Brand equity and customer behavioural intention: A case of food truck business

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Proposed citation:

Abstract
Food truck has become a new phenomenon in food and beverage industry Malaysia especially in Klang Valley. The popularity of food truck does not only depend on the mobility features, but also the creative branding on their trucks. However, the discussion on brand equity in food truck is still sparse. In this conceptual paper, the relationship between brand equity and food truck customer behavioural intention will be discussed. The result of this study will contribute to the new knowledge in brand equity theory towards predicting the food truck customer behavioural intention. Indeed, this is an opportunity for food truck managers to increase their understanding on customer behaviour and for their business sustainability.

Keywords:
Brand equity, customer behavioural intention, food truck business

1 Introduction
Building successful brand in highly competitive market is considered to be one of the key drivers of a business success (Prasad & Dev, 2000). It has been proven that the
organization with a strong brand has the ability compete with their competitors (Lee, 2014). Furthermore, the organization that has strong brand or brand equity for their products or services have advantages because it will make them easy to be remembered, highly recognized and superior in quality and reliability. This is because brand equity creates added value for an organization’s products that foster its long term strengths and competencies (Hanaysha, 2016).

Brand equity can be measured in two perspectives that is known as financial and customer based (Siali, Jiayi, Mohammad, Shakur, & Aisyah, 2016). In dealing with financial perspective, brand equity is measured or appraised from asset value of a brand name (Singh & Pattanayak, 2016). According to Shuv-Ami (2016), the financial brand equity represents the monetary value of the brand and market place. Meanwhile, customer based brand equity represents the customer perception and response to a brand name that remains in their minds (Chieng & Goi, 2011). Positive perception builds a strong brand name and creates value and if the brand makes any mistake, customer can accept it and this situation is beneficial for the customer and the firm. Customer based brand equity develops the firm understanding on their customer and they will look forward to obtain the best way to meet their customer expectation (Majid, Alias, Samsudin, & Chik, 2016; Tan, Devinaga, & Hishamuddin, 2013). Consequently, customer based brand equity is the best approach in representing the brand equity in the sense that the brand is value for customer and firms from various industries, including related foodservice industry (Latif, Islam, Mohamad, Sikder, & Ahmed, 2015).

The prior research of brand equity and behaviour intentions derived from different restaurant settings including family restaurant (Majid et al., 2016), chains restaurant (Hyun & Kim, 2011) and fast food (Singh & Pattanayak, 2016; Tan, 2012; Kim & Kim, 2004). Majid et al. (2016) and Singh and Pattanayak (2016) identified that customer purchase decision in fast food is influenced by restaurant brand, where high brand equity company will receive more attention from the customers. Previous studies on the relationship between brand equity and behavioural intention focused more on the restaurant industry with very limited literature in the context of the food truck (Sen, Savitskie, Ranganathan, & Brooks, 2014).

Food truck industry has become a phenomenon and has gained popularity around the world. In the United States, food truck influences the social, cultural and economic opportunities for both vendors and customers (Thomas, 2016; Cardoso et al., 2014). The roles of food truck has been expanding to be a part of food tourism in New Zealand (Bellia, Pilato, & Séraphin, 2016; Thomas, 2016). In North America, Australia and European cities, the established brand restaurants expand their businesses to the food truck segment as the pop-up restaurants (Henderson, 2017). Meanwhile, in developing countries, the young entrepreneur and expert chefs turn to food truck businesses due to the low start-up cost (Cardoso et al., 2014). Besides, for customers, food trucks meet their expectations because they want quick service, healthy food,
varieties of food that differ from home as well as the friendly environmentally (Conner, 2011).

1.1 Problem statement

Branding and brand equity become a significant research among businesses and academicians from various industries. Majid et al. (2016) noted that customer based brand equity in the family restaurant positively influences the customer intention to repurchase. According to Tan et al. (2015), to sustain in the market and gain customer re-patronage, the local food entrepreneurs have to improve the knowledge in brand equity. However, the gap in the brand equity remains in the types of foodservices offers and might be different with one and another (Hashim & DeRun, 2013). As a part of food and beverage industry, food truck is still new in Malaysia thus monitoring brand equity in food truck deserves an investigation. Therefore, the dimensions of customer based brand equity will be measured to examine the relationship between brand equity and customer behavioural intention in the context of food truck.

