*Research Paper*

# Service Delight and Brand Love: Its' Impact on Premium Price and Word-of-Mouth

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## ABSTRACT

Organizations have come to realize that beyond satisfaction, customers desire an emotional attachment with brands, developing true love or hate feelings towards them. Now, can this feeling be visible in the intangibility of the services sector? This research has focused on Brand Love and its' relationship with customer delight when services are concerned. Three specific dimensions were explored: the physical environment where the service takes place, the innovation factor in the service as well as the employees that provide it. The methodology adopted for this research has consisted of the construction of a structural equations model conveyed by a questionnaire. By analyzing the obtained results using SmartPLS software, we have found that in a service's context, Brand Love can also be verified. This is possible due to customer delight regarding the service, visible mostly in the dimension of the physical surrounding where the service is provided. We have verified that this love for the brand can generate positive word-of-mouth, as well as a willingness to pay a superior cost for the same service. These results reinforce the importance that service brands should place on their tangible assets to generate their own brand ambassadors while growing their profitability margins.

**Keywords:** Brand Love; Price Premium; Customer Delight; Word-of-Mouth.

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## 1. INTRODUCTION

Brand Love has been defined as a degree of emotional connection that a satisfied consumer can establish with a brand (Carroll & Ahuvia, 2006). These authors have shown that many of these consumers establish a strong emotional relationship with certain objects beyond interpersonal love.

In a study by Batra et al. (2012), brand quality is perceived as the major antecedent to Brand Love. Therefore, Brand Love should trigger consumer intentions to purchase, predisposition to pay a higher price (Premium Price), positive word-of-mouth (WOM), and resistance to negative messages about the brand (Batra, Ahuvia, & Bagozzi, 2012; Aro, Suomi, & Saraniemi, 2018).

The academia has yet little versed on the study of Brand Love in services (Long-Tolbert & Gammoh, 2012), much more explored in the case of products with important contributions to both Academia and Management (Batra, Ahuvia & Bagozzi, 2012; Karjaluoto, Munnukka, & Kiuru, 2016). Gumparthi and Patra (2019) have identified only a few papers which focused on brand love in the context of services including service relationships; tourism and hospitality; hospitals, and universities. The literature review developed by the authors identify the lack of attention given to services, and that research has been more business oriented, so future research could be more psychology oriented.

Building on this fundamental foundation, the aim of this research is to test a hypothesized model that relates antecedents of Customer delight to Brand Love and how it may trigger a predisposition to pay a higher price in the context of services as well as positive WOM.

The study follows a quantitative methodology, using an online questionnaire distributed to people who bought a product during the pandemic. The paper begins, with a literature review, by discussing the main topics under study. Then, the conceptual and research hypotheses are presented, moving to the analysis and discussion of the results. Finally, conclusions are drawn and suggestions for future research are pointed out.

## 1. LITERATURE REVIEW AND HYPOTHESIS

### 1.1 Brand love

Brand Love emerges as a new marketing narrative that helps explain the variations in the behaviors of satisfied consumers in the product/service after-sales. These authors began by empirically studying the emotional relationships between a consumer and a brand, concluding that many of these consumers do indeed establish a strong emotional relationship with particular objects beyond interpersonal love, corresponding to the interpersonal love theory (Quezado et al., 2022).

As a result of their research work, Carroll & Ahuvia (2006) concluded that Brand Love is a very significant form of consumer satisfaction and that it positively reinforces brand perception in the post-sale period. It was also proven that brands with more hedonic products and/or more self-expressive brands tend to be more loved.

In a study conducted by Batra et al. (2012), they found that 96% of the respondents, state that they love anything other than someone, and of these, 72% reinforced that they love in the strict sense of the word, some object or activity. In another study, based on interviews, they concluded that respondents love or "almost love" at least one brand, and of these, 89% identify the feeling as love and not as sort of love or not love. Respondents in this study, also ultimately assume that although they love brands, this love differs from interpersonal love. Brand Love is often described as less important than a relationship when compared to interpersonal love (Batra, Ahuvia, & Bagozzi, 2012).

As antecedents, Batra et al. (2012) concluded that brand quality is perceived as the major antecedent to Brand Love. Further, Brand Love should trigger strong intentions to purchase, a predisposition to pay a higher price (Premium Price), positive word-of-mouth, and resistance to harmful noise about the brand.

### 2.1.1 Positive word of mouth

Word-of-mouth can be defined as the informal communication transmitted between consumers about the ownership, use, or characteristics of a particular product or service and its' sellers (Westbrook, 1987). So, Word of mouth is informal and non-commercial verbal communication between two or more people about a certain product, brand, or service. It is face to face and has no commercial purpose (Zhang et al., 2022). WOM has thus a significant impact on consumers'

decision, being one of the primary triggers for purchase, affecting more than 50% of the decisions (Bughin, Doogan, & Vetvik, 2010).

