# The Effects of Brand Equity on Consumer Attitude and Behavior : Food Market in Vietnam

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## Abstract

**Purpose** – The purpose of this study is to practically analyze the effect of the brand equity of Korean food companies in Vietnam on the brand attitude and purchase intention of Vietnamese consumers.
**Research design, data, and methodology** – In total, 240 subjects were examined in this study. The collected data were analyzed using statistical programs SPSS 21 and AMOS 21. The credibility of the variables was examined using the exploratory factor analysis, and confirmatory factor analysis. The hypothesis was examined through the structural equation model analysis.
**Results** – It is proven that brand image and perceived quality are accepted, and the brand awareness is rejected from the hypothesis that "the brand equity has a positive effect on the brand attitude". However, the brand image and brand awareness are accepted, and the perceived quality is rejected from the hypothesis that "the brand equity has a positive effect on the purchase intention".
**Conclusions** – The following are the conclusions of the study. First, among the components of brand equity, the brand image is confirmed to positively affect both brand attitude and purchase intention. Second, high brand awareness does not necessarily lead to positive brand attitudes of the consumers. Third, The brand image appears to positively affect the brand attitude and purchase intention. However, the awareness of consumers of a brand does not directly lead to positive consumer attitudes.

**Keywords:** Brand Equity, Brand Image, Brand Awareness, Perceived Quality, Brand Attitude, Purchase Intention.

**JEL Classifications:** M21, M31, D91.

## 1. Introduction

Vietnam has marked an economic development milestone by reforming with the "doi moi" policy in 1986, and joining the WTO in 2007. The Vietnamese government has been maintaining the active open economic policy basis; for example, Vietnam has actively attracted foreign investment, and the Foreign Direct Investment (FDI) amount in Vietnam

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reached USD 15.8 billion in 2016. Among the overseas investors, Korea ranked first with the amount of USD 2.7 billion, which was 17% of the total influx. As of 2017, Korea and Vietnam are on the $25^{th}$ anniversary of the establishment of diplomatic ties. Diplomatic ties between the two countries began in 1992 in the economic sector, and have been rapidly expanded into other sectors, such as the cultural sector and human resource sector. In addition, the Korea-Vietnam bilateral Free Trade Agreement (FTA) entered into force in December 2015, which is expected to strengthen the Korea-Vietnam economic corporation. With the Korea-Vietnam FTA, economic and trade relations between the two countries are expected to further expand, with the improved access of Korean companies to the Vietnamese market, and higher tariff elimination rate than that of the Korea-ASEAN FTA.

The Korean Wave has been playing an important role in

strengthening the relations with Vietnam. Studies on the positive effects of the Korean Wave in economic industries indicate that the Korean Wave has had a sales-increase effect in industries such as food, electronics, cosmetics, automobile, and clothing, where the food industry receives the largest effect, and the clothing industry receives the smallest effect (Lee & Kim, 2012). With the Korean Wave, Vietnamese citizens have built positive awareness of Korea, and the sales-increase effect in the food industry is expected to be the largest. Many global food companies are now in a fierce competition in Vietnam because the Vietnamese market appears promising. Therefore, to gain a relative advantage, Korean food companies must build a strategy that establishes and strengthens brand equity strategies in the long run, using the positive relationship with Vietnam.

Exports of Korean agricultural products to Vietnam have been rapidly growing since 2010. As the fourth exporting country of Korean agricultural products, following Japan, China and USA, Vietnam is positioning as a diplomatic outpost for Korean agricultural products bound for Southeast Asia. The export amount of Korean agricultural products to Vietnam has been increasing over the years, from USD 153 million in 2010 to USD 275 million in 2011, and USD 461 million in 2015. With the increase in income of Vietnamese citizens, the purchasing standards increase, and imported food is preferred. The increase in imported food actually shows the demands of Vietnamese consumers for various types of food. Agricultural import amount to Vietnam increased by 23% from $650 million in 2012 to $848 million in 2014, which proves the popularity of imported agricultural products in Vietnam, and this trend is expected to continue. Proven by such cases, the need for research of the Vietnamese food market is increasing. However, the Korean agricultural sector lacks research on Vietnam as a consumer market of Korean food, and an export market for Korean food.

In the foreign trade environment, Korean food companies have been struggling from China's Retaliatory action over Korea's THAAD deployment. Considering this circumstance, Korean food companies must diversify the export market. Vietnam, which has the most stable economic growth rate in the Indochina peninsula, can be an alternative. Therefore, this study sets and proves a hypothesis, which assumes that the brand equity of Korean food companies in Vietnam can positively affect the brand attitude and purchase intention of local consumers, and analyzes the effect of each component of brand equity on the brand attitude and food purchase intention of Vietnamese consumers. Finally, this study discusses the enhancement of competitiveness of Korean food and brand equity marketing strategy in the Vietnamese food market.

## 2. Theoretical Background

### 2.1. Brand Equity

A representative researcher for brand, Aaker (1991), defines brand equity as the total of assets and liabilities of the brand name and the brand symbol. He also says that such brand equity improves or diminishes the value of a product or service provided to the company itself and its consumers. Also, Aaker considers the brand equity as marketing effects, such as profit generated, or a high market share, when a product or service has a brand. He suggested five components of brand equity, such as brand awareness, brand image, brand loyalty, perceived quality, and other exclusive brand assets (patent, registered trademark, and distribution relationship).

