

# **TOWARD A PROCESS MODEL OF CONSUMER BRAND EVALUATION AND PROMOTION: DRIVERS OF WORD OF MOUTH FOR THAI SMALL AND MEDIUM ENTERPRISES**

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## **Abstract**

This study examined how brand awareness moderates the process of brand evaluation and promotion for Thai SME (Small and Medium Enterprise) customers. The proposed model consisted of three main parts: brand knowledge (awareness and image), brand relationship quality (satisfaction, trust, and commitment), and consumer response factors (brand preference, brand loyalty, and word of mouth). Using a within-subjects design, the study required participants (N = 400) to respond to two brands of dessert cafes which differed regarding brand visibility. Preliminary analysis indicated that the high visibility brand produced substantially higher values across all evaluative dimensions; separate causal models were subsequently constructed for the two brands. Path analyses showed strong support for the proposed model with brand image, brand preference, brand loyalty, and brand commitment all driving word of mouth. Implications of the findings for effective branding strategies in the SME sector are suggested for academics, Thai SME owners, and marketing communication practitioners.

**Keywords:** Branding, Visibility, Word of Mouth, Small and Medium Enterprises, Thailand

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## INTRODUCTION

Since the second half of the twentieth century, small and medium sized enterprises (SMEs) have played a crucial role in driving economic growth around the world (Ellegaard, 2009). At present, SMEs constitute over 90% of businesses globally (Knight, 2015). With specific reference to Thailand, SMEs are the backbone of the economy, given that they comprise 99.73% of all enterprises in the kingdom (Office of Small and Medium Enterprises Promotion [OSMEP], 2014). Recognizing the importance of SMEs, the Thai government implemented a master plan for this business sector in 2002. To enhance the sustainability and competitiveness of Thai SMEs in a rapidly changing market, one of the central policies is SME brand building and management (OSMEP, 2014).

Branding is the main way to differentiate a business' products when they are similar to others' in the same category (Temporal, 2010). Hence, branding not only adds more value to SME goods and services, but also helps small firms to avoid price competition. New SMEs that lack distinctiveness have a greater chance of failure; it can be said that branding is necessary for the survival of SMEs in today's competitive markets (Suntivong, 2014). The study of branding SMEs is still in its infancy given that little research on SME brand development has been conducted (Centeno, Hart, & Dinnie, 2013; Krake, 2005; Wong & Merrilees, 2005); SME research in Thailand is

rarer still (Suntivong, 2014). Moreover, what research has been conducted on Thai SMEs relies on the opinions of SME owners and managers, rather than consumers.

The first step of the present study was to propose a model of SME brand evaluation and promotion based on information processing theory in conjunction with the four-stage brand development approach (Keller, 1993, 2009). The second step consisted of empirical testing of the proposed model by applying it to Thai SME brand building and management. The study participants were customers of selected SME brands, allowing the study to provide much needed insight into SME branding from a consumer's perspective.

## LITERATURE REVIEW

### **Reception of The SME Brand Equity: Building Consumers' Brand Knowledge**

Branding is necessary for business survival, as the market has become increasingly competitive since the 1980s. Due to the advancement of technology, similar goods and services can be quickly developed by competitors (Temporal, 2010). Many business owners have adopted branding as a way to differentiate their products from others in the same category. Branding is, therefore, growing in importance - not only for large companies but also small and medium sized enterprises (Wong & Merrilees, 2005). Many researchers have highlighted the

profound impact of branding on SME business growth (Abimbola, 2001; Rode & Vallaster, 2005). This is because branding allows small firms to communicate outside of their daily selling activities (Ahonen, 2008).

Brand, as defined by the American Marketing Association (AMA) (1960), consists of the name, term, sign, symbol, or design that is made to distinguish the vendor's products from others sold in the market. So branding is the process of building a desirable and unique identity for each business (Arnold, 1992). After brand creation, marketers manage brand communications to increase consumers' brand equity, which is brand knowledge or the combination of brand awareness and brand image (Keller, 1993).

#### *Brand awareness*

Brand awareness is the extent to which consumers can identify or recognize a brand in various circumstances (Rossiter & Percy, 1987). Aaker (1991) pointed out that brand awareness varied in degree ranging from brand recognition to brand dominance, whereas Keller (1993) defined two levels of brand awareness including brand recognition and brand recall. Brand recognition, the first step of brand awareness, refers to the degree to which a consumer knows what a brand is, due to his or her prior exposure, when he or she sees its logo or hears its name. The further dimension of brand awareness is brand recall, whose definition is the extent of a consumer's ability to

retrieve a brand's information from memory when a cue, such as product category, was given without directly showing the brand name.

