

Emotional Marketing, Customer Retention, and Brand Loyalty in Vietnam's Retail Sector: Unveiling the Moderating Impact of Digital Innovativeness

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Abstract: - This study investigates the relationship between emotional marketing, brand loyalty, and customer retention in Vietnam's retail sector, while examining the moderating role of digital innovativeness, comprising personal and brand innovativeness. A conceptual model is developed and empirically tested using a sample of 533 Vietnamese retail consumers. The model incorporates emotional marketing as the main predictor, brand loyalty as the mediator, customer retention as the outcome, and digital innovativeness as the moderator. Relevant determinants of brand loyalty, such as customer satisfaction, perceived value, emotional attachment, and brand identity, are included as control variables. The data is analyzed using structural equation modeling. The results reveal that emotional marketing has a significant positive impact on brand loyalty, which in turn leads to higher customer retention. Digital innovativeness is found to positively moderate the relationship between emotional marketing and brand loyalty. The study highlights the importance of leveraging emotional marketing strategies and fostering digital innovativeness to build strong emotional connections, brand loyalty, and long-term customer retention in the Vietnamese retail market. This research contributes to the understanding of emotional marketing's impact on brand loyalty and customer retention in the context of Vietnam's retail sector, while uniquely exploring the moderating effect of digital innovativeness. The findings provide valuable insights for retailers seeking to optimize their marketing strategies and adapt to the evolving needs of Vietnamese consumers in the digital age.

Key-Words: - Emotional marketing, customer retention, brand loyalty, digital innovativeness, retail industry

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1 Introduction

In an increasingly competitive global market, retailers face the challenge of attracting and retaining loyal customers. As consumers become more discerning and have access to a wider range of choices, building strong emotional connections with brands has emerged as a critical strategy for driving long-term success [1]. Emotional marketing, which involves appealing to consumers' feelings and desires, has been shown to foster deeper relationships between brands and their customers

[2]. By leveraging emotional marketing techniques, retailers can differentiate themselves, increase customer loyalty, and ultimately improve their bottom line [3]. Despite the growing recognition of emotional marketing's importance, there remains a paucity of research examining its specific impact on brand loyalty and customer retention in emerging markets. Vietnam, with its rapidly evolving retail landscape and increasingly sophisticated consumer base, presents a unique opportunity to explore these dynamics [4]. As Vietnamese consumers become

more brand-conscious and emotionally invested in their purchasing decisions, understanding the role of emotional marketing in driving loyalty and retention is crucial for retailers seeking to gain a competitive edge [5], [6]. This study aims to address this research gap by investigating the relationship between emotional marketing, brand loyalty, and customer retention in the context of Vietnam's retail market. By drawing on the latest theoretical developments and empirical findings, this research seeks to provide novel insights into how retailers can effectively harness the power of emotions to build lasting connections with their customers. The study's findings will have significant implications for both academic understanding and managerial practice, offering valuable guidance for retailers looking to optimize their marketing strategies and foster long-term success in this dynamic market.

2 Literature review

2.1 Emotional marketing

Emotional marketing represents a shift from the traditional, rational approach to marketing towards a more emotion-driven strategy that aims to create strong emotional connections between brands and consumers [7]. Emotional marketing recognizes the crucial role that emotions play in consumer decision-making and seeks to leverage these emotions to foster brand loyalty and customer retention [8]. It is a strategic approach that focuses on creating deep, affective connections between brands and consumers [7]. It transcends the traditional emphasis on product features and benefits, instead appealing to consumers' feelings, desires, and aspirations [9]. By tapping into the emotional dimensions of the consumer experience, brands can foster stronger, more enduring relationships with their customers [10]. The concept of emotional marketing is rooted in the understanding that emotions are a fundamental aspect of human behavior and decision-making. [11] argue that emotions are mental states of readiness that arise from appraisals of events or one's own thoughts, and they play a significant role in shaping consumer responses to marketing stimuli. Emotions influence various stages of the consumer decision-making process, from problem recognition and information search to post-purchase evaluation and future behavior [8]. When consumers form an emotional attachment to a brand, they are more likely to remain loyal, even in the face of competition or price fluctuations [11]. Moreover,

emotionally engaged consumers are more likely to become brand advocates, sharing their positive experiences with others and contributing to positive word-of-mouth marketing [8]. The scope of emotional marketing extends across various touchpoints, from advertising and branding to product design and customer service, encompassing all aspects of the consumer journey [12].

In the modern retail landscape, emotional marketing has become increasingly crucial, as consumers are inundated with choices and information [13]. With the rise of e-commerce and the proliferation of digital channels, retailers must work harder than ever to cut through the noise and establish meaningful connections with their customers [14]. Moreover, the COVID-19 pandemic has accelerated the shift towards online shopping, making it even more critical for retailers to engage consumers on an emotional level [15], [16], [17]. As such, understanding and effectively leveraging emotional marketing strategies has become a key imperative for retailers seeking to build brand loyalty and drive long-term success.