To Aaker's argument, Keller disputes that brand equity is the result of a consumer's memory or knowledge of a brand. Keller also defines brand equity as consumer's discriminative reaction to marketing activities, and such discriminative reaction as knowledge of brand in consumer's memory. The components of brand equity are the 'brand awareness' and the 'brand image' (Keller, 1993). Later, through research, Keller added more components, such as 'brand loyalty,' 'brand preference,' and 'perceived quality,' to the existing 'brand awareness' and the 'brand image' (Keller, 2001). Among the components of brand equity suggested by Aaker, this research constructs brand equity as the 'brand image,' 'brand awareness,' and 'perceived quality' among the brand equity components suggested by Aaker (1991).

### 2.1.1. Brand Image

Aaker (1991) suggests that a brand means a unique name or symbol (logo, trademark, packaging, design, etc.) of a product or service used by a merchant to differentiate from competitors' product or service. American Marketing Association (AMA) defines a brand as 'the name, quality, sign, symbol, design, or the combination of above all to differentiate a company from its competitors of a good or service the company sells.' The modern meaning of a brand is more than the traditional meaning, brand as a branded product with high quality, as it defines a brand as an intangible feature such as a combination of brand association, value, and attitude.

Aaker (1991) defines brand image as something related to the association of a brand, and brand image is a set of meaningful and organized associations. He also argues that strong brand association formulates a specific brand image, and that brand association is linked together in a complex way. Aaker (1991) defines brand association as "every memory associated with the brand" and brand image as "a set of meaningful brand associations." Then, he argues that

brand association becomes powerful than ever when it has various experience or is exposed to communication. On the other hand, Keller (1993) defines brand image as the awareness of a brand reflecting brand associations in consumer's mem ory, and argues that brand association can be characterized by strength, preference, and uniqueness, and successful outcome in this dimension creates the most positive brand reaction. Defining brand image in terms of associations, also argues that strong brand image is formed with favorable, strong and unique associations, and that it is important to focus on the measurement of unique brand association rather than on individual measurement of brand image components when measuring brand image as a brand equity value. Keller (2001) states that it is important to create a meaningful brand image, in order to build a strong consumer-based brand.

As a recent research trend, the research of Wu and Yoon (2017) shows the tendency of customers of infant food in the Chinese market that the higher the Brand Image, the higher the Brand Attitude. Also, such positive Brand Attitude has positive impact on Purchase Intention. The research of Wang Xi (2017) proves such tendency of the customers that the Korean Wave helps create positive Brand Image, which eventually has positive impact on Purchase Intention. These results show the need for marketing strategies using the Korean Wave through various contents, such as Korean drama, Korean movie, and K-Pop, in order to improve Brand Image. The research of Yi and Su (2014) shows the tendency of customers of high-tech product in Chinese market that The positive products' brand image has positive impact on consumers' Purchase Intention.

### 2.1.2. Brand Awareness

Brand awareness means the ability of a consumer to recognize or recall a particular brand in one product category. The first brand that comes to mind when a consumer decides to purchase a product has a high brand equity value (Aaker, 1995). Brand awareness formation has four steps of no-awareness, aided-awareness, unaided-awareness, and top-of-mind-awareness. Such brand awareness plays a role as an associative medium that connects a brand to an image, and serves a role to create commodity values such as preference, symbol of quality and commitment, and brand to consider purchasing (Aaker, 2007).

Brand recognition is the ability to identify a particular brand in various situations, and it means whether the information of a brand (brand name, logo, packaging, etc.) is stored in memory. Brand recognition is measured by depth and width. Depth is related to the possibility of a brand getting recognized or reminded, and width is related to the variety of purchasing and consumption situations when a brand comes to mind. Brand recall is the ability of a

consumer to take out information already store in memory, and as an unaided awareness, this means the ability to immediately recognize the information of a specific brand in the memory of a consumer. When a consumer decides to make a purchase, he/she recognizes various brands from memories in a product category, and selects one brand out of many. The first recognized brand is the top-of-mind-brand, and this is the brand with the strongest recognition which has a significant competitive advantage in the market (Keller, 1993).

The research of Kim and Jang (2014) shows that Brand Awareness has a positive impact on Brand Attitude of customers, which eventually has positive effect on Purchase Intention. Perceived Quality has relatively lower effect on Brand Attitude than Brand Awareness does. The factor with the greatest impact on customers' Brand Attitude appears to be Brand Awareness, that it is an important variable to not only retain existing customers with purchase experience but also to attract new customers. The research of Nguyen N. D. P., and Nguyen T. D. (2017) shows the tendency of customers of functional food in the Vietnam food market that the higher the brand popularity and company's fame, the higher consumers' positive attitude. Also, such positive Brand Attitude has positive impact on Purchase Intention.

