-commerce profit contributes to at least 50 percent of total profit, however in connection with Figure 3, we can observe that medium enterprises contribute quite a lot in terms of revenue for Slovenia in general.

Figure 4: Comparison of percent of enterprises with e-commerce sales in Slovenia during the period of 2019-2022



Source: Eurostat (2023).

6 EMPIRICAL RESEARCH ON CBR IN E-COMMERCE IN SLOVENIA

In Chapter 6, the master’s thesis will describe in detail the research questions, hypotheses, and methodology used for the empirical part.

The research was conducted from two parts. The first part included an interview with a CEO of a performance agency from Slovenia with 9 years of experience in e-commerce. The second part consisted of an online survey, which was first tested with a small group of 5 people to avoid any misconceptions, false understanding and ensure clarity of the questions.

6.1 Research questions

This master's thesis empirical research is focused on answering the following questions:

RQ1: How relevant is consumer brand relationship in Slovenian e-commerce environment?

RQ2: How does brand identification affect brand loyalty in Slovenian e-commerce?

RQ3: How does brand experience affect brand loyalty in Slovenian e-commerce?

RQ4: How relevant is brand experience and identification for brand loyalty?

RQ5: Do brand experience, brand identification and brand loyalty have a positive impact on Brand performance in Slovenia?

RQ6: Are consumers who purchase directly from brand website more prone to relationship building compared to the ones who purchase via online marketplaces?

6.2 Research hypotheses

Research hypotheses were conducted based on the research questions stated in chapter above through existing literature:

According to Morgan-Thomas and Veloutsou, feeling matters, consumers are actively searching to build a bond with a specific brand, and consequently form the relationship (2013). Veloutsou (2007) argues that for a relationship to be established, there are two important factors – communication and emotional connection - mostly self-connection. However, long-lasting CBR in the marketing literature are also relevant for the offline brands (Fournier, 1998; Veloutsou, 2007), moreover the CBR is also in the e-commerce business environment, where the emotional connection prevails (Morgan Thomas & Veloutsou, 2013), which means relationship building should be a priority for the brands.

The key differentiating factor represents the two-way interaction between the brand or its traffic and is a key indicator of success. E-commerce brands rely on two-way communication to generate income through advertising, licensing, or subscription, not only from direct sales. Having a continuous relationship with the consumer is the key survival tactic (Morgan-Thomas & Veloutsou, 2013). If the deep relationship is formed, the consumers tend to be actively involved in the communication process, which can translate into satisfaction and loyalty. User interaction with e-commerce brand is an ongoing relationship, which through brand experiences creates emotional ties. Based on the above-mentioned facts, H1 was developed.

H1: Consumer brand relationship is still very much relevant in the D2C e-commerce environment, compared to in the offline business environment.

The establishment of an emotional connection with consumers is the key factor, which allows the brand to stand out from the competition, to enhance brand engagement and increase brand loyalty (Crespo, 2022). Consumer brand identification, according to several research, has shown that it is an effective predictor of consumer behaviours including willingness to repurchase and recommend to others (Lam et al., 2012). If the consumer is loyal, this increases the consumer's feeling of belongingness, creates an and emotional costs to reinvest themselves again with a brand and with a high level of identification show very supportive behaviour towards brands actions (Popp & Woratschek, 2017; Bhattacharya & Sen, 2003). The studies conducted by Lam et al. (2012) also support positive relationship between brand loyalty and brand identification. According to different marketing literature brand identification leads to long term relationship with the brand, which consequently influencer brand loyalty. Thus, H2 was developed.

H2: The more a consumer identifies with the e-commerce brand, the more loyal the person will be to that brand.

The way a consumer experiences the brand is the key feature, which differentiates the online brand with the rest (Morgan Thomas & Veloutsou, 2017). If the consumer has positive brand experience, this can establish long lasting bonds between the two. It has been highlighted that brands must share positive brand experiences with customers to foster strong brand loyalty. Furthermore, studies conducted in online environments have shown that distinctive brand experiences are crucial in influencing whether people return to a company's website (Quan et al., 2019). For the online environment, superior brand experience can result in online loyalty, which is the reason H3 was developed.

H3: The better the online experience with the e-commerce brand, the more loyal the person will be to that brand.

If the consumer is exposed to brand experiences in a longer period of time, this can transfer into emotional attachment, which can be translated into internal outcomes of the consumer behaviour, as an internal by-product of the stimulation those experiences provoke (Brakus et al., 2009, p. 54). Fundamentally, brands are things that we consume, frequently over time and again, making the consumption experience itself crucial to understanding why we associate with some brands and not others (Stokburger-Sauer et al., 2012; Crespo, 2022). Thus, H4 was established.

H4: Consumers are less likely to switch between e-commerce brands when they identify with the brand and have positive brand experience compared to the consumers, who do not identify with the brand and have a positive brand experience.

Following this, an important consequence of consumer brand identification is brand loyalty, which contribute immensely to the long-term relationship and company's financial performance. However, if the consumer does not have a positive brand experience, it's less

likely that the person will become loyal to the brand and feel the sense of belongingness. Therefore, for the purpose of building strong and meaningful relationships, the brands must focus on experiences, clear communication of values and brand identity for enabling the consumer to identify strongly with the brand, which consequently leads to brand loyalty and company's growth and financial performance (Stokburger-Sauer et al., 2012; Brakus et al., 2009). Based on that, H5 was developed.

H5: Brand experience, brand identification, and brand loyalty in e-commerce have a positive impact on relationship building.

Providing a positive shopping experience has been the key goal from many e-commerce businesses. The consumer marketing strategy mostly involves different channels to increase brand awareness, influence consumers and their buying decisions. Research on the following topic suggest that more known or popular online marketplaces and brands will be prioritized and chosen first. What is important to mention is that consumers will evaluate their experience based on different factors (for example price, offer, product diversification, perceived value, security, recommendations...) (Rosario & Raimundo, 2021). To discover the difference between the levels of brand identification, H6 was developed.

H6: Consumers who purchase products directly from e-commerce brand's website are more likely to have higher brand identification compared to the ones who purchase from e-commerce marketplaces.

6.3 Research methodology

To fully tackle the topic, two methods were used. Firstly, in May 2023 an interview with the CEO of a performance marketing agency with over 9 years of experience in e-commerce was conducted. This allowed me to understand the topic from the brands perception (several brands, since the company is a digital marketing agency) and get some critical insights for the questionnaire. The interview was semi-structured, the questions were based on the research done through secondary resources and personal knowledge from working in the field of digital marketing for e-commerce businesses⁴.

Secondly, the analysis was focused on getting market insights in for Slovenian market. To be able to answer the above stated hypothesis and research questions, the quantitative study through an online survey was performed. The selection of this methodology for the master's thesis was based on time efficiency, broader pool of respondents, which is not limited to a geographical location, option of anonymous replies and confidentiality. However, conducting an online survey has its disadvantages, such as non-personal

⁴ The transcript of the interview is available upon request.

approach, difficult to select a specific sample of respondents and many unanswered questions, due to various reasons (Nayak & Narayan, 2019).

The conceptual dimensions (brand experience, brand identification, and brand loyalty) were measured using previously developed scales. Brand experience was based on the four dimensions Brakus et al. (2009) presented in his work. Brand identification was measured with the scale used by five concepts adapted from Stokburger-Sauer et al. (2012). The measurement scale for brand loyalty was adapted from (Fayez & Faseeh, 2019), where the emphasis was put on loyalty in e-commerce brands.

The tool for the survey was IKA, which is a very user-friendly tool. The only limitation in the survey was, whether the respondents make purchases online and the age limit 18+. The survey was shared through multiple social media channels, Facebook groups connected to online shopping topics, and through the word-of-mouth, where the main goal was that the survey reaches many potential respondents. The respondents were as well encouraged to share the online survey with their friends and family via social media to broaden the pool of potential respondents and to get to the respondents who do purchase products online.

Firstly, the survey was tested with a small group of 5 people from different backgrounds and purchasing habits, which gave feedback and helped co-create the questionnaire to make it clear for the rest of the participants. There were several important insights that helped build the final version of the questionnaire. The online survey was live from June 3, 2023, to July 3, 2023. The questioned were developed based on the past research of the existing literature to answer the research questions and hypothesis. There were 18 questions in the questionnaire. The questionnaire had a combination of open and closed questions. Most questions were closed, however there was one open ended question, where the main idea was that the respondent could select their own brand, when filling out the online survey, to really grasp the true responses connected to the topic and ensure there is a relationship established between them and the brand. Several of the closed ended questions were like scale, for the purpose of specifying their levels of agreeing or disagreeing with the statements. Some questions, which involved descriptive statistics, were multiple choice. The questionnaire was conducted in Slovenian language, but both Slovenian and English version can be found in the Appendix 3 and 4.

The questionnaire can be divided into 3 parts. The first part included questions which were meant to understand the consumer behaviour of Slovenians in terms of their online purchasing habits. The second part of the questionnaire pertained to analysing a specific relationship with the brand, where they mostly purchase clothing items. The second part was divided into four sections. The first one was a general one about their relationships with brands online, what is important for them, when purchasing online, whether brands take good care of the relationship and most importantly if this is something that is relevant for them. Following that, the selected brand relationship terms were analysed, therefore brand loyalty, brand experience, and brand identification.

For brand experience, there are 4 key milestones to analyse (sensory, affective, behavioural, and intellectual experience) (Brakus et al., 2009). Brand loyalty questions discovered their behaviour in terms of being brand spokesperson and brand identification questions analysed how closely the self-identity is connected to brand-identity. For these three terms, the respondents were asked to think about their favourite clothing e-commerce brand, whether it was an online brand or online platform where they purchase from, since these are quite popular in Slovenia.

The last group of questions was designed to get the demographic and socio-economic data. The questions asked the consumer about their gender, age group, monthly income, education levels, employment status, and region in Slovenia, where they live.

The collected responses were downloaded from IKA and uploaded to SPSS, where the analysis was conducted, focusing mostly on descriptive statistics and one-sided t-test and linear and multiple regression analysis.

7 RESULTS AND KEY FINDINGS

In this chapter, the analysis of the online questionnaire will be presented. The analysis will firstly present the findings from the interview with Jure Knehtl the CEO of a digital marketing agency, followed by the analysis of the questionnaire through the descriptive statistics, and afterwards the question-by-question analysis will be performed. The chapter will end with an analysis of the research hypothesis.

