



MEASURING BRAND EQUITY OF FOOD DELIVERY APPLICATION USING FIVE ASSET MODEL

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Abstract

In the pretext of consumers purchase decision consumer faces dilemma of making purchase decision from different competing brands thus this study explores the impact of brand equity on purchase decision using five-asset model. Factor analysis was employed to gauge the brand equity. This research investigated brand equity of food delivery apps at Tiruchirappalli using descriptive method. The primary data collected from 256 sample respondents using convenience sampling technique. The results of regression analysis indicated that dimensions of brand equity significantly influence purchase decision.

Keywords: Brand Equity, Consumer, Decision.

1. Introduction

In recent years, the mobile food delivery sector has experienced remarkable growth, driven by technological advancements and evolving consumer preferences. With increased competition, firms must differentiate themselves and provide significant value to their customers. A key strategy for achieving this is by focusing on customers' perceived equity, which refers to their assessment of the fairness and value of the services or products they receive in exchange for their money. The idea of "brand equity" (Aaker, 1991; Baldinger, 1990; Keller, 1993) involves the substantial value that brand names can create for manufacturers, retailers, and consumers. This idea is widely explored and implemented by academics and industry experts in the marketing field. It concerns the advantages that brand names can deliver to manufacturers, retailers, and consumers. Businesses adopt branding as a potent marketing strategy to distinguish and position their products or services in the consumers' minds and increases organisation performance (Liu et al., 2012; Mizik, 2014). The literature highlights the significance of building a

strong brand for businesses (Aaker, 1996; Keller, 2008; O’Cass & Weerawardena, 2010). The worth of brands extends beyond legal property and can greatly influence consumer behavior, generate revenue through sale or acquisition, and secure stable future profits for their owners. This value, whether derived directly or indirectly, is typically known as brand equity (Kapferer, 2012; Keller, 2014). Consumer-based brand equity (CBBE) (Huang & Cai, 2015; Kim & Kim, 2005; Stahl et al., 2012) is a concept that has gained interest from academics and managers in the marketing field as they focus on building long-term relationships between companies and consumers. This concept denotes the significant value that brand names can create for manufacturers, retailers, and consumers. Although consumer-based brand equity (CBBE) has attracted attention, there is still a lack of comprehensive research on the effects of CBBE on service brands (Huang & Cai, 2015). Prior studies have indicated that brand equity plays a significant role in shaping consumers' intentions and brand reputation (Lu et al., 2015). Kwon and Ahn (2021) investigated the influence of customers' multidimensional perceived equity on the mobile food delivery industry. The study identified three dimensions of perceived equity, including price, quality, and convenience, and examined their impact on customers' attitudes and actions towards mobile food delivery services.

2. Review of Literature

The value of a brand to a firm and its customers depends on how consumers perceive and feel about it (Keller, 2008). Brand equity is a term that captures these marketing effects that are unique to a specific brand. However, there is no consensus on how to conceptualize and measure brand equity (Huang & Cai, 2015). The dimensions of customer-based brand equity (CBBE) that were utilized in this particular study are perceived quality, brand loyalty, brand awareness, and brand image (e.g., Aaker, 1996; Huang & Cai, 2015; Keller, 2008; Stahl et al., 2012). Most CBBE studies are based on either Aaker’s CBBE model or Keller’s CBBE theory. Aaker (1991, p. 15) defines CBBE as “a set of brand assets and liabilities linked to a brand, its name and symbol that adds to or subtracts from the value provided by a product or service to a firm and/or to that firm’s consumers.” Keller (1993) defines CBBE from a marketing perspective as the differential effect of customers’ knowledge of a specific brand on responses to marketing activities and programs of that brand. This study adopts a customer-based approach, which focuses on the consumer aspects that affect brand equity (Keller & Lehmann, 2003), rather than product market or financial market approaches. It also examines how brand equity influences consumer responses. Keller and Lehmann (2003) assert a consumer-centric approach is adopted, prioritizing factors that impact brand equity. This inquiry examines brand equity's influence on consumer responses. Brand image and brand association are often used synonymously (Hsu et al., 2011). Brand associations are concepts that connect consumers’ memory with a specific brand name (Keller & Lehmann, 2006; Romaniuk & Nenycz-Thiel, 2013). Consumers often base their purchase decisions on perceptions of a company’s brand image (Kim & Kim, 2005). A strong brand image positively relates to consumers’ willingness to pay premium prices (Cretu & Brodie, 2007; Keller, 1993). Brand awareness refers to the degree to which consumers are able to recall, identify, or have knowledge about a particular brand (Huang & Sarigöllü, 2012; Keller, 2008). Although brand awareness is not a crucial dimension of brand equity (Bailey &