2 Literature Review

2.1 The food truck phenomenon

The Food and Agriculture Organization (FAO) defines street foods as “ready to eat foods and beverages that prepared and sold by vendors or hawkers especially in the street and other similar places” (FAO, 2016). The street foods are selling in different ways, either on non-motorized carts, booth or stand (that also known as hawker) or mobile food truck (Choi, 2016). Street food is synonyms with the hawker and there are many studies related with hawker (Henderson, 2017; Raflis, Omar, & Ishak, 2016; Choi, Lee & Ok, 2013). However, the study on the mobile food truck is still sparse. Due to the ever-increasing attention from customer towards food truck business these days, there is a pressing need to develop understanding in food truck business for business sustainability (Wessel, 2012; Ibrahim, 2011).

Years ago, food trucks were known as the trucks that supplied food for the factory and construction worker with the lower price (Ibrahim, 2011). Recently, food trucks locate themselves close to the office area during lunch hours and community area in night time (Hirsh, 2011). The latest food trucks are well-equipped with food preparing facilities, serving various cultural cuisines stylishly, accompanied with innovative truck designs (Wessel, 2012). Mobile food truck is also known as the emerging enterprise that serves variation of foods from simple, comfort food to gourmet food (Esparza, Walker, & Rossman, 2014).

The mobile food truck can be categorized into three different types, which are the traditional food truck, the new come food truck and the restaurant based food truck (Hawk, 2013; Ragavan, 2014). The traditional food truck sells local foods or snacks using SUV or truck. This category of food truck does not focus on branding, however,
their quality of food becomes their primary consideration (Ragavan, 2014). More recently, the new generation of food truck appeals to mainstream audience and white collar demographic with branded food truck that appeared clean and stylish (Ibrahim, 2011; Ragavan, 2014). Some restaurants have penetrated the food truck segment as a part of their strategies for brand visibility and to take advantage of the qualities associated with the food truck (Loomis, 2013; The Market Edge, 2010). By offering the special menu from their restaurants in the truck, the restaurant owners see the opportunity to access latest market demand and maintain the long term relationship with the customer (Ibrahim, 2011; Loomis, 2013). Also known as the pop-up restaurant, this type of food truck offers a quite high price and sophisticated unlike the food trucks in the street (Henderson, 2017).

In today’s competitive market, food trucks compete among themselves to retain their customers. Apart from delicious menu and quality of service, the outstanding food truck branding is crucial because it can easily be remembered (LeComte, 2016). Thus, it can be concluded that creating brand equity for food trucks is important for their sustainability.

2.2 Brand equity and Behavioural Intention

Brand is defined as a name, term, sign, symbol, or design or a combination of them, which is intended to identify the goods and services of one seller and to differentiate them from other competitors (The American Marketing Association, 2015). Meanwhile, Keller defines brand as the name, logo or symbols of a product that reflect to awareness, reputation and prominence in the marketplace (Keller, 2013). Brand equity can be described as the set of brand assets and liabilities that linked to the brand's name and symbol and can subtract from (Aaker, 1992). Brand equity is also known as the value added to a product (Farquhar, 1989). More recently, Rodrigues & Martins (2016) clarified that the brand equity could influence customer to be loyal and willing to pay more for their preferred brand.

Aaker (1992) proposed brand equity dimensions as brand awareness, brand loyalty, perceived quality, brand associations and propriety brand asset. Keller (1993) suggested brand equity as the brand knowledge that contains brand awareness and brand image. Tan (2012) extended Keller (1993) view of brand equity by adding the brand familiarity and brand trust. In a more recent study, Calvo-Porral et al. (2015) proposed brand reputation and brand commercial image as part of equity. Although there are discussions on additional dimensions for brand equity, the researcher emphasizes the important measurement in brand equity for the industry that are related to foodservice industry namely brand awareness, brand image, brand loyalty and perceived quality (Lee, 2014; Majid et al., 2016). However, brand loyalty is excluded from the construct because it is a consequence of brand equity towards repeat purchase (Alkhawaldeh et al., 2016).
2.3 Behavioural intention

Behavioural intention is closely related to the experience of the customer that they had in the organizations. By looking at the previous literature, Sulaiman & Haron (2013) defined behavioural intention as the customer’s willingness to provide positive word-of-mouth, willing to revisit in future, stays longer and spend more than anticipated. Meanwhile, Kim (2012) described that behavioural intention refers to the customer positive experience and the satisfied customers will have the intention to revisit, recommend and remain to be loyal, and moreover, they also willing to spend and pay for best prices. Consequently, the customer behavioural intention can be portrayed through the word-of-mouth communication, purchase intentions, and continued interactions (Lai, 2015).