7.1 Interview findings

The main purpose of the interview was to analyse the importance of CBR also from the brands perspective. The interview started with general questions about the professional background of an interviewee. Firstly, we touched upon the evolution of e-commerce brands in Slovenia. When he started working in e-commerce, these types of companies were not that common. And the CBR was not yet in full scope or the main topic for businesses. Brands at that moment were not that relevant, the focus was more on selling the products and the story of the product, rather than brand building. Firstly, the businesses were focusing on product performance and later brand performance as a whole and building loyalty.

From practice, CBR in e-commerce was developed slowly, and consumer behaviour was based on the data you received from the platforms, which you could access through social media, which were way cheaper and easier to get. The main goal was how to get the product to the target consumer. The consumers were searching for products they could not receive offline or were at that time only available abroad. The push marketing was the key. The consumers were searching for new products, for new solution to their pain points and benefits they receive with the product as well as general benefits (easier shipping, variety of

products...). The first thing was to get trust of the consumers and from there on the brands had to think about communities, personal stories, variety of products. People at that time were paying more attention to the story and brand behind it. In the second phase of the development, the brands started focusing more on brand relationship building, creating strategies how to get the consumer and how to keep them.

For brands, the most expensive thing is to get the new customer, so this is becoming more and more the focus of brands. Paying attention to the customer journey, retention, and customer acquisition has become crucial for developing the relationship. The e-commerce brands are now focusing more and more on as well offline activation, which means the business model is changing. From the perspective of start-ups brand building side, the most important is to have a good product. With this you can start building the relationship. For starters brand owners need to focus on delivering good, quality product. It can be visually appealing, but if the experience is not good, this is not a good base for growth and development of the company and customer relationship. With a good product, you can focus and grow as well with WOM,⁵ and this is the best possible way to get new customers and deepen the relationship with existing ones.

After that the brand needs to focus on brand experience – through visual experience, customer journey, and start building on community. The focus needs to be not only on selling the product, but what more can be offered to the customer, which is more than just the purchasing journey. When touching the techniques to measure CBR, it's usually quite difficult to measure the CBR, but in general the brands do it through advertising platforms or from insights through surveys conducted with their customers, getting real reviews about the products, data from customer support or from social media communication. For relationship building it's important to include your customers in brand and product development. Paying attention as well to negative reviews and consumer behaviour, which can be observed through their actions.

However, brands, especially in the beginning, often forget about the CBR. The focus is on sales, not relationship building, however providing the value to the consumer can be a deal breaker. This can be done through many different techniques (reviews, mailing, customer support, guidance). Companies that usually spend more time on product development are more focused on relationship building, because they come from their own pain points and wish to provide the best user experience and include their customers quite a lot. Transparency and connection are valuable for Millennials and Gen Z.

To conclude the interview, we discussed the three key terms, which are analysed in the master's thesis specifically through his experience from e-commerce area.

⁵ Word of mouth.

In terms of experience, owners need to focus on brand website, since it needs to convince the customer that this is the brand for them. First impression is important. Following that AIDA⁶ principle is crucial for success. Therefore, first contact with an e-commerce platform is key. The path needs to be seamless and lead the person directly to what it wants to purchase – easy to navigate. The brand needs to focus on brand story, vision, and social proof. The experience needs to be as smooth as possible. However, brand experience is the wholistic approach, whenever brand is mentioned or seen. Either on social media, advertising, through influencers or any touch point with the brand is crucial for brand growth. Bigger brands are focusing way more on each touch point. If the products are more educational nature – the focus needs to be more informative. Brands can learn a lot to also buy competitor products to get new ideas.

Brand identification is important for brands, who focus on long term growth. It's important to see how engaged the customer with the brand is and responsive to changes in the company, new product launches, brand events, WOM. It is important to get insights from the customers, from the surveys, do they know brand values, what they stand for. Focusing on founders branding or personal branding is quite important as well in Slovenia. Building on community helped a lot of brands grow immensely. But in e-commerce sometimes safe choice in the eyes of the consumer is more important than story and values. The customer can as well be loyal because the product delivers, or the product is proven, because its known generally that the brand deliver the results. It's important to follow the “tribe” which supports the brand and become the spokesperson for the brand. This can also make a big difference. Branding aspects is different, in e-commerce firstly you sell the product, then you build on brand. Which of course impacts the CBR.

Brand loyalty can be built through the business model, the question is whether it can sustain the loyalty in terms of frequency of purchases (depending on the product and frequency of purchase). It's important to know what loyalty means to the brand and what does it mean for product frequency of the purchase, since different types of products have different customer journeys.

Loyalty, however, can be not only frequency, but it can be as well better offers, early access, native aps, loyalty programs, ambassador programme, live event invites, limited edition offers, which help on retaining customers. We measure it through frequency, purchase value, new launches, engagement on surveys how connected they feel with the brand and express their opinion.

To sum up: “A lot of companies think, that if they have a branded product, they have a brand, but that is not the case. Its much more important to have people talk about your brand,

⁶ AIDA model (awarness, interest, desire action).

recommend it and keep returning to the brand. Long term strategy should be in focus” (Interviewee).

Lastly, we discussed some challenges and opportunities for e-commerce brand strategies for CBR. The environment is constantly changing, each platform is different, purchasing behaviour is changing with each generation. The platforms are changing, the brands need to constantly adapt and be proactive. Although the entry levels are low, customers are curious about new brands, what they offer, therefore making an impact and positioning the brand as focusing on customer relationship make a difference in business growth. The best option is to have customers as brand representatives pushing the brand forward. With each purchase you need to keep and satisfy high customer expectations. The opportunity on the other hand is that e-commerce is only one channel, not the whole business. Accessibility can be a competitive advantage, but it can as well be difficult for smaller brands. Brands do not include customers opinion enough, but its relevant to keep it in mind in the brand and product development.

Paying attention to the existing customers’ needs to be in the focus of the brand as well. Getting new customers is important, but keeping the loyal ones is even more.

Some brands in Slovenia have been lately focusing on founders’ stories and personal branding, which made a lot of progress in the community and relationship building. This has quite changed the perception on relationships and importance of communities, especially with the rise in social media. Brands do use a lot of different tactics to grow on loyalty, however it’s important to not forget to build as well the story and keep the customers expectation and experience on the highest level.

7.2 Description of the sample

The final sample consisted of 323 valid responses, total number of respondents was 370, but the survey was not fully completed by 47 respondents. The rate of survey completion was 87.3 percent.

Out of the completed questions, the respondents were 89 percent female and 11 percent male. The figure below shows that the 30.3 percent of the respondents were between the ages of 26-30, followed by the second largest group with 25 percent between the ages of 21-25. Interestingly, the third largest group of respondents was above 41 years old. Since the focus of the master’s thesis was predominantly on groups that have the most contact with e-commerce, the upper limit of age was set to 41. Different age groups use different social media marketplaces, through which the advertising becomes the touch point of interaction, therefore the 5-year age gap was used, to get more precise data on purchasing habits.

Table 2: Frequency table of respondent's age

	Frequency	percent
15-20	25	7.7
21-25	81	25.1
26-30	98	30.3
31-35	39	12.1
36-40	27	8.4
Above 41	53	16.4
Total	323	100.0

Source: Own work (2023).

The Table 3 shows a division of respondents based on their education level. The largest group of respondents' 29.4 percent completed High School, followed by 25.7 percent with a bachelor's degree, and in the third place with 21.7 percent of respondents who completed higher Education. 17.3 percent of respondents completed the master's degree, while only 16 percent completed Vocational education. Lastly, only 0.6 percent of respondents completed Elementary school, while only 1 respondent (0.3 percent) has a Ph.D.

Table 3: Frequency table for education level

	Frequency	percent
Elementary School or less	2	0.6
Vocational School	16	5.0
Higher Education	70	21.7
High School	95	29.4
Bachelor's degree	83	25.7
Master's degree	56	17.3
Ph.D.	1	0.3
Total	323	100.0

Source: Own work.

Table 4 presents a net income of the respondent. Almost half of the respondents have a net income between 700-1500 eur. The second largest groups are the respondents with net income less than 700 eur (22.9 percent), and the respondents which have a net income between 1501-2300 eur (23.2 percent). Lastly, the remaining 3.7 percent pertains to the net income of more than 3101 eur and 2.2 percent fall in the group with net income between 2301-3100 eur.

Table 4: Frequency table for monthly net income

	Frequency	percent
Less than 700 EUR	74	22.9
700-1500 EUR	155	48.0
1501-2300 EUR	75	23.2
2301-3100 EUR	7	2.2
More than 3101 EUR	12	3.7
Total	323	100.0

Source: Own work.

Table 5 shows respondent's employment status. The status showed the largest group of respondents were employed (61 percent), followed by the categories of students with 26. percent. The rest of the groups were divided by self-employed (7.1 percent), retired (0.9 percent), and unemployed (4 percent).

Table 5: Frequency table for employment status

	Frequency	percent
Employed	197	61.0
Retired	3	.9
Self-employed	23	7.1
Student	87	26.9
Unemployed	13	4.0
Total	323	100.0

Source: Own work.

In Table 6, we can observe most of the respondents live in Osrednje-slovenska region (44.3 percent), followed by Pomurska (13.9 percent), and Savinjska (11.1 percent). The smallest group of respondents came from Posavska and Koroška region (2.2 percent), followed by Zasavska and Goriška (2.5 percent).

Table 6: Frequency table of respondents' region of living

	Frequency	percent	Valid percent	Cumulative percent
Gorenjska	21	6.5	6.5	6.5
Goriška	8	2.5	2.5	9.0
Jugovzhodna	23	7.1	7.1	16.1
Koroška	7	2.2	2.2	18.3
Obalno-kraška	16	5.0	5.0	23.2
Osrednje-slovenska	143	44.3	44.3	67.5
Pomurska	45	13.9	13.9	81.4
Posavska	7	2.2	2.2	83.6
Primorsko-notranjska	9	2.8	2.8	86.4
Savinjska	36	11.1	11.1	97.5
Zasavska	8	2.5	2.5	100.0
Total	323	100.0	100.0	

Source: Own work.

7.3 Analysis of the survey results

The first part of the questionnaire was to get to know the online purchasing habits of the respondents. The first question pertained to whether the respondents purchase the products online.

As seen in Figure 7, 98 percent of respondents purchase online. The ones that replied with no were directed to the demographic questions, since they were not the target persona.

