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A STUDY ON FACTORS INFLUENCING BRAND REPUTATION: WITH SPECIAL REFERENCE TO FRANCHISED FAST-FOOD RESTAURANTS IN COLOMBO DISTRICT

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ABSTRACT

Today fast-food culture is a strongly uprising trend in the world. However, those fast food are unhealthy for human life and most people have proved that in various ways. Nonetheless, these fast-food restaurants have a high brand reputation in the world as same as in Sri Lanka. Therefore, the purpose of this research is to identify the factors influencing the brand reputation of franchised fast-food restaurants in the Colombo District. The study observed food and service quality, brand effect, self-congruence, brand awareness, and brand association as the independent variables and brand reputation as the dependent variable. This is quantitative research. The questionnaire was distributed online and data were collected from 282 people who are going to the fast-food restaurants in the Colombo District under the convenience sampling method. Multiple linear regression analysis is used to analyze the hypothesis. The result is self-congruence, brand awareness, and brand association have impacted for the brand reputation and food and service quality and brand effect have not impacted on the brand reputation of franchised fast-food restaurants in Colombo District. Furthermore, this study has provided directions to the restaurants' authority to enhance their reputation.

Keywords: Fast-food restaurants, Brand Reputation, Sri Lanka

1. Introduction

Food is the major need of human beings for their lives and normally its consumption is different from culture to culture. But today, with globalization that food consumption is not more different from culture to culture because of the starting fast-food outlets. Anyway, the fast-food industry has helped to transform the diet, economy, and culture in the world. In today the term fast food is the most pronounced word in the world (Patabandige & Yapa, 2016). Fast foods are typically served in large portions and contain high levels of energy, sugar, and salt, along with low levels of micronutrients and fiber (Majabadi, Solhi, & Djazayeri, 2016). Fast food can be defined as “easily prepared processed food served in snack bars and restaurant as a quick meal or to be taken away” (Patabadige & Yapa, 2016). According to that definition can identify the fast foods are quick to prepare, easy to access, and favored by people of most age groups.

During the past few decades, the fast-food industry has become an important industry in Sri Lanka. As a result, today is very difficult to count the fast-food restaurants in Sri Lanka (Devendra & Kennedy, 2016). The introduction of fast-food changes Sri Lankan culture and lifestyle towards western culture; and also, different health issues and health campaigns have been the reason for the people to prefer or not to prefer fast food (Devendra & Kennedy, 2016). Fast food is highly processed and contains large amounts of carbohydrates, added sugar, unhealthy fats, and sodium. When fast food frequently replaces nutritious whole foods in the diet, it can lead to all sorts of bad health outcomes (Eat this, not that, 2018).

If the person moves from a balanced diet to one of fast food, had to register large empty calories when eating per meal. Medicals are suggested that adults get sodium under 1500 milligrams per day not exceeding 2300 milligrams. But in the single fast-food meals exceed 2300 milligrams. Too much sodium causes to retain water in the body and make a person feel bloated and puffy. And also, sodium contributes to high blood pressure and kidney stones and it is suggested by Harvard medical school. Shapiro says that eating fast food may cause a higher rate of depression (Eat this, not that, 2018).

According to the above information can get an idea, most of the medicals say about the bad side of eating those fast foods and those restaurants highly affect the animal's right. But the problem is that have these issues in fast food restaurants their reputation is not low in World and in Sri Lanka. We can be identified in the top global franchising fast food restaurants are McDonald, KFC, and Pizza Hut in Sri Lanka. According to the brand finance report before 3 years Mc Donald, KFC, and Pizza Hut are at the top of the most loved brand under the food category. They are maintaining a good brand reputation among the Sri Lankan customers (Patabadige & Yapa, 2016).

