

CONSUMER-BASED BRAND EQUITY ON A CONSUMER-PACKAGED GOOD INDUSTRY: CASE STUDY ON VINAMILK

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Abstract

Brand is the most valuable long-term asset for the firms. To manage the brand strategically is important and challenging. In this paper we extend an existing approach to advance and examine a combinatory model namely brand passion, perceived quality, brand association with awareness, perceived ads spending, and price promotion on brand equity. The accuracy is evaluated by the conceptual model and offered hypotheses. The method is illustrated analysis a sample of 296 customers by using a structured survey as a data collection instrument. The model was used to examine the hypothesized relationship among the constructs. The most accurate readings are obtained from indicate strong connections between price deals and perceived quality, brand passion and brand equity.

Keyword: brand equity, brand passion, dairy goods, Vietnam

1. INTRODUCTION

Despite for year philosophers are trying to analyze shoppers' attitude towards brands, in the last several years, purchasers a brand have been gaining crucial regard among one by one scientist and specialist [1]. In a competitive market, building brand equity is a challenging task for companies. Organizations with limited resources must prioritize and allocate resources for important elements of brand equity. On the customer side, the consciousness to buy a product from the familiar brand is increasing. In order to maintain the trust and association a customer towards the brand, the

timely awareness of the brand have become a good tool. Whenever customers come to buy goods than the brand name has come in their mind. Unlike peer brands in the market, customers usually unchanged purchase multiple goods when they have higher brand awareness [2]. Moreover, it involves the CPG market where seen a rapidly growing industry to lead a new trend followed by middle-aged shoppers (i.e. those who have a family), and young customers. In the Vietnam market, the variety of foreign brands will be seen like Abbott, Frieslandcampina, Mead Johnson, Nutifood, and so on. In the current situation, the marketers are dealing call into the challenge of how they can be a lot of well-run focus on dairy products for young buyers. As a consequence of these reasons, a shopkeeper recognizes all-important to an extent their brand equity. Hence, domestic brand marketer ought to determine their influences and defects in the use of brand equity since improving them as much as possible.

2. LITERATURE REVIEW

2.1. The relationship between advertising spending, price deals, and consumer-based brand equity

Regarding the plays of marketing activities in the consumer-packaged goods (CPG) industry, [3] has confirmed that advertising and promotion have an important impact on a brand property of fast-moving consumer goods (FMCG). In addition, the reality of CPG in the Can Tho market shows that (i) Consumers in the city have a low standard of living as that why they are very fond of promotions. Hence, promotional activities play a role in the competitive. (ii) The awareness of Can Tho people for Vinamilk is obvious. Thus, the company to invest heavily in advertising to keeping in the

consumers mind. Initial attempts focused on identifying the ads and price deals to represent marketing activities to clarify the components of brand equity and their relationship.

2.2. Advertising spending

This study investigated the use of advertising cost on consumers' perception of frequency and attractiveness of the types of advertising that Vinamilk is implementing. In addition, advertising were elements on marketing mix as a form of intentional information transmission to change perceptions, attitudes, thereby changing the behavior via television, a newspaper, an internet and is measured by brand association. are describe advertising have a crucial role in increasing brand salience. According to [4] they were advertising completely effects on perceived product quality and later on brand equity. Cobb-Walgren et al. demonstrated brand equity has risen effect in spending advertising costs. On the whole, argued a way of identifying a forward-looking relationship between advertising spending and perceived quality. Furthermore, advertising spending is positively involved with the brand awareness of the brand association which is climbed brand equity

H1a: advertising spending positively effects with BABA on Vinamilk brand

H1b: advertising spending positively effects with PQ on Vinamilk brand

H1c: advertising spending positively effects with BP on Vinamilk brand

2.3. Price deals

Basically, supermarkets selling CPG in a general market, and the Can Tho market in particular, carried out promotions in both forms of monetary and non-monetary. In a while to mention the impact of promotions consumer-based brand equity on CPG, which there exists a lot of mixed point of views. Specifically, some studies have confirmed this relationship. [5] discovered that the sale promotion seems likely to erode brand equity in the fall in time. However, it helps to add to income arises in a short-time. Furthermore, Koler (2018) found that both promoting events and long-term of a goal can provide powerfully desired and unique connections. On the

other hand, price reduction in a short-term period would not bring an amount of percentage on brand equity, even if they increase the sale [5, 6].