Table 7: Frequency table of respondents who purchase products online and who don't

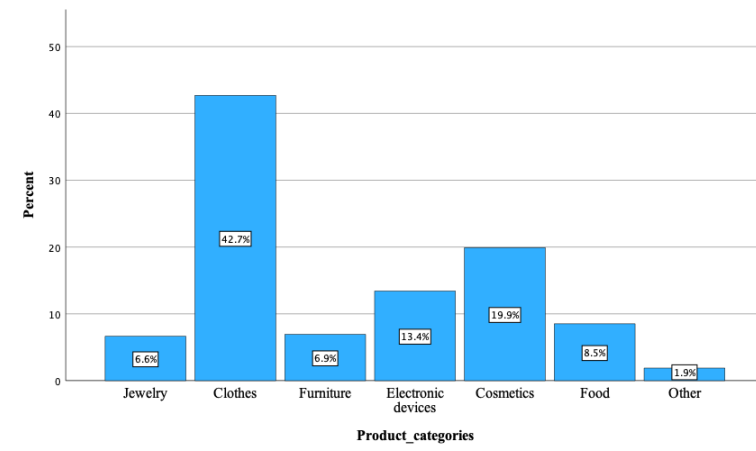
	N	%
No	7	2.2
Yes	316	97.8

Source: Own work.

Following that, the following question narrowed it down to the types of products the consumers mostly buy online. As shown in Figure 5, we can see that the respondents mostly purchase clothing (43.7 percent), followed by cosmetics (19 percent), and electronic devices (13.4 percent). Really small percentage of people buys furniture or jewellery. Among the other options, which was an open-ended question, the respondents' selected shoes,

supplements, books, pet products, personalized gifts, bags, toys, or other products, which are not available in Slovenia.

Figure 5: Frequency table of most often online purchased product categories



Source: Own work.

The third option was to select how often they purchase each of the categories online. Since the following analysis will discuss mostly consumer brand relationship with clothing brands, the most interesting purchasing habits for the analysis will be from the clothing category. We can observe that more than half 56 percent of the respondents who selected that they purchase the clothing online occasionally (few times per year), while 30 percent of respondents who purchase clothing online do it frequently (several times per month). This is shown in Table 9.

Table 8: Summary of the frequency of purchase per different product categories

	Never	Rarely	Occasionally	Frequently	Very frequently	Combined
Food	145	64	89	60	4	362
	40%	18%	25%	17%	1%	100%
Jewellery	189	131	38	4	0	362
	52%	36%	10%	1%	0%	100%
Clothing	10	32	201	106	13	362
	3%	9%	56%	29%	4%	100%
Furniture	192	139	30	1	0	362
	53%	38%	8%	0%	0%	100%
Electronic devices	148	151	54	9	0	362
	41%	42%	15%	2%	0%	100%
Cosmetics	107	99	113	40	3	362
	30%	27%	31%	11%	1%	100%

Source: Own work.

Question number 5 provided a bit more in depth analysis of the e-commerce brands or marketplaces where the respondents mostly purchase clothes. The questionnaire included a question if the respondents purchase clothes via clothing marketplaces such as About you, Zalando, Best Secret...), or directly through brand websites (H&M, Zara, Mango, Reserved, Gymshark, Swy, Aeon Athletics...). The following examples were also included in the questionnaire examples. The decision to include the division between marketplaces and direct brand websites was based on the test survey and the feedback received from the respondents. Since marketplaces as such include variety of brands, the following analysis will include the relationship perception, as well towards brands vs marketplaces.

After the general analysis of the purchasing habits, the questions were narrowed down to the clothing category. The respondents were asked where they mostly purchase their clothes, online or in store, to make a separation of the respondents who are mostly online buyers and could respond to the questions that would determine their relationship with e-commerce brands. Out of 323 respondents for the following question, only 137 respondents' selection the option of purchasing the clothing mostly online. The remaining 7 respondents were indecisive in terms of where they mostly buy, so were categorized under other. This narrowed the analysis group to bit less than half (44.6 percent from the whole group of respondents). This group was also the main observation group for the hypothesis analysis.

Table 9: Frequency table of online purchasing platforms for clothing product category

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Brand	62	19.2	43.1	43.1
	Marketplace	75	23.2	52.1	100.0
	Other	7	2.2	4.9	47.9
	Total	144	44.6	100.0	
Missing	Store	179	55.4		
	Total	323	100.0		

Source: Own work.

Following that the 6 question was open ended, so that the respondents could select the online brand or marketplace on their own when responding to questions about brand loyalty, brand identification, and brand experience.

The responses were divided between marketplace and direct brand communication. The purpose of the question was to make it straight forward to the respondent to think about a specific brand or marketplace when answering the questions about brand identification, brand experience, and brand loyalty – which were analysed for the hypothesis testing. Here it was not that relevant which brand they selected for the analysis, the purpose was to keep the brand in their minds while filling out the questionnaire.

The question from the second part of the survey, where the focus was put on brand relationship building, also had a very important component, where we can analyse the importance of the relationship and the difference between the consumers purchasing directly from the brand and the consumers purchasing from the platforms. In Table 11, we can observe the importance of relationship building for consumers who purchase via platforms and for consumer who purchase directly via brand website. We can observe that for majority of customers who purchase directly from brands, the relationship is not that important (33.3 percent), followed by almost 30 percent of respondents, who purchase directly from brands, who find the relationship important, and almost 18 percent, who find the relationship extremely important. In terms of brand platform purchases, we can observe that 40 percent find the relationship to be important, like the first category 34 percent of respondents do not find the relationship either important or not important. For both types of business models, either brand or platform, there is around 20 percent of respondents who don't find relationship important at all.

Table 10: Summary of importance of relationship building based on the purchasing habits (brand or platform)

	Very unimportant	Unimportant	Not- not	Important	Very important	Combined
Brand	5	10	26	23	14	78
	6.4 %	12.8 %	33.3 %	29.5 %	17.9 %	100 %
Platform	2	18	34	40	6	100
	2 %	18 %	34 %	40 %	6 %	100 %

Source: Own work.

7.4 Hypothesis testing

This master's thesis developed five hypotheses based on literature review. The detailed process for each hypothesis can be found in appendixes.

H1 – Consumer brand relationship is significant in the D2C e-commerce environment.

The first hypothesis was analysed through one-sided one-sample t-test. To perform the one-sided one-sample t-test, two hypotheses were established: $H_0: \mu \leq 3$; $H_1: \mu > 3$. One sided one-sample t-test was performed to establish whether relationship is still important to the respondents. The question was likert scaled, therefore replies were rated from 1-5. Answers above 3 would imply the relationship is significant, while the answers below or equal 3 apply the relationship is not significant.

The results show that consumer brand relationship in the online environment is statistically significant in the D2C e-commerce environment, $t=4.137$, $p < 0.001$. Therefore, we can support the first hypothesis and reject the null hypothesis.

H2- The more a consumer identifies with the e-commerce brand, the more loyal the person will be to that brand.

The second hypothesis tested the correlation between brand identification and brand loyalty. The data analysis shows a strong positive correlation (Pearson Correlation Coefficient of 0.667) between brand loyalty and brand identification. The correlation is statistically significant at $p < 0.001$. The analysis shows the strong positive connection between brand loyalty and brand identification, which means, that if consumer identifies with the brand, this is related to higher loyalty.

To check the connection even more, both Kendall's τ_b and Spearman's r_s correlation coefficients analysis was performed. The results with values of 0.492 and 0.641 showed moderate association as brand identification increases, so does brand loyalty. The very low p-values (< 0.001) show the statistical significance of these correlations. Hence, H2 is supported.

H3- The better the online experience with the e-commerce brand, the more loyal the person will be to that brand.

The third hypothesis analysed the correlation between brand experience and brand loyalty. The data analysis shows a strong positive correlation (Pearson Correlation Coefficient of 0.648) between brand loyalty and brand experience. The correlation is statistically significant at $p < 0.001$. The analysis shows that there is a strong positive association between brand loyalty and brand experience, which means, that if consumer has good experience with the brand, this leads to higher loyalty.

To check the connection even more both τ_b and Spearman's r_s correlation coefficients analysis was performed. The results with values of 0.448 and 0.602 showed that as having a positive brand experience leads to increases. In brand loyalty. The p-value (< 0.001) confirms the statistical significance of these correlations. Therefore, H3 is supported.

H4 – Consumers are more loyal to e-commerce brands when they identify with the brand and have positive brand experience compared to the consumers, who do not identify with the brand and do not have a positive brand experience.

For the fourth hypothesis, a multiple regression analysis was conducted to explore the effect of brand loyalty (dependent variable) in e-commerce, while considering brand identification, experience as independent variables and employment status, and gender as controlling variables. Controlling for employment status and gender, the analysis revealed that brand identification and brand experience had significant positive influences on brand loyalty, as indicated by their positive standardized coefficients. Employment status and gender, however, showed minimal impact on brand loyalty.

Through this, we can explain that if controlling for age and employment status brand identification and experience have an impact on brand loyalty in e-commerce. The regression model is statistically significant with $p < 0.001$, $R^2 = 0.502$, which means that we can explain 50.2 percent of the variability of the dependent variable (loyalty) with independent variables (brand experience and identification), while controlling for gender and employment status.

Through this we can explain that if brand identification increases by 1 unit, loyalty increases by 0.296 units ($p > 0.001$), while if brand experience increases by 1 unit, loyalty increases by 0.389 units ($p > 0.001$). The fourth hypothesis can be supported. Controlling variables did not have a statistically significant impact for the model analysis.

H5: Brand experience, brand identification and brand loyalty in e-commerce have a positive impact to relationship building.

The fifth hypothesis will be tested through a multiple regression analysis to analyse the relationship between brand loyalty as the dependent variable and brand identification and experience as independent. The analysis will consider age and employment status as controlling variables.

The model is statistically significant ($p < 0.001$) with R^2 of 0.212, explaining approximately 21.2 percent of the variance in Online relationship building with the other variables. Among the predictors, identification demonstrates the strongest positive standardized coefficient (Beta = 0.252, $p = 0.040$), suggesting a significant influence on online relationship building.

Through this we can explain that if brand identification increases by 1 unit, online relationship building increases by 0.260 units ($p < 0.04$), while the relationships are not statistically significant for brand experience ($p = 0.1$) or brand loyalty ($p = 0.675$ not statistically significant).

The regression model is statistically significant $p < 0.001$. The model did not detect any multicollinearity. Therefore the 5 hypothesis and the model can be supported.

In terms of Pearson correlation coefficient, online relationship building is positively moderately correlated with brand identification (0.428) at ($p < 0.001$) and experience (0.417) at ($p < 0.001$), while it is weakly positively correlated with brand loyalty (0.340) at ($p < 0.001$). The correlations are statistically significant. The controlling variables were not statistically significant.

