

Antecedent and Consequences of Brand Equity: Perspective Fast-food Restaurant Customers

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ABSTRACT

This study aims to present a comprehensive framework of the antecedent and consequences of brand equity. The study also sought to explicitly explain the difference brand equity, service quality, e-service quality, service environment, e-service environment, and brand loyalty were obtained among fast-food restaurant customers. Data were received from 308 fast-food restaurant customers. Structural equation modeling was used to test the hypothesis. To generalize the findings, the research model needs to be examined by using samples of various objects. Marketing research in brand equity should focus on service quality, e-service quality, service environment, e-service environment and brand loyalty as antecedent and consequences. The findings showed that brand equity has a positive effect on brand loyalty. The result also proposes that service quality, e-service quality, service environment, e-service environment has a positive impact on brand equity. Marketing research should focus more on the role of brand equity in getting fast-food restaurant customers. With the positive influence on the success of marketing, managers should focus on customer-centered on brand loyalty mainly to fast-food restaurant customers. However, brand equity also seems to be an excellent way to get fast-food restaurant customers from competitors. The contribution of the study is, first, a complete framework of the antecedent and consequences of brand equity being analyzed simultaneously. Second, this study allows a direct comparison of the difference in brand equity, service quality, e-service quality, service environment, e-service environment and brand loyalty between the customer's fast-food restaurant.

Keywords: Brand Equity, Service Quality, e-Service Quality, Service Environment, e-Service Environment, Brand Loyalty.

1. INTRODUCTION

Brand equity is an added value associated with a particular product by the customer's thoughts, words, and actions. Customer-based brand equity is operationalized with situations where customers have good, reliable and unique brand associations in memory. Thus a product with a high level of brand equity will be decidedly less valuable without a brand name. Previous researchers have suggested that brand equity gives a difference in the effects between branded and unbranded products. Brand equity is a different customer response between branded products and unbranded products when both have the same level of marketing stimulation and product attributes. However, brand equity can be operationalized as a tendency to choose branded products on unbranded products. Customer-based brand equity consists of four components: loyalty, brand awareness, perceived quality and brand associations. Traditionally, retailers have focused on improving the core dimensions of service quality (quality of interaction, quality of results, and quality of the physical

environment) to improve customer perceptions and brand equity (Kurniawati Chrisjatmiko, 2018; Saputri & Kurniawati, 2015; Su & Tong, 2015; White, Joseph-Mathews, & Voorhees, 2013).

There is currently a tendency for customers to demand that retailers expand their sales to the Internet. Thus retailers face the additional task of providing high-quality services in both media, which differ significantly, to remain competitive. To complete this task, the retailer must identify strategies to improve services both offline and online operations. Besides, managers must also consider the quality of offline and online experiences that have the potential to interact to influence customer perceptions of the company. In particular, many retailers focus on multichannel operations to increase customer brand equity (Mohan, Jiménez, Brown, & Cantrell, 2017; Stojanovic, Andreu, & Curras-Perez, 2018; White et al., 2013).

Previous research shows that consumers use environmental cues (such as ambient factors, design factors, and social factors) as proxies for information about store attributes such as product quality, price, shopping experience, and expectations of quality interpersonal services. In particular, previous research has shown that store atmosphere, design, and social elements can significantly impact how long a person purchases, the level of customer satisfaction, perceived quality of merchandise, and evaluation of service quality. In connection with this process, customer perceptions of overall services, both offline and online, with the presence of high quality can provide an assessment of total good services. Customers in the traditional service experience, the overall assessment of service quality is formed from customer evaluation on the subdimensions of service quality, interaction, physical environment, and results. However, the customer in the online service experience collects the review of the extent to which the website facilitates efficient and effective shopping, purchasing, and shipping to form an overall assessment of service quality (Bonfanti, Vigolo, Douglas, & Baccarani, 2017; Castañeda García, Del Valle Galindo, & Martínez Suárez, 2018; Frassetto, Mollá Descals, & Ruiz-Molina, 2017; White et al., 2013).

