Brand Equity and Revisit Intention towards Food Truck Business

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Abstract

As a new phenomenon in Malaysia, food truck becomes popular among the entrepreneur and customer. Beside food, food truck also introduces branding for the marketing purpose. However, the influence of brand equity in food truck is still sparse. This study seeks to investigate the relationship between brand equity and customer revisit intention in the food truck business. The data will be collected via survey questionnaire and will distribute to the food truck customer in Klang Valley. The result obtained from this study will contribute to the knowledge in brand equity theory and the revisit intention of food truck customer as the consequence. It also an opportunity for food truck manager to improve understanding towards customer to succeed in the competitive environment.

Keywords: Brand equity; revisit intention, food truck

1. Introduction

Building a successful brand in the highly competitive markets has become as one of the key drivers to the success of an organization (Prasad & Dev, 2000). The advantage of having strong brand allows the organization to make their brands stand out among the competitive ones (Lee, 2014). An organization can build strong brand or brand equity for their products or services by creating the brand easy to remember, familiar and superior in terms of quality. This is because brand equity creates added value for the organization’s products that foster its long term strengths and competencies (Hanaysha, 2016).

There are two different perspectives in measuring brand equity, either financial or customer based (Siali, Jiayi, Shakur, & Ya’kob, 2016). In dealing with financial perspective, brand equity is measured or appraised from asset value of a brand name (Singh & Pattanayak, 2016). The financial perspective represents the monetary value of the brand and market place (Shuv-Ami, 2016). Furthermore, Baalbaki (2012) suggested that brand equity financial perspective is the brand value estimation. In contrast, customer based brand equity is focusing more on customer. Chieng and Goi (2011) referred customer based brand equity as the feedback by a customer when a brand name is appraised. Moreover, customer based brand equity is basically related to the brand strength (Ming, Ismail, & Rasiah, 2011). Customer based brand equity develop the firm understanding towards their customer and they will look forward to obtain the best way to meet their customer expectation (Majid, Alias, Samsudin, & Chik, 2016; Tan, Ismail, & Devinaga, 2015). Thus, this situation is beneficial for customer and firm. Consequently, brand equity increasingly defined in the context of customer based and applicable in various industries, including food and beverage industry (Chieng & Goi, 2011; Latif, Islam, Mohamad, Sikder, & Ahmed, 2015).

Brand equity is widely use as a part of the marketing strategy in the food and beverage industry. The previous studies on brand equity in Malaysia focused more in fast food, chain restaurant and family restaurant (Majid et al., 2016; Tan et al., 2015). (Majid et al., 2016) devoted that in the family restaurant, brand equity give positive influence to the customer intention to repurchase. Meanwhile, Tan et al. (2015) stated that to sustain in the market and encourage the customer re-patronage, the local fast food manager need to improve their understanding in brand equity by establishing the relevant input in customer’s mind. However, the gap in the brand equity especially in the service industry such as food services industry might be different with one and another (Hashim & deRun, 2013). Becoming a new trend in foodservice in Malaysia, monitoring brand equity in food truck deserves investigation. Thus, the dimensions of brand equity will be use to measure the relationship between brand equity and revisit intention towards food truck business.

The food truck industry has become a phenomenon and gained popularity around the world. In the United States, food truck give influences in the social, cultural and bring economic opportunities for both vendors and customers (Street Food Culture, Economy, Health and Governance, 2014). Moreover, food truck is suggested to be a part of food tourism in New Zealand (Thomas, 2016). Furthermore, the low start up cost motivates the young entrepreneur and expert chefs to join the food truck business due to the low startup cost (Wessel, 2012). Meanwhile, the customers attached to the food truck because of the quick service; healthier food option; menu that differ from home and also because of the friendly environment (Conner, 2011).