### 2.1.3. Perceived Quality

Aaker (1991) explains that perceived quality of a certain product that consumers have is overall quality and superiority as intended by the product or service. He explains that the quality that consumers receive perceived quality for a particular brand is invisible and is an overall emotion that is comprehensive and generally compositional. He also argues that consumers' perceived quality for a particular product cannot be always objective, because consumers' perception is linked to evaluation. Perceived quality of a certain product is not related to product satisfaction or attitude. consumers might feel satisfied with a product because of low expectations, or consumers' positive attitude could form despite a low quality in case of a low price. Aaker (1991) explains the importance of perceived quality, arguing how it can also be used as an important strategic weapon for the company, and how the perceived quality by the consumer is related to other image components or can lead how whole brand is perceived.

Ziethaml (1988) sees product quality in a broader range of superiority or excellence, and defines perceived quality as consumer judgment about the overall superiority of the product, based on the broader range of product quality. He explains perceived quality in four different ways: 1. Subjective concept distinguished from object quality, 2. Subjective concept that is distinct from objective quality, abstract and complex concept, 3. A consumer's overall evaluation of a particular product, a concept similar to product attitude, and 4. Consumer judgments of alternatives.

The research of Kim (2015) is done with variables, such as whether it tastes good, whether the quantity is appropriate, and whether the quality is satisfiable at the price, in order to measure Perceived Quality for food. The results show that positive evaluation of food quality has a positive impact on customers' satisfaction and Purchase Intention. It shows that the price factor and the emotional factor in the parameters between the Perceived Quality and the Purchase Intention have a significant influence, underlining the importance of strategies that can enhance the emotional factors, because strategies to reduce price or to enhance benefits require sales reduction and cost increase. Among such marketing strategies, strategies using Brand Equity seem to be the most effective. The research of Kim and Lee (2016) shows that the Perceived Quality will have a significant impact on the customer satisfaction, which eventually has positive effect on Purchase Intention.

## 2.2. Brand Attitude

As a related research, Homer and Yoon (1992) examine the relationship between advertising message, and brand attitude formation, and consumer purchase intention, and the result shows that brand attitude is the tendency of consumer trying to purchase or to use the product or service, and that brand attitude directly influences the emotional purchase intention. Chaudhuri and Holbrook (2001) explains that positive brand attitude of consumer leads to brand preference, and affects consumers to recommend the product to others or to make purchase again.

Keller (1993) explains brand attitude as the learned tendency to respond consistently to the brand in a favorable or unfavorable way, and high level of strong brand association. Such brand attitude, as the comprehensive evaluation of consumer, is an important factor to understand consumer psychology or behavior, including emotions of the brand, and choice of the brand, as a criterion for consumer to choose a brand. Also, brand attitude is important that a positive reaction to advertisement can be transferred to a positive attitude towards the advertised products, which later can lead to buying decision (Keller, 1998).

The research of Kang and Kang (2017) is an analysis of actual proof that the effect of customer attitude for the rice processed food on Purchase Intention, and it has been shown that positive Customer Attitude has a positive impact on Customer Purchase Intention. Such results underscore the importance of marketing strategies to form positive brand attitude. The research of Mahfuzur, Yusof, Mohamed, and Che (2017) shows that Positive Brand Attitude has a positive impact on Purchase Intention of high-tech product in the Malaysian market.

## 2.3. Purchase Intention

When acquiring information through research, consumers form new belief, or strengthen or change existing belief. Such belief, despite the level of preference, shows the attitude towards a product (Fishbein & Aizen, 1975). Such purchase intention is an important variable to predict consumer behavior, as it has to measure tendency expressed externally when consumer is about to take a specific action. Purchase intention is the possibility of belief and attitude transferred to actual purchase. It is also the consumer's action variables used to measure a planned future action of an individual, and an external effect of traditionally perceived quality. According to the Behavioral Intention Model created by analyzing such, individual's behavior is directly affected by the degree of intent to perform, so the intention right before the purchase behavior is important.

Tylor and Baker (1994) defines purchase intention as the extent to which people who have purchased a particular brand at least one time are willing to purchase the same product next time. Intention refers to the possibility that such belief and attitude are transferred to an individual's planned future action. Though there are many studies suggesting that purchase intention is a valid measure for predicting and measuring purchase behavior, there is a clear difference between the two components. In addition, high purchase intention does not necessarily mean high purchase action. Purchase intention has a close relationship with buying decision, but one does not mean another since attitude of others or unexpected situation might intervene. However, it is clear that the marketing strategy of increasing a consumer's purchase intention to trigger buying decision, and the higher purchase intention, the more likely to make buying decision (Engel & Blackwell, 1990).

The research of Kim et al., (2014) is an analysis of the relationship between brand of products and consumer buying behaviors, shows that agricultural quality assurance had the positive effect for consumer buying behavior of agricultural brand products, which eventually has positive effect on Purchase Intention. According to the research of Cho (2015), customers in the Vietnamese food market with improved preference of a global brand, can directly experience Purchase Intention. It has been shown that quality is the priority for Vietnamese customers to consider Purchase Intention, followed by social values such as contribution to the community development. Such results show that it is necessary to execute Corporate Social Responsibility (CSR) strategies in order to improve the brand image, along with quality assurance strategies.