Brand reputation is the external cue related to the product but not the physical composition of the product. Brand reputations evolve all the time and they give information from one to another about the company. A reputation includes the company's employees, customers, suppliers, distributor's competitors, and the public. Reputation refers to the emotional response that an individual has towards an organization for a long

period. Brand reputation generates the emotional brand attachment towards the company (Loureiro, Sarmiento, & Bellego, 2017).

Further, many researchers have investigated brand loyalty, brand awareness, and other concepts. But there is a lack of literature in Sri Lanka to examine the factors that impact brand reputation in fast food restaurants. Thus, there is a clear empirical gap within the context of brand reputation in fast food restaurants. Furthermore, according to the above information in Sri Lanka franchised fast-food restaurants are growing and they have a high reputation (Majabadi, Solhi, & Djazayeri, 2016). But considering health must below. Thus, there is a clear performance gap within the context of brand reputation in a franchised fast-food restaurant. Therefore, the purpose of this study is to fill this gap by doing an empirical study to identify factors that impact the brand reputation in fast-food restaurants in Sri Lanka.

This study is very important to identify the factors of brand reputation impact on the fast-food restaurants in Sri Lanka. This research will help to identify what are the areas which affect increase the brand reputation of fast-food restaurants. Then managers can get an idea and make strategies that they want to use. It will increase the sales of restaurants. The finding of the empirical study is also intended to provide the authority of restaurants to identify the nature of the consumer's attitude about the restaurants. This research will help other researchers to develop the same other research by taking this research as a basis.

2. Literature Review

2.1 Brand reputation

Brand reputation is the attribute of the product. It is an extrinsic cue. Brand reputation generates information from one person to another all the time. Brand reputation includes employees, customers, suppliers, distributors, competitors, and the public. The perception of reputation is positively related to consumers' emotional car brand attachment (Loureiro & Sarmiento, 2017). Brand reputation is the perception of the brand in the consumer's mind and it held the consumer's mind over overtime. Because of this reason brand reputation is a valuable asset for organizations. Most of the firms aim the brand reputation to increase sales and become a success and for the affect brand's past action, result, and future expectations. In today most organizations use social media to increase the brand reputation in the organizations (Chierici, Bosco, Mazzucchelli, & Chiacchierini, 2018).

Brand reputation can be good, bad, or weak. It decides by people what they have information about the brand to decide the reputation. In the unknown brand, consumers haven't information to build a brand reputation. When the consumers recognize the brand name company does little works the build brand reputation. Brand reputation recognition is the basic first step to communication tasks. Some brands are on top of the consumer's mind. The reason is the brand reputation. It means the company builds a strong brand reputation for its brand to compete with other products in the market. When the company builds succeeded brand reputation, buyers do not switch them from another (Ngwese & Zhang, 2007).

2.2 Food and service quality

Service quality is defined as the difference between the expectations of customers and the perception regarding services provided by firms (Aftab, Sarwar, Sultan, & Qadeer, 2016). Shandilya said that service quality refers to the overall judgments of the service and accepted the overall satisfaction of the customers (Shandilya, Siingh, & Sirivastava, 2018). According to Aidin (2017), service quality in three elements: Physical quality; it includes such as building and equipment used, corporate quality includes organizational image and attributes, and interactive quality includes interaction between service staff and customers and the interaction among customers (Aidin, 2017).

In the restaurant sector service quality and food, quality is essential. Service quality is a major tool to create a good or bad reputation. And also, food quality is the same. In the restaurant, the sector has better food hygiene quality is an incentive for the reputation. Han found in their research food and service quality have a positive effect on brand reputation (Han, Nguyen, & Lee, 2015)

H1: There is an impact of food & service quality on the brand reputation of fast-food restaurants in Sri Lanka.

