BRAND REFERRAL BEHAVIOUR AMONG MILLENNIALS’ CONSUMERS: THE CASE OF COSMETIC BRANDS

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Abstract: Millennials or Y generation are brand-conscious and recognised as an influential group in inducing others’ purchase decision process. Millennials through their brand referral behaviour could be an effective mechanism for marketers in promoting their products and services in today’s digital era. Despite the importance of brand referral behaviour as a part of consumer’s post-purchase behaviour, little is known on how and what influence Millennials to engage in brand referral behaviour. Past studies in the context of customer-based brand equity systematically focus on brand loyalty, repeat purchase, commitment and engagement. Little is known on how consumers especially Millennials engage in brand referral behaviour in the context of cosmetics brands. This study employed a quantitative approach. A total of 335 students based on random sampling from one of management-based university in Malaysia revealed that brand knowledge significantly affect brand referral behaviour. Surprisingly, the present study indicates that brand personality and brand experience statistically not significant in explaining brand referral behaviour among Millennials’ consumer towards cosmetics brands. Implication and recommendation of the study is addressed at the end of the article.

Keywords: Brand Referral Behaviour, Brand Knowledge, Brand Personality, Brand Experience, Millennials, Cosmetic Brand

Introduction
Cosmetics industry plays significant roles in today’s consumer life. In Malaysia, the value of cosmetic trade in 2013 is about RM1.65 billion (U.S. Commercial Service, 2015) and expected to rise. Such development is supported by the emerging homegrown cosmetic brands as well as international cosmetics brands penetration in Malaysian market. In Malaysia, cosmetics brands not only dominated by international brand such as L’oreal, Garnier, Nivea, local brands such as D’Herbs, Qu Puteh, Simply Siti, Nita Cosmetics and many more are also mushrooming in today’s competitive market. Hence, such healthy competition also provide consumers with wide variety of options and selection. Marketers either international or local-based had tried
numerous marketing strategies and tactics to gain consumer attention and retention. Among
others, through aggressive selling, sales promotion as well as the usage of celebrity endorser to
their brand. For example, Elizabeth Arden uses the actress Catherine Zeta-Jones and Garnier
‘hire’ Lisa Surihani as their brand ambassador. However, recent study indicated that celebrity
endorsement no longer a profitable investment as it is inadequately influence consumer
purchase decision and enhance brand loyalty among consumers (Erdogan, 1999; Agrawal &
Kamakura, 1995). Based on the recent development, Millennials or Generation-Y is believed
to be a cost-effective agent for brand ambassadors through their brand referral behaviour
especially in digital context and/or social media platform.

Problem Statement
Riorini and Widayati (2015) state that brand referral behaviour refers to consumer who believe
strongly in certain product or service and they try to convince others to buy or use it. However,
brand referral could be positive or negative (Becerra & Badrinarayanan, 2013). It is also
indicated that Millennials are over-advertised, brand-conscious and consequently, they are
savvy when it comes to brands and products selection (Moriarty, 2004). Hence, brand referral
among Millennials rather important as they could engage in both positive or negative referral.
As a result, it is important to understand on how they behave in the context of cosmetics brands
and what influence them.

Numerous studies were conducted in understanding predictors of brand referral behaviour. For
instance, personal factors such as customer characteristics (Mittal & Kamakura, 2001), brand
personality (Matzler, Bidmon & Grabner-Kräuter, 2006) and brand knowledge (Cassidy, Baron
& Lu, 2015) and interpersonal factors such as group-person interaction/brand community
(Okazaki, 2008; Shaari & Ahmad, 2017), brand experience (Riivit-Arkontou, Kaljund &
Leppiman, 2014; Brakus, Schmitt & Zarantonello, 2009), brand loyalty (Maheshwari, Lodorfos
& Jacobsen, 2014), brand satisfaction (Olannye, 2014) and brand relationship (Abdul-Muhmin,
2005) were examined.

Although numerous studies had attempted to examine the determinants of brand referral
behaviour, the result remain unclear and not conclusive (Aslam et al., 2011; Becerra &
Badrinarayanan, 2013; Barrot, Becker & Meyners, 2013) especially among Millennials
generation. Hence, guided with Keller (2003) customer-based brand equity, this study attempts
to examine the influence of brand knowledge (i.e. brand awareness and brand image), brand
personality and brand experience on brand referral behaviour among Millennials consumers.
This study also attempts to identify which of the predictor is dominant in explaining brand
referral behaviour especially in the context of cosmetic brands.