2.2 Relevant determinants of Brand loyalty

Brand loyalty is a critical aspect of consumer behavior that holds significant implications for businesses. It refers to the propensity of consumers to consistently purchase products or services from a specific brand, even when faced with competing alternatives [18]. To develop effective strategies for fostering and maintaining customer loyalty, it is crucial for businesses to understand the determinants of brand loyalty.

2.2.1 Emotional marketing and Brand loyalty

The relationship between emotional marketing and brand loyalty has garnered increasing attention from researchers and practitioners. Emotional marketing strategies aim to forge deep, affective connections between consumers and brands, which can serve as a powerful catalyst for brand loyalty [9]. When consumers develop strong emotional attachments to a brand, they are more inclined to engage in repeat purchases, advocate for the brand, and resist switching to competitors [19], [20]. Emotional marketing fosters brand loyalty by creating a sense of identification and belonging [21]. When a brand successfully resonates with consumers' values, beliefs, and aspirations, it can become a means of self-expression and social identity [22]. This emotional connection can lead to increased brand commitment and loyalty, as consumers perceive the brand as an integral part of their lives and self-concept [23]. Malär, et al. [13] argue that brands

capable of creating authentic and meaningful emotional connections with consumers are more likely to benefit from long-term loyalty and advocacy. Furthermore, emotional marketing enhances brand loyalty by creating positive and memorable brand experiences [24]. When consumers engage with a brand on an emotional level, they are more likely to form vivid and enduring memories that shape their future preferences and behaviors [25]. By consistently delivering emotionally resonant experiences across touchpoints, brands can create a strong sense of attachment and loyalty among their customers [12].

Empirical research has investigated the relationship between emotional marketing and brand loyalty, providing support for the conceptual linkages discussed above. For example, Grisaffe and Nguyen [26] found that emotional attachment to a brand was a significant predictor of brand loyalty in the consumer goods sector. They argue that when consumers form strong emotional bonds with a brand, they are more likely to engage in loyal behaviors, such as repeat purchases and positive word-of-mouth. Similarly, Levy and Hino [27] examined the impact of emotional branding on customer loyalty in the fashion retail industry. Their results indicated that emotional branding strategies, such as creating a strong brand personality and evoking positive emotions, had a significant positive effect on brand loyalty. They suggest that by leveraging emotional marketing techniques, fashion retailers can differentiate themselves and foster long-term customer relationships. In the context of service industries, Loureiro, et al. [28] investigated the role of emotional attachment in driving loyalty towards airline brands. Their findings revealed that passengers who formed strong emotional bonds with an airline brand were more likely to exhibit loyal behaviors, such as choosing the same airline for future flights and recommending it to others. They highlight the importance of creating emotionally engaging service experiences to foster brand loyalty in the highly competitive airline industry. More recently, He, et al. [29] explored the impact of emotional marketing on brand loyalty in the luxury hotel sector. Their results showed that emotional marketing strategies, such as creating a sense of exclusivity and personalizing guest experiences, had a significant positive effect on brand loyalty. They argue that by tapping into consumers' emotional desires and creating memorable experiences, luxury hotels can foster long-term loyalty and encourage repeat visits.

2.2.2 Other controlled determinants

Customer satisfaction is also a key determinant of brand loyalty. When consumers are satisfied with a brand's products or services, they are more likely to develop a positive attitude towards the brand and engage in repeat purchases [30]. Satisfaction is influenced by factors such as product quality, service quality, and the overall customer experience [31]. Brands that consistently deliver high-quality products and exceptional customer service are more likely to generate satisfied customers who become loyal to the brand.

Perceived value is another significant determinant of brand loyalty. Consumers are more likely to remain loyal to a brand when they perceive that they are receiving good value for their money [32]. Perceived value is a subjective assessment that takes into account factors such as price, quality, and the benefits derived from using the product or service. Brands that offer products or services that are perceived as high value are more likely to retain loyal customers [33].

Emotional attachment is another important determinant of brand loyalty. When consumers form an emotional connection with a brand, they are more likely to remain loyal, even in the face of competition or price fluctuations [20]. Emotional attachment can be fostered through effective branding, storytelling, and creating memorable, positive experiences for customers. Brands that successfully create an emotional bond with their customers are more likely to benefit from increased loyalty and advocacy [23].

Brand identity and image also play a role in determining brand loyalty. Consumers are more likely to be loyal to brands that have a strong, distinct identity and a positive image in the market [34]. A well-defined brand identity helps consumers understand what the brand stands for and how it differs from competitors. A positive brand image, which encompasses consumers' perceptions and associations with the brand, can influence their attitudes and behaviors towards the brand [35].

In overall, apart from emotional marketing, brand loyalty is influenced by a variety of determinants, including customer satisfaction, perceived value, emotional attachment, and brand identity and image. To develop effective strategies for fostering and maintaining customer loyalty, businesses must understand these determinants. These determinants are adopted into the conceptual model of this study as controlled variables to enhance the robustness of the estimation findings.