Ball, 2006; Kayaman & Arasli, 2007), Aware consumers can make quicker initial decisions compared to those who lack brand awareness (Macdonald & Sharp, 2000). Macdonald and Sharp (2000) suggest that high brand awareness has a positive effect and is more likely to encourage purchase behavior. From an information processing perspective, brand awareness makes information more accessible, and information that is familiar is more important for forming judgments, resulting in a more positive evaluation of a brand (Buchanan et al., 1999; Simonin & Ruth, 1998). The presence of brand awareness can signal brand loyalty and encourage potential buyers to contemplate the brand during the buying process, resulting in a positive attitude and a strong inclination to purchase the brand (Erdem et al., 2006). Aaker (1991, p.39) defines brand loyalty as “the attachment that a consumer has to a brand”. Numerous research studies propose that brand loyalty plays a crucial role in shaping consumers' reactions to a brand. For example, Reichheld (1996) shows that consumers who are loyal to a brand are willing to pay more for it. Chaudhuri and Grover and Srinivasan (1992) claim that loyal consumers have more positive reactions to a brand than non loyal or switching consumers. Brand loyalty is associated with customers regularly purchasing their preferred brand and showing less interest in switching to other brands (Yoo et al., 2000). In this study, brand loyalty refers to the preference for a certain brand and the intention to buy it as the first choice (Oliver, 2014). Perceived quality is a component of brand value, according to Zeithaml (2000). Aaker (1991) and Keller (2003) describe perceived quality in the branding context as the consumer's perception of overall quality or superiority of a product or service with respect to the product or service's intended purpose and overall feeling about the brand. Perceived quality is related to consumers' judgments, which are formed after consumers compare expectations with perception of actual service performance (Bentzen et al., 2011; Horng et al., 2012).

3. Research Methodology

3.1 Brand Image

A unique brand image differentiates the brand and the brand's value and acquires a certain position in a consumer's mind, which contributes to potential brand equity enhancement (Yoo et al., 2000). From the cognitive perspective, brand image reflects in the resources associated with functional features that attract tourists (Horng et al., 2012). When consumers have a positive image of a brand, they typically associate the brand with benefits and positive expectations of quality (Hyun & Kim, 2011). Thus we hypothesize that:

H1. Brand image has a positive effect on consumers' purchase intention.

3.2 Brand awareness

Brand awareness influences how consumers make decisions, and brands that are identified are more likely to be considered and chosen by consumers (Huang & Sarigöllü, 2012; MacDonald & Sharp, 2000). Empirical evidence indicates that brand awareness positively affects brand choice and market share (Hsu et al., 2011) and increases customer retention rates and profit margins (Stahl et al., 2012). Therefore the study hypothesizes that

H2: Brand awareness has a positive effect on consumers' purchase intention

3.3 Brand loyalty

Oliver (1999) states that affective loyalty is based on a customer's past positive experiences with a brand and can create a favorable attitude toward a brand. Holbrook (2001) argue that higher brand loyalty can improve brand performance and sales outcomes. Liu et al. (2012) reveal that affective loyalty is positively related to attitudes toward cobranded products. Therefore, we posit that:

H3: Brand loyalty has a positive effect on consumers' purchase intention

3.4 Consumer-based brand equity

3.4.1 Perceived quality

Considering the literature (Parasuraman et al., 2002), this study conceptualizes perceived quality as a brand's value proposition that renders customers endogenous to value creation, and embraces a process orientation in the service encounter that has superiority over other hotel brands. Companies providing high-quality service have a competitive advantage and are probably more profitable (Bhat, 2005) because perceived high quality can increase brand preference (Liu et al., 2014) and motivate consumers to choose that brand over competitors (Yoo et al., 2000). Horng et al. (2012) demonstrate that perceived quality is positively related to behavioral intention. Thus, we hypothesis that

H4: Perceived quality has a positive effect on consumers' purchase intention

3.5 Method:

For this study, consumers who had used services from food delivery apps such as Swiggy and Zomato were considered as respondents. A structured questionnaire was used to collect data, consisting of demographic information and items related to CBBE dimensions and consumer responses. The Likert scale was used to measure responses for the factors used. Survey instrument developed by MT Liu et al. (2017) was utilized to investigate consumer-based brand equity in luxury hotels, with modifications made to accommodate the assessment of food delivery applications. The instrument was originally adapted from Yoo et al. (2000) and Nam et al. (2011) for measuring brand equity, Yoo et al. (2000) for brand awareness, Kim and Kim (2005) for perceived quality, Kim and Kim (2005) for brand image, and Moon et al. (2008) and Liu and Brock (2011) for purchase intention. Data analysis involved regression analysis were used to test the hypotheses and determine the impact between the CBBE dimensions and consumer responses. The collected data underwent a reliability test, and the results indicate that the Cronbach's alpha value is 0.941, which is highly reliable.

Table 3.1 result of reliability statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.941	35

4. Results & Discussion

4.1 Regression Results

The R value is 0.655 and adjusted R square value is 0.429 (42%). It elucidate that independent variables (Brand image, Perceived quality, Brand loyalty, Brand attitude) are having 42% of impact on the dependent variable (Purchase Intention). The model shows that the brand equity has positive impact on the Purchase Intention of the customer.

The regression ANOVA result reveals the fitness of the model. The F value (47.239) from the ANOVA test shows fitness of the model (Sig 0.000). The P values are less than 0.05. Therefore the result concluded that the brand equity significantly influence on the purchase intention of the consumer.

Table 4.1 coefficients result of brand equity and purchase intention.

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.686	0.209		8.069	0.000
	BL	0.591	0.045	0.644	13.248	0.000
	BA	0.087	0.063	0.139	1.377	0.170
	PQ	-0.081	0.072	-0.121	-1.128	0.260
	BI	0.023	0.069	0.029	0.329	0.743
a Dependent Variable: Purchase Intention						

Regression equation: $Y = \beta_0 (1.686) + (0.591) \text{ Brand Loyalty} + (0.087) \text{ Brand Awareness} + (-0.081) \text{ Perceived Quality} + (0.023) \text{ Brand Image}$

H1 : Brand loyalty (BL) has a positive effect on consumers' purchase intention

The measured brand equity is the combination of brand loyalty, brand awareness, perceived quality and brand image. The brand equity consist four questions that is, Brand loyalty I will not use other app if this app is available (BL1), This app is my first choice compared to other app (BL2), I consider myself to be loyal to this app (BL3), I would not switch to another app the next time (BL4). The result of brand loyalty towards purchase intention is significant and it creates high impact of 64.4% on customers to choose the hotels and increase the purchase intention

The finding for hypothesis H1 shows that the brand loyalty has positive effect with purchase intention. The p value is 0.000 which is less than 0.001 which means that there is a highly significant impact on purchase intention. The brand image B value is 0.644, which means that this factor has 64.4% of an impact on employee retention. The t value (13.248) also shows that it has high impact on employee retention. Based on these results, H1 is accepted

H2 : Brand awareness (BA) has a positive effect on consumers' purchase intention

The brand awareness comprises two questions that are, I can quickly recall the symbol or logo of the app (BA1), i can recognize the logo of the app among other competing brands (BA2). The study result revealed that customer awareness towards brand does create any impact over their purchase intention and it is proven from the regression result.

