Chapter 6
Influence of Trust and Affect on Brand Loyalty and Brand Performance: The Case of Indian Television News Channels

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ABSTRACT

Television channels in India are multiplying every day, and there is intense competition to garner viewers. In this tussle, brand building becomes essential, and garnering customer loyalty is essential to stay in the market. In this context, this chapter explores the role of trust and affect in creating loyalty and influencing brand performance of television channels in the Indian context. The conceptual model is an adaptation of Chaudhuri and Holbrook’s (2001) chain of effects study of trust, affect, purchase loyalty, and attitudinal loyalty. This chapter also reviewed journalism literature, and certain constructs were adapted from such studies so there is an amalgam of both brand building and journalism disciplines to give validity to the application of the conceptual model for television channels. The results indicate that affect creates a strong impact on brand loyalty, and loyalty also has a strong impact on brand performance. The strength of the chapter lies in the fact that it applies brand management principles to the media sector where the industry follows such practices but academic studies are very few in number.

INTRODUCTION

With a growth rate of 12.6% in 2011-12 (Moitra, Charles & Jaisani, 2013) the Indian Media industry has become a heavily competitive ground for both local and multinationals. This fight for share of market both in the television and newspaper sector has led to brand building activities and therefore media is exploring ways of increasing brand loyalty and brand performance. In this context it is necessary to explore whether the drivers of brand loyalty and performance which have proved
to be effective in other sectors is also valid in the media industry.

The act of repeatedly buying a brand has been seen as a result of having a relationship with the brand or having a positive affect towards the brand. Loyalty, trust, credibility and affect have been studied for media industry (Beaudoin & Thorson 2002, Bucy 2003, Kohring & Matthes 2007) however they are not in the context of brand. Most of these studies are part of journalism literature therefore the brand context is absent. On the other hand in marketing literature psychological or emotional bonding and repurchase intention has been the focus of studies as determinants of loyalty (Bloemer and Kasper, 1995; Fournier, 1998). Recently researchers like Chaudhuri & Holbrook (2001), Delgado-Ballester & Munuera-Aleman (1999) have studied brand trust as the main determinant of brand loyalty. In fact Dick & Basu, (1994) and Chaudhuri & Holbrook, (2001) emphasized that brand loyalty will be even better if the brand is placed in a positive emotional mood/affect and found that strong and positive brand affect causes a positive impact towards consumer brand loyalty, in both purchase loyalty and attitudinal loyalty. In the context of media industry role of trust and affect in influencing loyalty and brand performance has not been assessed, though more and more media vehicles are adopting branding to distinguish themselves (Chan-Olmsted & Kim, 2001). Hence we attempt to follow Chaudhuri & Holbrook’s model to test whether trust and affect are determinants of brand loyalty and brand performance. The proposed model (Fig 1) is tested in the context of television industry in India.

TELEVISION INDUSTRY IN INDIA AND BRANDING

In a country like India where there are very few entertainment options television with its intrinsic advantage of being a visual medium transcends the barriers of social and economic disparity and appeals to all sections of society. At present there are more than 800 channels and according to KPMG’s latest report the annual Cumulative Annual Growth Rate (CAGR) of television is over 18%. This growth is remarkable as only a decade back there were less than 3 regional news channel but as of March 2013 there are 410 news channels. This growth has evoked questions like whether India is the biggest TV bazaar in the world (Thussu, 2007). It has changed the market of news and today the only objective currency of success is high placing in the rating meters (Mehta, 2008). The battle for ratings has resulted in news channels resorting to hard core marketing moving away from its fourth estate agenda. In this marketing bid the channels as reported by Batabyal (2013) in his interview of a senior member of MCS, attempt branding by image management or creation of a certain perception of the channel amongst the viewing public and the media market in four main ways: influencing content, promos, advertisement placement and public relations exercises. For the purpose of this chapter we focus on the effects these actions create.

Media Branding

The concept of branding was introduced late in the media industry, only by David Bender, President and CEO of Mediamark Research in 1993 (McDowell, 1998) and therefore it emerged as only a tangible identity building tactic and not a strategy, (Chan-Olmsted, 2006). Media as a brand has been distinguished from regular brands. As Chan-Olmsted points out that most media brands are not price sensitive as many of them are distributed via an advertising based business model wherein the real cost is consumer time and attention. He continues the differentiation saying that this pricing issue leads to the fact that the consumption process is without any risk, thus consumers are less likely to depend on competing brands to reduce the risk of bad purchases in the process making the media brands less in utility. McDowell, (2006) differentiates media brands on two grounds that all benefits from media brands are intangible as-