Regarding the link between WOM and Brand Love, studies have concluded that the latter has a direct impact on positive WOM (Carroll & Ahuvia, 2006; Song & Kim, 2022). According to Batra et al. (2012), a conversation in which a consumer addresses Brand Love is perfectly logical, as it forms a part of the user's identity construction. Thus, these consumers positively spread the brand to other consumers (Karjaluoto et al., 2016; Carroll & Ahuvia, 2006).

WOM already well studied in the context of products (e.g., Carroll & Ahuvia, 2006; Albert et al., 2013), it will be of equally relevant application to the context of services (Gumparthi and Patra, 2019). Specifically, to ascertain whether Brand Love impacts this variable or the Premium Price more.

## 2.1.2 Premium price

The Premium Price is considered a basic indicator of Brand Loyalty (Aaker, 1996), as it reflects the consumer's loyalty to repeat purchases from the same company (Wang, 2010).

Price is a fundamental variable to explain consumer behaviour and is represented in several perspectives, namely price "fairness", discount, price satisfaction, and Premium Price, among others (Gómez et al., 2018). The Premium Price can be defined as the willingness of consumers to pay more for a product of one brand than another brand (Liu et al., 2022).

Several reasons may trigger Premium Price, but the most relevant are awareness, corporate social responsibility, origin, quality, and market positioning (Gómez et al., 2018).

Brand Love positively impacts the possibility of the consumer being able to pay a higher price for the same product/service (Albert et al., 2013). In a study published by Aro et al. (2018), respondents were willing to pay a higher price for travel when they rated a travel destination as a destination brand love. Further, also focusing on services Santos and Schelesinger (2021) concluded that brand love has a significant direct impact on brand loyalty and willingness to pay a premium price in streaming TV services. Focusing on Generation Y and Hotels effects of novelty and brand identification on improving brand love, and the influences of brand love in enhancing revisit intention and willingness to pay a price premium were proved (Liu et al., 2020).

## 2.2 Customer delight

Delight is a positive emotion that is associated with a consumption experience leads to exceeding customer expectations and is accompanied by high levels of excitement (Almedia, 2005; Oliver, Rust, & Varki, 1997).

Service excellence helps companies to ensure that their consumers are satisfied by exceeding their expectations through good service touchpoint management, raising the status to Customer delight (Edvardsson & Enquist, 2011). Service Excellence and Customer delight are undoubtedly associated with the same concept: a higher level of satisfaction where exceeding customer expectations leads to higher loyalty and Brand Love.

Padma & Wagenseil (2018) studied the consequences of Service Excellence in the retail industry based on an extensive literature review. As antecedents, the authors referred to Service Leadership, Service culture, Quality management and business excellence, Service Image Brand, Service Innovation, Customer engagement, and Service Encounters. As a consequence of Service Excellence, the authors mention Employee loyalty, Employee Pride, Customer Delight, Customer commitment, and Brand Love (Padma & Wagenseil, 2018).

The conceptual model brought by Padma et al. (2018) and even though in a specific context of the retail market, highlights the positive impact that certain antecedents generate on retail service excellence and, in turn, positively impacts other consequences, namely Brand Love.

### 2.2.1   Service image

Several studies have previously proven that brand image, specifically in the retail market, significantly impacts consumers' perception of value, satisfaction, and intention to revisit the space (Ryu & Shawn Jang, 2008). In the specific case of retail, which Padma & Wagenseil's (2018) study focuses on, the shop's image directly impacts consumer loyalty (Majumdar, 2005).

In addition, consumers who have a good image of the product/service will show a high level of satisfaction and loyalty not only to the product/service but also to the brand that provides it (Chen and Wu, 2022).

### 2.2.2   Service innovation

Innovation is considered one of the major pillars for companies to be able to compete in the market with their competitors (Sancho-Zamora et al., 2022). It is defined by Rogers (2003) as an idea, practice, or object perceived as new by an individual or an organisation (Rogers, 2003).

In a view applied to the retail context, Lin (2015) presents an innovation evaluation model based on four axes based on consumers' perceptions of products, services, promotions, and experiences (Lin, 2015).

In a broader context, from a perspective of co-creation of value with the customer and knowing in advance what their needs are, it is imperative that customers assume a posture of co-creator in the (re)design of some product and service and thus ensure a greater emotional connection with the company and, consequently, with the brand itself (Padma & Wagenseil, 2018).

### 2.2.3 Service encounters

The delivery of a service is carried out in various ways, often on a personalized basis and more automatically using electronic devices. However, service companies only sometimes know how to integrate the various modalities in service delivery. The interactions are different, requiring more or less know-how from employees on the front line and in direct contact with the consumer (O'Reilly & Paper, 2012).

What happens is that delight is compromised in the service delivery due to the lack of vision or training of employees for their importance in direct contact with consumers (Padma & Wagenseil, 2018).