Literature Review
Customer-based Brand Equity (CBBE) conception (Keller, 2003) proposed that customer
loyalty behaviour such as repeat purchase, recommendation as well as brand referral derived
from differential effect of brand knowledge consumers have towards certain brands. Brand
knowledge relates to how aware and familiar is consumer towards the brands. Keller’s (2003)
model proposes that brand knowledge is comprised of brand awareness and brand image.
Hence, in academic literature, brand knowledge has been considered to as an important
predictors to the brand referral (Chen & He, 2003; Esch, Langner, Schmitt & Geus, 2006).
Sasmita and Mohd Suki (2015) stated an individual who have more knowledge about the
product have more information and tend to become as referral. However, Chatterjee (2011),
indicate that even with adequate brand knowledge, consumer still less likely to generate referral behaviour for both low and high involvement product.

Another main element for CBBE is brand personality. Millennials generation is known as a brand-conscious consumer, they had a strong connection with the brand. Millennials consumers choose and consume products that reflect themselves and the importance of value of life to express their personality and image (Ordun, 2015). According to Kim, Han and Park (2001), the brand personality significantly affected positive brand referral behaviour. The scholars also stated that brand personality is constantly prominent as the main drive for brand referral behaviour. The study by Liu, Li, Mizerski and Soh (2012) among Australian consumers pertaining brand-personality congruity indicate that, brand personality failed to influence both attitude and loyalty behaviour of the consumers. Thus, based on the mixed findings, this study proposed that brand personality has a significant positive relationship on Millennials’ brand referral behaviour.

Rilvits-Arkonsuo et al. (2014) review how consumer could become brand evangelist from their experience. Brand evangelist are committed consumers who have a strong emotional connection to a brand and spread the message about their preferred brands which is consistent with brand referral behaviour. A favourable brand experience leads a intention to share with others (Tynan and McKechnie, 2009). Accordingly, CBBE by Keller (2003) also highlight that experience also would influence overall consumer brand loyalty such as commitment and recommendation. When customers search and shop for a brand, they are exposed to various brand-related stimuli which influence their brand experience (Brakus et al., 2009). Zhang, Hu, Guo and Liu (2016) stated that consumers who had a favourable experience feels the need to talk about it in an emotional way to his friends, and share the experience in social media channels. According to Roy and Naidoo (2017), their findings showed that brand experience has a positive and direct effect towards brand referral behaviour. The researchers claimed that as consumers construct experiences, they tend to refer to the elements of a product that correspond to components in the experience pyramid.

Based on the preceding discussion, the proposed theoretical framework is as follows:

![Figure 1: Proposed Theoretical Framework](image)

Guided based on Consumer Based-Brand Equity (CBBE) theory by Keller (2003), this study proposed that adequate brand knowledge, brand personality and brand experience will lead to customer brand loyalty behaviour such as brand referral behaviour. Keller (2003) proposed that to build a strong brand, manager should understand how customer engaged with the brand through 1) brand identity-who are you, 2) brand meaning-what are you, 3) brand response-what about you and 4) brand relationship-what about you and me. Brand identity could be reflected on how customer aware and recognize the brand. Based on the literature (such as Sasmita &
Mohd Suki, 2015; Doorn et al., 2010), this study conceptualizes identity as brand knowledge which comprise the element of brand awareness and image. Brand meaning relates to how well the brand meets customers’ need at physical, social and psychological level. In this study, brand meaning is translated into psychological level through brand personality. It is proposed that brand-personality congruity would stimulate customer’s brand referral behaviour. Brand response shows how customer experience the brand. Based on the literature (such as Bill Xu & Chan, 2010; Zhang et al., 2016) positive brand experience would lead to several positive behaviour from the customer thus strengthen the customer-brand relationship. Hence, this study proposed that brand experience enhanced propensity for brand referral behaviour. Lastly, Keller (2003) proposed that brand relationship commonly associate with brand resonance (behavioural loyalty, attitudinal loyalty, sense of community and active engagement). Based on literature review (such as Keller, 2003; Doorn, 2010), this study employed brand referral behaviour as brand resonance whereby customers are actively engaged with the cosmetics brand. Hence, based on the preceding theoretical framework and discussion, the following hypotheses were proposed:

H1: Brand knowledge has a significant positive relationship on Millennials’ brand referral behaviour.
H2: Brand personality has a significant positive relationship on Millennials’ brand referral behaviour.
H3: Brand experience has a significant positive relationship on Millennials’ brand referral behaviour.

