

FACTOR AFFECTS BRAND IMAGES: THE CASE RESTAURANT GOGI

● NGUYEN THI HONG HANH

ABSTRACT:

In today's competitive environment, the brand is the critical factor that may help distinguish a product from others (Meenaghan, 1995). This study tries to investigate how the company (GoGi) should invest its money in building its brand image. Using the survey method to test the relationship between three indicators and brand image, and also using descriptive research to understand the current situation of Gogi. The results show that customer satisfaction, environment, and price fairness significantly influence the brand image. T test shows brand image of Gogi is low. The data shows that the restaurant should invest its effort in building its brand image. To build brand image, the restaurant should focus on customer satisfaction, environment, and price fairness.

Keywords: brand image, sale promotions, restaurant, marketing.

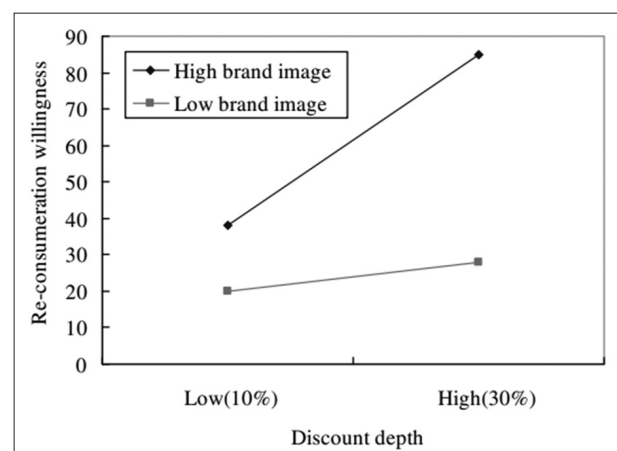
1. Introduction

Kwakuet. al. (2001) suggested that marketing efficiency (operational efficiency, customer philosophy), is significantly and positively associated with business performance. Gogi is a chain restaurant with almost 50 restaurants in Hanoi. To increase the marketing efficiency, the chain restaurant should have smart investment in marketing activities.

Mei, et al (2015) higher brand image will have a higher rate of return for the restaurant if they have a sale promotion. The picture below shows the moderate role of brand image in the relationship between sales promotion and return rate.

GOGI needs to use a promotional discount to stimulate demand for customer consumption Taiwan market (Myung, E., Barrash, D., & Feinstein, A. (2007). Environment, price fairness, and Food quality have positive impacts on Brand image. (Jin et, al. 2012). In the case of Gogi in Taiwan, this restaurant should use sale promotions to increase demand for customers. Because it has a

Figure1: Interaction between discount depth and brand image on re-consumption willingness (Lin, Yang, and Wan, 2015)



Source: Interaction between discount depth and brand image on re-consumption willingness (Lin, Yang, and Wan, 2015)

high brand image in the Taiwan market.

The brand image also positively influences customer loyalty (Kunkel, 1968). If the customer is

loyal to the company, the company can save a lot of costs. “Increased loyalty can bring cost savings to a company in at least six areas:

1. reduced marketing costs (customer acquisition costs require more dollars)
2. lower transaction costs such as contract negotiation and order processing
3. reduced customer turnover expenses (fewer lost customers to replace/no churning)
4. increased cross-selling success leading to a larger share of customer
5. more positive word of mouth
6. reduced failure costs” (Griffin, 1995).

How the company can improve its brand image becomes an important question.

2. Methodology

The environment is so important in the hospitality industry. The interior design of a restaurant affects on human psyche and behavior. Interior design can form positive attitudes, behavior, and emotions (Bhatia, 2003). Bitner (1992) defined the environment in a restaurant as SERVICESCAPE which includes ambient conditions (such as temperature, lighting, noise, music, and scent), spatial layout (such as machinery, equipment, and furnishings, the size and shape of those items, the spatial relationships among them and functionality (the ability of these items to facilitate performance and the accomplishment of goals) and signs, symbols, and artifacts. Ryu and Jang (2008) defined DINESCAPE as a measurement scale for an environment of upscale restaurants. The six dimensions of the DINESCAPE are facility aesthetics, lighting, ambiance, layout, table settings, and service staff.