2.3 Digital innovativeness as a moderator

In the rapidly evolving digital landscape, digital innovativeness has emerged as a crucial factor influencing consumer behavior and brand loyalty. Digital innovativeness refers to the extent to which individuals or brands adopt and utilize new digital technologies, products, and services [36]. This concept is particularly relevant in the context of Vietnam's retail sector, where the adoption of digital technologies is transforming the way consumers interact with brands and make purchasing decisions [37].

Digital innovativeness can be largely attributed to two distinct components: personal innovativeness and brand innovativeness. Personal innovativeness refers to an individual's willingness and ability to adopt new technologies and engage with innovative digital experiences [38]. Consumers with high levels of personal innovativeness are more likely to seek out and embrace new digital technologies, such as mobile apps, social media, and e-commerce platforms [39]. These consumers are often early adopters of new digital trends and are more receptive to innovative marketing strategies [40]. On the other hand, brand innovativeness refers to the extent to which a brand is perceived as innovative and technologically advanced by consumers [41]. Brands that consistently introduce new digital technologies, products, and services are more likely to be perceived as innovative by consumers [42]. Innovative brands often leverage cutting-edge digital technologies to create unique and engaging customer experiences, such as personalized recommendations, virtual try-ons, and immersive product visualizations [43], [44].

The moderating impact of personal innovativeness on the relationship between emotional marketing and brand loyalty has been explored in several studies. For example, a study by Kim, et al. [45] found that consumers with high levels of personal innovativeness were more likely to respond positively to emotional marketing strategies and develop stronger emotional attachments to brands. The authors argue that innovative consumers are more open to new experiences and are more likely to appreciate the emotional value provided by brands. Similarly, a study by Thakur and Srivastava [46] investigated the moderating role of personal innovativeness in the adoption of mobile commerce. The results indicated that consumers with high levels of personal innovativeness were more likely to engage with emotional marketing messages and develop loyalty towards brands that provided innovative mobile shopping experiences. Brand innovativeness

also plays a significant role in moderating the relationship between emotional marketing and brand loyalty. A study by Lin [47] examined the impact of brand innovativeness on consumer loyalty in the smartphone industry. The findings revealed that consumers were more likely to develop emotional attachments and display loyal behaviors towards brands that were perceived as highly innovative. The author suggests that innovative brands are more likely to create emotional value for consumers by offering unique and cutting-edge features that enhance the user experience. In another study, Pappu and Quester [48] investigated the effect of brand innovativeness on the relationship between brand experience and loyalty. The results showed that brand innovativeness has positive impact of brand experience on loyalty, indicating that consumers are more likely to remain loyal to brands that consistently deliver innovative and emotionally engaging experiences.

In the context of Vietnam's retail sector, the moderating impact of digital innovativeness on the relationship between emotional marketing and brand loyalty is particularly relevant. As Vietnamese consumers increasingly adopt digital technologies and engage with brands through digital channels, personal and brand innovativeness are likely to play a crucial role in shaping their emotional responses and loyalty behaviors [37]. Retailers that leverage innovative digital technologies to create emotionally engaging experiences, such as personalized recommendations, gamification, and interactive content, are more likely to foster strong emotional connections and build long-term loyalty among consumers. In this study, digital innovativeness, comprising personal innovativeness and brand innovativeness, acts as a significant moderator in the relationship between emotional marketing and brand loyalty.

2.4 Brand loyalty as an antecedent of Customer retention

Customer retention and brand loyalty are two closely intertwined concepts that have been extensively studied in the marketing literature. While some researchers argue that customer retention leads to brand loyalty [49], [50], a compelling body of evidence suggests that brand loyalty is, in fact, an antecedent of customer retention [30], [51]. Customer retention refers to a company's ability to keep its customers over time, preventing them from defecting to competitors [52]. Customer retention is often considered a key performance indicator for businesses and is driven by various factors, such as customer satisfaction,

perceived value, and switching costs [53], [54]. While customer retention is undeniably important, it is not necessarily synonymous with brand loyalty, as retained customers may continue to purchase from a brand due to habit, convenience, or lack of alternatives [55].

The argument that brand loyalty is an antecedent of customer retention is rooted in the idea that loyal customers are more likely to remain with a brand over time, even in the face of attractive alternatives or situational influences [51]. For example, [56] found that a 5% increase in customer loyalty could lead to a 25-95% increase in profits, largely due to the increased likelihood of loyal customers being retained. The authors argue that brand loyalty creates a strong emotional bond between the customer and the brand, making it less likely for the customer to switch to a competitor. Similarly, a study by [57] investigated the relationship between brand loyalty and customer retention in the context of B2B service relationships. The findings revealed that attitudinal loyalty, a component of brand loyalty, had a significant positive impact on customer retention. The authors suggest that when customers are emotionally attached to a brand and have a positive attitude towards it, they are more likely to continue purchasing from the brand and resist competitive offerings. Moreover, it is important to note that customer retention alone does not guarantee brand loyalty. As [55] argue, not all retained customers are necessarily loyal, as some may continue to purchase from a brand due to habit, convenience, or lack of alternatives. To build true brand loyalty, retailers must go beyond mere retention and focus on creating deep emotional connections with their customers [13]. This can be achieved through strategies such as emotional branding, experiential marketing, and corporate social responsibility initiatives that resonate with customers' values and aspirations [58].