The interactions between consumers and the service company start long before the consumption itself, during the information search, or even before when the consumer himself watches an advertisement (Lapoule & Colla, 2016).

### 2.3 Research objectives and hypothesis justification

This paper investigates whether Brand Love applies to services and whether Brand Love increases consumers' willingness to pay a Premium Price and consumers talk about the brand.

Besides the main focus research objective, secondary objectives were determined:

1 - verify whether innovation, service image, and service encounters have an impact on customer delight

2 – analyze if customer delight leads to an increase in Brand Love

3 – identify differences between these relationships in different services

4 - analyze if consumers' age affects the impact of consumer delight on brand love and its' impact on WOM and willingness to pay a premium price.

Thus, the research hypotheses referred to in Table 1 were presented based on the studies of the mentioned authors.

**Table 1**. Hypothesis formulation

| Nr | Hypothesis | Justification |
|---|---|---|
| H1 | Service Innovation positively influences Service Excellence | Channelling resources, namely people, technology and strategy towards delivering value to the customer (Kandampully, 2002) and as a means of differentiation in the market (Lin, 2015) |
| H2 | Service Image positively influences Customer Delight | Design, lighting and decoration have a positive and even exhilarating impact on the perception of the product or service purchase process (Mohan et al., 2013) |
| H3 | Service encounters positively influence Service Excellence | Employees of service companies, given the characteristics of services, are often seen as the only link that customers establish with the brand. They are therefore seen as a focus par excellence in developing Brand Love in services (Long-Tolbert & Gammoh, 2012). |
| H4 | Customer delight positively influences Brand Love | Customer Delight as a feeling characterised by high levels of joy and surprise associated with a consumption experience, can be an antecedent of Brand Love (Kumar, 1996) |
| H5 | Brand Love positively influences Premium Price | The greater the feeling a consumer feels towards the brand, the less resistant they are to a price increase (David A. Aaker, 1991; Liu et al., 2020; Santos & Schlesinger, 2021) |
| H6 | Brand Love positively influences WOM | Satisfied consumers who love the brand are more than expected to be eager to spread their feeling to everyone around them (Carroll & Ahuvia, 2006; Suartina et al., 2022). |

## 3   METHODOLOGY

The research follows a quantitative methodology. The study starts from previously established hypotheses with the final objective of confirming, or not confirming these same hypotheses (Newman & Ridenour, 1998). The observation instrument chosen was the indirect one, particularly the questionnaire survey method online, data was collected amongst Portuguese respondents, and a total of 474 answers were valid.

To carry out the analysis and eventual validation of the proposed theoretical model, this research is based on the Structural Equation Model (SEM) using the Smart PLS 3.3.1 software and IBM SPSS.

The questionnaire was built based on scales already used and studied by other authors. Items were rated on seven-point Likert-type scales, ranging from 1=Strongly Disagree to 7=Strongly Agree. Table 2 shows the variables and respective scales (see Table 2).

**Table 2.** Table of measurement scales

| Authors | Items | Variable |
|---|---|---|
| Carroll & Ahuvia (2006) | 1. I have already recommended this brand to many people<br>2. I talk a lot about this brand to my friends<br>3. I try to give this brand a positive word of mouth<br>4. I do a lot of positive publicity about this brand | Positive Word of Mouth |
| Carroll & Ahuvia (2006) | 1. this is a wonderful brand<br>2. This brand makes me feel good<br>3. This brand is spectacular<br>4. I have neutral feelings about this brand<br>5. This brand makes me feel very happy<br>6. I love this brand<br>7. I have no special feelings for this brand<br>8. This brand is pure pleasure.<br>9. I'm passionate about this brand<br>10. I am very attached to this brand | Brand Love |
| Ryu (2008) | 1. The pictures/photos are attractive<br>2. The decoration of the walls is appealing<br>3. The plants/flowers make me feel happy<br>4. The colours used make the environment more welcoming<br>5. The furniture is high quality<br>6. The background music relaxes me<br>7. The ambient music is pleasant<br>8. The temperature is pleasant<br>9. The aroma is seductive<br>10. The lighting creates a warmer atmosphere<br>11. The lighting makes me feel welcome<br>12. The lighting creates a comfortable atmosphere<br>13. Seating arrangement gives me space<br>14. Seating arrangement makes me feel cramped<br>15. The seating arrangements allow me to move around easily<br>16. Attractive staff make me feel good<br>17. An adequate number of staff makes me feel well looked after<br>18. The employees are well dressed | Service Image |
| adapted from Aloitabi et al. (2011) | 1. They have the knowledge to answer your questions<br>2. They were never too busy to answer your questions<br>3. They had the necessary skills to perform the service<br>4. They had good manners in front of them<br>5. Answered your questions directly<br>6. appeared to be grateful<br>7. Listened attentively to what you had to say<br>8. Were efficient in doing their job<br>9. They talked to you<br>10. They were aware of your presence<br>11. Were empathetic with you regarding a problem with the service<br>12. Were able to deal with the complaint directly and immediately<br>13. Questioned whether your needs were met<br>14. Were always very attentive and helpful<br>15. They gave you the appropriate service | Service Points of Contact |
| Lin (2015) | 1. The brand offers several innovative services<br>2. The brand offers several innovative self-service services<br>3. The brand offers various services compared to other brands<br>4. The brand offers more innovative services than other brands | Service Innovation |
| Cristau (2006) | 1. I would continue to use the same brand even if the price were to increase by 10% to 15%<br>2. If the price of a brand increases a little, I will continue to consume it anyway<br>3. I am willing to pay a little more for this brand | Premium Price |
| Escala de Richard L. Oliver (1997) | During your visit to the service you have chosen, how often did you perceive the following feelings:<br>1. Surprised<br>2. Happy<br>3. Delighted | Customer delight |

