

# Research Model on the Influence of Brand Image and Customer Trust on Purchasing Decision of Milk Products

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**ABSTRACT:** Vietnam is experiencing robust economic growth and development, leading to a significant improvement in the standard of living for its people. Milk and dairy products have become more familiar to the population, particularly fresh milk, which is an essential nutritional product in every household. This widespread adoption has fostered intense competition among domestic and imported products from major brands such as Vinamilk, Dutch Lady, F&N, Nutifood, Lothamilk, and Nestle. This article aims to explore relevant theories and information to develop deeper into the milk market, gaining a better understanding of how brand image and customer trust influence the purchasing decisions of Vietnamese consumers. Subsequently, hypotheses for research will be formulated based on this analysis.

**Keywords:** Brand image, customer trust, purchasing decisions, ...

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## I. INTRODUCTION

This study aims to elucidate the relationship between brand image and customer trust, while providing scientific evidence to demonstrate that these factors influence purchasing decisions. Providing Valuable Insights for Companies to Improve and Manage Their Brand Image to Increase Customer Trust and Purchase Decision Rates: Findings from this research can offer businesses insights into developing strategies and implementing specific measures to enhance brand image and bolster customer trust, thereby increasing the likelihood of purchase decisions. Expanding the Scope of Research in Marketing and Brand Management: This study contributes to expanding the scope of research in marketing and brand management, laying the groundwork for further studies on similar or related topics. Identifying the Relationship between Brand Image, Customer Trust, Competitive Pricing, and Promotional Programs on Purchase Decisions for Milk Products: This research supports managers and marketers in understanding which factors significantly impact customer purchase decisions, thereby aiding in the development of effective business strategies. Establishing a Foundation for Further Research on the Relationship between Brand Image, Customer Trust, Purchase Decisions, and Their Impact on Business Performance: This study sets the stage for future research on the relationship between brand image, customer trust, purchase decisions, and their influence on business performance.

## II. RESEARCH THEORY

### 2.1. Theory of brand image and brand trust

#### 2.1.1. Brand Image

Brand image is how a brand is recognized and perceived by customers and the community. It is a comprehensive view of the brand, including product features, values, market position, advertising messages, customer experience, and many other factors. Brand image is not only reflected from communication and advertising strategies but also from customers' actual experiences with the product or service. It is often built through the connection between impressions, emotions, and perceptions that customers have about the brand. Many studies have shown that brand image significantly influences purchase decisions.

#### 2.1.1.1. Brand Trust

Brand trust is a key factor in turning consumers into first-time customers. Consumers trust the products of a branded company more than unbranded products, even though the benefits provided may be similar. This trust is related to consumers' willingness to behave in a certain way because they believe that transaction partners will provide what is expected. Trust in a brand plays a crucial role in consumers' purchasing decisions. Consumers believe that a brand with a positive image is an assurance for the product.

#### *2.1.1.2. Promotion Program*

A promotion program is a tool to increase product sales and brand awareness, usually in the short term. They impact consumers' minds as a benefit to them, thereby generating consumer purchasing behavior. The effectiveness and importance of sales promotion in the market can be considered when presenting segment figures. In fact, a significant portion of product sales in some food industries is generated through sales promotion activities.

