Consumer brand engagement by virtue of using Starbucks’s Branded Mobile App based on grounded theory methodology

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Abstract
As mobile technology continues to evolve, the new and more strategic way of communication between brands and consumers has gained significant attention. The branded mobile app distributed directly by a brand or a company is recognized as a new effective medium to build brand engagement for the long run. Because of ever-changing information technology as well as the role of consumers, most brands set their ultimate goals as establishing brand engagement followed by brand trust and loyalty. Despite the growing interest on branded mobile app and brand engagement, previous studies have been predominantly conducted by a quantitative research that results in statistical verification, thus generating a lack of users' specific and empirical reasoning. To address literature gap, this study attempts using grounded theory which is good for the objective of revealing specific empirical reasoning and findings. The goal of this study is to investigate users’ behavioral intentions for using BMA and to examine the role of them in relation to establishing brand engagement. Focusing on Starbucks’s branded mobile app, this study derives 3 core categories throughout open, axial, and selective coding and reveals the factors which exercise significant influence on brand engagement. The findings suggest that the branded mobile app as a promising device for communication between brands and customers has to provide long-term value in more synergistic ways enough to be embedded in the very intimate machine, the smartphone.

Keywords: branded mobile app, brand engagement, behavioral intention

1 Introduction
Branded Mobile App(as referred to BMA below) is defined as "software that is downloadable to a mobile device and prominently displays a brand identity, often via the name if the app and the appearance of a brand or throughout the user experience."[1] It categorized as brand own media for it is distributed directly by a specific brand or a company itself. Real-time relationships with customers as a focal point being differentiated from web service make BMA be widely adopted to many brands and companies as their new strategy in that building a strong relationship with customers is the essence of establishing brand engagement. Another reason behind the popularity of BMA as a promising marketing strategy is its more user-centric and "consumer-instant-action-centric [2]" by which consumers can experience usefulness, convenience, entertainment, socialization and intellectual stimulation [3]. However, the fact that smartphone has been conceived as an intimate device to construct "intercorporeal relationships[4]" with users implies that capturing users' attention and being constantly embedded in their smartphones are uneasy at all.

The relationship between consumers and a brand which has been dramatically changed due to the technology is one of dynamic research areas [5]. One reason is that consumers in social media society have played great roles and showed active behaviors. In this sense of dramatic change of consumer /brand relationship, the concept of 'brand engagement' has emerged and gained great attention. According to Brodie et al, brand engagement is defined as "a psychological state that occurs by virtue of interactive, co-creative customer experiences with a brand."[6] Brand engagement has also been viewed as "a promising concept which can provide enhanced predictive and explanatory power of loyal customer behavior outcomes, including brand loyalty."[7] In sum, BMA which provides "continuous reciprocal causation [8]" can be an important antecedent for establishing brand engagement.

The goal of this study is to investigate users' behavioral intentions for using BMA and to examine the role of them in relation to establishing brand engagement.

While previous studies on mobile app and services - e.g., antecedents of mobile app usage, purchase intention of mobile app and the effects of constant usage through brand experience - provide statistical data for the results of studies, this study attempts to try qualitative research method, especially grounded theory based on in-depth interview for the objectives.
of revealing specific empirical reasons and findings as well as suggesting theoretical modeling. Proposed by the American sociologists Barney Glaser and Anselm Strauss to prevent from pitfalls to be preoccupied with the use of existing theories only causing over-generalization as well as under-theorization [9], grounded theory could be developed directly from empirical work on particular spheres of phenomena[10].” By the same reason, it is familiar to those working in media and communication studies today in that current media-related studies have to deal with ongoing changes and we cannot be sure about existing theoretical framework is adequate to be applied to these changes and their consequences as well. This explains why we need to seek the middle-range theory reflecting “an ambition to develop theories that combine theoretical ambition with an empirical cautiousness [11]” by combining substantive theory with formal theory. Hepp [12] has noted that “a panorama of media and communication change as well as the existing metatheory regarding media and communication cannot be an answer, but a starting point to consider many questions relevant to media culture”. Therefore, a research reliant on a meta level of mediatization to involve comprehensive phenomena applied by grounded theory methodology beyond suggesting statistical data is appropriate for media-related studies. In sum, seeking a grounded theory for studying BMA as one of cutting-edge communication media and its relationship with brand engagement is regarded as an appropriate research methodology in the sense of grasping phenomenological states as a strong framework for relevant studies. And more, it is reasonable to take a specific brand's mobile app as an object of study to attain a substantive result. Starbucks's BMA chosen for this study is one of the world's most successful BMA as well as the one widely used in Korea and it has been considered as a “trend setter” in the aspect of mobile marketing. Thus, to investigate factors and relationship with brand engagement focusing on Starbucks’s BMA is appropriate to draw out further insights.