## 4. RESULTS AND DISCUSSION

Data started with factor analysis. To this end, the Bootstrapping test was used. Using the PLS Algorithm test, it was possible to identify the factor loadings of the items of each variable. The analysis reports that all research items relate strongly to their constructs, since all present values above the recommendable indicate a well-defined structure, i.e., values ≥ 0.7 (Hair et al., 2021a) as seen in table 3.

**Table 3.** Parameters of Validity of the Model by Variable

| Questions | Loadings | T-Value | Media | CR | AVE |
|---|---|---|---|---|---|
| Service Image (α=0,900) | | | | 0,915 | 0,39 |
| SI1 | 0.652 | 19.896 | 3,33 | | |
| SI2 | 0.818 | 21.771 | 3,36 | | |
| SI3 | 0.831 | 17.473 | 3,26 | | |
| SI4 | 0.818 | 35.714 | 3,48 | | |
| SI5 | 0.625 | 24.115 | 3,16 | | |
| SI6 | 0.008 | 20.524 | 3,19 | | |
| SI7 | 0.566 | 16.472 | 3,33 | | |
| SI9 | 0.445 | 17.293 | 3,11 | | |
| SI10 | 0.539 | 51.401 | 3,5 | | |
| SI11 | 0.655 | 53.157 | 3,52 | | |
| SI12 | 0.603 | 49.975 | 3,56 | | |
| SI13 | 0.749 | 16.848 | 3,49 | | |
| SI14 | 0.683 | 0.134 | 2,47 | | |
| SI15 | 0.652 | 14.527 | 3,65 | | |
| SI16 | 0.617 | 9.111 | 3,27 | | |
| SI17 | 0.713 | 9.648 | 4 | | |
| SI18 | 0.593 | 13.111 | 3,79 | | |
| Service encounters (α=0,942) | | | | 0,953 | 0,6 |
| SPC1 | 0.813 | 36.795 | 4,148 | | |
| SPC2 | 0.818 | 54.117 | 4,215 | | |
| SPC3 | 0.813 | 21.041 | 3,968 | | |
| SPC4 | 0.565 | 55.588 | 4,236 | | |
| SPC5 | 0.466 | 46.506 | 4,304 | | |
| SPC6 | 0.623 | 45.192 | 4,335 | | |
| SPC7 | 0.872 | 35.549 | 3,987 | | |
| SPC8 | 0.865 | 85.418 | 4,184 | | |
| SPC9 | 0.741 | 68.478 | 4,245 | | |
| SPC10 | 0.871 | 34.141 | 4,3 | | |
| SPC11 | 0.843 | 27.038 | 4,325 | | |

| | | | | | |
|---|---|---|---|---|---|
| SPC12 | 0.865 | 14.782 | 3,58 | | |
| SPC13 | 0.804 | 10.306 | 3,3 | | |
| SPC14 | 0.908 | 15.964 | 3,751 | | |
| SPC15 | 0.883 | 65.802 | 4,194 | | |
| Innovation (α=0,703) | | | | 0,800 | 0,56 |
| INOV1 | 0.871 | 54.917 | 3,344 | | |
| INOV1 | 0.900 | 62.886 | 3,3 | | |
| INOV1 | 0.431 | 6.860 | 3,03 | | |
| INOV1 | 0.775 | 24.581 | 3,31 | | |
| Customer delight (α=0,813) | | | | 0,89 | 0,73 |
| CD1 | 0.746 | 24.906 | 3,103 | | |
| CD2 | 0.893 | 93.509 | 3,717 | | |
| CD3 | 0.914 | 129.821 | 3,321 | | |
| Brand Love (α=0,822) | | | | 0,892 | 0,593 |
| BL1 | 0.822 | 58.746 | 3,759 | | |
| BL2 | 0.736 | 24.033 | 3,903 | | |
| BL3 | 0.829 | 59.926 | 3,631 | | |
| BL4 | 0.866 | 70.214 | 2,517 | | |
| BL5 | -0.284 | 4.843 | 3,517 | | |
| BL6 | 0.872 | 73.829 | 2,892 | | |
| BL7 | 0.868 | 76.730 | 2,511 | | |
| BL8 | -0.564 | 12.237 | 3,101 | | |
| BL9 | 0.775 | 30.132 | 2,848 | | |
| BL10 | 0.876 | 72.612 | 3,188 | | |
| WOM (α=0,904) | | | | 0,933 | 0,776 |
| WOM1 | 0.854 | 57.379 | 3,907 | | |
| WOM2 | 0.882 | 63.860 | 3,622 | | |
| WOM3 | 0.907 | 79.073 | 3,53 | | |
| WOM4 | 0.881 | 66.474 | 3,673 | | |
| Premium price (α=0,860) | | | | 0,915 | 0,781 |
| PP1 | 0.860 | 67.028 | 2,985 | | |
| PP2 | 0.895 | 80.524 | 3,342 | | |
| PP3 | 0.897 | 78.592 | 3,049 | | |