#### *2.1.1.3. Promotion Program*

A promotion program is a tool aimed at increasing product sales and brand awareness, usually in the short term (Wierenga & Soethoudt, 2010), as they impact consumers' minds as a benefit to them, thereby generating consumer behavior (Yusuf, 2010). The effectiveness and importance of sales promotion in the market can be considered when presenting segment figures. According to Teunter (2002), over 20% of product sales in some food industries are through sales promotion activities. In a report cited by Wierenga and Soethoudt (2010), over 75% of spending on communication in the durable consumer goods segment from 1997 to 2004 in the United States was driven by sales promotion activities, while 25% of spending was for other communication activities. In addition to the basic principles of the market, the importance is also substantiated in the scientific field, an area that has been studied for decades. In 1978, Preston, Dwyer, and Rudelius demonstrated the effectiveness of promotions in persuading consumers to open bank accounts. In that study, it was found that 50% of the increase in bank accounts occurred during an advertising campaign. More recently, D'Astous and Jacob (2002) demonstrated the effectiveness of this advertising tool in influencing computer purchases, while Boschetti (2012) affirmed the positive association, promoting financial service purchase behavior. As some authors emphasize (D'Astous & Landreville, 2003; Haans & Gijbrecchts, 2011; Jones, 2008), there are still academic and managerial shortcomings in understanding the deeper relationship between promotions and consumer behavior and their effectiveness for companies. In that context, this study has two main purposes:

To analyze the impact of promotional discounts on consumers' purchase intentions, evaluate impulse buying behavior (Puri, 1996; Ramanathan & Menon, 2006; Rook, 1987; Rook & Fisher, 1995), product pleasure perception (Batra & Ahtola, 1990; Hirschman & Holdbrook, 1982), and financial risk (Alvarez & Casielles, 2005; Bawa & Shoemaker, 1987; Lattin & Bucklin, 1989; Blattberg & Neslin, 1990);

To examine the moderating effect of the attractiveness of the promotion program, according to studies (Boschetti, 2012; D'Astous & Landreville, 2003; Liao, 2006; Santini, Sampaio, & Perin, 2011; Simonson, Carmon, & O'Curry, 1994) which alert that this perception enhances a positive relationship with purchase intention for promotional products. To achieve the stated objectives, this work is based on a laboratory experiment.

#### *2.1.1.4. Price Competition*

According to the Organisation for Economic Co-operation and Development (OECD), competitiveness is the ability of businesses, sectors, countries, and regions to create jobs and higher incomes under international economic conditions. Competitiveness is a multidimensional concept that can be considered at three different levels: (1) national level; (2) sectoral level; and (3) enterprise level. In this study, the authors approach competitiveness at the enterprise level. Currently, competitiveness at the enterprise level has several different viewpoints, specifically:

According to author Porter (1980), competitiveness is the ability to create, maintain, use, and innovate competitive advantages of the enterprise to generate higher productivity, higher quality than competitors, capture a large market share, generate high income, and sustainable development. According to Dunning (1993), competitiveness is the ability to supply the products of the enterprise in different markets without distinguishing the location of that enterprise. Recently, Porter (2010) argued that the competitiveness of a company can be understood as the ability to dominate the market for consuming similar (or substitute) products of that company. High market share and domination imply high competitiveness.

According to the Aldington Report (1985), competitive businesses are those that can produce products, services with superior quality, and lower prices than competitive rivals both at home and abroad. Competitiveness means achieving long-term benefits for the enterprise, ensuring income for workers and business owners. This definition is also reiterated in the White Paper on Competitive Tendering of the United Kingdom (1994). According to the UK Department of Trade and Industry (1998), price competitiveness is the ability to produce the right product, determine the right price, and at the right time. That means meeting customer demand with higher performance and efficiency than other businesses.

According to Porter (1980), labor productivity is the only measure of competitiveness. According to him, competitiveness is the ability to create, maintain, use, and innovate competitive advantages of the enterprise to generate higher productivity, higher quality than competitors, capture a large market share, generate high income, and sustainable development. Author D'Cruz (1992) defines competitiveness at the enterprise level as

the ability to design, produce, and market products superior to competitors, considering quality and non-price factors. According to Fafchamps (1999), competitiveness is the ability of businesses to produce products with lower average variable costs than their prices on the market, meaning that businesses with the ability to produce similar quality products as other businesses, but at lower costs, are considered to have high price competitiveness.

