



Consumer-based chain restaurant brand equity, brand reputation, and brand trust



Sung Ho Han^a, Bang Nguyen^b, Timothy J. Lee^{c,*}

^a Oxford Edu Centre Ltd. (Ph.D., Oxford Brookes University), 5 Shelford Place, Headington, Oxford, OX3 7NW, UK

^b ECUST School of Business, East China University of Science & Technology, Shanghai 200237, PR China

^c Department of Tourism & Hospitality, Ritsumeikan Asia Pacific University (APU), Beppu 874-8577 Japan

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ABSTRACT

This study develops and tests a consumer-based chain restaurant brand equity (CBCRBE) model and investigates the mediating effects of brand reputation on the relationship between CBCRBE and brand trust. Using a structural equation modeling (SEM) analysis, the four dimensions of CBCRBE— food & service quality, brand affect, brand awareness, and brand association— are found to have positive effects on brand reputation. Moreover, it is demonstrated that brand reputation has a positive effect on brand trust. The results of study confirm that brand reputation partially mediates the effects of food & service quality, brand affect, and brand awareness on brand trust. In addition, the effect of brand association on brand trust is fully mediated via brand reputation. The study of CBCRBE offers insights into the efficient strategies that can be used to enhance brand reputation and secure brand trust in the restaurant industry. Finally, based on the result of the relationship between CBCRBE, brand reputation, and brand trust, the study compares the differences among the groups according to the consumer visit purposes in relation to the CBCRBE dimensions. The results of the study contribute to improve understanding of the complex psychological processes involved in consumer selection criteria for a chain restaurant or relevant service industry.

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1. Introduction

Creating and maintaining a brand is essential in today's competitive marketing environment, and brand equity is the outcome of efficient branding activity investments (Seetharaman et al., 2001). The measurement of brand equity should accurately evaluate consumers' perceptions of the brand in order to develop marketing strategies that align with consumers' values (Isberg and Pitta, 2013). This is relevant, not only to consumers, who purchase a brand, but also to managers and marketers who evaluate the performance of the brand and formulate powerful strategies (Yasin et al., 2007). Hence, the evaluation of brand equity presents an efficient way to assess both consumers' brand perceptions and marketing activity (So and King, 2010).

Changes in consumer lifestyles have led to an increase in the demand for varied dining experiences and to the rapid growth in the fast-foodservice industry (Min and Min, 2011). This development has influenced the appearance of many chain restaurants

which frequently build strong brands in order to strengthen competitiveness and brand equity so that consumers are able to recognize the chain restaurant brand better (Kim and Kim, 2005). Perkins (2014) states that independent restaurants struggle because consumers are changing to chain restaurants. With the U.K.'s eating out market continuing to grow, the chain restaurants show a tendency to dominate the U.K. high street (Angelis, 2013). In 2014, it was thought to be worth approximately £ 16.4 billion (US\$26 billion) and U.K. chain restaurants are now expected to grow to £ 22 billion (US\$35 billion) over the next five years (Gerrard, 2014). Although some researchers have studied the development of the chain restaurant market, a limited number of studies focus on consumer-based brand equity in the chain restaurant industry (Hyun and Kim, 2011; Kim and Kim, 2005). Scholars debate whether brand equity measures used in goods marketing can be applied to service-based brands. Due to the unique attributes of services (e.g. intangibility and heterogeneity), goods-based brand equity, it is argued, requires adjustments to meet hospitality service brand evaluation requirements (Nam et al., 2011).

Moreover, while previous research has examined the relationship between brand reputation and brand trust (Chang, 2013; Johnson and Grayson, 2005; Park et al., 2014), no study has, to the best of our knowledge, examined the role of brand reputation

* Corresponding author. Fax: +81 977 78 1121.

E-mail addresses: sunghohan7@hotmail.com (S.H. Han), bang.london@gmail.com (B. Nguyen), timlee7@apu.ac.jp (T.J. Lee).

on the relationship between Consumer-Based Chain Restaurant Brand Equity (CBCRBE) and brand trust in the restaurant industry. Researchers consider brand trust as an important factor in the restaurant industry mainly due to food safety, food taste and health (Afzal et al., 2010; Song et al., 2012). In addition, trust is the most popular measure of brand-consumer relationships, and may be a crucial indicator for brand equity (Alam and Yasin, 2010). Thus, consumers frequently choose reputable restaurants based on trust. As most consumers rely on the restaurant's reputation to infer food quality, restaurants invest heavily in developing a reputation that is considered trustworthy (Fandos and Flavian, 2006; Herbig and Milewicz, 1995; Madanoglu, 2005; Rijswijk and Frewer, 2008). When consumers choose service brands such as restaurants, they also consider risk reduction (Lacey et al., 2009). That is, consumers try to reduce uncertainty and anxiety by taking into account the overall brand equity, brand trust, and brand reputation. Thus, it is important to analyze further the relationship among brand equity, brand reputation and brand trust in the chain restaurant industry.

To fill this important gap, this research aims to: (1) to identify the underlying dimensions of CBCRBE; (2) to empirically examine the relationship between CBCRBE, brand reputation and brand trust in the restaurant industry, investigating the mediating role of brand reputation on the relationship between CBCRBE and brand trust; and (3) to compare the evaluation of the dimensions of CBCRBE between different consumer visit purposes. The results should demonstrate how CBCRBE can be effectively used to attract consumers and to improve understanding of the differential application of CBCRBE dimensions according to consumer visit purposes. Thus, highly effective targeting strategies can be established in the current study.