In the context of Vietnam's retail sector, brand loyalty is likely to be a key driver of customer retention. As Vietnamese consumers become more brand-conscious and emotionally connected to their preferred brands, they are more likely to remain loyal and continue purchasing from those brands over time [37]. Retailers that focus on building strong brand loyalty through strategies such as emotional branding, experiential marketing, and corporate social responsibility initiatives are more likely to retain their customers in the long run. However, it is important to acknowledge that the relationship between brand loyalty and customer retention is not always straightforward. As [55] point out, not all loyal customers are necessarily

profitable, and not all profitable customers are necessarily loyal. Some customers may continue to purchase from a brand due to habit or convenience, even if they are not emotionally attached to the brand. Conversely, some highly loyal customers may not be as profitable as less loyal but high-volume customers.

While there is ongoing debate in the literature regarding the relationship between brand loyalty and customer retention, the evidence suggests that brand loyalty is an antecedent of customer retention. Brand loyalty, characterized by a strong emotional attachment to the brand and a resistance to switching, creates a deep bond between the customer and the brand, making it more likely for the customer to remain with the brand over time. In the context of Vietnam's retail sector, retailers that focus on building strong brand loyalty through strategies such as emotional branding and experiential marketing are more likely to retain their customers in the long run. However, retailers must also take a nuanced approach to customer retention, recognizing that not all loyal customers are equally profitable and that customer retention strategies must be tailored to the specific needs and preferences of different customer segments.

2.5 Conceptual model and estimation equation

Based on the literature review above, the conceptual model of this study is illustrated in Figure 1 below.

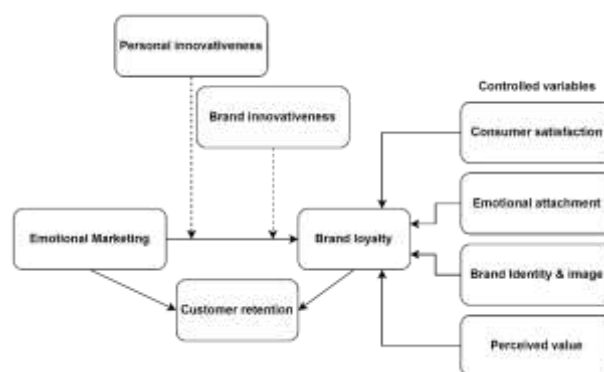


Fig 1: Conceptual model

Upon the model above, the following regression equation will be estimated to come up with the quantitative empirical findings of this paper:

$$CR = \beta_0 + \beta_1 EM + \beta_2 CS + \beta_3 EA + \beta_4 BII + \beta_5 PV + \beta_6 PI + \beta_7 EM \times PI + \beta_8 BI + \beta_9 EM \times BI + \epsilon \quad (1)$$

Where: Brand Loyalty (BL), Emotional Marketing (EM), Customer Satisfaction (CS),

Emotional Attachment (EA), Brand Identity and Image (BII), Perceived Value (PV), Customer Retention (CR), Personal Innovativeness (PI), Brand Innovativeness (BI). β_0 is the intercept term. β_1 to β_9 are coefficients of the respective independent, mediating, and moderating variables and interaction terms. ϵ is the error term. This model is estimated using structural equation model with partial least square approach.

3. Research methodology

3.1. Sample size, data collection, and ethical considerations

The target population for this study was Vietnamese consumers who have recently shopped at retail stores. A convenience sampling method was employed, and data were collected through an online survey distributed via social media platforms and email. A total of 715 responses were collected, of which 533 were valid and complete, meeting the minimum sample size requirements for structural equation modeling [59].

Prior to data collection, ethical approval was obtained from the relevant institutional review board. Participants were informed about the purpose of the study, the voluntary nature of their participation, and their right to withdraw at any time. Anonymity and confidentiality of the responses were assured, and no personal identifying information was collected.

3.2. Data analysis approach

The data were analyzed using structural equation modeling (SEM) with the help of AMOS software. SEM is a powerful multivariate technique that allows for the simultaneous examination of multiple relationships among variables [60]. The two-step approach recommended by Anderson and Gerbing [61] was followed, which involves first assessing the measurement model and then evaluating the structural model. The measurement model was assessed through confirmatory factor analysis (CFA) to ensure the reliability and validity of the constructs. Cronbach's alpha and composite reliability (CR) were used to assess the internal consistency of the scales, while convergent validity was evaluated using average variance extracted (AVE) [59]. Discriminant validity was assessed using the Heterotrait-monotrait ratio.