#### *2.1.1.5. Consumer Purchase Decision*

The consumer purchase decision is a process with many complex stages, influenced by both internal and external factors. Kotler and Keller (2012) have pointed out that the consumer shopping decision-making process occurs in five stages: recognizing needs, searching for information, evaluating options, making purchase decisions, and post-purchase behavior. The process begins with consumers perceiving differences between the current state and desires (Lamb et al., 2011) or through stimulation from external factors, such as advertising, friends, society, media, etc. (Kotler et al., 2005). Users then begin to search for information, with the need to collect information depending on the level of existing information and their perception of new information (Pradhan, 2009), and consider the relative importance of each product and service to make the final choice (Reid & Bojanice, 2009). Moreover, consumers may change, postpone, or avoid decision-making when they feel there is a risk in purchasing (Kotler et al., 2005). On the other hand, Kotler and Keller (2012) have pointed out that consumer shopping behavior is influenced by many factors, divided into cultural, social, individual, and psychological groups. Each of these groups is further divided into smaller factors that have different degrees of impact on consumer purchase decisions.

## **2.2. Related Research Theoretical Models**

### **2.2.1. Kapferer's Brand Image Model - 1997 (Brand Identity Prism)**

The Brand Identity Prism acts as a diagram to describe how the factors that make up a brand's identity are linked together. In 1996, Jean Noel Kapferer identified and modeled the factors that help businesses build a strong brand. A brand is sufficient to help businesses communicate clearly with the public, be memorable, and be recognized. Kapferer's Identity Brand Prism places these six factors in relation to each other by considering their position between the business and the customers and vice versa. In addition to the factors in Kapferer's Brand Identity Prism, which consider factors both internally and externally of the brand.

**Personality:** The second factor is personality or characteristics of the brand — the characteristics of the brand in the eyes of consumers. Personality is the characteristic of the brand; it is a set of human characteristics associated with a brand. With the personality factor, customers imagine the brand as a person with feelings, personality, style, etc. To convey the brand's personality to consumers, brands can use a specific writing style, tone of voice, attitude, or color. However, the use of these should be consistent and unified.

**Culture:** According to Kapferer, culture is a set of values that form or create a foundation for the brand. Culture includes a system of values and basic principles that the brand relies on its behavior.

**Relationship:** An important factor in the brand identity model is the relationship between the brand and consumers. This relationship includes both the abstract aspects of the relationship to more tangible aspects such as products, services of the provider. How a brand connects with its audience and the type of relationship built between the target audience and the brand depends entirely on the brand.

**Self-image:** Self-image relates to how customers perceive, recognize themselves in a specific brand. Brands can use self-image to their advantage by combining it with their brand. Self-image is like a mirror that the target group values — by associating oneself with certain brands, they perceive themselves differently.

**Reflection:** In the brand management model, although the terms sound similar, Self-image and Reflection differ in one notable point: Self-image refers to customers' ideas about themselves, while Reflection refers to how a brand describes its target object.

According to Kapferer: "Strong brands have the ability to combine all aspects [of the prism] into an effective whole to create a concise, clear, and attractive brand identity."

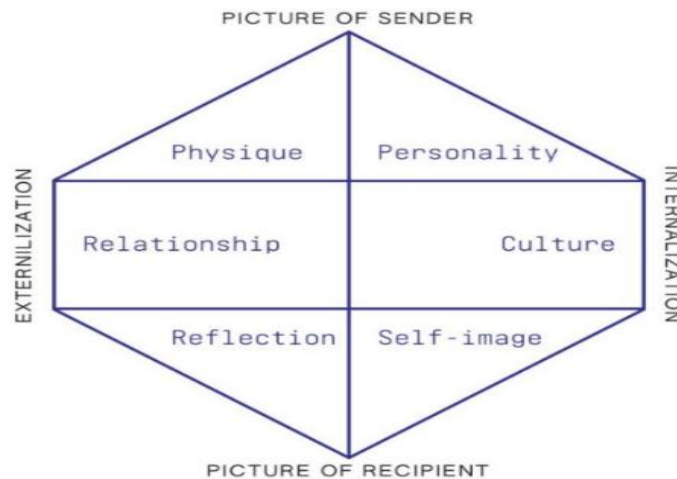


Figure 1. Brand Identity Prism Model

According to Kapferer (1997), the Brand Identity Prism model suggests that brand identity influences brand image in two ways:

Consistency: Brand identity must be consistent across all brand activities.