2.3 Brand affect

Brand affect is the power of eliciting the emotional experience of the consumer. It is the relationship between the consumer and the brand. This relationship is built based on the attributes of the brand and what are the customers get experience through the brand. Brand affect is a positive response after its usage. Brand affect and brand trust is deemed to be similar but there is a difference. Brand trust is a long process and can be occurred by thought and consideration of consumer experience. But the brand affect is elicited an emotional response when the consumer usage (Upamannyu, Bhakar, & Gupta, 2015). Brand affect related to human beings fell like joy, happiness, sad, angry, upset, impressed, and many more. It is a consumer's overall favorable and unfavorable evaluation of the brand (Soedarto, Kurniawan, & Sunarsono, 2018).

H2: There is an impact of brand affect on the brand reputation of fast-food restaurants in Sri Lanka.

2.4 Self- Congruence

Self-congruity is the degree of a match or mismatch between the perception they have about the brand (Boksberger, Dolnicar, Laesser, & Randle, 2011). The self-congruence creates a positive brand state of the consumer's mind. That is important in the food sector. For the buyer's assessment of the brand impact buyer's self-idea in a brand and brand picture. The self-congruence and brand reputation have a positive relationship (Ramzan & Ahmd, 2018).

H3: There is an impact of self-congruence on the brand reputation of fast-food restaurants in Sri Lanka.

2.5 Brand awareness

Awareness means people's perception and cognitive reaction to a condition or event. Awareness may be focused on internal events and external events (Bornmark, Goransson, & Sevansson, 2015). Brand awareness is a help to increase the brand image and brand attitude. As the same brand awareness is one of the principal segments of the brand reputation. And brand awareness can increase brand value. And Iram found that brand awareness has a positive impact on brand reputation (Ramzan & Ahmd, 2018). According to the Han in restaurant chain brand awareness positively influences the brand reputation (Han, Nguyen, & Lee, 2015).

H4: There is an impact of brand awareness on the brand reputation of fast-food restaurants in Sri Lanka.

2.6 Brand association

Brand association is the other information linked to the brand nodes in the consumer's memory and contains the meaning of the brand (Rio, Vazquez, & Iglesias, 2001). A brand association can be described as the product attributes linked to the purchase and consumption of the product. Product attributes are such as price information, product appearance, and usage, and user imagery. Brand association is related to the thoughts, feelings, and attitudes towards the brand that consumers have. Those are the perceived benefits and the product experience that consumers get (Comiciottoli, Guercini, & Ranfagni, 2014). The brand association creates value for the customer s differently: it is a source of information processing, creates a reason to buy that brand and it creates a differentiation to the brand. And also, brand association creates a differentiation to the brand extension (Njite, 2005).

H4: There is an impact of brand association on the brand reputation of fast-food restaurants in Sri Lanka.

Conceptual framework

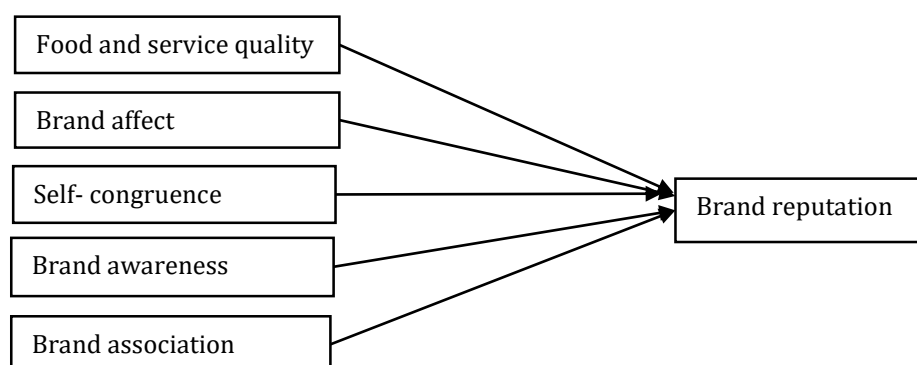


Figure 1: Conceptual framework

3. Methodology

3.1 Research Design

The present study focuses on the philosophy of positivism. In the philosophy of positivism, the researcher observes phenomena using credible data, and to generate a research strategy, collect these data researchers use existing theory to develop hypotheses. The researcher has used the quantitative approach to conduct the study because the study is regarding the impact of food and service quality, brand affect, self-congruence, brand awareness, brand association on brand reputation. The researcher can develop mathematical models, hypotheses, and theories in a quantitative approach. And also, to measure the variables; the researcher uses quantitative data through a structured questionnaire.