## 2.4. Korean Food Companies Present in the Vietnamese Market

The reason Orion was selected as a study sample brand is its success in Vietnam. It is the most successful example of Korean food companies entered the Vietnamese market, and a lot of Vietnamese people love the brand. Other Korean food companies are also present in the Vietnamese market, of course, but they are not suitable for this study because their market share and sales are low, and their brand equity value is not formed yet. Orion, which entered the Vietnamese market through export of Choco Pie in 1995, began to expand in earnest by establishing a local manufacturing factory in Ho Chi Minh in 2006. In the following year, Orion generated sales of 26.7 billion won, and accelerated the Vietnamese market expansion by establishing the second manufacturing factory in Hanoi in 2009. In 2010, the annual sales exceeded 100 billion won. Orion has been continually growing its business with the annual sales of 150 billion won in 2014, 165 billion won in 2015, and 101 billion just in the first half of 2016.

The powers behind high growth in the Vietnamese market were snack products, and Choco pie. Choco Pie, which has accumulative sales of 2 billion units by 2014, occupies a 38% market share in the Vietnamese pie market and now has become a national pie. Choco pie is such a "national pie" as it even goes on the Vietnamese memorial service table. Almost every store and restaurant in Vietnam have a memorial service table at the entrance, and Choco pie is usually seen on it. Other than Choco pie, Orion has snack brands including 'Custard,' 'Ostar,' 'Gosomi,' 'Goraebab,' and its market share is 23%, closely following the 26% of the number one snack company, Oishi(Japan).

Thorough localization strategy has played a huge role in Orion's success in the Vietnamese market. With reduced production cost, reduced labor cost, and reduced distribution expenses by producing locally, Orion can achieve superiority than other confectionery companies, which focus solely on import and sales. Through localization, Orion has built a distribution network all throughout Vietnam, to the point where Orion can display their products even at a conventional store. Orion, with its long-term business strategies, has been selected as "Vietnam's Top 500 Companies" in 2015, whose average annual growth rate from 2009 to 2013 is 20%.

## 3. Methodology

### 3.1. Research Model

Reviewing previous studies, a research model is constructed as shown in <Figure 1> in order to analyze the effects of brand equity on brand attitude and purchase intention of Korean food companies in Vietnam.
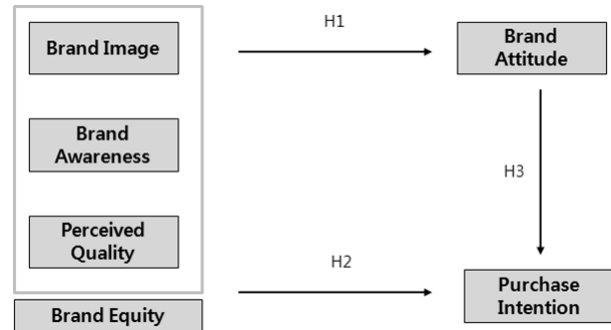


**<Figure 1>** Research Model

### 3.2. Research Hypothesis

This research tries to analyze the relationship between brand equity, brand attitude and purchase intention, and constitutes brand image, brand awareness, and perceived quality, among the brand equity components suggested by Aaker(1991). Based on the previous research review and the research model shown in <Figure 1> the following hypotheses were established.

<H 1> Brand equity(brand mage, brand awareness, perceived quality) will have a positive effect on positively affect the brand attitude
   <H 1-1> Brand image will have a positive effect on positively affect the brand attitude.
   <H 1-2> Brand awareness will have a positive effect on positively affect the brand attitude.
   <H 1-3> Perceived quality will have a positive effect on positively affect the brand attitude.

<H 2> Brand equity(Brand image, brand awareness, perceived quality) will have a positive effect on positively affect the purchase intention.
   <H 2-1> Brand image will have a positive effect on positively affect the purchase intention.
   <H 2-2> Brand awareness will have a positive effect on positively affect the purchase intention.
   <H 2-3> Perceived quality will have a positive effect on positively affect the purchase intention.

<H 3> Brand attitude will have a positive effect on positively affect the purchase intention.

### 3.3. Variable Operational Definitions and Measurement

Definitions of brand equity, brand attitude, and purchase intention, and variables used in this research by reviewing previous researches are suggested in <Table 1>.

**<Table 1>** Concept Definitions and Measurements

| Variable | Operational Definitions | Measurement Items | Source |
|---|---|---|---|
| Brand Image | recognition of brand reflected through various brand associations in consumer memory | luxury, safety, credibility, attractiveness | Keller (1993), Aaker (1996) Wu (2017) Wang (2017) |
| Brand Awareness | the degree a potential consumer can re-recognize or recall a specific brand belonging to a product | brand awareness, product distinction, recall of brand symbol, differentiation from its competitor | Keller (1993), Aaker (1996) Yoo & Donthu (2001) Kim (2014) |
| Perceived Quality | consumer's perception of a product or service's intended general quality or excellence | quality excellence, identity, quality difference from its competitor, credibility | Aaker (1991), Zeithaml (1988) Kim (2015) |
| Brand Attitude | learned tendency to respond consistently to the brand in a favorable or unfavorable way, high level of strong brand association | positive attitude, satisfaction, preference, favorability | Keller (1993) Kang (2017) |
| Purchase Intention | willingness to purchase if the necessity of purchasing gets important | want to purchase, want to recommend to others, possibility of purchasing | Engel & Blackwell (1990) Cho (2015) |