In Malaysia, the food truck phenomenon started in 2014 after the new food truck comer that offer menu from the restaurant with low price opened in Klang Valley (Durai, 2016). Overtime, the food truck business growth rapidly and by the end of 2016, there...
are approximately 500 food trucks in Klang Valley includes food truck entrepreneur programs by government agencies and independent operators (Ishak, 2016). Government also considered food truck as the best opportunity to replace the hawker by the year of 2020 because it seen more efficient, clean image and mobility advantage (Bernama, 2015). The fast growth of food truck business is positively influences by mobility features, menu offered, strong branding and marketing strategy through the social media (Durai, 2016; Pohopien, 2013). This is in line with Hawk (2013), that the food truck can be distinguished by branding, marketing and assorted food selection. Thus, become as a potential new business in Malaysia, the brand equity in food truck deserves investigation.

The food truck business can be categorized into different types, basically on the food truck appearance and branding, whereby there are traditional food truck, modern and stylish (also known as gourmet) and also restaurant based food truck. The traditional food truck selling local foods on the moving truck or SUV (Raganvan, 2014). Besides that, there are new generation of food truck that comes out the modern concept food truck that run by young entrepreneur who modified their truck become a branded truck and appeared clean and stylist (Ibrahim, 2011; Ragavan, 2014). Moreover, Ibrahim (2011) posited that there are some establish restaurant decide to run their operation in the food trucks and it is known as pop-up restaurant.

Although the food truck business is located in the street, Durai (2016) emphasized that strong brand wisely implemented as part of the marketing in food truck business. In consequence, some restaurant owner also agree that food truck is the opportunity for them to keep closer to customer, as well as advertising medium to create brand visibility (Ibrahim, 2011; TheEdge, 2010). However, the traditional food trucks focus more on the quality of food rather than branding. Myrick (2014) suggested that the branding play important role in influencing customer buying decision and an issue is arises. The issue is does brand contribute to the revisit intention towards food truck business in Klang Valley?

Concerning that food truck is raising popularity and become potential business in Malaysia, therefore, there is a need of greater understanding in food truck business (Durai, 2016). Thus, the motivation of this study is to understand and filling the gap in the relationship between brand equity and customer revisit intention in the context of food truck. Furthermore, this study will provide new body of knowledge in brand equity theory and the insight for food truck business, especially in Malaysia.

2. Literature Review

2.1. The rising of food trucks

Street foods can be defined as food and beverages that prepared and sold by the vendors or hawkers in the street area or other similar places (FAO, 2016). Numerous studies discuss hawker that significant with street food (Henderson, 2017). Despite of hawker, the street food also involves broad concept such as mobile trucks, booths or stands. Owing that literature in food truck is still limited and most of studies discussed more on entrepreneur opportunity and food truck in social media (Ibrahim, 2011; Wessel, 2016).

As a part of street foods, the elements of economic, convenient and located at the street or festivals catch the customer attention and give impact on customer behavior (Bellia, Pilato & Séraphin, 2016). By choosing food truck as the source of evidence for the relationship between brand equity and behavioral intentions, the definition of food truck needs to be identified. The mobile food truck is known as an emerging enterprise that served various foods, from the simple comfort food to the gourmet food (Esparza, Walker, & Rossman, 2014). Meanwhile, Wessel (2012) defined food truck as trucks with innovative designs, equipped with restaurant quality food prepping facilities and serving culturally diverse cuisine in stylishly branded in highly equipped catering trucks. Petersen (2014) indicated that the modern food truck is a truck that facilitated with modern equipments for cooking and selling foods. In the other word, the food truck can define as the truck that selling food and revitalizing by the modern technology in their business.

Overwhelming, the new generation of food truck appears with the stunning truck, gourmet food and branding as added value. The traditional food truck normal SUV or truck with effortless deco, meanwhile, the new food truck comes execute unique branding in their truck. Meanwhile, there are established restaurants that also run the food truck as their effort for brand name visibility (TheEdge, 2010). The different types of food truck draw different point of view in branding. However, if they want to hold their customer, brand is considered significant. Therefore, there is a necessity to examine how brand equity influences the customer revisit intention to the food truck. This study intends to contribute the clear views for food truck owner the effect of branding on their business, especially on customer revisit intention.