Methodology
This study is based on quantitative, cross-sectional study. The population of the study is based on undergraduate students from one of the management-based university in Malaysia. The selection of undergraduate student meets the criteria of Millennials generation definition that are born between 1980 and 2000 (Smith & Nichols, 2015). According to Sweeney (2006) selection of university student as a sample to understand Millennials generation behaviour consider adequate and relevant as most of the Millennials generation were now at university or just started a career.

Based on the record, the total population of this study is 24,711 (www.topuniversities.com). According to Krejcie and Morgan (1970), sample size of 377 is adequate to represent the population at hand. However, due to private and confidentiality of the data, the sampling frame is not available. It is generally accepted that 100 sample is the practical minimum size for using regression analysis (Hair et al., 2010). Hence, for the purpose of the study, 350 students were approached randomly from seven major lecture’s theatres that cover all students from various faculties. Most of the measurements were adapted from past studies. The measurement of brand referral behaviour was adapted from Gremler and Gwinner (2000) with 4 items. Measure for brand knowledge (9 items) was adapted by combining the items from Kocoglu et al. (2015) and Yee and Mansori (2016), brand personality (12 items) from Aaker (1997) while brand experience (12 items) were adapted from and Brakus et al. (2009). The summary of items is presented on the following Table 1. Most of the measurements used were in 5-point Likert Scale ranging from ‘1-strongly disagree’ and ‘5-strongly agree’. To meet the objectives of the study, the data was tested using SPSS version 25.0.
<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Source</th>
</tr>
</thead>
</table>
| Brand referral behaviour (BRB)  | 1) I encourage friends and family to buy this cosmetic brand.  
2) I recommend this cosmetic brand whenever anyone seeks my advice.  
3) If the cosmetic brand been mentioned in a conversation, I would recommend this cosmetic brand.  
4) I have actually recommended this cosmetic brand to my friends and/or family. | Gremler and Gwinner (2000)                  |
| Brand knowledge (BK)            | Brand awareness                                                                                                                                                                                      | Kocoglu et al. (2015); Yee and Mansori (2016) |
|                                 | 1) I can differentiate the cosmetic brand I use among the other competing brands.  
2) I know/am aware of the cosmetic brand I am using.  
3) I know what cosmetic brand I use looks like.  
4) The cosmetic brand I use is sold in more stores compared to the competing brands.  
5) When buying cosmetic product, the first cosmetic brand to come to my mind would be the brand I use. |                                             |
| Brand image                     | 6) I believe the cosmetic brand image that I choose is outstanding and gives me a good impression.  
7) I believe the cosmetic brand I choose has a high reputation for quality.  
8) This cosmetic brand comes to my mind immediately when I want to purchase a cosmetic product.  
9) The value of this cosmetic brand gives me confidence to its products. |                                             |
| Brand Personality (BP)          | 1) I believe this cosmetic brand is down-to-earth.  
2) I believe this cosmetic brand is honest.  
3) I believe this cosmetic brand is wholesome.  
4) I believe this cosmetic brand is cheerful.  
5) I believe this cosmetic brand is daring.  
6) I believe this cosmetic brand is spirited.  
7) I believe this cosmetic brand is imaginative.  
8) I believe this cosmetic brand is up-to-date.  
9) I believe this cosmetic brand is reliable.  
10) I believe this cosmetic brand is intelligent. | Aaker (1997)                                 |
11) I believe this cosmetic brand is successful.
12) I believe this cosmetic brand is upper class.
13) I believe this cosmetic brand is charming.
14) I believe this cosmetic brand is outdoorsy.
15) I believe this cosmetic brand is tough.