The target population of this quantitative research study is consumers of fast-food restaurants in the Colombo district. The convenience sampling method under non-probability sampling was used because the population is unknown. A structured questionnaire was developed and disseminated among 384 respondents through social media. The analysis was done based on the result of the respondents. The questionnaire was comprised of 29 questions including 2 sections. The data are measured using the five-point Likert scale ranging from 1 to 5. Indicators of the independent and dependent variables were developed based on the questionnaire developed by Ramzan & Ahmd (2018).

The researcher applied both descriptive and inferential statistical techniques to analyze the data. The descriptive statistics were used for presenting mean and standard deviation and the inferential statistics were used for multiple regression. The researcher used SPSS software in analyzing the data which was collected from the sample.

4. Result / Analysis and Discussion

The research objectives were tested against the data collected; using mean scores and multiple regression analysis of variance. Mean scores are used to determine the level of effect of five factors towards the brand reputation of fast-food restaurants in Sri Lanka and regression analysis is used to determine whether there is any significant impact of the five factors on the brand reputation of fast-food restaurants in Sri Lanka.

The values of Cronbach's Alpha for all five independent variables of the study are greater than 0.7 and the dependent variable value is also greater than 0.7. According to those findings, all the variables have passed the minimum level of reliability acceptance. This study results of the Bartlett test of sphericity represent that all the variables are significant at 0.000, which is less than 0.05. And all the KMO values of variables are between 0.7 and 0.9. Therefore, this research instrument is valid. This researcher analyses the influence of five independent variables on the dependent variable. Therefore, the researcher applied multiple linear regressions to test hypotheses.

The adjusted R-Square value is 0.532, which means 53.2% of the variation in brand reputation of fast-food restaurants in Sri Lanka can be explained by food and service quality, self-congruence, brand awareness, brand affect, and brand association. According

to the ANOVA table output, the P-value is less than the critical P value (0.05). Therefore, this research fitted model is significant.

According to the coefficient table, the unstandardized coefficient B value of the coefficient table shows the degree to which the extent the dependent variable can be explained by each independent variable while other independent variables remain constant. According to the above output among the five variables, only three variables are significant. Brand awareness can be identified as the most influential factor of the brand reputation of fast-food restaurants in Sri Lanka with the highest positive beta value of 0.420 and 0.000 of P-value while other independent variables remain constant. The second most influential factor is the brand association and self-congruence is the third influential factor that has a positive influence on the brand reputation of fast-food restaurants in the Sri Lanka context while other independent variables remain constant.

Table 1: Hypothesis Summary

| No | Hypothesis | P-value | Result |
|----|--|---------|--------|
| H1 | There is an impact of food & service quality on the brand reputation of fast-food restaurants in Sri Lanka | 0.363 | Reject |
| H2 | There is an impact of brand affect on the brand reputation of fast-food restaurants in Sri Lanka | 0.096 | Reject |
| H3 | There is an impact of self- congruence on the brand reputation of fast-food restaurants in Sri Lanka. | 0.014 | Accept |
| H4 | There is an impact of brand awareness on the brand reputation of fast-food restaurants in Sri Lanka. | 0.000 | Accept |
| H5 | There is an impact of brand association on the brand reputation of fast-food restaurants in Sri Lanka. | 0.000 | Accept |

Source: (Survey, 2020)

Most of the people who are interested in the fast-food are considered more about the easiness and some of them are visiting fast-food restaurants based on the recognition and the appearance (Han, et. al., 2015). Therefore, food and service quality are additional criteria for brand reputation based on the above customer group. According to Ramzan (2018) brand effect is highly impacted on the goods rather than the services. Further, Ramzan (2018) found in their research self-congruence positively affects the brand reputation in the restaurant sector. Brand awareness is the basis of brand equity building and it is highly affected to the brand reputation (Rio, 2001). According to Njite (2005), the brand association is important to the organization to market their market offerings and it leads to building a good brand reputation.