**Note:** SI= Service Image; SPC= Service Points of Contact; INOV: Innovation; CD= Customer delight; BL=Brand Love; WOM=Word of mouth; PP= Premium price.

The measures are reliable since Cronbach's alpha presented values well above 0.7 in most variables. This measure proves the internal consistency of the test through the level of correlation established between the different items. When Alpha exceeds 0.70, it is considered a good consistency, accepting values above 0.60 (Hair et al., 2021b).

As regards the Composite Reliabilities (Composite Reability - CR) and the Average Extracted Variances (AVE), the values were well above the recommended values, 0.70 and 0.50, respectively (Hair et al., 2021a) in all variables, except for the Service Image variable, whose average extracted variances ended up being close to 0.5, but still lower (0.39). Some items showed low loadings values, namely the question about music (0.008 - BI6) in the Service Image variable and items BL5 and BL8 of the Brand Love variable, which showed even negative values. However, t-values were all quite high, reflecting that, in general, all identifiers are strongly correlated with their constructs and, therefore, ensuring their validity.

Following this analysis of the factors extracted from the factor analysis, we performed the discriminant validity. Discriminant validity is calculated through the square root of the AVEs of the factors and their correlations between these factors. Suppose the correlations between factors do not exceed the value of 0.85 (Bagozzi & Yi, 1988) and the AVE of each construct is greater than the correlations between them (Bagozzi & Yi, 1988). In that case, validity is supported (Anderson, 1988). Analysing Table 4, it can be confirmed that these conditions are verified except for the Brand Love variable whose AVE is slightly lower than the correlation between Brand Love and WOM, still with a meager difference value.

**Table 4.** Discriminant Validity Table

| | Brand Love | Delight | Innovation | Premium price | Servoces encounters | Service Image | WOM |
|---|---|---|---|---|---|---|---|
| Brand Love | 0.770 | | | | | | |
| Delight | 0.758 | 0.855 | | | | | |
| Innovation | 0.564 | 0.489 | 0.744 | | | | |
| Premium price | 0.731 | 0.581 | 0.584 | 0.884 | | | |
| Services encounters | 0.504 | 0.490 | 0.336 | 0.425 | 0.775 | | |
| Service Image | 0.517 | 0.565 | 0.358 | 0.418 | 0.468 | 0.626 | |
| WOM | 0.788 | 0.620 | 0.509 | 0.584 | 0.489 | 0.412 | 0.881 |

Legend:

| | |
|---|---|
| | AVE |
| | Correlation |

Multiple regression analysis is a statistical technique that is used to infer the relationship between a single dependent variable and multiple independent variables (Gil, 2008). For this, we used the coefficient of determination ($R^2$) which refers to the total proportion of total variation explained. All the values can be seen in figure 1 above.
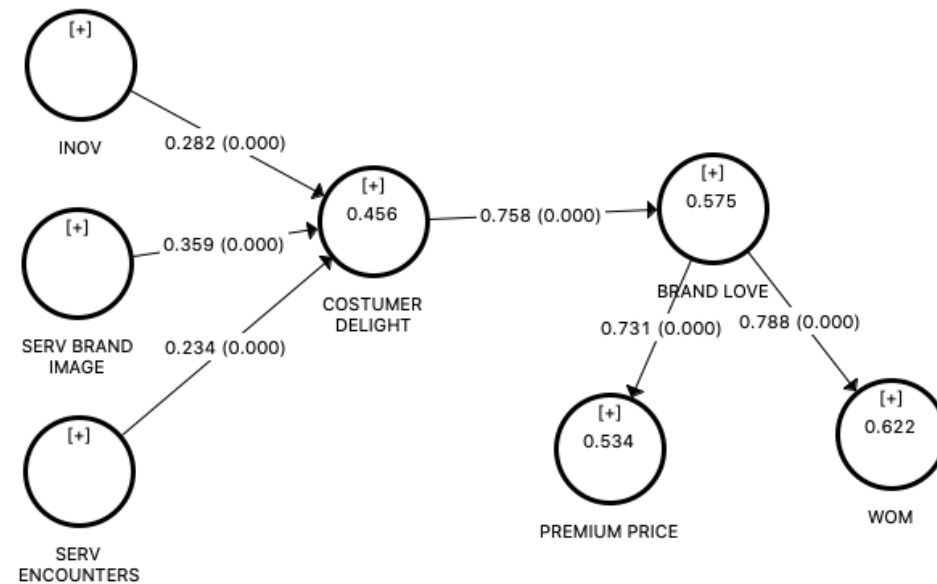
**Figure 1.** Standardised estimations of structural equations via Smart PLS