The next section provides a literature review regarding the antecedents of mobile app usage for basic questionnaire of interview and dimensionality of brand engagement to examine the relationship between those two with acquiring validity and reliability.

2 Literature Review
The antecedents of mobile app usage
Investigating antecedents of BMA usage is deeply related with users' behavioral intention. According to Gentry and Calantone, technology acceptance model(TAM) seems to have explained variance in behavioral intention, especially in the context of technology usage[13]. Because this study is about the usage of sort of new technology, TAM which predicts how various factors are related with the usage of technology can be used to provide basic concept for drawing out a questionnaire. TAM, especially, has been used by recent studies regarding mobile marketing [14] and behavioral intention of mobile services [15].

In TAM, Perceived Usefulness refers to "the degree to which users believe that using a particular technology would enhance job performance” and PEOU is defined as "using a particular technology would be free of effort [16]". Traditional concept of TAM, however, has been recognized to have weakness to explain other possible factors which need to be considered by constant development of technology besides PU and PEOU[17]. For this reason, revised concepts which suits for the subjects of studies have been used.

In this study, the intention to use Starbucks's BMA is defined as the behavioral intention and PU as convenience from usage of BMA and gratification of user's specific needs adopted by uses and gratification theory.[18] Uses and gratification paradigm can be appropriate to explain "users' underlying motivations and decisions regarding the use of the new communication tool"[19], which provides proper notion for revealing Starbucks's BMA users' motivation. The notion of PEOU for this study is defined as users' cognitive perception including ease of use. In addition, Perceived Saving Cost(PSC) and Perceived Innovativeness(PI) drawn from the characteristics of Starbucks can be proposed additionally.

Brand Engagement
Varey asserts that the relationship based on trust for building consistent communication with customers and design of customers' voluntary and active interactivity are core assets in considering changing consumers who act rather disruptive execution[20]. Brand engagement reflects a motivational state occurred by an individual's interactive experiences with a particular brand and represents a multi-dimensional concept comprising cognitive, emotional, and behavioral dimensions. By the fact that brand experience does not presume a motivational state and it is not an emotional relationship concept, brand engagement is assumed that it is a psychologically satisfactory state by assessments of cognitive, emotional, and behavioral interactive experiences. Overall, this study takes three dimensionalities proposed by Holbeek as a category to examine the relationship between the antecedents of BMA usage and brand engagement.[21]

3 Research Design
Participants of in-depth interview
For the sampling, Strauss & Corbin's theoretical sampling [22] and snowball sampling were adopted. Out of Starbucks' customers who have used Starbucks's BMA for more than one year were 12 participants selected. They are from in their twenties to forties and one or one and half hours of in-depth interview was conducted individually.

Questionnaire of interview and data collection
Table 1 is the sample of basic questionnaire for in-depth interview based on the theory of TAM and UG as mentioned earlier. But an actual interview was delivered by semi-structured interview to evoke participants' natural and active responses. Data collection was accomplished mainly by transcripts, memoing, recording and photographing and 2nd interview over telephone and by e-mails along with research
and analysis of literature review for theoretical sensibility.

**“Table 1 basic questionnaire for in-depth interview”**

<table>
<thead>
<tr>
<th>Paradigm</th>
<th>sub categories</th>
<th>categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>causal conditions</td>
<td>smartphone as always-on device</td>
<td>smartphone as polymedia</td>
</tr>
<tr>
<td>rewards from using BMA</td>
<td>economical benefit</td>
<td></td>
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<tr>
<td>central phenomenon</td>
<td>the usage of Starbucks’ BMA</td>
<td>the usage of Starbucks’ BMA</td>
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<tr>
<td>contextual conditions</td>
<td>the use of Starbucks’ Mobile Wallet</td>
<td>convenience</td>
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<tr>
<td>Siren Order</td>
<td>usefulness</td>
<td></td>
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<tr>
<td>shake pay</td>
<td>entertainment</td>
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<tr>
<td>free shot &amp; extra/rewards after saving</td>
<td>saving cost</td>
<td></td>
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<tr>
<td>differentiated rewards programs</td>
<td>brand affection</td>
<td></td>
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<tr>
<td>interventions conditions</td>
<td>place for study or work (community store)</td>
<td>Spatial Satisfaction</td>
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<tr>
<td>place for beyond the coffee (Premier food store)</td>
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<td>place for special coffee (Reserve store)</td>
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<tr>
<td>simple and intuitive UI design</td>
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<tr>
<td>strategies of action &amp; interaction</td>
<td>frequent check-up of BMA</td>
<td>active communication with a brand</td>
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<tr>
<td>saving Stars for free drink</td>
<td>social network communication</td>
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<td>getting a diary from e-frequency</td>
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<tr>
<td>giving e-frequency to friends</td>
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<tr>
<td>customization of personal drink &amp; sharing</td>
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<tr>
<td>buying MD Products &amp; physical Starbucks membership cards</td>
<td>frequent use of BMA</td>
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<td>continuous charge of Starbucks membership card</td>
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<tr>
<td>consequences</td>
<td>consistent and active use of Starbucks’ BMA</td>
<td>enhancement of brand engagement</td>
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<td>voluntary &amp; active participation to rewards and events programs</td>
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**Data Analysis**