Clarity: Brand identity must be easy to understand and remember for consumers.

**2.2.2 Theory of Reasoned Action (TRA) Model (Ajzen and Fishbein, 1975)**

The Theory of Reasoned Action (TRA) was developed by Ajzen and Fishbein starting in 1967 and has been adjusted and expanded over time. The TRA model indicates that consumer attitudes are the best predictor of consumer behavior. To delve deeper into the factors contributing to purchasing trends, two factors are considered: attitude and subjective norms of the customer.

In the TRA model, attitude is measured by perceptions of product attributes. Consumers pay attention to attributes that provide necessary benefits and have varying degrees of importance. By knowing the weight of these attributes, it is possible to predict the consumer's choice closely.

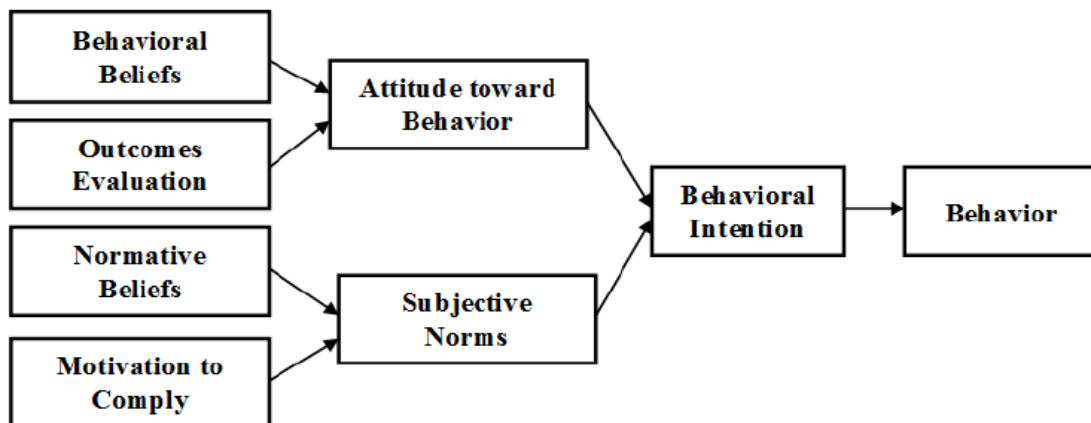


Figure 2. Theory of Reasoned Action (TRA) Model

(Source: Schiffman and Kanuk, Consumer Behavior, Prentice – Hall International Editions, 3rd ed, 1987)

The subjective norm factor can be measured through individuals related to the consumer (such as family, friends, colleagues, etc.) and whether they approve or disapprove of their purchases. The impact of subjective norms on consumer purchasing trends depends on: (1) the level of support/opposition to the consumer's purchase and (2) the consumer's motivation to comply with the desires of influential people. The influence of related individuals on consumer behavioral trends and the motivation to follow the influence of related individuals are two fundamental factors in assessing subjective norms. The stronger the familiarity of related individuals with the consumer, the greater their influence on their purchasing decisions. Consumer trust in related individuals also

significantly affects their purchasing trends. Consumer purchasing intentions will be influenced by these individuals with varying degrees of influence.

In the Theory of Reasoned Action model, each individual consumer's belief in a product or brand will influence their attitude toward behavior, and attitude toward behavior will influence purchasing trends rather than directly influencing purchasing behavior. Therefore, attitude can explain the reasons leading to consumer purchasing trends, while trends are the best factor to explain consumer behavioral trends.