Thus, both for a traditional experience and electronic services, a positive assessment of service quality leads to increased brand awareness and a positive brand image because consumers associate the perception of service as a whole as excellent or superior to the brand. Thus, consumer recognition of brand differentiation and excellence through high-quality service experience influences consumers to choose brands compared to competing brands. Brand knowledge is a node in customer memory where there are associations such as perceived quality with related brands. Furthermore, because customers become familiar with brands and hold brand associations that are profitable, strong, and unique in memory, different influences of brand knowledge on customer responses to marketing mix elements. Thus, a strong brand association can lead to strong brand equity, because the strength, familiarity, and uniqueness of the brand all play a role in creating differential impacts that formulate brand equity that can be displayed through customer loyalty to the brand. The delivery of high-quality services both offline and through retail websites can be used to create a positive relationship between the quality of delivered services and brands, which results in a different response to the marketing mix elements by customers (Bonfanti et al., 2017; Castañeda García et al., 2018; Giovanis & Athanasopoulou, 2017; Wang & Ding, 2017; White et al., 2013). The formulation of the problem of this research is whether there is a positive and significant influence on the antecedents and consequences of brand equity?

2. CONCEPTUAL BACKGROUND

Effect of service environment and e-service environment on service quality and e-service quality

The service environment is physically an essential element and a significant influence on customer perceptions of a service encounter. The quality of the natural climate involves more physical buildings and facilities provided by service providers who can influence the overall evaluation of customers on a variety of services. Service environment is the second predictor of online and offline service quality evaluation. This service environment has three dimensions, namely ambient factors, design factors, and social factors. All of these factors are also considered to have significant effects on future consumer experience based on environmental psychology theory and more specifically, in the Stimulus-Organism-Response (SOR) grouping system. In a retail business, including positive behavioral approaches such as the desire to stay, to explore, to shop, to spend money, or to browse in certain environments. Besides that, the situation can also be used to convey particular messages. Consumers use the environment to determine information about the quality of goods, service quality and prices. Thus, the service environment that is around can have a significant influence on consumer perceptions of service quality. If the company considers the quality of the service environment which consists of an ambient condition, design, and social factors pleasantly and comfortably, it will provide a positive assessment of the variety of services provided by consumers to the company (Hsu, Chen, Yang, Lin, & Liu, 2018; Oh & Kim, 2017; Ramos, Figueiredo, & Pereira-Guizzo, 2018; White et al., 2013). So this research hypothesis is as follows:

H1: There is a positive influence on the service environment on service quality.

H2: There is a positive influence of e-service environment on e-service quality.

Effect of service quality and e-service quality on brand equity

Building brand equity can be done by increasing offline multichannel operating channels (through direct interaction and experience) and online multichannel working channels that can be done by presenting product images from online media (website). In this process, consumer perceptions of the overall service, both high-quality offline and online, can be seen as the consumer's assessment of the overall function as very good or superior. As consumers who have traditional service experience (offline service), the comprehensive evaluation of service quality and subdimension is formed from a comparison of consumer evaluations in the form of interaction, physical environment, and results. Likewise, online customer service services in aggregate customer experience over the extent to which a site facilitates shopping, purchasing, and shipping can be efficient and effective. Both, whether it's offline service and online experience or e-service, a positive assessment of service quality can increase awareness and positive image, and consumers associate the perception of the overall service as excellent or superior to the brand. Consumers recognize that high-quality brand excellence is obtained through experience in services received that can influence consumers to choose the brand compared to other brands (Bustamante & Rubio, 2017; Gandhi, Sachdeva, & Gupta, 2018; Rehnert, Bartsch, Kull, & Meyer, 2017; Shafei & Tabaa, 2016; Su & Tong, 2015; White et al., 2013). So this research hypothesis is as follows:

H3: There is a positive influence on service quality on brand equity.

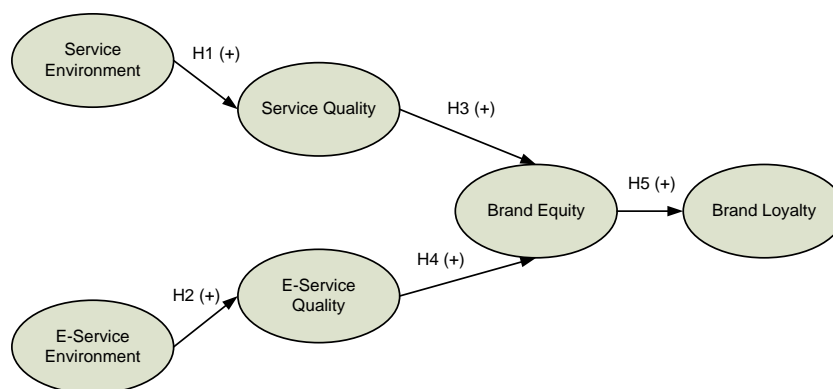
H4: There is a positive influence on e-service quality on brand equity.