2. Research models and hypotheses

A considerable amount of research is directed towards identifying the dimensions of brand equity and establishing a common basis for further study (Buil et al., 2008; Kumar et al., 2013; Yasin et al., 2007; Yoo and Donthu, 2001). Aaker (1991) lists four dimensions of brand equity, namely, brand awareness, perceived quality, brand association and brand loyalty. Due to the unique characteristics of services, researchers have studied adjusted measures of service brand equity. To examine the brand equity of luxury hotels and chain restaurants, Kim and Kim (2005) used brand awareness, perceived quality, brand image and brand loyalty. Building on this, Hyun and Kim (2011) added a food quality item to their perceived quality dimension in the chain restaurant context. In the present study, the authors extend previous brand equity models proposed by Aaker (1991), Kim and Kim (2005), and Hyun and Kim (2011) by incorporating self-congruence, brand affect and food quality. Food quality consists of important items related to food freshness (Soriano, 2002), and food hygiene (Dutta et al., 2007). The present research uses self-congruence to capture symbolic consumption as researchers agree on the importance of symbolic consumption in consumer behavior (Kwak and Kang, 2009; Nam et al., 2011). In addition, the authors posit that consumers tend to favor restaurants which create strong emotional ties (Chaudhuri and Holbrook, 2001), suggesting that emotional attachment to the brand leads to a positive attitudinal response (Evanschitzky et al., 2006). Thus, the study adopts brand affect as a dimension of CBCRBE. However, the current study excludes brand loyalty as a dimension of CBCRBE. Lassar et al. (1995) view brand loyalty as a consequence of brand equity and not a part of it. They consider only perceptual dimensions as brand equity, thus excluding behavioral dimensions, such as brand loyalty. Consequently, the study proposes the following five CBCRBE dimensions: food & service quality, brand affect, self-congruence, brand awareness and brand association.

To demonstrate CBCRBE's relationship to other branding elements, the current study further includes brand reputation and brand trust. Brand trust is one of the most important characteristics of the chain restaurant brand because it increases consumers' associations with intangible attributes such as taste, reliable hygiene, atmosphere, etc. In the restaurant industry, increased brand trust reduces consumers' perceived risk when choosing a service (Herrera and Blanco, 2011). With regard to this, reputation is also a valuable intangible asset of a brand (Dolphin, 2004). In the service sector, reputation is particularly important, given the services' intangible character and the difficulty in evaluating its quality without having experienced it (Herbig and Milewicz, 1995). Researchers have demonstrated that good reputation is perceived as a signal of reliability (Suh and Houston, 2010) and acts as an antecedent to trust (Alam and Yasin, 2010; Torres-Moraga et al., 2010). Chang (2013) explored the role of trust as a mediating variable between corporate reputation and brand loyalty in the restaurant sector, and the results supported previous studies in that corporate reputation has an influence on trust. Thus the current study adopts brand reputation as a mediating variable between CBCRBE and brand trust.

Fig. 1 and Fig. 2 present the two research models used to investigate the relationship between CBCRBE, brand reputation and brand trust in the chain restaurant industry. The original research model (Fig. 1) suggests that the five dimensions of CBCRBE have an effect on brand trust through brand reputation. The effects of the CBCRBE dimensions on brand trust are fully mediated via brand reputation. Fig. 2 presents an alternative model – a partial mediation model – to investigate the direct effects of CBCRBE dimensions on brand trust. Finally, the study posits that to be a successful brand, restaurant chains need to understand a consumer's purpose for the visit; therefore, the study examines the significance of visit purpose in relation to brand equity.

2.1. The effects of food & service quality on brand reputation

The majority of service quality studies have, to date, used the SERVQUAL model developed by Parasuraman, et al., (1985). Some researchers, however, have found that this model is insufficient to capture a specific service area (Buttle, 1996). The Nordic European model of service quality, suggested by Grönroos (1984), is found to be more valid in the hospitality industry (Brady and Cronin, 2001; Ekinci, 2001; Madanoglu, 2005). The Nordic European model identifies two dimensions of service quality: Technical quality is an objective evaluation of the outcome of service performance, whereas functional quality is a subjective evaluation of how the consumer receives the service (Grönroos, 1984). Scholars agree that service quality in the restaurant industry must be evaluated from various perspectives such as food quality, staff behavior and physical quality in order to meet the consumers' expectations (Brady and Cronin, 2001; Ekinci et al., 2008; Nam et al., 2011). Consequently, due to the present study's contextual focus on the restaurant industry, the current study emphasizes food quality in our evaluation to assess overall service quality in the CBCRBE (Hoare and Butcher, 2008).

Researchers suggest that service quality is associated with brand reputation, that is, service quality becomes a tool that can indicate a good or bad reputation (Wirtz et al., 2000). Having a good reputation ensures growth in popularity via word of mouth (Walsh et al., 2009). In contrast, ambiguous product quality may have a negative effect on building a brand reputation (Selnes, 1993). Jin and Leslie (2009) support this relationship by showing that chain restaurants have better food hygiene quality than independent restaurants because of the reputational incentives of the chain. Based on the above arguments, this study hypothesizes that:

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