## **2.4 Proposed Research Model and Research Hypotheses**

### **2.4.1 Research Hypotheses**

#### *2.4.1.1 Relationship between Brand Image and Customer Product Purchase Decision*

Based on the research findings of Wu & colleagues (2011) on the relationship between service quality, brand image, and customer satisfaction with food, it has been proven that service quality and brand image have a direct and positive impact on customer satisfaction. Another study related to university library services conducted by Tan & colleagues (2013) also indicated a positive relationship between brand image and user satisfaction. Additionally, if a brand is associated with a positive image, customers will have positive attitudes towards the brand and form purchase intentions (Kamins & Marks, 1991; Laroche & colleagues, 1996; Romaniuk & Sharp, 2003). In other words, enhancing brand image will strengthen customer purchase intentions (Wu & colleagues, 2011). Therefore, the study proposed the following hypothesis:

H1: Brand image has a direct and positive impact on purchase intention.

#### *2.4.1.2 Relationship between Customer Trust and Purchase Decision*

Purchase intention is crucial because it correlates highly with actual purchasing behavior (Ajzen, 1991). The long-term relationship between customers and businesses positively influences customer purchase decisions. Particularly, consumer attitudes towards brands can be transferred to attitudes towards products and influence consumer choices when purchasing (Kotler, Armstrong, & Opresnik, 2021). From an information processing perspective, consumers make purchases in uncertain cases by seeking product information until they feel comfortable and make decisions to choose a brand, product, or service (Chu, Choi, & Song, 2005). Research has found positive effects of trust on purchase intention and actual purchase decisions (Jin & Lim, 2021). In today's context, the concept of customer trust refers to a set of beliefs about products; thus, customers believe that business actions will have positive results for them. Customer trust formed through this mechanism influences consumer purchase intentions by fostering personal connections between customers and businesses (Bonsón Ponte, Carvajal-Trujillo, & Escobar-Rodriguez, 2015). Consistent with previous studies, trust will influence consumer purchase decisions as follows:

H2: Customer trust influences customer purchase decisions.

#### *2.4.1.3. The relationship between promotional programs and customers' purchase decisions*

One known fact is that promotions can take various forms depending on who plays the role of the buyer or the seller. Fam et al. (2013) investigated the impact of consumers' individual values and preferences for promotional programs on consumers' behavioral intentions and satisfaction when purchasing products. Their findings showed that preferences for promotional programs, regardless of the type of product, significantly influenced consumers' behavioral intentions and satisfaction with their purchases. However, consumer satisfaction and behavioral intentions did not significantly affect individual values for all types of products studied. To further establish the relationship between promotions and consumers' purchase intentions, Bhatti (2018) conducted a survey related to the aforementioned variables while considering the moderating role of social media. The findings showed that promotions and social media positively and undeniably influence consumers' purchase intentions. However, no significant relationship was established between discounts and consumers' purchase intentions. Furthermore, social media moderated the relationship between promotions and consumers' purchase intentions. Similarly, Gorji and Siami (2020) conducted a study to examine the impact of promotional displays on customers' purchase intentions and repurchase behavior, focusing on the moderating role of perceived price fairness and product quality. The results showed that promotional displays positively impacted consumers' purchase intentions and repurchase behavior. The results also highlighted the moderating role of perceived price fairness and product quality on customers' shopping intentions. Finally, a significant relationship was established between promotional displays and consumers' purchase intentions and repurchase behavior with the overall moderating effects of perceived price fairness and product quality. The findings of the study may help managers promote consumers' purchase intentions and repurchase behavior by using appropriate visual stimuli in promotions and their appropriate placement in stores.

In addition to displaying promotions, a common tool used in promotions is discounting. Santini et al. (2015) conducted a study on the impact of discount promotions on consumers' purchase intentions and the moderating effect of attractiveness in the relationship between certain variables and cognitive dissonance, perceived pleasure,

and financial risk. The results confirmed the positive influence of attractiveness and perceived pleasure of consumers in purchasing discounted products. Furthermore, the negative relationship between the intention to purchase discounted products and perceived financial risk was identified. However, the moderating effect has not been confirmed for attractiveness in the relationship between discount promotions and purchase intentions.