2.2 Brand equity

In the general marketing literature, authors like Aaker (1992) and Keller (2013) classified brand equity as multidimensional variables. Brand equity defined as a set of brand assets and liabilities that relates to the brand name and symbol that give value to the customers and organization (Aaker, 1992). Meanwhile, Keller (2013) explained that brand equity known as common denominator in the marketing strategy and to assess the value of a brand. Aaker (1992) and Keller (2013) suggested brand equity as the multidimensional variables. Aaker (1992) proposed brand awareness, brand loyalty, perceived quality, brand associations and propriety brand asset as the multidimensional for brand equity. Meanwhile, Keller (2013) proposed that brand equity should relate with the brand knowledge that contains brand awareness and brand image. Tan (2012) proposed additional dimensions for brand equity that known as brand familiarity and brand trust. Calvo-Porral, Martínez-Fernández, Juanatey-Boga, and Levy-Mangin (2015) proposed brand reputation and brand commercial image as dimension of brand equity. Although there is an abundance of research that proposed additional dimensions for brand equity, the current researcher emphasizes the important measurement in brand equity for the industry that related to food and beverage industry are brand awareness, brand image, brand loyalty and perceived quality (Majid et al., 2016; Seo & Jang, 2013). However, in this study, the dimensions of brand equity are limited to brand awareness, brand image and perceived quality. Brand loyalty is excluded from the dimension of brand equity by reason that brand loyalty is the outcomes of brand equity and it connected with repeating purchase (Alkhalwadeh, Salleh, & Halim, 2016).

In the hospitality industry such as hotels and restaurants, branding has power to influence the customer behaviour to revisit and re-purchase (Kang, 2011). Pham, Do, and Phung (2016b) identified that strong brand equity positively related with revisit intention. Tan et al. (2015) indicated that the combination of brand aware-
ness and perceived quality in fast food restaurant are crucial in the initial stage of brand building. Moreover, brand awareness and brand image also have a significant impact towards customer behavioral intention (Pham et al., 2016b). It is crucial to understand the effectiveness of relationship customer based brand equity to plan for the successful of street food such as food truck. In this study, brand awareness, brand image and perceived quality are suggested as the dimensions for brand equity for food truck.

2.2.1 Brand awareness

Basically, at the early stage of a product launch, a company need to focus on developing customer brand awareness (Wijaya, 2013). Brand awareness is crucial for a company because it related with the recognition of the customer towards their brand (Aaker, 1992). It has been identified that in the chain restaurant, brand awareness gives impact towards customer, whereby the customer will consider during purchasing session (Hyun & Kim, 2011). This is because with brand awareness, the consumer expectation in a brand name is high and this situation increases the consumer willingness to pay more and loyal with the brand (Rodrigues & Martins, 2016). In the context of food truck business, the food truck favourable branding creates the brand awareness among customer and influence the customer purchase behaviour (Wessel, 2012).

2.2.2. Brand image

Brand image is defined as the customer overall perception towards a brand (Hanaysha, 2016). Furthermore, the brand image also allied with the reputation and credibility (Wijaya, 2013). Latif et al. (2015) indicated that brand image contribute important role in developing brand equity. By comparing the traditional and modern food truck, the modern food truck image is found more visible and recognizable (Loomis, 2013). Sen, Savitskie, Ranganathan, and Brooks (2014) also pointed that the food truck image can give affect towards customer behavioural intentions.