7.5 Discussion

The purpose of the following chapter is to analyse and compare the results from the empirical and theoretical part of the master's thesis based on the research questions. The thesis is focused on reinforcing the existing theory of brand experience, loyalty, and identification by investigating the e-commerce business environment in Slovenia. Secondly, the thesis analyses the relationship perceptions of the Slovenian population in connection to e-commerce businesses. And lastly, looks from the brands or agency perspective regarding the topic.

RQ1: How relevant is consumer brand relationship in Slovenian e-commerce environment?

The survey results showed that 98 percent of the respondents purchase products online, focusing mostly on clothing industry (Figure 9 & 10). Following that, the one-sided t-test analysis revealed that CBR is still relevant in the e-commerce environment in the eyes of the consumers. For the received data, the consumers believe that brands focus mostly on providing good experience through online purchasing journey (82 percent), followed by a good website, which optimizes the experience and offer good customer support. Following that the emphasis was put on special offers and communication and lastly among the selection option, we could observe brand communicating values and story behind the brand, which we can conclude that it means that brands do not communicate this clearly or in sufficient amounts to be able to connect also in terms of consumer brand identification.

Consequently, based on the conducted interview, brands care about relationships, but through development of e-commerce in Slovenia, firstly the focus was on good product quality, and secondly the focus was on brand relationship. For brands, the most expensive thing is to get the new customer, so this is becoming more and more the focus of brands. Paying attention to the customer journey, retention and customer acquisition has become crucial for developing the relationship. Acquiring new customer is expensive, so brands do take care of nurturing the relationship. This is also inline, with the results from the survey, where focus is on experience, followed by loyalty and identification (Appendix 6).

RQ2: How does brand identification affect brand loyalty in Slovenian e-commerce?

To successfully discover the relationship between each dimension, the Pearson correlation coefficient analysis was performed. In terms of the analysis, there is a strong positive

correlation between brand identification and brand loyalty relationship, this is in line with the written literature, where establishing an emotional connection is the key factor, which helps brands stand out of the rest and increase loyalty, identification can as well be a great predictor of purchasing behaviour, mostly in terms of repurchases (Crespo, 2022). The more the customer feels one with the brand, the higher the chances that the customer is loyal, following the analysis by Lam et al. (2012), the relationship between the terms is positive and strong, which was also shown with the correlation analysis.

RQ3: How does brand experience affect brand loyalty in Slovenian e-commerce?

With a positive brand experience, the customer is more likely to be loyal to the e-commerce brand, since the brand gives an incentive to the customer to return. Based on the linear regression analysis conducted in Chapter 7, we can observe there is a distinctive positive relationship between the two terms, meaning the findings are supported as well from the rest of the literature. Although the outcome is expected, it's important to highlight the finding from the interview as well, where focusing on good product quality, customer journey from the start of the touchpoints and through the purchasing steps can turn the customers into loyal ones, which are crucial for brand performance in terms of profitability, as well as represent low-cost customer. The most expensive customer for the brand is a new one, while retaining customers keep the businesses grow.

In line with the research conducted by Tuškej et al. (2018), online brands need to focus on providing customer experience, which affects their senses, through improving aesthetics, advertising. The study showed as well that affective experience positively affects brand loyalty, which is one of the four elements of brand equity (brand awareness, brand association and perceived quality).

RQ4: How relevant is brand experience and identification for brand loyalty?

Identifying the three key terms and their influence on each other, we can say that there is a positive correlation between all three analysed concepts. If the consumer has a positive brand experience, feels belongingness to the brand, shares the values, is the true spokesperson of the brand, it's more likely that the customer will stay loyal for a longer period, which is as well one of the goals of the brand. To build communities and have supporters among their customers. In the overflow of e-commerce businesses, having loyal customers is highly important for brand equity.

RQ5: Do brand experience, brand identification and brand loyalty have a positive impact on Brand performance in Slovenia?

In terms of the research question number 5, the analysis was conducted through the interview, where the interviewee emphasized, that relationship building is important mostly for company growth and development. Retaining the customers, including them in your

development plans, and hear their feedback is very essential. Especially with the new generations, which need to feel included, accepted, and being a part of the community.

Secondly, having loyal customers can contribute and impact the financial performance and brand equity as well in terms of costs and expenses for acquiring new customers. This can of course vary among the niche in which the brand is located, but through digital advertising there are many touch points which are relevant for relationship building. As stated by the interviewee, each touch point needs to be positive, bring value and convince the customer to purchase your products. In Slovenia, the topic of personal branding recently emerged with quite some companies, which grew immensely through the main persona (CEO) and started firstly with community building, which helped their customers identify with the brand, the values, ensured positive experience through customer feedback, and turned into loyal customers.

RQ6: Are consumers who purchase directly from brand website more prone to relationship building compared to the ones who purchase via online marketplaces?

For the last research question, we can observe that more people from the survey purchase via platforms such as Zalando, About you etc., which have a variety of different brands and can be price efficient, with a lot of loyalty discounts, strong retention and online presence. In Figure 13, we can observe that the relationship is for 1/3 of the customers neither important nor important, but we can as well observe similar situation with purchasing directly from the brand's website. These results were a bit surprising, since brands do focus on storytelling, sharing their values, having clear communication, while on the other hand the platform are meant more for exclusive offers, no storytelling, therefore it is difficult to develop a strong relationship, which is different from only frequent repurchases.

To answer the above-mentioned question in detail, we would need to have elaborated answers for each business model to see, which factors impact the decision to buy. Are the customer price sensitive, buy mostly locally, follow the trends or are searching for a variety of products and an easy purchase journey. For the brands, it is important to understand that consumers most likely choose the option, which is better for their financial situation, when there is a pain point they wish to solve, however in the e-commerce business environment it is important for the companies to build on communities and develop on long-lasting relationships, which has been the case in Slovenia, especially during the Covid-19 pandemic, where people were searching to connect and be a part of something. This time was the perfect opportunity for e-commerce companies to grow, to discover the pain points, and improve brand experience through online channels.

7.6 Limitations and further research

Finally, it's time to focus on some limitations and opportunities for further research the master's thesis entailed from the theoretical and empirical part. The findings in this master's thesis are in the early stages of the relationship analysis of e-commerce business models in Slovenia. Since the market grew immensely, especially during the times of the Covid-19 pandemic, little research tackled the e-commerce relationship phenomena.

The thesis could therefore be used by brand owners to understand the importance of relationship building, to focus on building long lasting relationship and communities, especially with the younger generations, who are very digital native. For example, my findings suggest that brand identification and brand experience positively influence brand loyalty also in e-commerce businesses. The difference with the offline brands is that the e-commerce brands can adapt faster and need to be present on more channels, keep up with the trends and focus on community building. Paying attention to the relationship building can be a make or break for the business. Without loyal customers, which are a consequence of positive and strong brand experience and brand identification, the company can grow slower, and this can impact financial performance.

Secondly, the master's thesis could also be used in academia, since little literature on e-commerce relationship building is available, especially based on the data in Slovenia, which could encourage other researchers to analyse the topic and pay more attention to online relationship building in digital marketing courses. For further research other dimensions or concepts should be analysed and consequently, in terms of empirical research I would advise a larger sample size, with longer period of duration for answer collection to avoid time biases as well as provide more reliable results. In my research, I tried to gain a variety of answers from different demography groups, however most of the respondents were female (89 percent) and mostly young adults and students. This is of course consequence of the platforms, which were used for survey distribution and the product category (clothing), which was selected for the analysis.

Following that there is room for deeper analysis of each term in connection to the demographic data, strength of the relationship, other niches, which can be analysed for example jewellery, furniture, cosmetics etc, which are among the items, consumers purchase online, which were also market in the survey as product categories, which are purchased online, not only in terms of model development, but more in line with consumer behaviour when in touch with e-commerce brands.

All in all, I hope that further research will take the topic more into consideration, analyse other concepts with are as well relevant and focus on e-commerce business environment, which is becoming more and more important in the business world, since digital is present everywhere.

8 CONCLUSIONS

In today's digital world, consumers are searching for more than just products, which will help them satisfy their needs. This research has shown that brand relationship is still very much relevant to the consumers in e-commerce business, as well it proves that there is a positive connection and emphasis from brands should be put on providing good experiences and building a community of consumers, who can identify with the brand, because it consequently leads to increase in loyalty.

Focusing on each of the three dimensions can contribute immensely to the long-term stable growth of the businesses and brand equity. Each dimension is also in Slovenia closely connected to the other and leaves an impact on the consumers behaviour and purchasing habits. E-commerce businesses are here to stay and develop, therefore staying closely connected to your loyal customer will leave an impact on brand equity. Firstly, it's important to have good product, to focus on good experiences, which later impact brand identification and brand loyalty.

To conclude with some key takeaways for the marketing managers of e-commerce businesses:

1. In e-commerce businesses, there are many touchpoints where the customers come in touch with the brand for the first time. It is important to acknowledge them and provide a memorable and pleasant experience on all of them. Visual appearance and personalization are important.
2. Communication is key – based on the literature review and the findings from the questionnaire – being active and responsive can make the relationship stronger and make the customer lifetime value longer.
3. Communicating the brand values and identification clearly can bring positive outcomes for brand loyalty and brand equity.
4. Building on emotional relationship with the customers is important in e-commerce as well and can be easily achieved through marketing and advertising communication. Focusing on raising emotions in relationship building will have an impact on brand performance and brand equity.
5. Focusing on behavioural experience, by Word-of-mouth marketing, repeated purchases, and online recommendation also impacts brand equity and is crucial in the e-commerce area.
6. In terms of intellectual experience, do not be afraid to stand out, attract the attention, and raise interest for your brand.

7. Focus on community building and strong brand story as Fournier said “consumers do not choose brands, they choose lives” (Fournier, 1998, p. 367).

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APPENDICES

Appendix 1: Summary in Slovene

Razmerje blagovna znamka-potrošnik na področju neposredne prodaje potrošnikov je tematika, s katero se podjetja ukvarjajo, vendar ji še vedno ne namenijo dovolj pozornosti. Na odnos gledajo predvsem iz vidika pogostosti nakupov, večkrat pa se pozabi na vse ostale dimenzije v odnosu, ki na koncu blagovno znamko ločijo od konkurence in pomembno vplivajo na vrednost blagovne znamke. Odnos, ki ga zgradita blagovna znamka in potrošnik, je zelo podoben odnosu med ljudmi, za kar je potrebna obojestranska komunikacija, grajenje odnosa, skupne vrednote. Blagovne znamke preko marketinške komunikacije pridobijo človeške značilnosti (Ghani & Tuhin 2018, Fournier 1998). V času epidemije Covida-19 so pomembnost in veliko priložnost za rast pridobila tudi podjetja, ki se preko spletne prodaje ukvarjajo z neposredno prodajo potrošnikom.