Data analysis following Strauss and Corbin’s methodology consists of open coding, axial coding and selective coding [23]. Open coding, by theoretical sampling and theoretical comparison, drew out phenomena, concepts, category and properties. During axial coding process, construction of paradigm coming through causal conditions, central phenomenon, action/interactional strategies, context and intervening conditions and consequences could be found. As the last step of analysis, theoretical conceptualization and conditional matrix focusing on theoretical saturation could be done by selective coding.

**Theoretical sensitivity**

Especially for the grounded theory building, to fulfill the rigor of study and theoretical sensitivity is very important. Strauss and Corbin has noted that ‘theoretical sensitivity is a multidimensional concept that includes the researchers’ level of insight into the research area, their ability to reconstruct meaning from the data generated with the participant, and a capacity to separate the pertinent from that which is not [24].” Guba and Lincoln also emphasize true value, applicability, consistency, and neutrality [25]. To meet these prerequisites, this study conducted two times of in-depth interviews until facing theoretical saturation and 2 competent professional researchers were participated in overall coding processes for acquiring study’s consistency and neutrality.

4 Result

4.1 Open Coding

Seen from table 2, drawing out concepts from in-depth interview and sub categories are completed by open coding but each specific concepts representing slices of data cannot be included for this paper.

4.2 Axial Coding

Table 2 Concept & Categorization based on paradigm of Grounded theory
Below is the restatement the result according to axial coding along with paradigm model.

- **causal conditions**
  The causal conditions can be interpreted to prerequisite of central phenomenon. As the smartphone becomes “a representation of the self to the self as well as being symbolic interpersonal communication[26]”, people tend to regard the smartphone as polymedia. Thus, people want to integrate almost everything inside the smartphone which is the “always-on-you-machine[27]”. This means that the branded mobile app should not just be a way of brand communication but be useful and valuable medium enough to be downloaded onto the very intimate device. Under these causal conditions, Starbucks released cutting-edge BMA called as ‘mobile wallet' which provides useful convenience and cost saving benefits.

- **central phenomenon**
  As regarded as an essential result, central phenomenon can be summarized as the active usage of Starbucks BMA. Most of users have previously used physical Starbucks's cards and they registered those to BMA for the free from worrying about not-having-a card when purchasing. An important finding is that whatever reasons they have for start using Starbucks BMA, they became to use the branded mobile app continuously and even very actively.

- **contextual / intervening conditions**
  While contextual conditions are defined as a set or an aspect of particular factors which cause the central phenomenon, intervening conditions can be defined as broad structural conditions which facilitate or impede strategies of action/interaction. However, there is huge overlap between those two conditions this study analyzes those as one condition.
  The increasing numbers of customers using Starbucks BMA are mainly caused by incompatible convenience from using mobile payments. As mentioned earlier, many people in mobile society want to bring their smartphones solely without having purses or wallets. Besides perceived usefulness and convenience as core conditions, those used to visit a busy store such as a community store located at Hyewha-dong enjoy ‘siren order’ for not staying in a long line. In addition, they are said to love ‘siren order’ for being able to make specific orders more comfortably according to their individual tastes.
  Out of many empirical findings, accumulation of stars and e-frequency as differentiated rewards programs of Starbucks are highly demanding. Such rewards not only lead expansion of social communication but also serve as a representation of brand involvement followed by brand affection and trust.