**<Table 2>** Demographic Characteristics

| Category | | N | % | Category | | N | % |
|---|---|---|---|---|---|---|---|
| Gender | Male | 96 | 40 | Family Income (Dong, monthly) | Less than VND4M | 63 | 27 |
| | Female | 144 | 60 | | VND4 ~ 8M | 61 | 25 |
| Age | Under 20 | 8 | 3 | | VND8 ~ 16M | 78 | 32 |
| | 20 ~ 29 | 145 | 61 | | VND16M and over | 38 | 16 |
| | 30 ~ 39 | 69 | 29 | Food Consumption (Dong, monthly) | Less than VND800K | 49 | 21 |
| | 40 ~ 49 | 15 | 6 | | VND800 ~ 1,600K | 93 | 39 |
| | 50 and over | 3 | 1 | | VND1600 ~ 3,200K | 59 | 24 |
| Occupation | Students | 117 | 48 | | VND3,200K and over | 39 | 16 |
| | office worker | 20 | 8 | Korean Food purchasing place | Traditional Markets | 6 | 2 |
| | Government worker | 14 | 6 | | supermarket | 27 | 12 |
| | Homemaker | 79 | 33 | | Wholesale Mart | 187 | 78 |
| | Self-employed | 4 | 2 | | Online | 14 | 6 |
| | Other | 6 | 3 | | Other | 6 | 2 |
| Education Background | Middle school or below | 8 | 3 | Korean Food Purchasing frequency (monthly) | once a month | 9 | 4 |
| | High school | 62 | 26 | | 1 ~ 4 | 157 | 65 |
| | Bachelor's degree | 146 | 61 | | 5 ~ 8 | 34 | 14 |
| | Graduate school or above | 24 | 10 | | Over 8 | 40 | 17 |

Note: The Vietnamese Dong(VND) has been the currency of Vietnam since 1978. (Average exchange rate 2016: 1 USD=22,372 VND, 1M=1,000,000, 1K=1,000)

## 4. Results

### 4.1. Demographic Characteristics

This research aims to analyze the effect of brand image and brand awareness on consumer's brand attitude and purchase intention. To do so, Vietnamese consumers living in the Northern Hanoi area were randomly selected, and surveyed with the help of local researchers. The survey took place for about a month, from October 10th, 2017, to November 8th, 2017. Since Orion is the brand of this research, survey respondents without purchase experience of Orion product were asked to stop the survey. Empirical analysis has been done based on the 240 survey results. Survey questions of previous research were reviewed and revised according to the purpose of this research. There were nineteen survey questions in total, with four of them about brand image among the brand equity components,

four about brand awareness, four about perceived quality and three about purchase intention. Every question was translated into Vietnamese, and the survey was measured using the Likert Scale of 5 Points, 1 point being 'not at all,' 2 being 'not,' 3 being 'normal,' 4 being 'agree,' and 5 being 'strongly agree.' The collected data were analyzed using statistical programs such as SPSS 21 and AMOS 21. The credibility of the variables was examined through exploratory factor analysis, confirmatory factor analysis, and the hypothesis was examined through the structural equation model analysis. Total of 240 subjects were examined in this research, and demographic survey questions used to analyze the characteristics of the respondents including sex, age, occupation, education, average monthly household income, average monthly food purchasing cost, places to purchase Korean food, and the monthly frequency of purchasing Korean food. The frequency of sample characteristics was later analyzed.

The respondents had more female than male, with 96 male (40%) and 144 female (60%). The respondents were mostly in their 20's, with eight teenagers (3%), 145 in their 20's (61%), sixty nine in their 30's (29%), fifteen in their 40's (6%), and three over 50's (1%). Considering the average age of Vietnam is 29, the result well indicates the demographic characteristic of Vietnam. The demographic characteristics of this research with the analysis of 240 respondents' answers were shown in the <Table 2>.

## 4.2. Credibility and Validity Verification

In order to test the credibility and validity of the variables of this research, reliability and validity between variables were proved through reliability analysis and exploratory factor analysis, and confirmatory factor analysis was performed based on this to confirm the composite reliability and AVE value to test the intensive validity. Credibility means the possibility of obtaining the same measurement value for the same concept when measuring repeatedly. Cronbach's Alpha coefficient, with the coefficient above 0.6 considered as credible, is usually used in the credibility analysis. The Cronbach's Alpha coefficient of this research is big enough as larger than 0.8. In exploratory factor analysis, the number of factors with an Eigen value of 1 or more was extracted, and the Varimax rotation method was applied as the factorial rotation method to maintain independence between the factors. The KMO measure of this research, which indicates whether the degree of correlation between

variables is well explained, is generally good at 0.7 or above, was 0.859.

The Bartlett's sphere formation test result to test whether the use of factor analysis is appropriate proves that the use of it is appropriate with the p-value of 0.000, lower than the reference value of 0.05. The cumulative dispersion ratio of extracted factors was shown as 80.84%. Considering it is better to exclude questions with 0.4 or lower cumulative dispersion ratio, two out of nineteen survey questions were eliminated, seventeen questions in total were used to analyze, and the extracted factor analysis is shown in <Table 3> below.