2.2.3 Perceived quality

Perceived quality is described as the motivation to purchase, the differentiation or position, price, channel member interest and extensions (Aaker, 1992). Furthermore, perceived quality also related to the customer’s expectation towards a brand (Rodrigues & Martins, 2016). The customer personal perception in regards of experience with the product, unique needs and the situations and the insight of the customer will influence their decision making (Pham et al., 2016b). In the case of chain restaurant in Korea, the impact of perceived quality in the brand name leads the customer to patronage intention and word-of-mouth (Hyun & Kim, 2011). As highlighted by Myrick (2014), a strong brand can be built through the excellent quality of menu and service offered. Thus, the food truck owner should take appropriate action to maintain their food quality, service quality and the physical of the food truck aligned with customer perception to ensure the customer revisit intention.

2.3 Revisit intention

Revisit intention has been discussed in numerous researches that related food and beverage and mostly in a restaurant and the result indicates that it is important for restaurant revenue (Majid et al., 2016; Namin, 2017; Pham et al., 2016b). In the food truck business, Bu Bu Food Truck reported that 90% of their customer is the repeat customer (Gunararatnam, 2015). Since there is no specific study that discussed the customer revisit intention in food truck business, thus, further investigation in this area will contribute to the new body of knowledge. According to Abdelhamied (2011), the customer satisfaction can reflect the customer intention to re-patronage in future, and this shows that the marketing plan for fast food restaurant need to understand the importance of customer satisfaction. Besides that, revisit intention also can be affected by brand equity (Cardona, 2014). The previous study indicated that building the brand awareness and brand images in customer mind will increase their intention to return (Pham, Do, & Phung, 2016a). Based on previous experience, customer will evaluate the quality and reflects their attitudes (Hyun & Kim, 2011). Most of the previous studies in food and beverage industry discovered that perceived quality give positive impact to customer revisit intention (Namin, 2017; Pham et al., 2016a). Thus, this study will investigate the relationship between brand equity with revisit intention. Customer may concern about the physical appearance of the street vendor. Based on the above discussion, these hypotheses are postulated:

H1. Brand awareness is significant with revisit intention in food truck business

H2. Brand image is significant with revisit intention in food truck business

H3. Perceived quality is significant with revisit intention in food truck business

3 Methodology

In dealing with the objective of this study, it is proposed that the data will be collected using the quantitative approach through cross sectional study. For data collection, a set of questionnaire will be developed and distributed to the target respondent. The target respondents are from the food truck customer in Klang Valley. This study will involve different types of food truck (traditional food truck, new food truck corner and restaurant based food truck) that operated in the Klang Valley. Note that, Klang Valley is chosen as the population area due to the large number of the food truck operated in this area. It is proposed to use probability sampling technique.

Based on the variables in the conceptual model, the survey questionnaire will consist three (3) sections which are demographic information, brand equity and revisit intention. The first section (Section A) will comprise the respondent’s demographic information. The next section will be dealing with brand equity and
consists instrument that related with brand awareness, brand image and perceived quality. Section C is formed to examine the food truck’s customer revisit intention. The items that used for the survey questionnaire will be adapted and adopted from the previous research. Section A will be measured using the nominal scale. Meanwhile, Section B and Section C will be measured using the 7-point Likert Scale. Statistical Package for the Social Sciences Version 24 will be use to analyze all the data gathered in this study.

4. Contribution and Conclusion

As this paper is a conceptual paper, it is hoped that the result of this study will contribute to the knowledge in brand equity theory in the food truck business and the customer revisit intention. Brand awareness, brand image and perceived quality are proposed to serve as the dimensions that represent brand equity. Since the study in the brand equity in the mobile setting is still limited, this issue is worth to discuss. Furthermore, the academic literatures that discussed food truck in Malaysia are still sparse. It is believed that the findings from this study are significant for the academicians and the practitioner. For the academic perspective, this study will attempt to contribute to the body of knowledge in brand equity towards predicting the customer revisit intention in the food truck business. Other than that, this study will provide food truck manager more information on branding. In addition, the food truck manager will able to understand their customer, thus, they can succeed in the competitive environment. To conclude, although the food truck is part of street food, brand equity provides support information in food truck brand equity and customer behavior especially in revisiting.

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