After confirming the reliability and validity of the measurement model, the structural model was evaluated to test the hypothesized relationships between emotional marketing, brand loyalty,

customer retention, and the moderating effects of personal innovativeness and brand innovativeness. The model fit was assessed using various indices, such as the chi-square statistic (χ^2), comparative fit index (CFI), Tucker-Lewis index (TLI), and root mean square error of approximation (RMSEA) [62]. The significance of the path coefficients was examined to determine the strength and direction of the relationships between the variables.

This study employed a quantitative research approach, using validated scales to measure the variables of interest. A sample of 533 consumers was collected through an online survey, and the data were analyzed using structural equation modeling. The measurement model was assessed through confirmatory factor analysis, and the structural model was evaluated to test the hypothesized relationships and moderating effects. The results of this analysis will provide valuable insights into the role of emotional marketing and digital innovativeness in fostering brand loyalty and customer retention in Vietnam's retail sector.

4. Research findings

4.1. Measurement scale reliability and validity

The CFA results provide valuable insights into the validity and reliability of the measurement model. The standardized factor loadings for each observed variable (questionnaire item) on their respective latent constructs are presented. Hair, et al. [59] recommend that standardized factor loadings should be at least 0.5, and ideally above 0.7, to ensure convergent validity. All the factor loadings in the model exceed 0.7, indicating a strong relationship between the observed variables and their corresponding latent constructs. This suggests that the measurement model has good convergent validity. The Figure 1 also displays the model fit indices, which assess how well the hypothesized measurement model aligns with the observed data. The chi-square/df ratio (1.103) is below the recommended threshold of 3.0, indicating a good model fit [63]. The Comparative Fit Index (CFI = 0.998), Tucker-Lewis Index (TLI = 0.991), and Root Mean Square Error of Approximation (RMSEA = 0.014) all meet the established cut-off values (e.g., CFI and TLI > 0.90, RMSEA < 0.08), further supporting the overall goodness-of-fit of the measurement model [62].

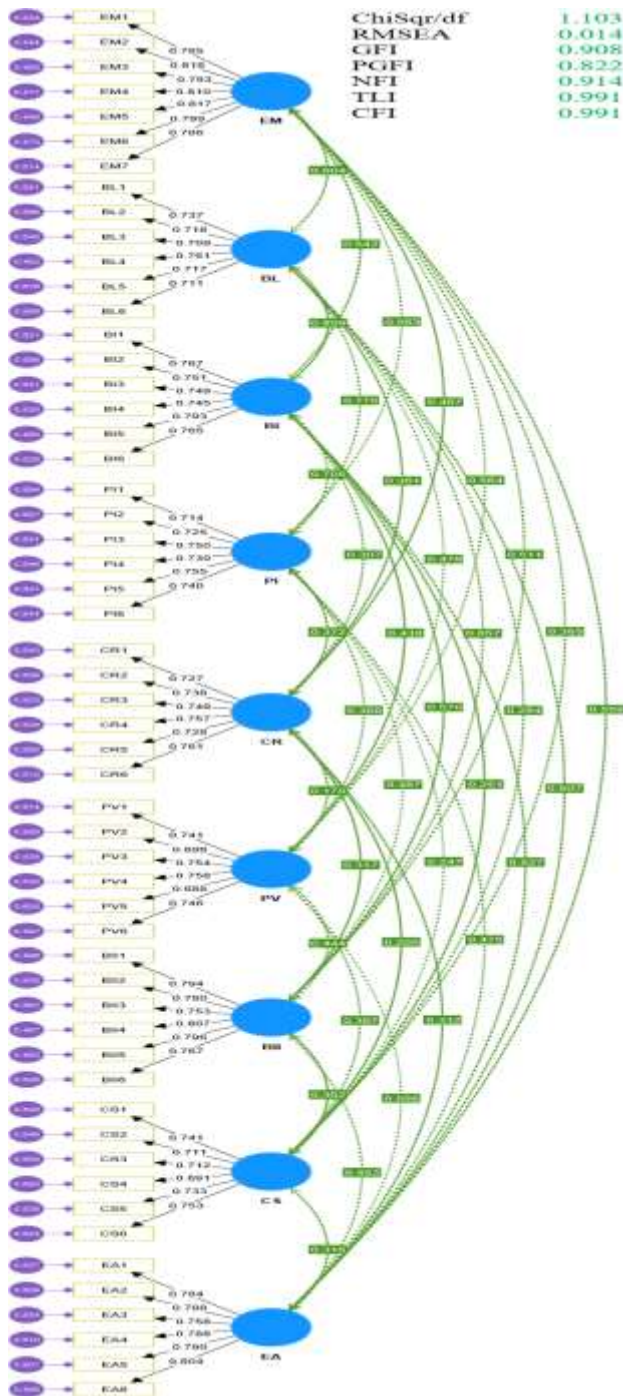


Fig 2: Confirmatory factor analysis

Cronbach's alpha and composite reliability (rho_c) are two measures of internal consistency reliability. In Table 2, Cronbach's alpha values range from 0.868 to 0.926, while composite reliability values range from 0.869 to 0.926. All

values exceed the recommended threshold of 0.7 [59], indicating high internal consistency and reliability for each construct. Convergent validity can be assessed using the average variance extracted (AVE) values. AVE measures the amount of variance captured by a construct in relation to the variance due to measurement error. AVE values should be greater than 0.5 to demonstrate adequate convergent validity [64]. In this case, all constructs have AVE values ranging from 0.527 to 0.642, confirming good convergent validity.