In this study, confirmatory factor analysis was performed to confirm the suitability of each survey question in the structural equation model based on exploratory factor analysis. The standardized estimates for each item appeared as 0.7 or higher (appropriate fit at 0.5 or higher). Overall fitness appeared as $\chi^2$(df)=290.006(109), p=0.000, $\chi^2$/df=2.661, RMR=0.039, GFI=0.887, AGFI=841, NFI=0.926, IFI=0.953, TLI=0.941, CFI=0.952, and RMSEA=0.083. Looking at the appropriate fit, it is appropriate if the $\chi^2$/df value is lower than 3. Given RMR (excellent below 0.05), RMSEA (excellent below 0.05, acceptable below 0.08, and inappropriate above 0.1), GFI, CFI, NFI, IFI, and TLI (excellent above 0.9), AGFI(excellent above 0.9, acceptable above 0.8) shows the RMSEA value slightly lower than the acceptable, but the overall fitness of the research model seems to be reasonable.

**<Table 3>** Results of Exploratory Factory Analysis

| Variables | | (1) | (2) | (3) | (4) | (5) |
|---|---|---|---|---|---|---|
| Brand Image | safety | .908 | .168 | .025 | .071 | -.007 |
| | luxury | .871 | .293 | -.046 | .030 | .004 |
| | attractiveness | .866 | .169 | .021 | .096 | .026 |
| | credibility | .807 | .300 | -.057 | .062 | .133 |
| Brand Awareness | brand awareness | .398 | .795 | -.048 | .063 | .080 |
| | product distinction | .356 | .773 | .043 | -.048 | .049 |
| | recall of brand symbol | .390 | .771 | .065 | .156 | -.024 |
| | differentiation from its competitor | .550 | .668 | .048 | .004 | .106 |
| Perceived Quality | identity | .016 | -.061 | .873 | .184 | .107 |
| | quality difference from its competitor | .073 | .068 | .859 | .183 | -.022 |
| | quality excellence | .121 | .120 | .824 | .235 | .107 |
| Brand Attitude | preference | -.062 | -.025 | .154 | .898 | .115 |
| | satisfaction | .076 | .019 | .241 | .868 | .192 |
| | positive attitude | .114 | .054 | .233 | .832 | -077 |
| Purchase Intention | want to purchase | .260 | .045 | .096 | .133 | .864 |
| | possibility of purchasing | .246 | .133 | .049 | .080 | .849 |
| | want to recommend to others | .280 | .109 | -.020 | .049 | .833 |
| Eigen Value | | 7.837 | 3.606 | 1.542 | 1.341 | 1.033 |
| Variance (%) | | 41.246 | 18.980 | 8.116 | 7.060 | 5.438 |
| Accumulative variance (%) | | 41.246 | 60.226 | 68.341 | 75.401 | 80.840 |
| Cronbach's Alpha | | .942 | .891 | .866 | .883 | .945 |

**<Table 4>** Results of Confirmatory Factory Analysis

| Variables | | S.E. | C.R.(t) | Standardized Path Coefficient | AVE | Construct Reliabilities |
|---|---|---|---|---|---|---|
| Brand Image | attractiveness | .049 | 20.722 | .924 | 0.802 | 0.942 |
| | credibility | .045 | 21.113 | .933 | | |
| | safety | .048 | 18.935 | 3884 | | |
| | luxury | | | .863 | | |
| Brand Awareness | differentiation from its competitor | .064 | 16.809 | .866 | 0.670 | 0.890 |
| | recall of brand symbol | .065 | 14.660 | .794 | | |
| | product distinction | .061 | 17.188 | .879 | | |
| | brand awareness | | | .846 | | |
| Perceived Quality | difference from its competitor | .068 | 17.221 | .895 | 0.804 | 0.925 |
| | identity | .057 | 17.309 | .899 | | |
| | quality excellence | | | .840 | | |
| Brand Attitude | preference | .061 | 17.009 | .822 | 0.802 | 0.924 |
| | satisfaction | .050 | 21.625 | .944 | | |
| | positive attitude | | | .889 | | |
| Purchase Intention | possibility of purchasing | .051 | 20.467 | .894 | 0.798 | 0.922 |
| | want to recommend to others | .047 | 21.455 | .915 | | |
| | want to purchase | | | .896 | | |
| Model Fit Estimates | χ²(df)=290.006(109), p=0.000, χ²/df=2.661, RMR=0.039, GFI=0.887, AGFI=841, NFI=0.926, IFI=0.953, TLI=0.941, CFI=0.952, RMSEA=0.083 | | | | | |

**<Table 5>** Correlations and AVE

| | (1) | (2) | (3) | (4) | (5) | AVE |
|---|---|---|---|---|---|---|
| Brand Image | 1 | | | | | 0.802 |
| Brand Awareness | .689(.475)*** | 1 | | | | 0.670 |
| Perceived Quality | .449(.202)*** | .508(.258)*** | 1 | | | 0.804 |
| Brand Attitude | .588(.346)*** | .497(.247)*** | .523(.274)*** | 1 | | 0.802 |
| Purchase Intention | .713(.508)*** | .649(.421)*** | .476(.227)*** | .655(.429)*** | 1 | 0.798 |