The structural model presents acceptable adjustment quality (SRMR = 0.066) according to Hair et al. (2021a), assuming a value below 0.08. The estimated standardized solution is used to interpret the results of structural relations and is summarized in Table 5.

**Table 5.** Result of the Structural Model

| Independent variable | Dependent Variable | Standard Coefficient | *t-value* | *p-value* | Hypotheses |
|---|---|---|---|---|---|
| Servicess encounters | Customer Delight | 0,234 | 6,092 | 0,000 | Accepted |
| Service Image | Customer Delight | 0,359 | 10,060 | 0,000 | Accepted |
| Innovation | Customer Delight | 0,282 | 6,769 | 0,000 | Accepted |
| Customer delight | Brand Love | 0,758 | 35,345 | 0,000 | Accepted |
| Love for the Brand | Price Premium | 0,731 | 29,327 | 0,000 | Accepted |
| Love for the Brand | WOM | 0,788 | 33,869 | 0,000 | Accepted |

Through these results, we can see that all the hypotheses formulated were accepted, since t-value>1.96 and p-value<0.001 were ensured in all hypotheses.

Hypothesis 1 which positively relates service innovation with Customer delight reinforces Kandampully's (2002) idea that innovation is more than a new element, it reflects value delivery to the customer. This reinforces the idea that innovation becomes one of the pillars for companies to compete in the market (Rogers, 2003).

On the other hand, hypothesis 2, which states the image of the space where the service is performed positively influences customer delight, seems to have been the most reinforced hypothesis within the antecedents of Customer Delight. This reinforces the conclusions of Ryu & Shawn Jang (2008) that the image of the space has a positive impact on the perception of value by the consumer and on loyalty itself, according to Madumjar (2005).

However, the results of the impact of these variables on Customer Delight are still modest compared to the degree of relationship between the other variables. This means that the model that was designed by Padma et al. (2018) seems to have less impact when we study the general context of services and not specifically the retail context as it was initially thought. This means that some of the services chosen by the respondents might be a bit out of line with the model thought of by the authors.

The fact that Customer Delight was validated as a generator of Brand Love confirms the idea that Brand Love is applicable not only to products but also to services.  Brand love can be looked at as an effective marketing tool, across products and services, that facilitates repeat purchases and positive word of mouth, which can ultimately lead to increase in sales and profits for business entities (Gumparthi and Patra, 2019). Customer Delight as a result of excellent service, leads to exceeded expectations (Padma & Wagenseil, 2018) which naturally generates a feeling of very significant consumer satisfaction (Carroll & Ahuvia, 2006). This finding proves to be quite interesting if we relate it to the confirmation of hypotheses 5 and 6, of our research.

Brand Love contributes positively to consumers being willing to pay a Premium Price. This was one of the most interesting findings of this study, because unlike the study of Albert et al. (2013), in this research, in the case of services, respondents are willing to pay a higher price for the service provided that there is Love for the Brand. Therefore, excellent services will tend to have higher rates of Brand Love, which will allow them to conquer less price-sensitive consumers and, consequently, be able to obtain higher levels of profitability. The results are in line with Liu et al. (2020) study which proved that the influence of brand love increases the intention to revisit and pay a price premium.

Hypothesis 6, that Brand Love generates a positive WOM, seems to have reinforced the various studies in this area such as those of Carroll & Ahuvia (2006), Karjaluoto et al. (2016) or even Albert et al. (2013). Brand love – defined as emotional devotion to a brand – was influenced by self-expressive brands and was positively related to both WOM and attitudinal loyalty intentions, according to the study by Song & Kim (2022). Interesting in this study is to note that this was the variable that had the most impact, not only as a consequence of Brand Love but also of the whole study. Considering that positive WOM has already been indicated in past research as an influential element of the purchase decision, this result reinforces the importance of working on the consumer-service brand connection in order to increase Brand Love.

Therefore, service brands that wish to charge higher prices and generate positive word-of-mouth should be concerned with innovation, service touch-points, and service image, as these will impact on consumer delight in the service. In turn, this delight will positively impact on Brand Love which impacts on price and WOM.