Table 2. Construct reliability and convergent validity

	Cronbach's alpha	Composite reliability (rho_c)	Average variance extracted (AVE)
BI	0.892	0.892	0.58
BII	0.905	0.905	0.613
BL	0.87	0.87	0.527
CR	0.881	0.881	0.553
CS	0.868	0.869	0.524
EA	0.906	0.906	0.617
EM	0.926	0.926	0.642
PI	0.876	0.876	0.541
PV	0.873	0.874	0.535

Table 3 presents the discriminant validity assessment using the Heterotrait-Monotrait (HTMT) ratio for the constructs used in the study. The HTMT ratio is an alternative approach to assess discriminant validity, which is considered more robust than the Fornell-Larcker criterion [65]. HTMT values below 0.85 or 0.90 indicate sufficient discriminant validity [63]. Overall, the HTMT ratios provide evidence of discriminant validity for the constructs used in the study. The majority of the HTMT values are well below the conservative threshold of 0.85, suggesting that the constructs are sufficiently distinct from one another. However, the relatively high HTMT ratio between BL and PI (0.778) may warrant additional scrutiny to ensure that these constructs are conceptually distinct and not overlapping excessively.

Table 3. Discriminant validity – Heterotrait-Monotrait ratio (HTMT)

	BI	BII	BL	CR	CS	EA	EM	PI	PV
BI									
BII	0.569								
BL	0.561	0.655							
CR	0.308	0.317	0.362						
CS	0.25	0.379	0.292	0.198					
EA	0.526	0.449	0.605	0.333	0.318				
EM	0.541	0.508	0.607	0.489	0.362	0.559			
PI	0.706	0.485	0.778	0.373	0.247	0.475	0.563		
PV	0.44	0.445	0.48	0.18	0.4	0.555	0.566	0.371	

4.2. Estimation results

The path coefficients presented in Table 4 provide valuable insights into the relationships between various constructs in the structural equation model. The results suggest that Brand Innovativeness (BI) and Brand Identity & Image (BII) are significant predictors of Brand Loyalty (BL), with coefficients of 0.411 and 0.156, respectively, both significant at the 1% level. This implies that brands that are perceived as innovative and have a strong identity and image are more likely to foster loyalty among their customers. Furthermore, the model reveals that Brand Loyalty (BL) has a positive and significant effect on Customer Retention (CR), with a coefficient of 0.107, significant at the 10% level. This finding underscores the importance of building and maintaining brand loyalty, as it can lead to increased customer retention and long-term business success.

Table 4. Path coefficients of the structural equation model

	Coefficients	Standard deviation
BI -> BL	0.411***	0.036
BII -> BL	0.156***	0.028
BL -> CR	0.107*	0.059
CS -> BL	-0.009	0.027
EA -> BL	0.107***	0.029
EM -> BL	0.062*	0.032
EM -> CR	0.387***	0.041
PI -> BL	0.29***	0.037
PV -> BL	0.014	0.029
PI x EM -> BL	-0.103***	0.034
BI x EM -> BL	0.351**	0.041

***, **, and * are denoted for 1%, 5%, and 10% significance level, respectively.

Emotional marketing plays a crucial role in the model, with positive and significant effect on Brand Loyalty (BL), with coefficients of 0.107 and 0.062, respectively. This highlights the importance of creating emotional connections with customers and

leveraging emotional marketing strategies to enhance brand loyalty. Moreover, Emotional Marketing (EM) has a strong and significant impact on Customer Retention (CR), with a coefficient of 0.387, significant at the 1% level. This finding emphasizes the effectiveness of emotional marketing in not only fostering brand loyalty but also directly influencing customer retention.

The model also considers the role of personal characteristics, such as Personal Innovativeness (PI), which has a positive and significant effect on Brand Loyalty (BL), with a coefficient of 0.29, significant at the 1% level. This suggests that individuals who are more innovative and open to new experiences are more likely to develop stronger brand loyalty. Notably, the interaction effects in the model provide additional nuance to the relationships between constructs. The interaction between Personal Innovativeness and Emotional Marketing (PI x EM) has a negative and significant effect on Brand Loyalty (BL), with a coefficient of -0.103, significant at the 1% level. This implies that the effectiveness of emotional marketing in fostering brand loyalty may be diminished for individuals with higher levels of personal innovativeness. On the other hand, the interaction between Brand Innovativeness and Emotional Marketing (BI x EM) has a positive and significant effect on Brand Loyalty (BL), with a coefficient of 0.351, significant at the 5% level. This suggests that emotional marketing strategies may be particularly effective for brands that are perceived as highly innovative, leading to enhanced brand loyalty.