<table>
<thead>
<tr>
<th>Brand experience (BE)</th>
<th>1) This cosmetic brand makes a strong impression on my visual sense or other senses.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2) I find this cosmetic brand interesting in a sensory way.</td>
</tr>
<tr>
<td></td>
<td>3) This cosmetic brand does not appeal to my senses.</td>
</tr>
<tr>
<td></td>
<td>4) This cosmetic brand induces feelings and sentiments.</td>
</tr>
<tr>
<td></td>
<td>5) I do not have strong emotions for this cosmetic brand.</td>
</tr>
<tr>
<td></td>
<td>6) This cosmetic brand is an emotional brand.</td>
</tr>
<tr>
<td></td>
<td>7) I engage in physical actions and behaviors when I use this cosmetic brand.</td>
</tr>
<tr>
<td></td>
<td>8) This cosmetic brand results in bodily experiences.</td>
</tr>
<tr>
<td></td>
<td>9) This cosmetic brand is not action oriented.</td>
</tr>
<tr>
<td></td>
<td>10) I engage in a lot of thinking when I encounter this cosmetic brand.</td>
</tr>
<tr>
<td></td>
<td>11) This cosmetic brand does not make me think.</td>
</tr>
<tr>
<td></td>
<td>12) This cosmetic brand stimulates my curiosity and problem solving.</td>
</tr>
</tbody>
</table>

Brakus et al. (2009)

Findings and Discussions

Response Rate and Respondent’s Profile
After a duration of two months of data collection, 338 questionnaires were gathered. Three questionnaires were excluded from further analysis due to technical error and uncompleted answer. Hence, only 335 data were proceed for further analysis. The following Table 2, summarized the profile of the respondents.

Based on the Table 2, majority of the respondents were female (83.6%), aged ranging 20-25 years old (97.3%). In term of ethnicity, 80% were Malay followed by 12.5% Chinese and 3.3% Indian. About 55.2% of the respondents earned below RM1000 monthly, followed by between RM1000 to RM1999 (40.9%) and RM2000-RM2999 (3.9%).

6
Table 2: Respondent’s Profile

<table>
<thead>
<tr>
<th>Variable</th>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>55</td>
<td>16.4</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>280</td>
<td>83.6</td>
</tr>
<tr>
<td>Race</td>
<td>Malay</td>
<td>268</td>
<td>80.0</td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>42</td>
<td>12.5</td>
</tr>
<tr>
<td></td>
<td>Indian</td>
<td>11</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>Others</td>
<td>14</td>
<td>4.2</td>
</tr>
<tr>
<td>Age</td>
<td>20 - 25 years</td>
<td>326</td>
<td>97.3</td>
</tr>
<tr>
<td></td>
<td>26 - 30 years</td>
<td>9</td>
<td>2.7</td>
</tr>
<tr>
<td></td>
<td>31 - 35 years</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>36 and above</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Monthly income</td>
<td>Below RM 1,000</td>
<td>185</td>
<td>55.2</td>
</tr>
<tr>
<td></td>
<td>RM 1,000 – RM 1,999</td>
<td>137</td>
<td>40.9</td>
</tr>
<tr>
<td></td>
<td>RM 2,000 – RM 2,999</td>
<td>13</td>
<td>3.9</td>
</tr>
<tr>
<td></td>
<td>RM 3,000 – RM 3,999</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>RM 4,000 and above</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Hypotheses testing
In order to answer hypotheses of this study, multiple regression analysis was conducted. Prior to the testing, few preliminary tests were performed. Firstly, reliability test was conducted to ensure consistency of the measure by assessing the Cronbach’s Alpha value. According to Zikmund et al. (2010), the coefficient value should be greater than .60 to assume the reliability of the measure. The Cronbach’s Alpha value for each of the variable understudy showed that the value ranging from 0.850 to 0.920 which are reliable. Secondly, normality test was conducted to ensure the normality of the data. Based on the histogram result, no serious violation of normality was detected.

Next, hypothesis testing was performed by utilising multiple regression. Table 3 summarized the output for multiple regression. Based on Table 2, only one hypothesis out of three found to be significant. Hence H1 namely brand knowledge has a significant positive relationship on Millennials brand referral behaviour. Brand personality and brand experience (H2 and H3) found insignificant in explaining brand referral behaviour of cosmetic brand among Millennials’ consumers. Overall, 40.5% variance in brand referral behaviour is explained by the predictors.