Effect of brand equity on brand loyalty

Brand associations can provide value to customers by giving reasons for customers to buy brands and by creating positive attitudes/feelings among customers. The perceived quality is the consumer's assessment of the superiority or inferiority of the product as a whole. This is not the objective quality of the product but the subjective judgment of the customer that depends on the customer's perception. Similar to brand associations, perceived quality also provides value to customers by giving customers a reason to buy and by differentiating brands from competing brands. Brand loyalty can be conceptualized in several ways, based on the perspective of customer attitudes and perceptions or from a behavioral perspective. Brand loyalty is an attachment that customers have with the brand. Brand loyalty in the attitude perspective as a tendency to be loyal to the brand, which is indicated by the intention to buy the brand as the primary choice. Based on previous research that there is a positive and significant influence of brand equity on brand loyalty (Bonfanti et al., 2017; Gandhi et al., 2018; Izogo & Ogba, 2015; Keshavarz & Jamshidi, 2018; Kudeshia & Kumar, 2017; Su & Tong, 2015; White et al., 2013). So this research hypothesis is as follows:

H5: There is a positive influence on brand equity on brand loyalty.

Figure 1. Conceptual Framework



3. DATA ANALYSIS AND RESULT

Respondents from this study were 308 fast food restaurant customers spread across Jakarta Indonesia. The fast food restaurant is a fast food restaurant that has a significant sales turnover of 3 in Indonesia. The results of the validity and reliability of all indicators of the research variables are presented in Table 1.

**Table 1
Tests Validity and Reliability**

Indicators	Loading Factor	Cronbach's Alpha
<i>Service Environment (White et al., 2013)</i>		0,872
<i>Restaurant design</i>		
This facility is attractive.	0,819	
This facility is well organized to deliver its service.	0,768	

This facility has a convenient layout.	0,921	
This facility has a pleasing design.	0,766	
The facility was well designed.	0,791	
<i>Restaurant ambiance</i>		
Overall, the facility is clean.	0,877	
The temperature at this facility is comfortable.	0,821	
This facility is a pleasant place to receive service.	0,824	
The facility has a pleasing atmosphere.	0,855	
This restaurant understands that its atmosphere is important to me.	0,796	
<i>Restaurant social</i>		
This restaurant has well-dressed employees.	0,851	
This restaurant has friendly employees.	0,827	
This restaurant has helpful employees.	0,775	
<i>e-Service Environment (White et al., 2013)</i>		0,894
<i>Website design</i>		
This website presents its products and information on uncluttered screens.	0,784	
This website is organized well to help customers locate products.	0,894	
This website provides easy to follow search paths.	0,834	
This website is well designed.	0,830	
The layout of this website is excellent.	0,920	
<i>Website ambiance</i>		
This website is visually appealing.	0,856	
This website is a pleasant place to shop online for home improvement products.	0,815	
The website has a pleasing atmosphere.	0,893	
The colors used in this website are excellent.	0,833	
This website provides the online shopping atmosphere that I am looking for.	0,916	
This website is visually appealing.	0,806	
<i>Website social (customization)</i>		
This website makes me feel like I am a unique customer.	0,800	
I believe that this website is customized to my needs.	0,837	
This website provides personal attention to its customers.	0,803	
This site has features that are personalized for me.	0,806	

<i>Service Quality (White et al., 2013)</i>		0,774
The service at restaurant is some of the best available.	0,865	
Restaurant provides superior service.	0,979	
Restaurant offers excellent service.	0,936	
<i>e-Service Quality (White et al., 2013)</i>		0,695
Overall, the website is excellent.	0,785	
I would say that restaurant's website is one of the best in the industry.	0,830	
This is one of the best websites of its type.	0,814	
I would rate restaurant's website highly.	0,813	
<i>Brand Equity (White et al., 2013)</i>		0,810
Even if another store has the same features as this restaurant, I would still prefer to buy at this restaurant.	0,985	
I am more loyal to restaurant than other similar restaurant.	0,983	
If there is a competitor as good as this one, I still prefer this restaurant.	0,966	
If another store is not different from this restaurant in any way, it seems smarter to still purchase from this restaurant.	0,976	
I have a more favorable attitude toward this firm than other home improvement stores.	0,954	
<i>Brand loyalty (Su dan Tong, 2015)</i>		0,890
I consider myself to be loyal to this restaurant.	0,847	
When buying foods, this restaurant would be my first choice.	0,835	
I will keep on buying at this restaurant as long as it provides me satisfied products.	0,824	
I am still willing to buy at this restaurant even if its price is a little higher than that of its competitors.	0,878	
I would love to recommend this restaurant to my friends.	0,794	

*The whole answered is measured by using *likert* scale 5 points: 1 = very disagree to 5 = very agree.

