

RELATIONSHIPS BETWEEN BRAND AWARENESS, PERCEIVED QUALITY, TRUST, VALUE, LOYALTY, AND BRAND EQUITY: A CASE STUDY OF VINAMILK BRAND IN HO CHI MINH, VIETNAM

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Abstract: *The objective of this research is to study the relationship between brand awareness, perceived quality, trust, value, and loyalty and brand equity. It also investigates the relationship between two marketing elements (external communication in terms of word-of-mouth and publicity and advertising) and brand awareness. Additionally, the relationship between the two following factors, advertising, promotion and perceived quality, was tested. To do so a survey was conducted by distributing 400 questionnaires in eight randomly-chosen districts in Ho Chi Minh City, Vietnam. The Pearson Correlation was applied for data analysis. The results show that there is a positive and significant relationship among brand awareness, perceived quality, brand loyalty, value, trust, and brand equity. They also indicate that there is no significant relationship between advertising and perceived quality. Based on these results, it seems that Vinamilk needs to develop a marketing strategy to help the company increase brand equity.*

Key words: *Brand equity, brand awareness, perceived quality, trust, value, loyalty.*

1. Introduction

Brand Equity is a concept of particular relevance to companies (Aaker, 1991). Brand equity refers to the added value of a brand to a company (Kotler, 1997). Customers perceive a brand as a classification of value and trust (Keller, 2003). When people want to buy a product or a service, a brand's reputation (either strong or weak) is likely to affect their purchasing decision. Farquhar (1989) defined a brand as a name, symbol, design, or mark that enhances the value of a product beyond its functional purpose. Brands now play an important role and are accepted as generating and sustaining growth (Prasad and Dev, 2000). Having a strong brand not only helps a company to differentiate itself from its competitors, it also creates positive communication apt to satisfy and convince customers (Aaker, 1991). When a company wants to develop new products or services, branding plays a significant role in its decision making process. The function of a brand is not only to enhance the value of a product beyond its functional purpose, but it is also related to trust, loyalty, perceived quality and brand awareness.

This study focuses on Ho Chi Minh City residents who have used Vinamilk products at least three times. Vietnam's dairy market offers large opportunities. As the population is growing and the income per capita increasing, the Vietnamese dairy market import sector has been expanding. Vietnam, the world's 14th largest country in terms of population, is now the world's 20th largest importer of dairy products. A dominant force in the dairy market in Vietnam is Vinamilk.

Established in 1976, Vinamilk is the largest dairy producer in Vietnam. With over 30 years of operational history, it has maintained a dominant position in the Vietnamese dairy sector, capturing around 37 % of the market share in the domestic dairy market. Vinamilk's main competitors include Dutch Lady Vietnam, a division of Friesland Foods, Nestlé Vietnam, Abbott, Mead Johnson, Friso, and Nutifood.

Vinamilk products, such as powdered milk and condensed milk, are also sold abroad, most notably in the Middle East, Cambodia, the Philippines, and Australia.

The purpose of this research is twofold: (i) to analyze the main brand equity factors which Vinamilk uses to achieve large sales and compete with international brands, and (ii) to examine how it can strengthen its leading position in the Vietnamese milk market. This study will examine nine hypotheses in light of

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