An appealing aspect in modern times is that sales promotion strategies must adapt to technology. Referring to the Technology Acceptance Model (TAM), Ye and Zhang (2014) studied the impact of promotions on consumers' purchase intentions in the online marketplace from the consumer-to-consumer (C2C) perspective. The results showed that with consumers' increasing awareness of ease of use and reduced consumer risk, online sales promotions are considered to have a significant impact on their purchase intentions.

Similarly, Huang and Cheng (2013) studied the impact of online sales promotion strategies such as discounts, coupons, and free shipping on consumers' perceived quality and purchase intentions. The results showed a significant relationship between promotions and brand recognition to consumers' perceived quality. Discounts were shown to have a greater impact on consumers' perceived quality than coupon promotions. Furthermore, a well-known brand was established to play a moderating role in the relationship between sales promotions and consumer reactions. It is also noted that advertising strategies of brands known to consumers often yield more positive responses. Their research results aim to provide valuable insights for online retailers in selecting the most appropriate sales promotion tools to successfully promote consumers' purchase intentions. Consistent with previous studies, promotional programs influence customers' purchase intentions as hypothesized as follows:

H3: Promotional programs directly influence customers' purchase decisions."

#### 2.4.1.4. *The relationship between price competition and purchasing decisions*

Price is what consumers have to pay to obtain the desired product or service. Price expectations are consumers' assessment of what they will exchange for the cost they have to incur. Consumers perceive prices in two dimensions: the monetary cost they have to incur and the opportunity cost of forgoing the use of that money to buy other products or services (Anders Hasslinger et al., 2007). Perceived prices are influenced positively by the price of the product itself and negatively by reference prices (Tung-Zong Chan, Albert R. Wirdt, 1994).

H4: Price competition influences customers' purchasing decisions

#### 2.4.2 *Proposed research model*

Based on theoretical foundations and related studies, while inheriting and selecting factors influencing customers' purchasing decisions, the authors use variables from the experimental studies of Angga Pandu Wijaya and Intan Tri Annisa (2020); Miswanto Miswanto, Rijal Rizki Mubarak, Nikodemus Hans Setiadi Wijaya (2020); Dang Thi Kim Hoa and Bui Hong Quy (2017). Thus, the proposed model by the authors includes four factors affecting customers' purchasing decisions: (1) Brand image, (2) Brand trust, (3) Promotional programs, (4) Price competition.

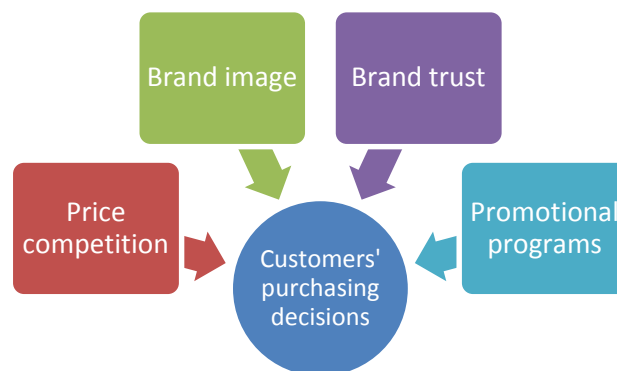


Figure 3. Research model on the influence of brand image and customer trust on purchasing decisions of milk products.

### III. CONCLUSION

Enhancing business performance: By gaining a better understanding of how brand image and customer trust influence purchasing decisions, businesses can optimize their marketing and sales strategies to increase sales volume and revenue. Protecting and strengthening the business's brand image: Through developing crisis management strategies and enhancing brand image, this research can assist businesses in addressing negative issues and safeguarding their brand reputation. Creating value for customers: Improving brand image and enhancing customer trust can create a positive customer experience, thereby increasing satisfaction and loyalty.

Contributing to industry development: The findings and lessons from this research can be applied to businesses in the food and beverage industry, contributing to the overall development of the sector.

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