#### *Brand image*

Brand image is the term used to describe the overall brand associations or consumers' thoughts about a brand (Agarwal & Rao, 1996). Things associated with a brand may be words (for example, advertising messages), or visual images that consumers recognize and memorize on sight. Brand associations also consist of the sensory and emotional impressions derived from customers' experiences with a brand (Supphellen, 2000).

Brand image can be conceptualized as consumers' perceptions about a brand (Keller, 1993), consisting of three types of brand associations: brand attributes, brand benefits, and attitude towards the brand. For each consumer, these kinds of brand association vary not only in details but also in the degree of strength, favorability, and uniqueness. This leads to individual differences in responses to the marketing activities of the same brand (Keller, 1993).

According to Keller (2009), there are four stages of brand development, which start from creating brand identity and communicating brand meaning. These two stages of development can increase consumers' brand knowledge, as noted earlier. By contrast, relationship marketing practiced in SMEs, can encourage the third and fourth steps of brand

building which focus on improving brand response and preserving the relationship between the brand and its consumers.

### **Assessment of the SME Brand: Managing Consumer-Brand Relationship Quality**

Relationship marketing refers to a way of doing business which aims to attract potential customers along with enhancing the long-term relationships of existing customers with the brand (Berry, 1983, as cited in Segarra-Moliner, Moliner-Tena, & Sanchez-Garcia, 2013). Hence, relationship marketing leads to greater customer loyalty, which is important for businesses operating in competitive markets (Athanasopoulou, 2009).

Focusing on SME marketing, Stoke (2000) found that small firms practiced relationship marketing by building and maintaining a relationship with their customers, as well as stakeholders. This occurs due to the fact that healthy relationships within social networks are useful for small businesses that often encounter unstable circumstances (Stoke, 2000). Furthermore, Barnes (2003) noticed that SMEs widely adopted relationship marketing because their characteristics, such as flat organizational structure helped these businesses respond more effectively to the personal needs of customers.

Relationship marketing practiced by SMEs shows that these small businesses develop their branding by creating brand knowledge to build relationships between the brand and

consumers. According to the four-stage brand development model (Keller, 2009), the first and second steps of branding begin from establishing brand identity and communicating brand meaning. These two stages should increase consumers' brand knowledge, while the third and last are about enhancing brand response and nurturing the relationship between consumers and the brand. Thus building brand relationships becomes the goal of successful branding.

The concept of brand relationship quality was derived from the measurement of Relationship Quality (RELQUAL) done in an interpersonal context. The definition of brand relationship quality, then, is customer evaluation of how well a brand can fulfill their requests (Hennig-Thurau, 2000) or their overall impression of their relationship with a brand (Ndubisi, 2007). The structure of brand relationship quality consisted of three interrelated dimensions (Hess & Story, 2005). The three dimensions are brand satisfaction, brand trust, and brand commitment which served as aspects of brand evaluation involved in the processes of brand assessment.

#### *Brand satisfaction*

Brand satisfaction is the extent to which consumers' total experiences with a brand meet or exceed their expectations (Oliver, 1999). The extent to which a brand confirms or disconfirms a customer's expectations, will influence their satisfaction with the brand. There are two situations in which brand satisfaction can occur.

One is when the reality conforms to customers' expectations. The other is when the brand does better than customers hoped. In addition to these cases, brand satisfaction can be caused by consumer attitudes formed by previous experiences with the brand (Sahin, Zehir, & Kitapçı, 2011).

#### *Brand trust*

Brand trust is the willingness of consumers to rely on a brand (Wang, 2002) and believe in the brand's claims (Chaudhuri & Holbrook, 2001). Wang (2002) conceptualized brand trust under three dimensions. The first was reliability which referred to consumers' perceptions of the brand's ability and willingness to keep its promises. Followed by honesty, the second dimension of brand trust, which is an evaluation by consumers of how well a brand communicates straightforwardly about their products. The third attribute of brand trust was altruism which refers to the degree of a brand's concern for the needs of others more than its own.