Based on the results of the validity and reliability test shows that all indicators of this research variable are valid and reliable. So that it can be used to test the hypothesis of this study. Next in Table 2 presented the results of hypothesis testing used in this study.

Table 2
Hypothesis Testing

Hypothesis	Estimate	p-value	Decision
H1: There is a positive impact of service environment toward service quality	0,876	0.000	H1 Supported
H2: There is a positive impact of e-service environment toward e-service quality	0,720	0.000	H2 Supported
H3: There is a positive impact of service quality toward brand equity	0,290	0,014	H3 Supported
H4: There is a positive impact of e-service quality toward brand equity	0,317	0.000	H4 Supported
H5: There is a positive impact of brand equity toward brand loyalty	0,943	0,000	H5 Supported

All hypotheses in this study were supported. H1 proves that there is a positive and significant effect of the service environment on service quality ($\beta = 0.876$; p-value = 0.000). In H2 it also determines that there is a positive and significant effect of e-service environment on e-service quality ($\beta = 0.720$; p-value = 0.000). Furthermore, H3 shows that there is a positive and significant influence on service quality on brand equity ($\beta = 0.290$; p-value = 0.014). H4 proves that there is a positive and significant effect of e-service quality on brand equity ($\beta = 0.317$; p-value = 0.000). Finally, H5 shows that there is a positive and significant influence of brand equity on brand loyalty ($\beta = 0.943$; p-value = 0.000). Of the five hypotheses that have the most substantial control is brand equity towards brand loyalty.

4. CONCLUSIONS AND IMPLICATIONS

There is a positive influence on service environment on service quality, meaning that the better the environmental services that fast food restaurants offer to customers, such as; beautiful restaurant design facilities, a comfortable atmosphere, and a good level of employee socialization, it will improve service quality at fast food restaurants. There is a positive influence on e-service environment on e-service quality, meaning that the better the display of online services that fast food restaurants offer on their website, such as; regular product presentation and information, ease in tracking what is needed by the customer (menu search), having a pleasant atmosphere and presenting personal attention to its customers, will improve the quality of service at these fast food restaurants online. So that it will increase the brand equity of the fast food restaurant, which in turn will increase brand loyalty from the fast food restaurant.

Managers of fast food restaurants can maintain a service environment, especially in design factors, so that the design of facilities owned by fast food restaurants is the best among competitors. As; the appearance of the color of the walls of the building is bright and pleasant, the layout of the table chairs and cashiers is not monotonous or updated every few months. Restaurant Manager can maintain e-service environment, especially in website design so that the website appearance is more attractive, comfortable, and easy to use. Like: website background colors are brighter and display

menus are organized, and additional options are comments, criticisms, and suggestions. Managers of fast food restaurants can improve service quality owned by fast food restaurants today, by providing better service for their customers. Like: having employees who are swift and ready to help open the entrance or when the customer comes out (responsiveness), employees can provide information in accordance with the ones promoted (assurance), availability of waiting places and tangible numbers and employees on time in deliver food to the destination (reliability), and employees greet the guests and be polite and polite (Chrisjatmiko & Panggabean, 2016).

Managers of fast food restaurants can increase e-service quality by providing the best service so that fast food restaurant websites have a high rating. Such as: having employees who are swift and ready to respond to orders via online (responsiveness), employees say hello to guests and be friendly polite and polite (empathy) (Chrisjatmiko & Panggabean, 2016), easy to log in and easy to use (easy to use); can access orders (system available), the web can be trusted (trust), fast food restaurants use personal logins to be able to access consumer data (privacy). Managers of fast food restaurants can maintain brand equity by increasing customer loyalty through improved facility design among competitors, making improvements to the appearance of the website more attractive, comfortable, and easy for customers to use, as well as providing better services offline and online for its customers. With all adequate facilities both offline and online, it will increase brand loyalty from fast food restaurant customers.

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