Namen magistrske naloge je bil raziskati pomembnost odnosa blagovna znamka-potrošnik v podjetjih, ki se ukvarjajo s spletno prodajo na primeru slovenskega trga. Za doseg tega cilja je bil na podlagi literature pripravljen teoretični model, ki je vseboval tri analizirane vsebine: zvestobo blagovni znamki, poistovetenje oziroma identifikacijo med blagovno znamko in potrošnikom, ter izkušnja s spletno blagovno znamko in njihov vpliv na grajenje odnosa na spletu. Raziskava je temeljila na ugotovitvi, ali tri dimenzije sovplivajo ena na drugo tudi v okolju spletne prodaje, torej če je v takšnem poslovnem modelu za stranke to pomembno, na kaj morajo biti podjetja pozorna in kako na to gledajo agencije. Na podlagi zgornjih postavk so bila oblikovana naslednja raziskovalna vprašanja:

- Kako pomemben je odnos spletna blagovna znamka-potrošnik v Sloveniji?
- Kako identifikacija z blagovno znamko vpliva na zvestobo blagovni znamki v Sloveniji?
- Kako izkušnja z blagovno znamko vpliva na zvestobo blagovni znamki v Sloveniji?
- Kako izkušnja in identifikacija z blagovno znamko vplivata na zvestobo blagovni znamki v Sloveniji?
- Ali izkušnja, identifikacija in zvestoba vplivajo na uspešnost blagovne znamke v Sloveniji?
- Ali v Sloveniji obstaja razlika pri pomembnosti odnosa med kupci, ki svoje izdelke kupujejo neposredno preko spletnih strani blagovne znamke, in tistimi, ki kupujejo preko platform, ki ponujajo več izdelkov drugih blagovnih znamk?

Magistrska naloga je sestavljena iz empiričnega in teoretičnega dela. Teoretični del temelji na znanstvenih člankih raziskovalcev, ki so se oziroma se še vedno ukvarjajo s tematiko, podatkovnih baz za podatke o Sloveniji in poslovnih modelov, medtem ko empirični del temelji na lastni raziskavi. Za ugotovitev rezultatov zgoraj omenjenih vprašanj sem izvedla intervju z direktorjem digitalne marketinške agencije, ki ima za seboj že 9 let izkušenj, ter temu dodala še spletno anketo (1KA), v katero sem želela vključiti čimbolj raznoliko in

številčno skupino anketirancev. Anketa je bila anonima in razširjena preko družabnih omrežij. Po zadanem željenem številu odgovorov sem izvedla analizo v programu SPSS, kjer sem ugotovitve iz teoretičnega dela želela potrditi še v praksi. Pri tem seveda ne smemo pozabiti, da bi se lahko rezultati ob večjem številu odgovorov in drugih kanalih razlikovali in bili bolj ustrezni, ker bi zajeli širši krog udeležencev in ciljne skupine, ki je bila v tem primeru vsak posameznik, ki kupuje oblačila preko spleta. Oblačila so bila produktna kategorija, ki sem jo izbrala, da je bila analiza bolj usmerjena.

Magistrska naloga je sestavljena iz osmih poglavij, kjer je prvih šest vezanih predvsem na teoretično raziskavo odnosa med blagovno znamko in potrošniki, izpostavljenimi tremi dimenzijami (izkušnja, identifikacija in zvestoba spletni blagovni znamki). V prvem poglavju se tematike dotaknemo malo bolj splošno z razvojem konceptov, ki temeljijo na delu Susan Fornier in njenem modelu Kakovosti blagovne znamke (*Brand quality model*) iz leta 1998. Nato sem naredila pregled poslovnega modela neposredne prodaje potrošnikom z namenom pojasnitve in natančne definicije poslovnega modela. V tretjem poglavju se teoretična analiza osredotoča na posamezne koncepte in definicije izbranih treh dimenzij – zvestobe, identifikacije in izkušnje z blagovno znamko. V četrtem poglavju med sabo povežemo zgornje tri koncepte in model neposredne prodaje potrošnikom. V petem poglavju se nahaja grafična podobna modela, ki je bil ustvarjen na podlagi literature, znanstvenih člankov ter preteklih raziskav. V šestem poglavju pa se nahaja še kratka analiza statističnih podatkov o spletni prodaji v Sloveniji, ki so bile na voljo v Eurostatu.

Sedmo in osmo poglavje sta vezana na analizo in ugotovitve iz empiričnega dela, torej ankete in intervjuja. Na začetku se dotaknemo deskriptivne statistike in naredimo krajši pregled navad anketirancev, ko govorimo o spletnem nakupu. Iz rezultatov je razvidno, da največ anketirancev preko spleta kupuje oblačila, temu sledijo kozmetika in elektronske naprave. V nadaljevanju pa preko regresijske analize in vprašanj, ki so temeljila na že preverjenih modelih raziskovalcev, kot so Brakus, 2009; Stokburger-Sauer et al. 2012; Favez & Faseeh, 2019, preverimo skladnost in relevantnost treh izbranih konceptov in povezavo med njimi. Rezultati statistične analize kažejo na to, da je odnos blagovna znamka-potrošnik v očeh potrošnikov še vedno pomemben dejavnik, kar je razvidno iz potrditve prve hipoteze. Prav tako pa je iz magistrske naloge razvidna tudi močna in statistično pomembna povezava med zvestobo, izkušnjo in identifikacijo z izbrano spletno blagovno znamko.

V zaključku bi želela poudariti, da je tako za spletne blagovne znamke, kot tudi za tiste, ki za svoje izdelke oziroma storitve uporabljajo druge prodajne kanale, pomembno, da pozornost namenijo odnosu, ki ga imajo s kupci. Značilnosti nove generacije in kupcev, ki so digitalno precej aktivni, je želja po vključitvi in soursvarjanju, kar je zelo pomembno za grajenje odnosa. Zvesta stranka predstavlja nižji strošek in pomembno prispeva k finančnemu stanju podjetja, saj se vedno znova vrača in podpira rast ter razvoj podjetja, nova stranka zato predstavlja veliko višji strošek, ki pa, v kolikor postane zvesta, lahko pozitivno prispeva k vrednosti podjetja. Če zaključim z besedami Susan Fournier: posamezniki ne izberejo blagovne znamke, ampak izberejo življenjski stil (1998).

Appendix 2: Questionnaire in Slovene

Pozdravljeni,

Sem Petja Oplotnik, študentka IMB programa na Ekonomski fakulteti Univerze v Ljubljani in pripravljam magistrsko nalogo o tem, kako potrošniki zaznavajo spletne trgovine oziroma spletne blagovne znamke.

Anketa je anonimna in vam bo vzela približno 3-5 minut. Zbrani podatki bodo obravnavani strogo zaupno in uporabljeni izključno za namene magistrske naloge.

Za vaše sodelovanje se vam vnaprej zahvaljujem.

Q1 – Ali kupujete preko spleta?

- 1) Da
- 2) Ne

Q2 – Katere izdelke največkrat kupite preko spleta?

- 1) Nakit
- 2) Oblečila
- 3) Pohištvo
- 4) Elektronske naprave
- 5) Kozmetika
- 6) Hrana
- 7) Drugo: _____

IF (1) Q1 = 1

Q3- Kako pogosto nakupujete naslednje kategorije izdelkov preko spleta?

	Nikoli	Redko (1-2x letno)	Občasno (nekajkrat letno)	Včasih (nekajkrat na mesec)	Pogosto (večkrat na teden)
Hrana (Spar online, WOLT, GLOVO...)	1)	2)	3)	4)	5)
Nakit	1)	2)	3)	4)	5)
Oblečila	1)	2)	3)	4)	5)
Pohištvo	1)	2)	3)	4)	5)
Elektronske naprave	1)	2)	3)	4)	5)
Kozmetika	1)	2)	3)	4)	5)

IF (1) Q2 = 1

Q4- Kako največkrat opravite svoje nakupe oblečil?

- 1) V fizični trgovini
- 2) Preko spleta
- 3) Drugo: _____

IF(2) Q4!=[1]

Naslednja vprašanja so vezana na odnos, ki ga imate z izbrano blagovno znamko.

IF(2) Q4!=[1]

Q5 -Kje največkrat opravite nakup oblačil?

- 1) Preko uradnih spletnih strani blagovnih znamk (H&M, Zara, Mango, Reserved,Gymshark, SWY, Aeon Athletics...)
- 2) Preko spletnih platform (About You, Zalando, Best Secret...)
- 3) Drugo: _____

IF(2) Q4!=[1]

Q6 – V nadaljevanju si izberite eno izmed spletnih blagovnih znamk, oziroma spletnih platform kjer največkrat kupujete oblačila.

IF(2) Q4!=[1]

Q7- Ali se vam zdi, da obstaja odnos med vami in spletno blagovno znamko?

- 1) Da
- 2) Ne
- 3) Ne vem

IF(2) Q4!=[1]

Q8 -Kako pomembna vam je vzpostavitev/grajenje odnosa s spletno blagovno znamko pri spletnem nakupu?

- 1) Zelo ne pomembno
- 2) Ne pomembno
- 3) Niti-niti
- 4) Pomembno
- 5) Zelo pomembno

IF(2) Q4!=[1]

Q9- Na kakšen način po vašem mnenju spletne trgovine skrbijo za odnos s strankami?

- 1) Nudijo dobro izkušnjo spletnega nakupa in prejema izdelkov.
- 2) Nudijo aktivno pomoč kupcem.

- 3) Stranke preko e-maila redno obveščajo o novostih in ugodnostih.
- 4) Nudijo strankam programe zvestobe.
- 5) Jasno komunicirajo vrednote znamke.
- 6) So aktivne na družbenih omrežjih.
- 7) Skrbijo za razvoj in grajenj skupnosti.
- 8) Imajo dobro spletno stran, ki omogoča dobro uporabniško izkušnjo.
- 9) Ponujajo posebne ugodnosti zvestim strankam.
- 10) Jasno komunicirajo svojo zgodbo.
- 11) Drugo:

Naslednja vprašanja so vezana na tri koncepte, ki med seboj povezujejo grajenje odnosa s spletno blagovno znamko. Pri reševanju imejte v mislih zgoraj izbrano blagovno znamko/platformo.

IF(2) Q4!=[1]

Q10 -Naslednja vprašanja so vezana na izkušnjo z zgoraj izbrano spletno blagovno znamko/platformo.