#### *Brand commitment*

Brand commitment was described by Wang (2002) as a consumer's strong emotional attachment to a specific brand. Brand commitment predicts that consumers will continually support the brand in the future. Moreover, some customers who are highly committed to a brand will postpone their purchases if they cannot find their favorite brand on store shelves (Papista & Dimitriadis, 2012).

The three dimensions of brand relationship quality relate to one another. According to Hess and Story (2005), brand satisfaction is the outcome of consumers' positive brand experiences. Then, brand satisfaction develops to be brand trust, which then determines brand commitment. These components are integrated to be brand relationship quality which leads to consequences such as brand loyalty. As this study was done in the SME context, we chose to review three behavioral outcomes of brand relationship quality that are crucial for SME business growth including brand preference, brand loyalty, and word of mouth.

### **From Beliefs About Brand Quality to Behaviors**

#### *Brand preference*

Brand preference is the extent to which consumers have a bias for a particular brand when comparing it with others in their consideration set (Ismail & Spinelli, 2012). Brand preference is therefore necessary for small firms which have numerous direct and indirect competitors.

#### *Brand loyalty*

Brand loyalty occurs when consumers feel strongly committed to a brand and keep purchasing it over time despite changes in price or competitors' marketing efforts (Oliver, 1999). Obviously, regular customers bring in recurring revenue, so brand loyalty helps to drive the sustainability of SMEs.

### *Word of mouth*

Word-of-mouth refers to when consumers informally tell other people about their positive brand experiences (Castellanos-Verdugo, Oviedo-Garcia, & Roldan, 2009). As customers spread the brand's information person to person without being paid, word of mouth is suitable for small firms, most of which have modest budgets for marketing communication.

### **Conceptual Model and Hypotheses**

Based on the concept of branding and brand relationship quality, we conceptualized a causal model with three main parts including brand knowledge (brand awareness and brand image), brand relationship quality (brand satisfaction, brand trust, brand commitment), and consumer response factors (Brand preference, brand loyalty, word of mouth). These three groups of variables act as the antecedents, the mediators, and the consequences of branding in SMEs. The variables of each group were analyzed separately and were arranged in a particular order. The analysis method was based firmly on

theories of brand equity (Keller, 1993), and brand relationship quality (Hess & Story, 2005), as well as prior research regarding the causal relationship of the variables used in the study (Alamro & Rowley, 2011; Chaudhuri & Holbrook, 2001; Ismail & Spinelli, 2012; Martenson, 2007). The conceptual model of all components and the directions of the relationships among them is presented in Figure 1.

Ten hypotheses are proposed to test these causal relationships. As stated by Keller (1993), the primary level of brand knowledge is brand awareness which later develops into brand image. Kim and Kim (2007) also noted that consumers should be able to distinguish a brand from others before they develop opinions about that brand. Hence, it is hypothesized that:

H1: Brand awareness has a positive effect on brand image.

Brand image was defined by Keller (1993) as a set of brand associations in consumers' minds. Things being associated with a brand, such as customers' attitudes, are experiences with the brand (Keller,

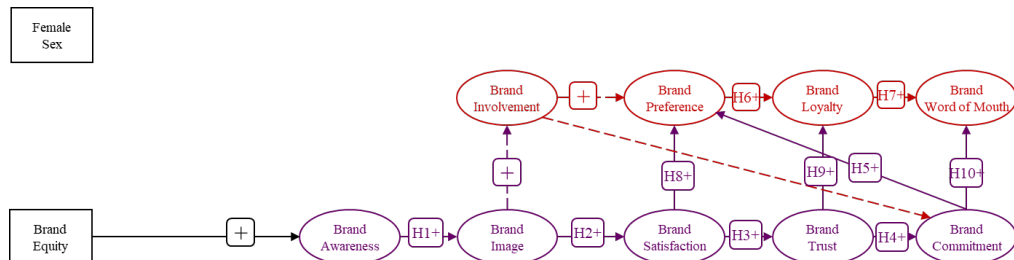


Figure 1 Proposed model for brand evaluation and promotion

1993). Hence, the image of a brand is derived from direct and indirect a consumer's mind may relate to brand satisfaction. Furthermore, brand image has been shown to have a big effect on consumer satisfaction among grocery retailing businesses (Martenson, 2007). It is therefore expected that:

H2: Brand image has a positive effect on brand satisfaction.