Further, also focusing on services Santos and Schelesinger (2021) concluded that brand love has a significant direct impact on brand loyalty and willingness to pay a premium price in streaming TV services. Focusing on generation Y and Hotels effects of novelty and brand identification on improving brand love, and the influences of brand love in enhancing revisit intention and willingness to pay a price premium were proved (Liu et al., 2020).

*Multi-group Analysis*

In addition to the structural model, a multi-group analysis was carried out to assess possible differences in results based on the following criteria:

1) Comparison of Results by Type of Service

**Table 6.** Comparison table by type of service

| | n=474 | n=165 | | n=46 | | n=66 | | n=44 | | n=82 | | n=65 | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | Geral | Hotels and Rest | | Beauty services | | Well-being service | | fanantial services | | Cultural services | | healthcare service | |
| | β1 | β2 | Dif | β3 | Dif | β4 | Dif | β5 | Dif | β6 | Dif | β7 | Dif |
| Brand Love -> Price Premium | 0,731 | 0,6 | -0,131 | 0,723 | -0,008 | 0,804 | 0,073 | 0,884 | 0,113 | 0,802 | 0,071 | 0,724 | -0,007 |
| Brand Love -> WOM | 0,788 | 0,779 | -0,009 | 0,718 | -0,07 | 0,727 | -0,061 | 0,842 | 0,054 | 0,841 | 0,053 | 0,797 | 0,009 |
| Customer Deligh -> Brand Love | 0,758 | 0,683 | -0,075 | 0,75 | -0,008 | 0,764 | 0,006 | 0,81 | 0,052 | 0,711 | -0,047 | 0,817 | 0,059 |
| Innovation -> Customer Delight | 0,282 | 0,155 | -0,127 | 0,235 | -0,047 | 0,422 | 0,14 | 0,456 | 0,174 | 0,168 | -0,114 | 0,407 | 0,125 |
| Service Encounters -> Customer Delight | 0,234 | 0,309 | 0,075 | 0,308 | 0,074 | 0,172 | -0,062 | -0,091 | -0,325 | 0,199 | -0,035 | 0,089 | -0,145 |
| Service Image Brand -> Customer Delight | 0,359 | 0,41 | 0,051 | 0,351 | -0,008 | 0,312 | -0,047 | 0,466 | 0,107 | 0,552 | 0,107 | 0,303 | -0,056 |

After the validation of the structural model, we should now make a comparison according to the type of service. Respondents have identified different services: hotels and restaurants; beauty services; well-being services; financial services; cultural services and healthcare services. The β1 represents the universe of 474 respondents; all the following β represent the sample according to the respective service. The "n" corresponds to the total number of answers per sample.

In the case of the Hotel and Restaurant service, we can already infer some differences regarding the general validation of the model:

a) By the difference regarding the influence of Brand Love on the Price Premium, we can assume that respondents who chose this type of service, showed more resistance to pay more for the same service provided;

b) There is also a greater scepticism to assume that there is Brand Love after verification of service delight which reveals that restaurant services are less susceptible to Brand Love compared to others which reveals some surprise as hotel and restaurant service is more hedonistic and therefore tends to have a more emotional response;

c) It seems that Innovation is also not so relevant to generate Customer delight in comparison to others, which is normal given that, mainly the restaurants may have less room for innovation than perhaps other services;

d) On the other hand, these respondents seemed to place more importance on the environment of the space and the employees.

In the case of Beauty services, it is interesting to note that brand love has less impact on WOM than on other types of services. It may be that some consumers do not like to share their experiences and the treatments they undergo. Similarly, to what happens with hotel and restaurant services, innovation also seems to be a minor factor in Customer delight. The image of the space where the service is performed seems to have the most positive impact compared to the total respondents in this sample.

In relation to well-being services, which are services where customers end up having a more obvious experience of service delight, in comparison to the general results, it is more likely in this type of service that even if the price of the same service increases, consumers are willing to continue to consume it. Also in a positive way, innovation was, always in comparison, more relevant for Customer delight than services in general. On the other hand, it seems that the customers of these services devalued more both the Service Contact Points and the surroundings

of the space where the service is performed. Customers of these types of services are also less likely to recommend the service to others. However, in financial services (banking, insurance, etc.), respondents are more likely to remain connected to the brand even though the services may increase in price, which may be due to some difficulty to change. It was also this service which presented the highest levels of recommendation (0.842) as well as the highest Brand Love index (0.81) on par with health services and whose innovation factor contributed the most positively to Customer Delight (0.456). Surprisingly, the Service encounters obtained the lowest value, in fact, negative (-0.091), whereby we may infer that employees ended up having little importance in Customer Delight.

As far as cultural services are concerned, along with financial services, this is where brand love has the greatest impact on positive WOM (0.841) as well as increasing the price of the service (0.802). This type of service is the one which presents the highest index of importance reinforced in the surroundings of the space where the service is carried out (0.552). On the other hand, this was the service whose respondents gave least importance to innovation as a triggering factor for Customer delight (0.199).