	Sploh se ne strinjam	Se ne strinjam	Niti-niti	Se strinjam	Popolnoma se strinjam	Ne vem
Moja najljubša spletna blagovna znamka pusti močan vizualni vtis (spletna stran,oglas, družbena omrežja...).	1)	2)	3)	4)	5)	6)
Moja najljubša spletna blagovna poskrbi, da je moja izkušnja nakupovanja zanimiva na senzorični način (uporablja barve, napise, zanimiva besedila).	1)	2)	3)	4)	5)	6)
Moja najljubša spletna blagovna ne vpliva na moja čutila.	1)	2)	3)	4)	5)	6)
Moja najljubša spletna blagovna vmenivzbudi pozitivna čustva in občutke	1)	2)	3)	4)	5)	6)
Do moje najljubše spletne blagovne znamke ne gojim močnih čustev .	1)	2)	3)	4)	5)	6)

Moja najljubša spletna blagovna znamka je "čustvena" oz. izraža čustva	1)	2)	3)	4)	5)	6)
Moja najljubša spletna blagovna ni zelo aktivna (na družbenih omrežjih, oglaševanju).	1)	2)	3)	4)	5)	6)
Ob stiku s svojo najljubšo spletno blagovno znamko se poslužujem določenih aktivnosti/dejavnosti in vedenj.	1)	2)	3)	4)	5)	6)
Ob uporabi izdelkov spletne blagovne znamke prevzamem določen način obnašanja, ki sovpada z vrednotami in delovanjem znamke.	1)	2)	3)	4)	5)	6)
Pri stiku z mojo najljubšo spletno blagovno znamko veliko razmišljam.	1)	2)	3)	4)	5)	6)
Moja najljubša spletna blagovna znamka me ne prisili v razmišljanje.	1)	2)	3)	4)	5)	6)
Moja najljubša spletna blagovna znamka vzbudi mojo radovednost.	1)	2)	3)	4)	5)	6)

IF(2) Q4!=[1]

Q11 - Naslednja vprašanja so vezana na vašo identifikacijo z izbrano blagovno znamko. Prosim, da odgovorite, do katere mere za vas držijo naslednje trditve:

	Sploh ne drži	Ne drži	Niti-niti	Drži	Popolnoma drži	Ne vem
Spletna blagovna znamka veliko pove o tem kakšna oseba sem in si želim biti.	1)	2)	3)	4)	5)	6)

Podoba blagovne znamke in moja samopodoba sta si zelo podobni.	1)	2)	3)	4)	5)	6)
Spletna blagovna znamka igra veliko vlogo v mojem življenju.	1)	2)	3)	4)	5)	6)
Čutim močno navezanost na spletno blagovno znamko.	1)	2)	3)	4)	5)	6)
Blagovna znamka pooseblja tisto v kar verjamem.	1)	2)	3)	4)	5)	6)
Spletna blagovna znamka ima zame velik osebni pomen.	1)	2)	3)	4)	5)	6)

IF(2) Q4!=[1]

Q12 -Naslednja vprašanja so vezana na zvestobo izbrani spletni blagovni znamki/platformi.

	Sploh ne drži	Ne drži	Niti-niti	Drži	Popolnoma drži	Ne vem
Menim, da sem zvest/-a spletni blagovni znamki.	1)	2)	3)	4)	5)	6)
Moja najljubša spletna blagovna znamka bi bila moja prva izbira pri spletnem nakupovanju	1)	2)	3)	4)	5)	6)

Še naprej bom svoje nakupe opravil/-a pri svoji najljubši spletni trgovini, dokler bo ta zagotavljala dobre izdelke in odlične storitve.	1)	2)	3)	4)	5)	6)
Še vedno sem pripravljen/-a kupovati pri svoji najljubši blagovni znamki, tudi če je cena izdelkov, ki jih ponuja nekoliko višja, kot pri drugih spletnih blagovnih znamkah.	1)	2)	3)	4)	5)	6)
Svojo najljubšo spletno trgovino bi z veseljem priporočil/-a svojim prijateljem.	1)	2)	3)	4)	5)	6)

Demografska vprašanja:

Q13 - Prosim označite spol

- 1) Moški
- 2) Ženska
- 3) Se ne želim opredeliti

Q14 - V katero starostno skupino spadate

- 1) 15-20
- 2) 21-25
- 3) 26-30
- 4) 31-35
- 5) 36-40
- 6) nad 41

Q15 - Kakšna je vaša najvišja stopnja izobrazbe?

- 1) Osnovna šola
- 2) Poklicna šola
- 3) Srednja šola

- 4) Visokošolska/višja šola
- 5) Univerzitetna
- 6) Magisterij
- 7) Doktorat

Q16 -Kakšen je vaš trenutni status

- 1) Zaposlen
- 2) Samozaposlen
- 3) Nezaposlen
- 4) Študent
- 5) Upokojenec

Q17- Kakšen je vaš mesečni neto dohodek gospodinjstva

- 1) Manj kot 700 eur
- 2) 700-1500 eur
- 3) 1501-2300 eur
- 4) 2301-3100 eur
- 5) Več kot 3101 eur

Q18 - V kateri slovenski regiji živite?

- 1)osrednje-slovenska
- 2) obalno-kraška
- 3)primorsko-notranjska
- 4)jugovzhodna posavska
- 5) zasavska
- 6) savinjska
- 7) koroška
- 8) podravska
- 9) pomurska
- 10) gorenjska
- 11) goriška

Appendix 3: Questionnaire in English

Q1 – Do you buy online?

- 1) Yes
- 2) No

Q2 – Katere izdelke največkrat kupite preko spleta?

- 1) Jewellery
- 2) Clothing
- 3) Furniture
- 4) Electronic devices
- 5) Cosmetics
- 6) Food
- 7) Other _____

IF (1) Q1 = 1

Q3- How often do you purchase the following categories online?

	Never	Rarely (1-2x yearly)	Occasionally (few times per year)	Sometimes (few times per month)	Often (several times per week)
Food (Spar online, WOLT, GLOVO...)	1)	2)	3)	4)	5)
Jewellery	1)	2)	3)	4)	5)
Clothing	1)	2)	3)	4)	5)
Furniture	1)	2)	3)	4)	5)
Electronic devices	1)	2)	3)	4)	5)
Cosmetics	1)	2)	3)	4)	5)

IF (1) Q2 = 1

Q4- How do you mostly buy clothes?

- 1) In store
- 2) Online
- 3) Other : _____

IF(2) Q4!=1]

The following questions are connected to the relationship you have with the selected online brand..

IF(2) Q4!=[1]

Q5 -Where do you mostly buy clothing?

- 4) Throguh official brand websites (H&M, Zara, Mango, Reserved,Gymshark, SWY, Aeon Athletics...)
- 5) Through online platforms (About You, Zalando, Best Secret...)
- 6) Other: _____

IF(2) Q4!=[1]

Q6 – Please select one online brand or platform where you mostly purchase clothing.

IF(2) Q4!=[1]

Q7- Do you think there is a relationship between you and the online brand?

- 1) Yes
- 2) No
- 3) Do not know

IF(2) Q4!=[1]

Q8 -How important is relationship building with the online brand, when making online purchases?

- 1) Very unimportant
- 2) Not important
- 3) Neither
- 4) Important
- 5) Very important

IF(2) Q4!=[1]

Q9- In what way do brands take care of the consumer brand relationship?

- 1) Offer good online shopping experience and product shipping.
- 2) Offer active customer support.
- 3) Inform the clients about new products and promotions.
- 4) Offer loyalty programmes.
- 5) Clearly communicating brand values.
- 6) By being active on social media.
- 7) Taking care of the development and community building .
- 8) Have a good website, which offer good user experience.
- 9) Prepare special offers for loyal customers.
- 10) Clearly communicate brand story.

11) Other: _____

The following questions are related to the three dimensions, which connect consumer brand relationship building with the online brand. When solving the following questions please bear in mind the selected brand from above.

IF(2) Q4!=[1]

Q10 -The following questions are connected to brand experience with the selected online brand or platform.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Do not know
My 'favourite e-commerce brand' makes a strong impression on my visual sense (website, ads, social media)	1)	2)	3)	4)	5)	6)
I find my 'favourite e-commerce brand' interesting in a sensory way sense (uses colours, text)	1)	2)	3)	4)	5)	6)
My 'favourite e-commerce brand' does not appeal to my senses.	1)	2)	3)	4)	5)	6)
My 'favourite e-commerce brand' induces feelings and sentiments	1)	2)	3)	4)	5)	6)
I do not have strong emotions for my 'favourite e-commerce brand'.	1)	2)	3)	4)	5)	6)
My 'favourite e-commerce brand' is an emotional brand.	1)	2)	3)	4)	5)	6)
My 'favourite e-commerce brand' is not action oriented (on social media, advertising)	1)	2)	3)	4)	5)	6)

I engage in physical actions and behaviours when I use services of my 'favourite e-commerce brand'	1)	2)	3)	4)	5)	6)
My 'favourite e-commerce brand' results in bodily experiences in line with the brand values.	1)	2)	3)	4)	5)	6)
I engage in a lot of thinking when I encounter my 'favourite e-commerce brand'.	1)	2)	3)	4)	5)	6)
My 'favourite e-commerce brand' does not make me think.	1)	2)	3)	4)	5)	6)
My 'favourite e-commerce brand' stimulates my curiosity and problem solving.	1)	2)	3)	4)	5)	6)

IF(2) Q4!=[1]

Q11 - The following questions are connected to brand identification with the selected online brand or platform.:

	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Do not know
This brand says a lot	1)	2)	3)	4)	5)	6)

about the kind of person I am and I want to be.						
This brand's image and my self-image are similar in many respects	1)	2)	3)	4)	5)	6)
This brand plays an important role in my life.	1)	2)	3)	4)	5)	6)
I am very attached to this brand.	1)	2)	3)	4)	5)	6)
Online brand embodies what I believe in	1)	2)	3)	4)	5)	6)
Online Brand X has a great deal of personal meaning for me.	1)	2)	3)	4)	5)	6)

IF(2) Q4!=[1]

Q12 - The following questions are connected to brand loyalty with the selected online brand or platform.:

	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Do not know
I consider myself to be loyal to my 'favourite e-commerce brand'	1)	2)	3)	4)	5)	6)
My favourite e-commerce brand' would be my first choice when shopping online.	1)	2)	3)	4)	5)	6)
I will keep buying from my 'favourite ecommerce brand' as long as it provides me good products and excellent services.	1)	2)	3)	4)	5)	6)
I am still willing to buy from my 'favourite e-commerce brand' even if the price of products provided by it is a little higher than of other e-commerce brands	1)	2)	3)	4)	5)	6)
I would love to recommend my 'favourite e-commerce brand' to my friends.	1)	2)	3)	4)	5)	6)

Q13 – How do you identify?