Note: ***p<0.01, The numbers in parentheses( - ) are Squares each value

There are two methods to evaluate the centralized volatility in the structural equation modeling: average variance extraction value (AVE) and construct reliability. In general, the measurement model is judged to have intensive validity if the average variance extraction value is above 0.5 and the conceptual reliability is higher than 0.7. The result of this study shows that there is an intensive reliability, with the average variance extraction value is above 0.5 and the conceptual reliability is higher than 0.7. If the intensive validity is related to how closely the multiple measures of the same concept are related, the discriminating validity means the correlations between the measurements obtained by making measurements on different constructs should be low. The discriminating validity can be confirmed by comparing the AVE value with the squared value of the conceptual correlation coefficient. If the AVE value is bigger than the square of the correlation coefficient between the components, it can be judged that the discriminating validity exists. The results of the analysis show that there is a correlation between the variables, as correlation coefficient

values in <Table 5> are lower than the AVE value.

## 4.2. Hypothesis Verification

The purpose of this research is to analyze the effect of brand equity (brand image, brand awareness, and perceived quality) on consumer brand attitude and purchase intention. This research examines a hypothesis on the relationship between brand equity, brand attitude, and purchase intention, and discusses implications and possible brand marketing strategies of Korean food companies in the Vietnamese food market in conclusion. In order to verify the proposed hypothesis in this study, structural equation analysis was performed. The overall fit was secured at χ²(df)=210.947 (107), p=0.000, χ²/df=1.971, RMR=0.041, GFI=0.913, AGFI=876, NFI=0.946, IFI=0.973, TLI=0.965, CFI=0.973, and RMSEA=0.064. The hypothesis test result of this research model is presented in <Table 6>.

<Table 6> Hypothesis Verification of Integration Model

| Hypothesis | Path | S.E. | C.R.(t) | Standardized Path Coefficient | P-Value | Adopted / Rejected |
|---|---|---|---|---|---|---|
| H1-1 | Brand Image → Brand Attitude | .069 | 4.940 | .409 | *** | adopted |
| H1-2 | Brand Awareness→ Brand Attitude | .072 | .675 | .057 | .500 | rejected |
| H1-3 | Perceived Quality→ Brand Attitude | .071 | 4.509 | .309 | *** | adopted |
| H2-1 | Brand Image → Purchase Intention | .073 | 4.988 | .373 | *** | adopted |
| H2-2 | Brand Awareness → Purchase Intention | .073 | 3.294 | .240 | *** | adopted |
| H2-3 | Perceived Quality → Purchase Intention | .074 | .766 | .046 | .444 | rejected |
| H3 | Brand Attitude → Purchase Intention | .076 | 4.020 | .258 | *** | adopted |
| $\chi^2(df)=210.947(107)$, p=0.000, $\chi^2/df=1.971$, RMR=0.041, GFI=0.913, AGFI=876, NFI=0.946, IFI=0.973, TLI=0.965, CFI=0.973, RMSEA=0.064 |||||||

## 5. Conclusion

### 5.1. Analysis Results

This study analyzes the effect of brand equity of a food company on the brand attitude and purchase intention of consumers with a sample of Vietnamese consumers, to increase Korean food exports to Vietnam. The previous study was performed with the focus on food company brand equity among many other types of brand equity. Most existing studies focused on the domestic market, or are limited to the Chinese market even in the case of overseas studies. To obtain new findings, this study was conducted in the Vietnamese market to study the brand equity of Korean food companies that must diversify the market. Market diversification is necessary because Korean food companies have struggled in the Chinese market due to China's Retaliatory action over Korea's THAAD deployment. In particular, Vietnam has become a promising market, because it has a continuously high economic growth rate among the Indochina peninsula countries, and an increasingly positive national impression about Korea.

The analysis result shows that the, brand image and perceived quality are accepted, and the brand awareness is rejected from <hypothesis 1>: the brand equity (brand image, brand awareness, perceived quality) will positively affect the brand attitude. Among the brand equity values, the components that most strongly affects the brand attitude of Vietnamese consumers is the brand image. The brand image and brand awareness are accepted, and the perceived quality is rejected from <hypothesis 2>: the brand equity (brand image, brand awareness, perceived quality) will positively affect the purchase intention. In <hypothesis 2>, the brand image also has the largest explanation power, whereas, the hypothetical statement that "the perceived quality will positively affect purchase intention" is rejected from <hypothesis 2> because the perceived quality may not lead to purchase intention. The qualities of Orion brand products, which focuses on confectionery products, are uniform, and the element of taste that determines the superiority in quality is subjective. <Hypothesis 3>, which

states that the: brand attitude positively affects the purchase intention and proves that satisfaction, preference, and positive attitude toward the Orion brand of Vietnamese consumers directly affect the purchase intention, is accepted.

### 5.2. Implications

Based on the empirical analysis of the brand equity of a Korean food company in Vietnam (Orion), the implications are as follows.