H2a: Price deals positively effects with BABA on Vinamilk brand

H2b: Price deals positively effects with PQ on Vinamilk brand

H2c: Price deals positively effects with BP on Vinamilk brand

2.4. A consumer-based brand equity Brand Association with Brand Awareness (BABA)

As reported by [5], brand awareness is the ability of a future buyer to determined and distinguished the characteristics of a brand in the market. When a consumer decides to use a product of a certain brand, they must recognize a brand before. Thus, brand awareness is the first component of consumer products to classify in order to classify brand categories in the competitive market. In addition, brand associations through the creation of feeling and a positive attitude in the minds of consumers has contributed to increased brand equity and an intended impact on buying. Firstly, it creates a link between the buyer and the brand. Also, brand awareness plays a crucial role in buyers' decision making [2]. In the current context, brand awareness affects attitudes where to drive brand passion and brand loyalty. Secondly, a brand association is a mental link between buyers and a brand. According to [7], the factors in brand association serve in the build brand image. [8] demonstrated brand images can be viewed as consumer perceptions, arguments, or emotions associated with specific brands. As an evidence consumer not only buy a product but also added the image of the product as power, wealth, sophistication. Generally speaking, the brand image consists of functional and symbolic of brand beliefs. Most importantly, it to help identification and connection with another user of the brand [9]. Thirdly, brand equity is also determined according to the marketing effect by itself. The result is different from product marketing to product identification due to brand factors. Finally, the business develops a new product or a new brand at these stages, it needs more brand awareness in order to create passion and association a brand. Thus, the hypotheses are proposed

H3a: BABA positively effects with BE on Vinamilk brand.

2.5. Perceived Quality

The perceived quality is based on customers' assessment. Product quality is determined on the basis of product or production orientation. When consumers feel quality of a top name brand where from they able to see the brand has more value and goodness buying. [10] claimed consumers' feeling a product on the whole excellence or advantage could be defined perceived quality. Moreover, consumers can use these concrete attributes to judge the quality of the brand such as size, color, flavor, appearance. Hence, the hypothesis is

H3b: Perceived quality positively effects with BE on Vinamilk brand

2.6. Brand Passion

Brand loyalty is often approached at two angles combines both attitudinal vs behavioral loyalty. In particular, behavioral loyalty is manifested in repeat purchases, and attitudinal loyalty is intended to buy in the future, or when introduced to another buyer about products and services. Hence, any brands create loyalty higher as getting a valuable brand. In a consumption context, brand passion appears to be an intense feeling of consumers toward the brand [11, 12]. This feeling implies the consumer's willingness to form a close relationship with the brand and they are physiology arousal can from possessing or consuming brand [13]. Furthermore, brand passion combines two components willingness to buy and brand loyalty. Firstly, willingness-to-buy consists of the patron's likelihood to shop, buy products and recommend the store to others. Price can be both needed to purchase a product and the level of quality. Higher prices lead to higher perceived quality and consequently to a greater willingness to buy. At the same time, the higher price leading to a reduced willingness to buy. Moreover, the link between perceived quality, evaluation, and choice can be explained in part by the acceptable price range concept. Buyers generally have a set of the price that is acceptable to pay for a considered purchase, rather than a single price (Monroe 1979; Monroe and Petroschius, 1981). Therefore, people do not purchase a product when they consider the price too high but also may be suspicious of the quality of a product if the price is too much below what they consider acceptable (Cooper,

1969a). The perception of value in turn directly influences willingness to buy [14]. Eventually, the hypothesis is

H3c: Brand passion positively effects with brand equity on Vinamilk brand

3.METHODOLOGY

3.1. Sample and data collection

Participants for this research collected data from four districts including Ninh Kieu, Binh Thuy, Cai Rang and O Mon in Can Tho city at the Southern-western region in Vietnam. The author using a convenience sampling technique, and direct interview respondent on three months. In total, 300 sets of questionnaires were handed out to these customers. Of this amount, 296 surveys were completely filled and were gathered back by the author, gaining a 98,6% response rate. This study employed structural equation (SEM) model.