A brand that usually satisfies their customers by meeting or surpassing their expectations should gain higher trust. As Lau and Lee (1999) reported a positive impact of brand satisfaction on brand trust, it is proposed that:

H3: Brand satisfaction has a positive effect on brand trust.

Literature in relationship marketing notes the importance of brand trust on preserving a long-term relationship between a brand and its consumers (Agustin & Singh, 2005). This is reasonable as brand trust has been shown to have a profound effect on brand commitment in terms of both personal and functional connections (Hess & Story, 2005). It is therefore predicted that:

H4: Brand trust has a positive effect on brand commitment.

Brand commitment occurs when consumers have a strong feeling of affection for a specific brand. So they tend to prefer that brand to others. Customers who are committed to a brand would be more willing to tolerate the brand's mistakes

(Alawneh, 2012). Therefore, it is estimated that:

H5: Brand commitment has a positive effect on brand preference.

Consumers being especially fond of a brand should be loyal to that brand. They may feel strongly attached to their favorite brand and continue to buy it regardless of changes in environments. Their positive bias towards a brand or brand preference can lead to brand loyalty; the study therefore investigates the following hypothesis:

H6: Brand preference has a positive effect on brand loyalty.

People who become loyal customers of a brand are more likely to recommend the brand to their families, friends or colleagues. Either attitudinal or behavioral brand loyalty can cause word-of-mouth communication (Gounaris & Stathakopoulos, 2004). Thus, it is proposed that:

H7: Brand loyalty has a positive effect on word of mouth.

Customers should have a positive bias toward the brand that continues to live up to or surpass their expectations. A study done in the context of mobile service concluded that satisfaction was one of the antecedents of brand preference (Alamro & Rowley, 2011). Therefore, it is expected that:

H8: Brand satisfaction has a positive effect on brand preference.

Consumers who perceive that a brand is honest and reliable tend to commit firmly to that brand in spite of

the marketing efforts of competitors. Moreover, Chaudhuri and Holbrook (2001) found that brand trust has a great impact on brand loyalty. It is therefore predicted that:

H9: Brand trust has a positive effect on brand loyalty.

If consumers have a strong emotional attachment to a particular brand, they should willingly recommend the brand to their friends and families. Customers who have an emotional attachment to a brand are likely to suggest that brand to others (Ismail & Spinelli, 2012). Hence, it is hypothesized that:

H10: Brand commitment has a positive effect on brand word of mouth.

## **METHOD**

### **SME Brand Selection**

In Thailand, dessert cafes are mostly run by small businesses. As this study was conducted in the SME context, two dessert cafe brands were chosen for testing of the hypothesized model; these brands were After You and Cookies Crust, which differ in their visibility, indicated from distribution coverage and popularity. After You owns 15 shops and has earned 126,074 likes on its Facebook page. Cookies Crust shows a sharp contrast with After You. It has only 4 cafes and has 2,197 Facebook page likes. In this study, After You was treated as the higher visibility brand while Cookies Crust was the lower one.

### **Sample and Data Collection**

This study conducted online and offline survey research by collecting data from males and females aged between 18 to 40 living in Bangkok, not only as they have purchasing power but also because they are the target market of dessert cafes. Self-administered questionnaires were distributed to 475 respondents who had been to both After You and Cookies Crust, the SME brands selected for this study, at least once in the last 12 months. Due to missing data, 75 of the 475 questionnaires were excluded. A total of 400 complete questionnaires were prepared for further analysis.

### **Measurement of Variables**

The questionnaires used in this study consisted of a screening questionnaire and a main questionnaire. Screening questions were "Have you ever been to After You within this year?" and "Have you ever been to Cookies Crust within this year?" People answering "Yes" to both questions could proceed to the main questionnaire which included demographic questions and items belonging to three groups of variables, namely brand knowledge, brand relationship quality, and consumer behavioral response. This study utilized items from previous research published in peer-reviewed academic journals. The details of measurement were as follows.



## Brand Knowledge

During the study brand knowledge was taken to consist of two dimensions, namely brand awareness and brand image. According to Keller (1993), brand awareness can be indicated by brand recognition and recall. Since most SME brands have been recently launched in the market (Tambunan, 2009), the present research chose to measure brand recognition as it is the most fundamental level of brand awareness. In the questionnaire, brand logos of After You and Cookies Crust were shown with Oh's (2000) five items of brand awareness ( $\alpha = 0.97$ ). Respondents, then rated their awareness of both brands on a five-point scale where the lowest degree of brand awareness was 1 and the highest was 5.