Pham, Do & Phung (2016) indicated that the relationship between brand equity and purchase intention are significant and has a positive effect. In the context of food truck, the studies that discussed the relationship between brand and behaviour intention are still limited. However, Gunaratnam (2015) identified that most of the customer of the Bu Bu Food Truck is the revisit customer. Thus, it is believed that the elements of trust and commitment will encourage the customer to revisit their favourites brand due to the satisfaction on food and service offered. In the food and beverage industry, customer behavioural intention is actively discussed, focusing more on the restaurant setting (Namin, 2017; Majid et al., 2016; Pham et al., 2016). In hospitality industry, branding influence the customer to re-patronize and repurchase; and strong brand also enhances the customer trust in buying decision (Kang, 2011). Thus, the understanding of brand equity and behaviour intention is significant for food truck owners.

3 Research Proposition

This paper concentrates on suggesting several propositions to be used as a guide in further research. Three propositions have been developed from previous literature and focus on the measurement of brand awareness, brand image, perceived quality and behavioural intention as below.

3.1.1 Brand awareness and behavioural intention

Brand awareness is identified as the foundation of brand equity. The high level of brand awareness encourages the customer to consider the brand during purchasing session (Hyun & Kim, 2011). Through brand awareness, the consumer expectation in a brand name is high and this situation increases the consumer willingness to pay more and stay with the brand (Rodrigues & Martins, 2016). In the US, the food truckers create the brand awareness among their customer through their creative branding and this idea influences the customer purchase behaviour (Wessel, 2012). Based on this, proposition one is developed:
Proposition 1: There is a causal relationship between brand awareness and customer behavioural intention.

3.1.2 Brand image and behavioural intention

Latif et al. (2015) indicated that in the competitive market, brand image plays an active role to enable the customer to differentiate a company with others. Compare to the traditional food truck, the modern food truck come out with new image that is more visible and recognizable (Loomis, 2013). Brand image plays a major role in the food truck marketing because the it has been proven that the food truck favourable image has positive influence towards customer satisfaction, perceived value and customer behavioural intention (Sen et al., 2014). Hence, the following proposition is proposed:

Proposition 2: There is a causal relationship between brand image and customer behavioural intention.

3.1.3 Perceived quality and behavioural intention

Food and beverage industry is very customer-focused and measuring the customer perceived quality is important to sustain in the market (Ibrahim, 2011). Perceived quality can be considered as customer personal perception in regards to product experience, unique needs and consumption situations and the perception will influence their decision making (Pham, Do, & Phung, 2016). In the case of the chain restaurant in Korea, the impact of perceived quality in the brand name leads to patronage intention and word-of-mouth (Hyun & Kim, 2011). Meanwhile, in the context of the food truck, previous research shows that quality of food had positive impact on behavioural intention (Sen et al., 2014). The customer perceived quality on menu and services offered also need to be reviewed by the customer, thus, the food trucker can improve themselves. Therefore, the proposition is offered:

Proposition 3: There is a causal relationship between perceived quality and customer behavioural intention.

4 Conclusion

Prior studies identified that customer behaviour in food and beverage industry has been influenced by the food quality, perceived value (Mohd Sefian, Jaini, Sharudin, & Abdullah, 2013), service quality, and restaurant environment as well as price (Yong, Siang, Lok, & Kian, 2013; Ramanathan, Di, & Ramanathan, 2016). However, some customers believe that brand becomes fundamental for them to stay with one establishment (Baalbaki, 2012; Vigripat & Chan, 2007). Moreover, some customer tends to choose a brand because of nostalgic-attachment (Kessous & Roux, 2010).

Numerous researcher agrees that brand play significant roles on customer re-patronize and repurchase intention at the different setting (Majid et al., 2016; Singh &
Due to the food truck popularity, nowadays it is worth to investigate the brand equity from the perspective of this segment. This study seeks to understand and fills the gap regarding impacts between brand equity and customer behavioural intentions in the food truck setting. Thus, the findings of this research will enhance the understanding on brand equity in the context of food and beverage, specifically in food truck in Malaysia. This research has the potential to extend the literature in understanding customer behavioural intention from food truck business perspective.

5 References