Overall, the path coefficients in Table 4 and Figure 2 provide a comprehensive understanding of the factors that influence Brand Loyalty and Customer Retention in the studied model. The results highlight the importance of brand innovativeness, brand identity and image, emotional attachment, and emotional marketing in fostering brand loyalty and customer retention. Additionally, the interaction effects underscore the need to consider individual characteristics and brand

attributes when developing and implementing marketing strategies to maximize their effectiveness

in building long-lasting customer relationships

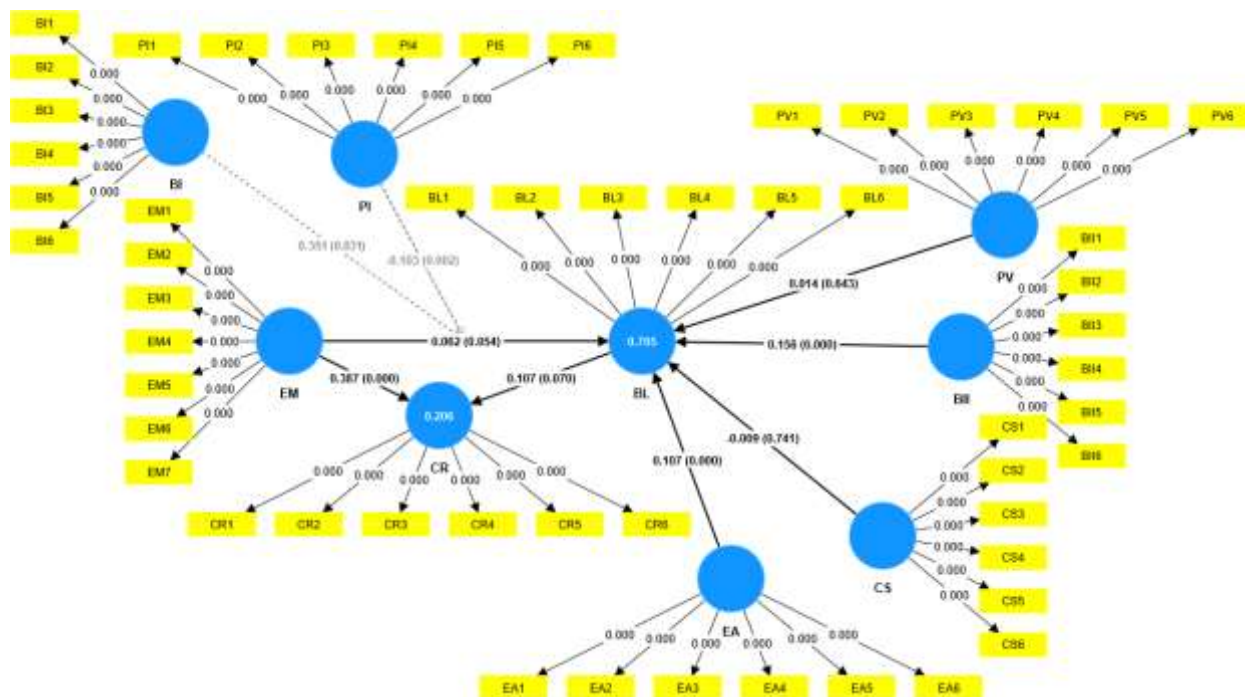


Fig 2: Structural equation modelling estimation results

5. Discussion and conclusion

5.1. Summary of findings

This study aimed to investigate the complex relationships between various constructs that influence customer retention and brand loyalty in the context of emotional marketing. By employing structural equation modeling (SEM), the research sought to unravel the direct and indirect effects of brand innovativeness, brand identity and image, emotional attachment, emotional marketing, personal innovativeness, and perceived value on brand loyalty and customer retention.

The empirical results provide compelling evidence for the significant role of emotional marketing in fostering brand loyalty and customer retention. The path coefficients reveal that emotional marketing has a positive and significant direct effect on both brand loyalty ($\beta = 0.062, p < 0.10$) and customer retention ($\beta = 0.387, p < 0.01$). This finding is consistent with prior research that highlights the importance of creating emotional connections with customers [20], [66] and the effectiveness of emotional marketing strategies in building long-term customer relationships [3]. However, the present study extends these findings by demonstrating the relative strength of emotional

marketing's impact on both brand loyalty and customer retention in a single model. Moreover, the study sheds light on the antecedents of brand loyalty, identifying brand innovativeness ($\beta = 0.411, p < 0.01$), brand identity and image ($\beta = 0.156, p < 0.01$), emotional attachment ($\beta = 0.107, p < 0.01$), and personal innovativeness ($\beta = 0.29, p < 0.01$) as significant predictors. These results align with previous research that emphasizes the role of brand perceptions [48], emotional bonds [20], and individual characteristics [40] in shaping loyalty. However, the present study provides a more comprehensive understanding of the relative importance of each factor and their interplay in driving brand loyalty.