- **strategies of action/interaction**
  It is described as participants' habitual behaviors and strategies over the categories drawn out from central phenomenon. For the participants, they use social network communications for acquiring their wants if needed. To sell and buy e-frequency points via a SNS platform, to send e-gift or various kinds of coupons for free drinks, and to share customized drinks are widely used strategies which are voluntarily evolved and expanded. Most of participants open up Starbucks's BMA to check up balance, the numbers of starts and a new event or a notice even when not purchasing a drink. This increases the possibility of enhancing brand loyalty and ultimately, brand engagement. Another category of strategies is regarding habit of usage. Some participants have constantly used an automatic charge system to keep their balances at all time and others also keep the balance by charging whenever needed. It is important to note that once downloaded, Starbucks's BMA is hardly removed and stays as like as a default one.

- **consequences**
  When it comes to as an innovative and an ease of use device, Starbucks's BMA becomes institutionalized one which is able to end up establishing brand engagement. The rationale underlying drawn categories explicitly supports that the antecedents of BMA usage can play significant roles for brand engagement.

### 4.2 Axial coding: Analysis based on paradigm

Axial coding is for combining category with sub categories in a new way. For this study, structuring the paradigm model from the result of open coding can be provided as a result of axial coding.

"Figure 1 Paradigm Model"
Axial coding shows how causal conditions, contextual/intervening conditions, strategies of action/interaction, and consequences are related together toward the central phenomenon. In another word, all sub categories drawn out from open coding are inherently connected to explain the relationship between customers' behavioral intentions and brand engagement by mediated by usage of Starbucks's BMA.

4.3 Selective coding: core category and story line
The final consequence of grounded theory research can be generated from core category and theoretical integration in the stage of selective coding based on the results of open and axial coding.[28] Authors are expected to suggest a theoretical frame along with making story line according to accumulated data and building core category.

To investigate the relationship between the intention of BMA usage and brand engagement, the antecedents of Starbucks's BMA's usage and those of brand engagement defined as operationalization were tested throughout the study. The findings from theoretical modeling indicate that all antecedents of Starbucks's BMA's usage made significant contribution to customers' current usage of BMA. Further, as seen as table 3, customers who cognitively percept the usefulness and convenience of Starbucks's BMA show deeper affection toward Starbucks, which makes them lead to ceaseless usage of mobile app after downloading the Starbucks's BMA. This also means that the antecedents of Starbucks's BMA's usage play an important role to make users have strong behavioral, cognitive, and emotional intention. Further, it is regarded as that most experienced users of Starbucks's BMA have great amount of possibilities to establish brand engagement.

In summary, final theoretical modeling can be generated by three core categories:
1. Enjoying Starbucks's BMA more conveniently by virtue of mobile wallet (mobile payments).
2. Active participation to differentiated rewards and events programs
3. Constant communication with Starbucks' BMA through easy and intuitive UI design

<table>
<thead>
<tr>
<th>Table 3 Core Category</th>
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<tr>
<td>BMA usage</td>
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<tr>
<td>PI</td>
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<td>PU</td>
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<td>PE</td>
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<td>PSC</td>
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Table 3 provides three core categories having a relationship with antecedents of brand engagement and usage of Starbucks' BMA.

First, 'Enjoying Starbucks's BMA more conveniently by virtue of mobile wallet’ means the institutionalization of Starbucks's BMA. Almost all customers who use Starbucks's BMA commented nothing other than the convenience of mobile wallet. They had experienced any inconveniences from keeping a physical card which has to be shown whenever they made payments. Like Madianou puts the smartphone as "polymedia which shifts our attention to how users treat media as integrated environments of affordances’”[29], people need simple and convenient lifestyle with the smartphone. The mobile wallet of Starbucks's BMA has truly changed the patterns of consumption of coffee culture by making consumers go to the Starbucks store favorably with their smartphones which are always in their hands. One of significant differences to other mobile apps is that Starbucks's BMA running through 2D barcode system instead of NFC(Near Field Communication) shows how successfully IT(Information Technology) is combined with mobile marketing. 'Siren Order' system is an example of hybridization of mobile order and payment. Recently revised version of Starbucks's BMA after the first release in 2011 attracts customers strongly with more convenience including easy-to-use UI(User Interface) design and multi-touch gesture feature along with GPS(Global Positioning System) and QR code for searching near stores. Through Siren Order, one can place his/her order and pay for it on his smartphone before getting to the store and simply pick his/her drink up when the order is ready. Equally meaningful fact is that Starbucks's BMA is not just an app but also a card, by which those who are using Starbucks's BMA have tendency to charge their cards continuously to keep using Starbucks's BMA. Further, many of participants choose automatic charge system to keep enough amount of balance at all times. This, indeed, has contributed heavily to choose Starbucks solely out of other coffee stores, which eventually leads them to have positive attitude toward Starbucks Company as the prominence of the brand loyalty and engagement as well.