3.2. Measures

Based on the theoretical basis from the literature review strategy to build scale and combined thirty customers' survey on experiment. The measures of brand association, perceived quality, brand passion (including willingness to purchase and brand loyalty), brand equity, advertising spending and price deals to use were modified from the scales developed in prior research. The constructs were measured using multi item 5-point Likert scales with responses varying from 1 for strongly disagree to 5 for strongly agree.

Table 1. Measure model of all constructs

Constructs	Number of questions	Source adopted
AP	4	[6, 15]
PD	4	
BABA	6	
PQ	5	[6, 14, 15]
BP	9	[6, 14, 16]
BE	4	[6]

Source: Author's own.

Table 2 Demographic characteristics of respondents

Variable	Frequency	Percentage
Gender		
Male	122	41.2
Female	174	58.8
Education		
High school	54	18.2
Diploma	88	29.7
Undergraduate	135	45.6
Postgraduate	19	6.4
Age (Years)		
18 - 24	74	25
25 - 35	159	53.7
36 - 45	57	19.3
≥ 45	6	2

Occupational

Students	26	8.8
White-collar	138	46.6
Business	56	18.9
Blue-collar	41	13.9
Housemaker	22	7.4
Others	13	4.4

Income (million VND)

< 2	42	14.2
2 – 5	137	46.3
6 – 10	98	33.1
≥ 11	19	6.4%

Source: Author's own.

The profile of the respondents is shown in Table 2. A total of 296 valid questionnaires were used for data analysis. The study collected data on gender, education, age, income, and occupational. The gender split was 41.2 percent males and 58.8 percent females, the number of the number of women is higher than men because of most women often make lists when shopping as well as look advertising programs and promotion information. In one of four age groups, 53.7 percent were 25 to 35 year, an age group that creates income and a relatively young age, so the elements of advertising and promotion are more interested, 25 percent were 18 to 24 year; 19.3 percent were 36 to 45 year and 2 percent were more than 45 year. There is fair representation across education, occupational, and income.

3.3. Estimating Technique

The empirical test relationships among six constructs on the SEM model by AMOS 20 software. In particular, the research was applied bootstrap on indirect effects and maximum likelihood estimation methods. In SEM analysis, AMOS is well-known and commonly to estimate the significant of weights, path coefficients. [17] demonstrated bootstrapping samples approach

should be base on 1,000 samples. The minimum of subsamples to use in the study equal is 200.

4.RESULT AND DISCUSSION

The author was implemented analysis, the reliability test on the thirty-two questions of the constructs by Cronbach alpha technique. The table 3 presented the values of Cronbach alpha were acceptable reliability among greater than .7. The results propounded the deletion of one item, "In general, I like the advertising campaigns for Vinamilk brand."; one item, "I can quickly recall the symbol or logo of Vinamilk."; one time, "I will buy this brand the next time I buy this product"; and one time, "I will not buy other brands if X is available at the store." from the scales measuring advertising spending, brand association with brand awareness, brand passion because of their weak reliabilities (<.30) after Cronbach α run.

Table 3 Scale factors loading

Constructs	Items	Factor loadings	α	CR	AVE
AP	AD1	.861	.902	.904	.760
	AD2	.909			
	AD3	.817			
PD	PD1	.943	.914	.916	.734
	PD2	.877			
	PD3	.856			
	PD4	.664			
BABA	BABA1	.888	.893	.893	.677
	BABA2	.786			
	BABA3	.740			
	BABA4	.832			

PQ	PQ1	.880	.910	.905	.659
	PQ2	.719			
	PQ3	.768			
	PQ4	.983			
	PQ5	.704			
BP	BP1	.938	.930	.902	.627
	BP2	.848			
	BP3	.691			
	BP4	.771			
	BP5	.621			
	BP6	.772			
	BP7	.962			
BE	BE1	.892	.952	.952	.835
	BE2	.911			
	BE3	.917			
	BE4	.898			

According to [18], the convergent validity computed each of the constructs tested by composite reliability and average variance extracted should increase more than .50 [19].