Table 3: Regression Analysis Result

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>β value</th>
<th>Std. Error</th>
<th>t-value</th>
<th>Sig.</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.527</td>
<td>0.247</td>
<td>2.132</td>
<td>0.034</td>
<td></td>
</tr>
<tr>
<td>H1 BK → BRB</td>
<td>0.592</td>
<td>0.073</td>
<td>10.355</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2 BP → BRB</td>
<td>0.041</td>
<td>0.072</td>
<td>0.707</td>
<td>0.480</td>
<td>Not supported</td>
</tr>
<tr>
<td>H3 BE → BRB</td>
<td>0.046</td>
<td>0.059</td>
<td>0.993</td>
<td>0.321</td>
<td>Not supported</td>
</tr>
</tbody>
</table>

Note: Dependent Variable- Brand referral behaviour (BRB), Predictors -Brand knowledge (BK), Brand personality (PB), Brand experience (BE) $R^2= 0.405, F= 75.173$
The result of H1 is consistent with the previous studies of Chen and He (2003) and Packard and Wooten (2013) that indicate, the more knowledge (awareness and image) the consumers have towards the brand, the higher their propensity to engage in post-purchase behaviour such as brand referral behaviour. Accordingly, based on Keller’s CBBE model, brand knowledge is a fundamental for brand equity building (loyalty, repeat purchase, recommendation). In this study, Millennials consumer were assessed to whether their knowledge towards cosmetic brand could influence their brand referral behaviour. Based on the sample, the more Millennials aware and able to differentiate their cosmetic brand with the competing brand the more they would engaged with brand referral behaviour. Besides, when Millennials believed that their cosmetic brand had high reputation and provide positive impression, the higher propensity for them to encourage and recommend the cosmetic brand to their family and friends. Millennials are facing with media saturated and brand consciousness world (Henrie & Tylor, 2009). They have a deep knowledge on certain brand they prefer. They have been exposed with innumerable sources of information thus had a strong knowledge towards certain brand. Millennials who love a particular brand tends to talk and spread positive information about the brand to others (Samala & Singh, 2018). Based on the findings, Millennials consumers had adequate knowledge towards the cosmetic brands and willing to share their preferences with the others. Hence, Millennials consumers could be used as an effective brand ambassador for cosmetics brands in Malaysia.

Using this sample, brand personality and brand experience found statistically insignificant in influencing brand referral behaviour among Millennials consumers. The findings inconsistent from the previous studies that indicate the significant relationship between brand personality, brand experience and post-purchase behaviours (Esch et al. 2006; Zhang et al., 2016). It is important to note that previous studies attempted to link the relationship of brand personality and brand experience towards brand loyalty dimension such as repurchase intention. This study tries to assess brand loyalty on different dimension namely brand referral behaviour. Thus, this study contribute to advance the knowledge in understanding Millennials’ brand referral behaviour.

A plausible explanation for such results is possibly due to the nature of the sample that is Millennials at the university level. Most of the respondents were students; they may have deep knowledge towards certain cosmetics brands due to their interaction and sharing with friends. This is consistent with the notion that Millennials are the active information seeker and have a bundle of information pertaining the product they choose and use. However, as a students, they may limited in term of brand experience towards various brands due to tight spending power. Tight spending power limit themselves to try various and luxurious cosmetics brand name.

**Conclusion and Recommendation**

In conclusion, theoretically, the findings of the current study consistent with brand equity theory that emphasis on brand knowledge as the key drivers for brand loyalty behaviour that include brand referral behaviour. The findings also indicate that Millennials could serve as brand ambassadors to cosmetics brands. However, owner of the brands should put more effort in creating brand awareness and maintaining reputable brand image (element of brand knowledge) in stimulating Millennials’ brand referral behaviour. Owner of the cosmetics brands should focus more on targeted advertising such as ad in social network sites which is more favourable among Millennials consumers. Millennials generation actively engaged in social network sites thus enhancing opportunity of them to share their preference, experience as well as recommendation with others.
This study is based on Millennials generation specifically at university level. Hence, the generalization towards overall Millennials generation should be made cautiously. As a students, they are limit in term of spending power thus restrain them to portray their actual brand personality. Therefore, future research should directed to cover Millennials generation at all age categories (such as 20’s, 30’s and 40’s years old). A comparison between different generation also could further add to our understanding of brand referral behaviour construct.

References