- 1) Male
- 2) Female
- 3) Other

Q14 – Which age group do you belong to?

- 1) 15-20
- 2) 21-25
- 3) 26-30
- 4) 31-35
- 5) 36-40
- 6) above 41

Q15 - What is the highest degree or level of education you have completed?

- 1) Elementary school
- 2) Vocational school
- 3) High School
- 4) Higher education
- 5) Bachelor's degree
- 6) Master's degree
- 7) Ph.D.

Q16 -What is your current employment status?

- 6) Employed
- 7) Self-employed
- 8) Unemployed
- 9) Student
- 10) Retired

Q17- What is your household monthly income?

- 6) Less than 700 eur
- 7) 700-1500 eur
- 8) 1501-2300 eur
- 9) 2301-3100 eur
- 10) More than 3101 eur

Q18 – In which Slovenia region do you live in?

- 1) osrednje-slovenska
- 2) obalno-kraška

- 3) primorsko-notranjska
- 4) jugovzhodna posavska
- 5) zasavska
- 6) savinjska
- 7) koroška
- 8) podravska
- 9) pomurska
- 10) gorenjska
- 11) goriška

Appendix 4: Interview questions in English

1. What is your role? What does it entail? Responsibilities?
 2. What were your previous work experience and how long have you been working for the company?
- Topic 1: consumer brand relationship and D2C
- a. Advantages of being in the D2C business models
 - b. What does the term consumer brand relationship mean to you?
 - c. What do you focus on primarily, when thinking about CBR?
 - d. What meaning does a strong customer relationship have for your brand in the D2C environment?
 - e. Do you think it is an advantage or a disadvantage that you are only present online when it comes to the relationship with customers?
 - f. What methods do you use to collect data about your customer? (Who they are, their preferences, their needs)
 - g. In what ways do you take care of the relationship building in D2C?
- Topic 2: Brand experience
- h. How would you describe brand experience in D2C business environment?
 - i. What do you focus on in e-commerce businesses when thinking about providing customers a brand experience? Which key aspects do you focus on?
 - j. How do you check and improve the brand experience for the consumer?
 - k. Is the key to great brand experience in personalization?
- Topic 3: Brand identification
- l. How would you describe brand identification in D2C business environment?
 - m. What do you focus on in e-commerce businesses when thinking about ensuring consumer brand identification? Do you think this is still relevant, or would you recommend any other concept, which should be more important?
 - n. How (if you do) do you measure brand identification in e-commerce?
- Topic 3: Brand loyalty
- o. How would you describe brand loyalty in D2C business environment?
 - p. What do you focus on in e-commerce businesses when striving towards loyal customers?
 - q. What tactics do you use to retain loyal customers.
- Topic 4: Other
- r. Do you have a strategy to engage with your customers and build a relationship between them and your brand? What does that look like?
 - s. Have you built a community with your customers? How do you use this community in order to better understand your customers as well as interact with them?
 - t. What do you want your customers to associate your brand with? What do you do in order to achieve that?
 - u. What are the greatest challenges in developing a brand strategy for a company that is only present online?
 - v. And what are the greatest opportunities?

Appendix 5: Analysis results in SPSS

Figure A:1: One-sided T-test for Hyposthesis 1

One-Sample Test

Test Value = 3

	t	df	Significance		Mean Difference	95percent Confidence Interval of the Difference	
			One-Sided p	Two-Sided p		Lower	Upper
Online_relationship_building	4.137	143	<.001	<.001	.354	.18	.52

One-Sample Effect Sizes

	Standardizer ^a	Point Estimate	95percent Confidence Interval	
			Lower	Upper
Cohen's d	1.027	.345	.176	.512

Online_relationship_building	Hedges' correction	1.033	.343	.175	.510
------------------------------	--------------------	-------	------	------	------

a. The denominator used in estimating the effect sizes.

Cohen's d uses the sample standard deviation.

Hedges' correction uses the sample standard deviation, plus a correction factor.

Figure A:2: Pearson correlation coefficient analysis for Hypothesis 2 between brand identification and brand loyalty

Descriptive Statistics

	Mean	Std. Deviation	N
Loyalty	3.6635	.70808	144
Identification	2.4796	.99757	144

Correlations

		Loyalty	Identification
Loyalty	Pearson Correlation	1	.667**
	Sig. (2-tailed)		<,001
	N	144	144
Identification	Pearson Correlation	.667**	1
	Sig. (2-tailed)	<,001	
	N	144	144

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations

			Loyalty	Identification
Kendall's tau_b	Loyalty	Correlation Coefficient	1.000	.492**
		Sig. (2-tailed)	.	<,001
		N	144	144
	Identification	Correlation Coefficient	.492**	1.000
		Sig. (2-tailed)	<,001	.
		N	144	144
Spearman's rho	Loyalty	Correlation Coefficient	1.000	.641**
		Sig. (2-tailed)	.	<,001
		N	144	144
	Identification	Correlation Coefficient	.641**	1.000
		Sig. (2-tailed)	<,001	.
		N	144	144

** . Correlation is significant at the 0.01 level (2-tailed).

Figure A:3: Correlation analysis for Hypothesis 3 between brand experience and brand loyalty.

Descriptive Statistics

	Mean	Std. Deviation	N
--	------	----------------	---

Experience	3.3992	.61240	144
Loyalty	3.6635	.70808	144

Correlations

		Experience	Loyalty
Experience	Pearson Correlation	1	.648**
	Sig. (2-tailed)		<,001
	N	144	144
Loyalty	Pearson Correlation	.648**	1
	Sig. (2-tailed)	<,001	
	N	144	144

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations

			Experience	Loyalty
Kendall's tau_b	Experience	Correlation Coefficient	1.000	.448**
		Sig. (2-tailed)	.	<,001
		N	144	144
	Loyalty	Correlation Coefficient	.448**	1.000
		Sig. (2-tailed)	<,001	.
		N	144	144
Spearman's rho	Experience	Correlation Coefficient	1.000	.602**
		Sig. (2-tailed)	.	<,001

	N	144	144
Loyalty	Correlation Coefficient	.602**	1.000
	Sig. (2-tailed)	<,001	.
	N	144	144

** . Correlation is significant at the 0.01 level (2-tailed).

Figure A:4: Regression analysis for Hypothesis 4

Descriptive Statistics

	Mean	Std. Deviation	N
Loyalty	3.6635	.70808	144
Experience	3.3992	.61240	144
Idenitification	2.4796	.99757	144
Employed_dummy	.7361	.44228	144
Gender_dummy	.9028	.29729	144

Correlations

		Loyalty	Experience	Idenitification
Pearson Correlation	Loyalty	1.000	.648	.667
	Experience	.648	1.000	.739

	Identification	.667	.739	1.000
	Employed_dummy	-.093	-.068	-.020
	Gender_dummy	.043	.107	.021
Sig. (1-tailed)	Loyalty	.	<,001	<,001
	Experience	.000	.	.000
	Identification	.000	.000	.
	Employed_dummy	.133	.209	.408
	Gender_dummy	.305	.100	.402
N	Loyalty	144	144	144
	experience	144	144	144
	Identification	144	144	144
	Employed_dummy	144	144	144
	Gender_dummy	144	144	144

Correlations

		Employed_dummy	Gender_dummy
Pearson Correlation	Loyalty	-.093	.043
	Experience	-.068	.107
	Identification	-.020	.021
	Employed_dummy	1.000	-.143
	Gender_dummy	-.143	1.000
Sig. (1-tailed)	Loyalty	.133	.305

	Experience	.209	.100
	Identification	.408	.402
	Employed_dummy	.	.043
	Gender_dummy	.043	.
N	Loyalty	144	144
	Experience	144	144
	Identification	144	144
	Employed_dummy	144	144
	Gender_dummy	144	144

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Gender_dummy , IDENTIFICATION, employed_dummy, mean experience ^b	.	Enter

a. Dependent Variable: LOYALTY

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
					R Change	F Change
1	.708 ^a	.502	.487	.50703	.502	34.973

Model Summary^b

Change Statistics

Model	df1	df2	Sig. F Change
1	4	139	<.001

a. Predictors: (Constant), Gender_dummy, IDENTIFICATION, employed_dummy, mean experience

b. Dependent Variable: LOYALTY

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.963	4	8.991	34.973	<,001 ^b
	Residual	35.733	139	.257		
	Total	71.696	143			

a. Dependent Variable: LOYALTY

b. Predictors: (Constant), Gender_dummy, IDENTIFICATION, employed_dummy, mean experience

Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	1.707	.296		5.760	<,001
	Experience	.389	.104	.336	3.740	<,001
	Idenitfication	.296	.063	.417	4.669	<,001
	Employed_dummy	-.102	.097	-.064	-1.055	.293
	Gender_dummy	-.026	.145	-.011	-.182	.856

Coefficients^a

Model		95,0percent Confidence Interval for B		Collinearity Statistics	
		Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	1.121	2.292		
	Experience	.183	.595	.443	2.256
	Idenitfication	.171	.421	.449	2.225
	Employed_dummy	-.294	.089	.976	1.025
	Gender_dummy	-.314	.261	.963	1.038

a. Dependent Variable: LOYALTY

Coefficient Correlations^a

Model			Gender_dummy	Identification	Employed_dum my
1	Correlations	Gender_dummy	1.000	.082	.134
		Identification	.082	1.000	-.034
		Employed_dummy	.134	-.034	1.000
		Experience	-.127	-.742	.061
	Covariances	Gender_dummy	.021	.001	.002
		Identification	.001	.004	.000
		Employed_dummy	.002	.000	.009
		Experience	-.002	-.005	.001

Coefficient Correlations^a

Model		Experience	
1	Correlations	Gender_dummy	-.127
		Identification	-.742
		Employed_dummy	.061
		Experience	1.000
	Covariances	Gender_dummy	-.002
		Identification	-.005
		Employed_dummy	.001
		Experience	.011

a. Dependent Variable: LOYALTY

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		
				(Constant)	Experience	Identification
1	1	4.578	1.000	.00	.00	.00
	2	.253	4.252	.00	.00	.02
	3	.120	6.175	.00	.00	.25