Table 4. Overall testing of hypotheses results and standard ML

Structural Path	ML	β	C.R.	Test results
AD → BABA	.219	.219	1.5	Supported
AD → PQ	.162	.162	0.5	Supported
AD → BP	.214	.073	0.7	Supported
PD → BABA	.317	.317	-2.5	Supported
PD → PQ	.431	.431	-0.5	Supported
PD → BP	.329	.329	-0.5	Supported
BABA → BE	.357	.357	-1.5	Supported
PQ → BE	.231	.231	-1.0	Supported
BP → BE	.249	.249	1.5	Supported

In the current study, the study has developed nine hypotheses, and outcome has become statistically significant. In Table 4, AD has a positive impact on BABA. The relationship between AD and PQ was statistically supported. Consumers' attitude is positive an advertising program of Vinamilk to help a PQ increases. As that why the positive attitude of consumers for an advertising program of Vinamilk on the market increases, their passion for a brand also increases. Hence, H1a, H1b, H1c is supported. On the other hand, the hypothesized relationship between PD and BABA has a positive impact increase when consumers have a positive attitude towards PD. PQ have a positive impact increase when consumers have a positive attitude towards PD. Thus, H2a, b, c is supported. Besides, the relationship between PD and BP is statistically supported. Futhermore, the hypothesized relationship between BABA and BE is positive impact and relationship between PQ and BE is a positive relationship. On the other hand, the relationship

between BP and BE is found to be significant. Consequently, H3a, b, c is supported.

The main point of the study is to explore and hypothesis the factors which play a significant in brand equity. The study tries to expand the past research by watching closer out to the play of customer' attitudes toward advertising, and price promotion within the CPG industry. In the scene of the CPG industry will give a chance to brand directors and dealers to put more stress on the property. More interestingly, AD has a positive and effect on BABA. The mass media channels appear online advertising through a message emphasizing the brand's functional benefits and emotional benefits. To illustrate, the Vietnamese's customers (middle-aged working class, people have a married) are interested in brands which are ad clips within a humane character accompanied funny images, comedy advertisement is a very important factor affecting the emotions and feelings of consumers through watching ads they feel happy, excited. Otherwise, Facebook fan page, YouTube channel attracts a lot of young consumers. As a result, the global brand managers able to in order to penetrate and position their product in Vietnam if they focus on these elements of advertising rather than others. As was predicted, PD have a positive and strong effect on PQ, BP. A price deals are clear and attractive, it can create more trust in the brand, helping a buyer feel the brand high quality, thereby to create a brand passion. On the other hand, more than 30 one in ten of shoppers in Vietnam stated that "buy a brand I wouldn't normally buy if it was on promotion" (Anjoubault 2016). They are also actively seeking for promotion with 40% of housewives agreeing that they would shop around for special offers. However, during short-time and in order to excel in products and brand, managers should apply it with long-term goals, because the shoppers comprehend activities with low quality. Instead of supplying sale promotion, managers should invest developing BE. This will drive customers to use products that they are love and willingness, it making value-added products in particular and BE. Same way, it will be introduced to others people about the Vinamilk brand by word-of-mouth.

5.LIMITATIONS AND FUTHER RESEARCH

The limitations of research are those characteristics of design that influenced the result of the finding need to

be considered. Firstly, time and budget limited, thereby the research was making focuses two an aspect as customers' attitudes toward advertising spending and price deals. Thus, the future studies that employ other component as public relations, distribution channels. Secondly, the research implemented collect data in the Can Tho city, which used convenient sampling method. Hence, the future research will need to cover a larger number for investigation. Finally, the research only focuses on Vinamilk brand which is not yet researched for other brands

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