The coefficient table result is shows that brand awareness has no positive effect on purchase intention. The significant value is 0.170 which > 0.05 . The Brand awareness B value is 0.087, which means that this factor has 8.7 % influences on purchase intention. The t value (1.377) also shows that it has low impact on purchase intention. Therefore, H2 is rejected.

H3: Perceived quality (PQ) has a positive effect on consumers' purchase intention

The perceived quality consists ten questions such as the app has up-to-date equipment (PQ1), the appearance of app (clear, easy to use, understandable) (PQ2), the service of the particular app exhibits a good manner (PQ3), the app provides its services at promised times (PQ4), app service provider handles complaints of consumers effectively (PQ5), app servicers actively communicates with consumers (PQ6), Attractiveness of the app (PQ7), the knowledge and confidence of the staffs (PQ8), the quality of food and beverages (PQ9) and the app staff anticipates your specific needs and serves you appropriately (PQ10). The result strongly reveals that perceived quality has no significant influence on purchase intention of the consumer on hotels.

The regression coefficient table result is shows that perceived quality has no positive effect on purchase intention. The significant value is 0.260 which > 0.05 . The perceived quality B value is -0.081, which means that this factor has 8.1 % negatively influences on purchase intention. The t value (-1.128) also shows that it has low impact on purchase intention). Therefore, H2 is rejected.

H4: Brand image (BI) has a positive effect on consumers' purchase intention.

The brand image consist of eleven question such as It offers a high level of service (BI1), app is extremely comfortable to use (BI2), inexpensive (BI3), suitable for high net worth individual (BI4), i become special by accessing this app (BI5), the staff is very kind (BI6), It is big and spacious (BI7), it is quiet and non pervasive (BI8), service is sometimes excessive to me (BI9), it has a long history (BI10), it has a differentiated image from other food delivery (BI11). The result of the brand image has no impact on purchase intention among consumer.

The above coefficient table result is shows that brand loyalty has no positive effect on purchase intention. The p value is 0.743 which > 0.05 . The Brand loyalty B value is 0.023, which means that this factor has 2.3% influences on purchase intention. The t value (0.029) also shows that it has low impact on purchase intention. Therefore, H2 is rejected.

5. Conclusion and Managerial Implications

Based on the results of the study, it can be concluded that brand loyalty has a significant positive effect on consumers' purchase intention, while brand awareness, perceived quality, and brand image do not have a significant impact on purchase intention. The findings are consistent with previous research that has shown the importance of brand loyalty in influencing consumer behavior (Yoo, Donthu, & Lee, 2000; Liao, Chen, & Chen, 2014). It is important for companies to recognize the role of brand loyalty in driving customer retention and increasing purchase intention. By focusing on building strong brand loyalty, companies can create a competitive advantage in the marketplace (Buil, de Chernatony, & Martínez, 2013). On the other hand, investing in brand awareness, perceived quality, and brand image may not necessarily lead to increased purchase intention and should be carefully evaluated by companies. Overall, this study contributes to the understanding of the factors that influence consumers' purchase intention and provides insights for companies to develop effective marketing strategies.

The study reveals that brand loyalty positively influences purchase intention, emphasizing the need for companies to invest in building a loyal customer base by providing excellent service and value. Although brand awareness did not show significant impact on purchase intention, it is still crucial for companies to ensure brand visibility to potential customers. Maintaining high standards of quality in products or services is essential, even though perceived quality did not show significant impact on purchase intention. Brand image may not have a significant impact on purchase intention, yet companies should differentiate themselves from competitors by creating a unique brand identity. Overall, companies should aim to create a strong brand that delivers value, quality, and a unique identity to customers, leading to success in competitive markets.

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