4	.039	10.767	.22	.05	.27
5	.009	22.869	.78	.95	.46

Collinearity Diagnostics^a

Variance Proportions

Model	Dimension	Employed_dum my	Gender_dummy
1	1	.01	.00
	2	.82	.03
	3	.00	.37
	4	.14	.59
	5	.03	.00

a. Dependent Variable: LOYALTY

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.5058	5.1052	3.6635	.50149	144
Residual	-1.80772	1.18061	.00000	.49988	144
Std. Predicted Value	-2.309	2.875	.000	1.000	144
Std. Residual	-3.565	2.329	.000	.986	144

a. Dependent Variable: LOYALTY

Charts

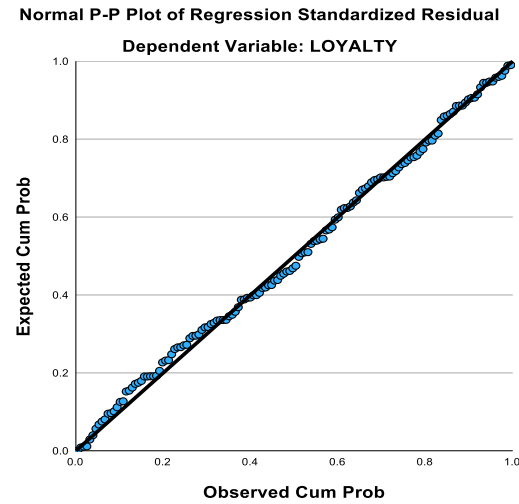
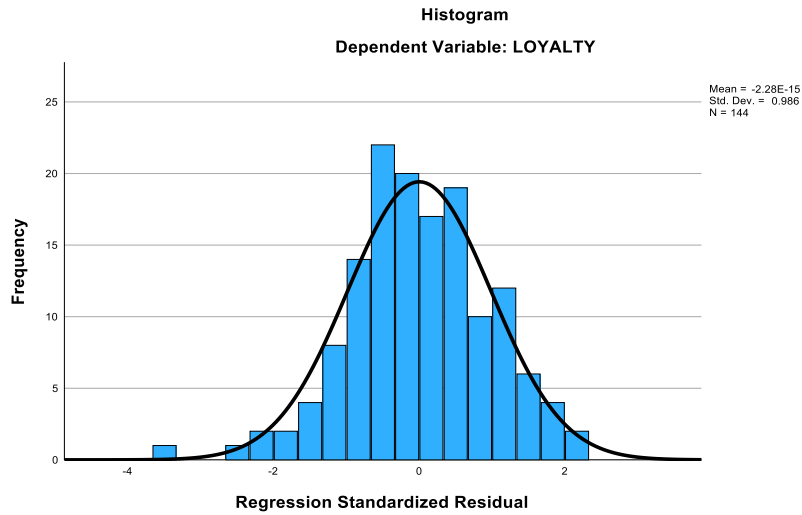


Figure A:5: Multiple regression analysis for Hypothesis 5

Descriptive Statistics

	Mean	Std. Deviation	N
Online_relationship_building	3.35	1.027	144

Experience	3.3992	.61240	144
Loyalty	3.6635	.70808	144
Identification	2.4796	.99757	144
employed_dummy	.7361	.44228	144
Gender_dummy	.9028	.29729	144

Correlations

		Online_relation ship_building	Experience	Loyalty
Pearson Correlation	Online_relationship_building	1.000	.417	.340
	Experience	.417	1.000	.648
	Loyalty	.340	.648	1.000
	Identification	.428	.739	.667
	employed_dummy	.007	-.068	-.093
	Gender_dummy	.091	.107	.043
Sig. (1-tailed)	Online_relationship_building	.	<,001	<,001
	Experience	.000	.	.000
	Loyalty	.000	.000	.
	Identification	.000	.000	.000
	Employed_dummy	.467	.209	.133
	Gender_dummy	.140	.100	.305

N	Online_relationship_building	144	144	144
	Experience	144	144	144
	Loyalty	144	144	144
	Identification	144	144	144
	Employed_dummy	144	144	144
	Gender_dummy	144	144	144

Correlations

		Identification	Employed_dummy	Gender_dummy
Pearson Correlation	Online_relationship_building	.428	.007	.091
	Experience	.739	-.068	.107
	Loyalty	.667	-.093	.043
	Identification	1.000	-.020	.021
	Employed_dummy	-.020	1.000	-.143
	Gender_dummy	.021	-.143	1.000
Sig. (1-tailed)	Online_relationship_building	<.001	.467	.140
	Experience	.000	.209	.100
	Loyalty	.000	.133	.305
	Identification	.	.408	.402
	Employed_dummy	.408	.	.043

	Gender_dummy	.402	.043	.
N	Online_relationship_building	144	144	144
	Experience	144	144	144
	Loyalty	144	144	144
	Identification	144	144	144
	Employed_dummy	144	144	144
	Gender_dummy	144	144	144

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Gender_dummy , IDENTIFICATION, employed_dummy, LOYALTY, mean experience ^b	.	Enter

a. Dependent Variable: Online_relationship_building

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Change Statistics	
						R Change	F Change
1	.460 ^a	.212	.183	.928	.212	7.418	

Model Summary^b

Change Statistics

Model	df1	df2	Sig. F Change
1	5	138	<,001

a. Predictors: (Constant), Gender_dummy, Identification, Employed_dummy, Loyalty, Experience

b. Dependent Variable:
Online_relationship_building

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.975	5	6.395	7.418	<,001 ^b

Residual	118.963	138	.862		
Total	150.937	143			

a. Dependent Variable: Online_relationship_building

b. Predictors: (Constant), Gender_dummy, Identification, Employed_dummy, Loyalty, Experience

Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	1.069	.604		1.770	.079
	Experience	.331	.200	.197	1.654	.100
	Loyaltu	.065	.155	.045	.420	.675
	Identification	.260	.125	.252	2.078	.040
	Employed_dummy	.091	.178	.039	.512	.609
	Gender_dummy	.235	.266	.068	.883	.379

Coefficients^a

Model	95,0percent Confidence Interval for B		Collinearity Statistics	
	Lower Bound	Upper Bound	Tolerance	VIF

1	(Constant)	-.125	2.263		
	Experience	-.064	.726	.403	2.483
	Loyalty	-.242	.372	.498	2.006
	Idenitfication	.013	.506	.388	2.574
	Employed_dummy	-.261	.444	.968	1.033
	Gender_dummy	-.291	.761	.963	1.038

a. Dependent Variable: Online_relationship_building

Coefficient Correlations^a

Model		Gender_dummy	IDENTIFICATI ON	employed_dum my	
1	Correlations	Gender_dummy	1.000	.071	.135
		Idenitfication	.071	1.000	-.064
		Employed_dummy	.135	-.064	1.000
		Loyalty	.015	-.368	.089
		Experience	-.126	-.546	.031
	Covariances	Gender_dummy	.071	.002	.006
		Identification	.002	.016	-.001
		Employed_dummy	.006	-.001	.032
		Loyalty	.001	-.007	.002
		Experience	-.007	-.014	.001

Coefficient Correlations^a

Model			LOYALT Y	mean experience
1	Correlations	Gender_dummy	.015	-.126
		Identification	-.368	-.546
		Employed_dummy	.089	.031
		Loyalty	1.000	-.302
		Experience	-.302	1.000
	Covariances	Gender_dummy	.001	-.007
		Identification	-.007	-.014
		Employed_dummy	.002	.001
		Loyalty	.024	-.009
		Experience	-.009	.040

a. Dependent Variable: Online_relationship_building

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		LOYALT Y
				(Constant)	mean experience	
1	1	5.551	1.000	.00	.00	.00
	2	.261	4.612	.00	.00	.00
	3	.122	6.749	.00	.00	.00
	4	.045	11.117	.10	.01	.05

5	.012	21.164	.20	.18	.94
6	.009	25.214	.70	.80	.01

Collinearity Diagnostics^a

Variance Proportions

Model	Dimension	IDENTIFICATI ON	employed_dum my	Gender_dummy
1	1	.00	.01	.00
	2	.01	.82	.02
	3	.18	.00	.41
	4	.33	.10	.53
	5	.04	.03	.04
	6	.43	.04	.01

a. Dependent Variable: Online_relationship_building

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.24	4.67	3.35	.473	144
Residual	-3.141	1.927	.000	.912	144
Std. Predicted Value	-2.367	2.786	.000	1.000	144
Std. Residual	-3.383	2.076	.000	.982	144

a. Dependent Variable: Online_relationship_building

Charts

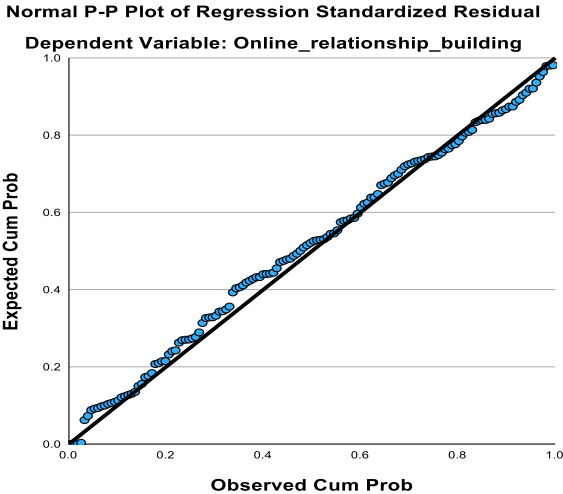
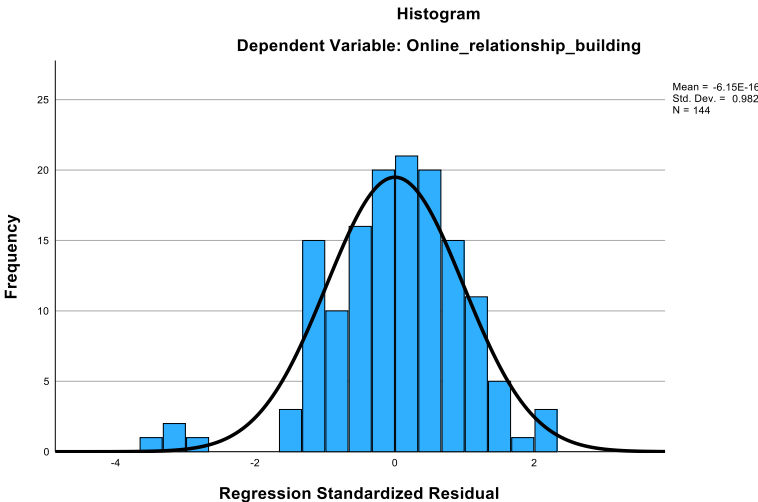


Figure A:6: What brands do to nurture consumer brand relationships?