Regarding health services, it is surprising to find that this is the type of service which presents the highest indices of Brand Love (0.817) and, on the other hand, similarly to what happens with financial services, the one in which the delight is less dependent on the Service encounters, probably because they expect more efficiency from the service than sympathy or attention from the employees.

2) Comparison of Results by Age group

**Table 7.** Results comparison table by age group

| | n=474 | n=65 | | n=355 | | n=51 | |
|---|---|---|---|---|---|---|---|
| | Geral | 18-30 years | | 31-44 years | | 45-60 years | |
| | β1 | β2 | Dif. | β3 | Dif. | β4 | Dif. |
| Brand Love -> Premium Price | 0,731 | 0,756 | 0,025 | 0,727 | -0,004 | 0,723 | -0,008 |
| Brand Love -> WOM | 0,788 | 0,821 | 0,033 | 0,805 | 0,017 | 0,673 | -0,115 |
| Customer delight -> Brand Love | 0,758 | 0,727 | -0,031 | 0,768 | 0,010 | 0,753 | -0,005 |
| Service Innovation -> Customer Delight | 0,282 | 0,193 | -0,089 | 0,23 | -0,052 | 0,379 | 0,097 |
| Service encounters -> Customer Delight | 0,234 | 0,348 | 0,114 | 0,228 | -0,006 | -0,015 | -0,249 |
| Service Image -> Customer Delight | 0,359 | 0,297 | -0,062 | 0,422 | 0,063 | 0,526 | 0,167 |

Regarding the comparison of results according to age group, it can be observed that:

(a) Regarding Premium Price, it is important to note that the higher the age group, the greater the resistance to pay a higher price for the same service;

b) The higher the age, the lower the need to recommend a service they liked;

c) The higher the age group, the greater the significance of innovation for the Customer Delight of the service;

d) The smaller the age group, the more importance Service encounters gain for service delivery and satisfaction, culminating in an irrelevance of this factor for the 45 to 60 age group;

e) The older the age group, the greater the importance of the space where the service is carried out. It would appear that this group seemed to appreciate all the elements of the space for the delight of the service more than the employees themselves.

## 5. CONCLUSIONS

This paper aimed to investigate whether the concept of Brand Love is applicable to services and whether Brand Love increases consumers' willingness to pay a Premium Price and consumers talk about the brand. Additionally, it was sought to verify whether innovation, service image and services encounters, have an impact on costumer delight and also, whether delight leads to an increase in Brand Love. In fact, all the hypotheses formulated in the model were accepted. However, the impact that the variables on Customer delight, show that the results are more tentative than the relationship of the remaining variables in the research model. This may indicate a greater suitability of the model to the retail context.

It was observed that consumers gave different importance to different factors regarding service delight. It can be seen that the space where the service is performed has more impact on customer delight than innovation or contact with employees.

With regard to the differences found in our sample, if we take into account the different services considered, it was found that hotel and restaurant services have lower rates of Brand Love than, for example, health services. This when it had already been proven by the community that hedonism tends to generate stronger feelings of brand attachment which is more likely to happen in this sector.

Other important findings from our research focus on the consequences of Brand Love. The hypotheses relating Brand Love to Price Premium and WOM were also accepted and significant.

These findings are relevant because if brands work on the relationship with customers and succeed in increasing brand love, customers are more willing to pay higher prices and speak well of the brand.

Analysing differences between services, in Health and wellness services, financial services and Cultural services, our respondents showed less price sensitivity, being willing to stay in the service if the price increased, in case there was Brand Love. It can also be said that in the case of restaurant and cultural services, even if there is delight, it will have less impact on Brand Love than in other types of services.

The factors that lead to delight also proved to be different from service to service. Innovation has more impact on delight in the case of beauty and wellness services; touchpoints in services in the case of hospitality and wellness services and the image of the service in the case of financial services and culture.

Our research also found that the higher the age group, the greater the resistance to pay a higher price for the service. In line with the objectives of the study, we also confirmed the positive impact that Brand Love has on WOM and Premium Price.

This study also highlighted the need for service providing companies to invest in different dimensions, especially in the space where the service is carried out. This means that brands should invest in creating more attractive spaces and environments, so that they can increase the delight and, consequently, their levels of Love for the Brand among their clients. Therefore, they can increase the number of recommendations as well as their profit margins by increasing the price of the service.

## 6.1 Limitations

Finally, this research has some limitations. The sample shows some imbalance in gender, educational background and age group. This means that the conclusions are predominantly influenced by a specific socio-cultural group and, in other market contexts with different targets, these conclusions may be conditioned.

## 6.2 Future research

In the future, it may make sense to investigate relationships between other variables, such as analysing whether innovation and service contact have a direct impact on Brand Love or whether delight directly impacts on Price Premium. Another idea for future research could be to compare

results within the same service sector, for example, comparing luxury hotels with other alternatives, to see if the hypotheses still hold.

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