First, among the components of brand equity, the brand image is confirmed to positively affect both brand attitude and purchase intention. This finding indicates the importance of a brand image in the Vietnamese market marketing strategy of a Korean food company. The study of Jang and Hwang (2014), which examined the components of brand image of a Korean food company and the effect of the brand image on the purchase intention, also shows that the brand image positively affects the on purchase intention. This study shows that it is necessary to establish a brand image that satisfies the tendency of Chinese consumers by understanding the tendency of Chinese consumers who are interested in Korean imported food and establishing differentiated marketing strategies for each consumer segment to gain market share in the Chinese market. Since the sample is overseas consumers with lower accessibility to Korean food than domestic consumers, one can interpret that high awareness of brand to foreign consumers may have a more positive effect on the purchase intention.

Second, high brand awareness does not necessarily lead to positive brand attitudes of consumers. In this study, the hypothesis that the brand awareness positively affects the brand attitude is rejected, but the hypothesis that the brand awareness positively affects the purchase intention is accepted. Hwang's study (2013), which investigated the relationship between equity and purchase intention of domestic consumers, shows that the brand image positively affects the purchase intention, and rejects the hypothesis that the brand awareness and perceived quality have a positive effect. This study shows a difference that the brand awareness also positively affects the purchase intention.

Because the consumers of this study are overseas consumers (Vietnam), it is worth examining how the brand awareness positively affects the purchase intention.

Third, both brand image strategy and marketing strategy are necessary to increase brand awareness. In previous studies and this study, the brand image appears to positively affect the brand attitude and purchase intention. However, the fact that the consumers are aware of a brand does not directly lead to positive consumer attitudes. Therefore, marketing strategies such as CSR activities are necessary, for the brand awareness to result in positive brand attitudes. Kim (2011) verifies the hypothesis with the hierarchical regression model that the CSR activities of Korean food companies in the Chinese market positively affect the purchase intention of the consumers, and the effect will be moved in the positive direction. Although the study was about the Chinese market, its result can be applied to the Vietnamese market. Therefore, Korean food companies in the Vietnamese market can improve their brand awareness through CSR activities, and the brand equity enhanced in this manner will eventually result in actual purchase intention in the long run by enabling the Vietnamese consumers to form a positive brand attitude. Considering all listed implications, Korean food companies in the Vietnamese market will need a marketing strategy to boost the market share and maintain brand superiority among oversea food companies with improved brand equity through continuous brand management. Based on the research results and Vietnamese distribution market, practical implications applicable in terms of distribution point of view in this study are as follows.

First, marketing strategies using Korean Wave are necessary. As shown in this research, as well as in other prior researches, the Brand Image factor has a positive effect on Brand Attitude and Purchase Intention. Thus, improving the Brand Equity Value of company through marketing strategies in a connection with locally famous Korean celebrity, Korean drama, and K-POP, is recommendable.

Second, it is required to build a tight distribution network with local market. As shown in this research, purchase of most Korean food is done in big market (78%). As national income increases in Vietnam in the future, demand in food will also increase, and big markets in the urban area is expected to continuously grow. Thus, making a distribution channel with the following markets is a good strategy to execute: 1. Co.op mart, a national state corporation, which is one of Vietnam's top 5 markets, 2. BIG C, which if French, 3. Metro, which is invested by Germany, 4. Lotte Mart, a Korean mart, and 5. Vin mart of a large real estate company, Vin group.

Third, it is needed to build a cooperation system with local food companies in Vietnam. Some local food companies in Vietnam do want to cooperate with foreign food companies with advanced food manufacturing technology. Lotte, which has already expanded into Vietnam, is aggressively growing by securing 40% of the share of a local food company, Bibica. Strategies in cooperation with local companies will allow to execute the locally distributing strategy.

## 5.3. Limitations

The limitation of this study is that the cross-sectional studies were conducted in terms of the effects of brand equity. Brand equity also reflects consumer preference, which accumulates over a considerable period of time. However, measurements of the consumer attitudes and purchase intentions that reflect the brand equity are performed at a single point in time. There is also a limitation in sample and survey area. In this study, the company to measure the brand equity was limited to one Korean company (Orion). Previous studies that focused on the Chinese market were conducted with brands with market share in the local market, such as Orion, Lotte, and NongShim. However, this study focused on the Vietnamese market and could not use other brands for the empirical analysis because Orion is the only company with a market share in the local market. Thus, additional comparative research by brand may be required in the future considering the market situation of the confectionery industry in Vietnam.

In terms of sample limitations, the sample of this study is focused on the average age group in Vietnam, instead of evenly reflecting each age group. To call this study a study of the general Vietnamese consumers, many Vietnamese consumer samples should have been randomly selected. Furthermore, it appears that the surveys were limitedly conducted in Hanoi, which is the capital of Vietnam, because of time and cost limitations, since the research subjects are overseas consumers. In particular, a research result shows that consumers in the southern regions of Vietnam have a different consumption propensity from those in the northern regions of Vietnam, where consumers in the southern regions of Vietnam are likely to consume more than those in the northern regions of Vietnam. Therefore, the result of this study does not represent all Vietnamese consumers, and future studies should overcome such sample and regional limitations.

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