Second, 'Active participation to differentiated rewards and events programs’
Having been credited with revolutionizing coffee industry, Starbucks has put great effort to have customer loyalty by making itself being differentiated from others. "My Starbucks Rewards(MSR)’ is often regarded as one of the best retail loyalty programs currently in existence. A star is a kind of point to get a free drink accumulated with 12 stars after receiving 'the gold card'. But one of the compelling features of
Starbucks's BMA is to make customers voluntarily interact with Starbucks's BMA. One of the features many customers told is the motion with a text on the top of home screen which shows how many stars one has. All participants replied that the physical gold card coming with free shot or extra and other credits was a true motivator to get a gold status. They also regularly open their Starbucks's BMA to check up their rewards. Another revealing one is a e-frequency program through which one can get a new year's diary by purchase of 17 cups of drinks. Some active participants have tried to get more than 2 diaries every year. The more astounding fact is they don't need those diaries that much and they only eager to get exclusive products from Starbucks.

"I used to collect all kinds of diaries every year and this year's too. I love to treat as many friends as possible at Starbucks during e-frequency times."

"I actually don't use free drink coupon effectively, because I only drink Americano which is comparatively cheap. I am rather used to give my coupons to my friends who like frappuccino or other blended drinks."

This shows they participate in rewards or event programs based on emotional affection called as brand affection or brand loyalty that is prerequisite for building brand engagement. Along with these rewards programs, various MD products from tumblers and mugs to physical Starbucks cards are also very attractive to many customers.

"Even though I know the physical card is not necessary any more, the design of Starbucks’s cards always makes me be eager to purchase and keep them."

Third, 'Constant communication with Starbucks' BMA through easy and intuitive UI design'
According to Gupta's research, BMA can be a totally new way of brand communication tool for building brand engagement because it is not regarded as a traditional advertisement or promotion. However, the success of BMA cannot be estimated simply by the numbers of download, because use promotion. However, the success of BMA cannot be estimated simply by the numbers of download, because use

The overall research reveals a strong correlation effect between users' involvement toward Starbucks's BMA and their attitudes for building brand engagement. The theoretical modeling comprising of 3 core categories, 13 categories, and 20 sub categories through constant comparison enough to have fully saturated conceptualization also reasserts the study results. Thus, the final result shows the customers voluntary and active usage of Starbucks's BMA followed by cognitive perception and emotional affection to the institutionalization of BMA is empirically significant in predicting enhancing brand engagement including brand loyalty and trust.

The results applied by grounded theory differ from other previous studies regarding brand engagement in that they reveal the specific characteristics of Starbucks's BMA that lead the success of a brand's owned media. These findings can act as a practical implication to mobile practitioners. Irresistibly, the core factor leading the success of Starbucks' BMA is rooted in very articulated consumer-centered strategy, by which all customers recognize it as "a portable personhood" rather than merely as an application. That's why they enjoy everyday usage of Starbucks's BMA.

As mobile users are becoming technologically interwoven with the smartphone in mobile social media society, the branded mobile app should offer "long-term value" for engaging customers with constant communication rather than merely serving "a short-term objective". Miller also has noted that, "people use the smartphone for affective and aesthetic purpose." Therefore, the branded mobile app that has to be embedded in the "tethered self" rather than merely as an application. That's why they enjoy everyday usage of Starbucks's BMA.

5 Conclusion
As the smartphone becomes more intimate and private machine, people instinctively want the smartphone to be "a sort of magical object with which we are physically intimate, and which responds to our interior thoughts and desires with the mere touch of a finger." Consistent with previous BMA usage and brand engagement studies, this study empirically validated the effects of behavioral intentions in the relation to the antecedents of Starbucks's BMA usage and possibility of establishing brand engagement. The overall research reveals a strong correlation effect between users' involvement toward Starbucks's BMA and their attitudes for building brand engagement. The theoretical modeling comprising of 3 core categories, 13 categories, and 20 sub categories through constant comparison enough to have fully saturated conceptualization also reasserts the study results. Thus, the final result shows the customers voluntary and active usage of Starbucks's BMA followed by cognitive perception and emotional affection to the institutionalization of BMA is empirically significant in predicting enhancing brand engagement including brand loyalty and trust.

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