Setiawan, Kartini, Afiff & Rufaidah (2016) studied low cost car customers. The data analysis of 320 car customers shows that price fairness positively affects brand image. Brand image plays a mediator role between price fairness and intention to purchase.

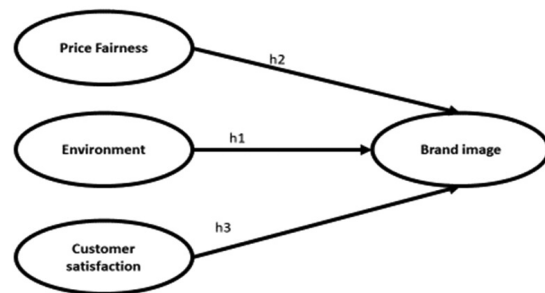
Hypothesis 1: Environment affects brand image.

Hypothesis 2: Price affects brand image

Hypothesis 3: Customer satisfaction affects brand image.

This study uses 5-point Likert scales. All the scales like the restaurant environment, Price fairness, customer satisfaction, and brand image were based on Lin et. al. (2012).

Figure 2: Research framework



Environment

- The furnishing of the GOGI restaurant is aesthetically appealing.
- The atmosphere of the GOGI restaurant is wonderful.
- The employee in this GOGI restaurant appears neat and clean.

Price

- The food prices at the GOGI restaurant are reasonable.
- The beverage prices at the GOGI restaurant are reasonable.
- The prices charged by the GOGI restaurant are appropriate for the level of service.

Satisfaction

- All things considered, I feel good about my decision to dine out at the GOGI restaurant.
- Considering all my experiences with the GOGI restaurant, my choice to dine out at the GOGI restaurant was a wise one.
- Overall, I am pleased with the dining experiences at the GOGI restaurant.

Brand image

- The brand of the GOGI restaurant has a fashionable image.
- The brand of the GOGI restaurant has a reputation for quality.
- The brand of the GOGI restaurant is familiar to me.

200 questionnaires were sent to Gogi customers and got back 80 returns. The sampling method is convenient. This data is achieved from Khanh et al. (2020) internal report.

3. Data analysis and results

Reliability analysis

Cronbach's Alpha of Environment is $0.807 > 0.6$ with Corrected item-total Correlation > 0.3 . So the numbers on the environment element are valid. All Cronbach's Alpha if item deleted values are

Table 1: Reliability for Environment

Reliability Statistics				
Cronbach's Alpha		N of Items		
.807		3		
	Item-Total Statistics			
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
E1	5.85	5.126	.625	.767
E2	5.76	4.887	.658	.733
E3	5.80	4.777	.683	.707

smaller than 0.807. We keep all items E1, E2, E3. (Table 1)

We can see that Cronbach's Alpha Price Fairness is $0.877 > 0.6$ with a Corrected item-total Correlation > 0.3 . So the numbers on the price element are valid. All Cronbach's Alpha if item deleted values are smaller than 0.877. We keep all items P1, P2, P3. (Table 2)

Cronbach's Alpha of Customer satisfaction is $0.755 > 0.6$ with Corrected item-total Correlation > 0.3 . So the numbers on customers satisfaction element are valid. All Cronbach's Alpha if item deleted values are smaller than 0.755. We keep all items S1, S2, S3. (Table 3)

Cronbach's Alpha of Brand image is $0.671 > 0.6$ with Corrected item-total Correlation > 0.3 . So the numbers on the brand image element are valid. All Cronbach's Alpha if item deleted values are smaller than 0.671. We keep all items b1, b2, b3. (Table 4)

EFA analysis:

KMO measurement has a value of $0.708 > 0.5$.

The chi-square value is 313.696 which is significant with a P value (P value is 0.000.) (Table 5)

All items loading high on their correspondent factors. There arent any cross-loadings. All factor loadings are higher than 0.5. All these variables have discriminant validity and convergent validity. (Table 6)

Regression

Adjusted R Square is 0.5066 which means that our 3 components affect the brand image is 50.6%. (Table 7)

Regression equation: Brand image= $0.313 \times$ Price Fairness+ $0.398 \times$ Environment + $0.205 \times$ Customer Satisfaction.