Interestingly, the study reveals that customer satisfaction does not have a significant direct effect on brand loyalty ($\beta = -0.009, p > 0.10$), challenging the conventional wisdom that customer satisfaction is the primary driver of loyalty [30]. This finding is consistent with recent research that suggests that satisfaction alone may not be sufficient to create enduring brand loyalty [1]. The present study contributes to this debate by highlighting the importance of other factors, such as emotional connections and brand perceptions, in fostering loyalty.

The interaction effects in the model provide further insights into the boundary conditions of emotional marketing's effectiveness. The negative interaction between personal innovativeness and emotional marketing ($\beta = -0.103$, $p < 0.01$) indicates that emotional marketing may be less effective for individuals with higher levels of personal innovativeness. This finding extends prior research on the role of individual characteristics in shaping responses to marketing strategies [40] by demonstrating the moderating effect of personal innovativeness in the context of emotional marketing. Conversely, the positive interaction between brand innovativeness and emotional marketing ($\beta = 0.351$, $p < 0.05$) suggests that emotional marketing strategies may be particularly potent for brands that are perceived as highly innovative. This finding contributes to the growing literature on the synergistic effects of innovation and emotion in driving consumer behavior [48] and highlights the importance of considering brand characteristics when developing emotional marketing strategies.

Finally, the study establishes the link between brand loyalty and customer retention, with brand loyalty having a positive and significant effect on customer retention ($\beta = 0.107$, $p < 0.10$). This finding is consistent with prior research that emphasizes the importance of brand loyalty in driving long-term business success [67]. However, the present study extends this understanding by demonstrating the mediating role of customer retention in the relationship between brand loyalty and its antecedents.

5.2. Theoretical contribution

The findings of this study make significant contributions to the existing literature on customer retention and brand loyalty by providing empirical evidence for the complex relationships between emotional marketing, brand-related factors, and customer outcomes. The research extends our understanding of the antecedents and consequences of brand loyalty and customer retention, offering valuable insights for both academics and practitioners.

The study validates and expands upon existing models and theories in several ways. First, it confirms the direct and positive impact of emotional marketing on brand loyalty and customer retention, lending credence to the growing body of literature that emphasizes the importance of emotional connections in consumer behavior [11], [20]. The results underscore the need for marketers to move beyond functional benefits and tap into the

emotional aspects of the brand-customer relationship. Second, the research identifies brand innovativeness, brand identity and image, emotional attachment, and personal innovativeness as key antecedents of brand loyalty. These findings align with previous studies that have highlighted the role of brand perceptions [48], emotional bonds [20], and individual characteristics [40] in shaping loyalty. However, the study extends these theories by demonstrating the relative importance of each factor and their interplay in the context of emotional marketing. Third, the non-significant effect of customer satisfaction on brand loyalty challenges the conventional wisdom that satisfaction is the primary driver of loyalty [30]. This finding suggests that while satisfaction is necessary, it may not be sufficient to create enduring brand loyalty. The research highlights the need for a more nuanced understanding of the factors that contribute to loyalty, beyond mere satisfaction.

The moderation effects found in the study provide further insights into the boundary conditions of emotional marketing's effectiveness. The negative interaction between personal innovativeness and emotional marketing suggests that individuals who are more innovative and open to new experiences may be less susceptible to emotional appeals. This finding extends our understanding of the role of individual characteristics in shaping responses to marketing strategies [40]. On the other hand, the positive interaction between brand innovativeness and emotional marketing indicates that emotional marketing may be particularly effective for brands that are perceived as highly innovative. This result contributes to the literature on brand innovation [48] by highlighting the synergistic effects of innovation and emotion in driving brand loyalty.

Overall, the study's theoretical implications are manifold. It validates and extends existing models of customer retention and brand loyalty, while also challenging certain assumptions and offering new insights into the complex interplay of factors that shape consumer behavior. The research underscores the need for a more holistic and nuanced understanding of the drivers of loyalty, beyond mere satisfaction, and highlights the crucial role of emotional connections in the brand-customer relationship.

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Contribution of Individual Authors to the Creation of a Scientific Article (Ghostwriting Policy)

- Hoang Vu Hiep conceived and designed the study, developed the theoretical framework, and was responsible for the overall research methodology.
- Ngo Quoc Dung collaboratively developed the research instruments, conducted the literature review and wrote the first draft of the manuscript.
- Le Huynh Mai was responsible for data collection and initial data processing and contributed to the discussion of findings and their implications.
- Nguyen Thao Linh provided support in data collection and processing throughout the study.

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Conflict of Interest

The authors have no conflicts of interest to declare that are relevant to the content of this article.

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