Brand image, another dimension of brand knowledge, was indicated by the strength, favorability, and uniqueness of brand associations (Keller, 1993). Data collection began by conducting a pretest ( $N=20$ ) to ascertain five brand attributes of dessert cafes, consisting of taste, cafe environment, distribution coverage, popularity, and the variety of desserts. Research participants were subsequently asked to evaluate the strength, favorability, and uniqueness of these attributes for After You and Cookies Crust via a five-point scale (1 = least, 5 = most).

## Brand Relationship Quality

During the study brand relationship quality was measured

using a five-point Likert scale (1 = strongly agree, 5 = strongly disagree), and focused on three components, namely brand satisfaction, brand trust, and brand commitment. Brand satisfaction was evaluated using the nine items of Sahin et al. (2011) which ask about consumers' overall happiness with the brand ( $\alpha = 0.94$ ). Brand trust was measured via the twelve items of Wang (2002), which regard the brand's reliability, honesty, and altruism ( $\alpha = 0.79 - 0.94$ ). The items used to measure brand commitment were also taken from Wang's (2002) four questions of affective commitment.

## Consumer Behavioral Response

The variables for consumer response, consisting of brand preference, brand loyalty, and word of mouth, were measured by a five-point Likert scale (1 = strongly agree, 5 = strongly disagree). This study adopted Chang and Liu's (2009) five items of brand preference or positive bias for the brand ( $\alpha = 0.86$ ). Brand loyalty was evaluated by nine questions regarding attitudinal and behavioral loyalty, adopted from Sahin et al. (2011) ( $\alpha = 0.92$ ), while the brand's word of mouth was measured by four items of Ismail and Spinelli (2012) ( $\alpha = 0.90$ ).

## RESULTS

### Primary Analysis

The study's 400 participants consisted of 296 females (74 percent)

and 104 males (26 percent). Most were single (87.5 percent), and in the age range of 18 to 35 years (87.8 percent). 68 percent of respondents had attained bachelor's degrees. Nearly half of respondents were private employees (45.2 percent), and the majority earned around 10,000 to 30,000 THB per month (55.5 percent).

Preliminary analysis in Table 1 showed that After You, the higher visibility brand, scored significantly more than the lower visibility brand, Cookies Crust on brand knowledge variables (brand awareness and brand image) including all dimensions of brand relationship quality (brand satisfaction, brand trust, and brand commitment), as well as every

consumer response variable (brand preference, brand loyalty, and word of mouth). Therefore, causal models were separately created for the two SME brands.

### Causal Model

The causal models of After You and Cookies Crust are presented in figure 2 and figure 3 respectively. Data of both brands were separately analyzed. All variables mentioned above were correlated to test the hypothetical model depicted in Figure 1. The correlation matrix of After You and Cookies Crust appear sequentially in table 2 and table 3.

Table 1 Preliminary analysis of the selected SME brands

	After You		Cookies Crust		<i>t</i>	<i>p</i>
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>		
<b>Brand knowledge</b>						
Brand awareness	4.19	0.66	2.67	0.89	30.05	.00
Brand image	3.94	0.47	3.14	0.62	24.19	.00
<b>Brand relationship quality</b>						
Brand satisfaction	3.65	0.69	3.16	0.70	13.49	.00
Brand trust	3.55	0.63	3.18	0.68	11.62	.00
Brand commitment	3.44	0.87	2.83	0.79	13.02	.00
<b>Consumer response factors</b>						
Brand preference	3.58	0.69	2.83	0.79	17.21	.00
Brand loyalty	3.50	0.63	2.86	0.74	14.85	.00
Word of mouth	3.64	0.87	2.98	0.78	15.35	.00

Note: Five-point Likert scale (the highest score = 5, the lowest score = 1)