5. Conclusion and Implications

5.1 Conclusion

The main objective of this study is to examine the factors impact on the brand reputation of fast-food restaurants in the Colombo district. Before beginning the study, the researcher has found an empirical gap. To proceed with the identified problem area, the researcher developed a conceptual framework for the current study to examine the impact of the independent variables (food and service quality, self-congruence, brand affect, brand awareness, and brand association) towards the dependent variable of brand reputation. Aiming at achieving the research objectives, the researcher collected data through 282 people who go to the fast-food restaurants in the Colombo district. The convenience sampling method under non-probability sampling was used because the population is unknown. The sample consists of the people who met at the KFC, Mc Donald, and Pizza Hut, and data were analyzed using SPSS version 20. Initially, the researcher measured the reliability using Cronbach's alpha value. KMO and Bartlett's test was used to measure the validity of the data set. Further, correlation analysis and regression analysis were performed to achieve the research objectives of the study and results indicated that the three dependent variables positively and significantly influence the brand reputation of fast-food restaurants in the Colombo district based on the output of survey data.

According to the survey results, the researcher has identified brand awareness as the most influential factor in the brand reputation of fast-food restaurants in the Colombo district. People who are going to fast-food restaurants are aware of this brand, familiar with these brands and they can recognize these brands among other brands. Thus, it can be concluded that brand awareness leads to a positive influence on the brand reputation of fast-food restaurants in the Colombo district.

The brand association was identified as the second highest influential variable for the brand reputation of fast-food restaurants in the Colombo district based on the output result in the current study. People like these brand logos and they like the color of the building or interior of the restaurants and they tell these brands to have an attractive logo. Thus, it can conclude that brand association leads to a positive influence on the brand reputation of fast-food restaurants in the Colombo district.

According to the statistical output, the researcher has found self-congruence as the next most influential factor which is significantly influenced by the brand reputation of fast-food restaurants in the Colombo district. Customers of the fast-food restaurants are more likely to go for the fast-food restaurants because they think other customers are very much like them who dine in these restaurants, and the other customers reflect the type of person they like to be and the other customers are admired persons they like.

Finally, as a whole, the study concludes that brand awareness, brand association, and self-congruence significantly influence on the brand reputation of fast-food restaurants in the Colombo district.

5.2 Implication

Among the five independent variables discussed above brand awareness is the most influential factor for the brand reputation of fast-food restaurants in the Colombo district. According to the result, one of the key managerial implications of this study is the marketing department of the restaurants must give more information about the brand to the customers. Then they have more knowledge about the brand and are easily aware of the brand. As the same restaurants must change their marketing and promotion plans to convey to customers that it familiar and recognized easily through other brands. The brand association has the second most significant influence on the brand reputation of fast-food restaurants in the Colombo district. It is an important component to be highly focused on when designing the building, logo of the restaurants. They should pay attention to the design of the building and interior and color of the building and interior and the logo. These are not as more complex but as simple and smart to fit the level of the Sri Lankan society.

The authority of fast-food restaurants must be tried to attract customers at the same level. And they can change the customer's mind according to the customer's perspective. What they are except other customers. Authority can implicate the customer's all of the customers are at the same level and same manner. Practically, this study has provided an avenue for Colombo district fast-food restaurants' authority to instill and improve customer attraction for the restaurants.

A theory based on this research is the CBCRBE model. This model is used in other countries for the test of brand reputation in different areas. But in Sri Lanka, this is not used and through this research can identify this theory is suit for identifying the factors that impact the brand reputation.

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