The coefficients of price fairness, satisfaction, and environment are both positive. Price, satisfaction, and environment positively affect brand image.

P values of all independent variables are less than 0.05 (0.000, 0.000, 0.005). VIF values smaller than 1.1 indicate that there is no multicollinearity between independence variables. (Table 8)

Table 2: Reliability of Price Fairness

Reliability Statistics				
Cronbach's Alpha		N of Items		
877		3		
	Item-Total Statistics			
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
P1	6.73	5.926	.733	.853
P2	6.90	5.365	.774	.817
P3	6.87	5.573	.784	.807

Table 3: Reliability of Customer Satisfaction

Reliability Statistics				
Cronbach's Alpha		N of Items		
.755		3		
	Item-Total Statistics			
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
S1	5.67	2.631	.559	.703
S2	5.75	2.665	.576	.683
S3	5.81	2.611	.620	.632

Table 4: Reliability of Brand image

Reliability Statistics				
Cronbach's Alpha		N of Items		
.671		3		
	Item-Total Statistics			
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
b1	6.40	1.994	.561	.468
b2	6.25	2.938	.471	.603
b3	6.16	2.611	.443	.627

Table 5: KMO and Barlett's test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.708
Bartlett's Test of Sphericity	Approx. Chi-Square	313.696
	df	36
	Sig	.000

Both three hypotheses are significantly tested. $T=7.521$, $p=0.000$, hypothesis H1 is tested. $T=6.39$, $p=0.000$, hypothesis H2 is tested. $T=2.858$, $p=0.005$, hypothesis H3 is tested. Price Fairness, Environment, and Customer satisfaction positively affect the Brand image. Environment influences Brand image the most with the coefficient is highest (0.398). The less influence brand image is satisfaction with the coefficient is smallest (0.205).

We ran a t-test to understand the brand image in the Vietnamese consumer mind. Results show that brand image is not high. (95% confident brand images value rank from 0.199 to 0.2896).

Table 6: Factor loading

	Component		
	1	2	3
P3	.891		
P2	.891		
P1	.873		
E1		.855	
E3		.853	
E2		.815	
S3			.822
S1			.816
S2			.810

4. Discussion

Gogi appeared in Vietnam in 2013 (Bac Giang Province People's Committee, access 2023) and until 2020, the brand image of the restaurant was still low. The company should focus on how to improve its brand image. Three factors affect brand image. Environment positively influences brand

Table 7: Coefficient of regression analysis

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.322	.299		1.080	.283		
	P	.313	.049	.490	6.390	.000	.920	1.087
	E	.398	.053	.574	7.521	.000	.928	1.078
	S	.205	.072	.214	2.858	.005	.961	1.041

Table 8: Hypothesis testing results

Hypothesis	Test results
Hypothesis 1: Environment affects brand image.	Significant tested
Hypothesis 2: Price affects brand image	Significant tested
Hypothesis 3: Customer satisfaction affects brand image.	Significant tested

image with a coefficient value is 0.398. Price positively influences brand image with a coefficient value is 0.313. Customer satisfaction positively influences brand image. Gogi in Vietnam should focus on price fairness, environment, and customer satisfaction to build

brand image. Among those three independent factors, the environment is the most important factor for building a brand image with the highest coefficient value (0.398). Three hypotheses are both significantly tested. These

results are consistent with the study of Jin, Lee, and Huffman (2012).

With the results of this research, the company should build a good restaurant environment, price fairness, and customer satisfaction to enhance its brand image ■

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Author Information:

NGUYEN THI HONG HANH

International School, Vietnam National University, Hanoi

NHỮNG NHÂN TỐ ẢNH HƯỞNG ĐẾN HÌNH ẢNH HƯƠNG HIỆU: PHÂN TÍCH TÌNH HUỐNG TẠI NHÀ HÀNG GOGI VIỆT NAM

● NGUYỄN THỊ HỒNG HANH

Trường Quốc tế - Đại học Quốc gia Hà Nội

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Từ khóa: hình ảnh thương hiệu, khuyến mãi, nhà hàng, marketing.