Table 2 Correlation matrix of After You brand

Constructs	1	2	3	4	5	6	7	8	9
1. Female sex	1.00	0.24	0.09	-0.04	-0.04	0.03	0.01	0.03	0.04
2. Brand awareness	0.24	1.00	0.53	0.30	0.24	0.25	0.23	0.25	0.28
3. Brand image	0.09	0.53	1.00	0.67	0.62	0.58	0.54	0.56	0.57
4. Brand satisfaction	-0.04	0.30	0.67	1.00	0.82	0.75	0.67	0.79	0.77
5. Brand trust	-0.04	0.24	0.62	0.82	1.00	0.72	0.62	0.71	0.69
6. Brand commitment	0.03	0.25	0.58	0.75	0.72	1.00	0.82	0.87	0.83
7. Brand preference	0.01	0.23	0.54	0.67	0.62	0.82	1.00	0.84	0.79
8. Brand loyalty	0.03	0.25	0.56	0.79	0.71	0.87	0.84	1.00	0.85
9. Word of mouth	0.04	0.28	0.57	0.77	0.69	0.83	0.79	0.85	1.00

Table 3 Correlation matrix of Cookies Crust brand

Constructs	1	2	3	4	5	6	7	8	9
1. Female sex	1.00	0.05	0.08	0.01	0.02	-0.04	-0.06	-0.03	0.01
2. Brand awareness	0.05	1.00	0.58	0.48	0.48	0.43	0.41	0.47	0.48
3. Brand image	0.08	0.58	1.00	0.81	0.80	0.67	0.63	0.70	0.70
4. Brand satisfaction	0.01	0.48	0.81	1.00	0.90	0.79	0.73	0.79	0.78
5. Brand trust	0.02	0.48	0.80	0.90	1.00	0.78	0.71	0.77	0.77
6. Brand commitment	-0.04	0.43	0.67	0.79	0.78	1.00	0.85	0.87	0.83
7. Brand preference	-0.06	0.41	0.63	0.73	0.71	0.85	1.00	0.87	0.78
8. Brand loyalty	-0.03	0.47	0.70	0.79	0.77	0.87	0.87	1.00	0.88
9. Word of mouth	0.01	0.48	0.70	0.78	0.77	0.83	0.78	0.88	1.00

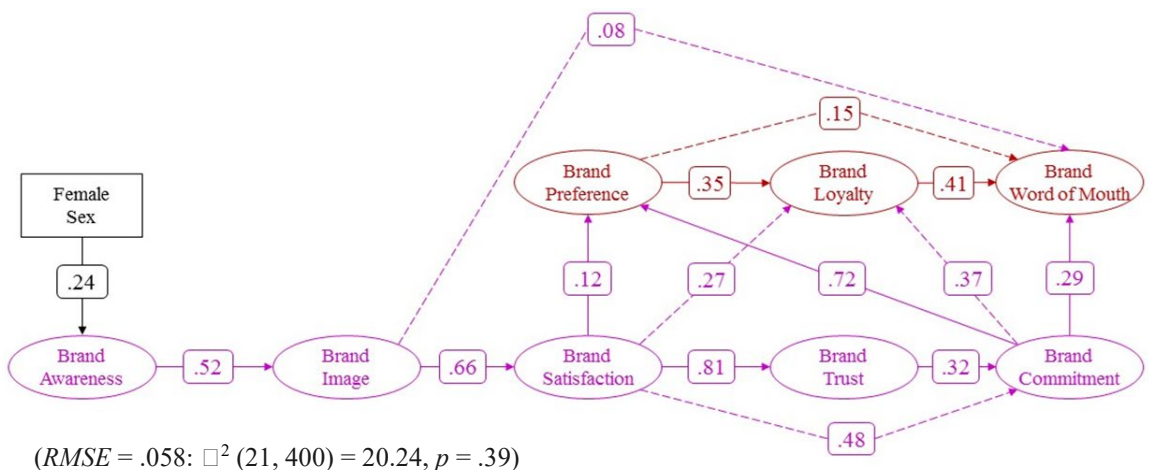
Based on the hypotheses, the causal model of the two brands was tested and revised to deal with significant errors in the models. The fit statistics indicate a good fit for both models: After You ( $RMSE = 0.058$ :  $\chi^2(21, 400) = 20.24$ ,  $p = 0.39$ ), and Cookies Crust ( $RMSE = 0.054$ :  $\chi^2(21,$

$400) = 21.61$ ,  $p = 0.12$ ). All path coefficients for the model of After You and Cookies Crust are presented in table 4. In both cases, every hypothesis except for the H9 was supported. The model results of both brands are depicted in figure 2 and figure 3 respectively.

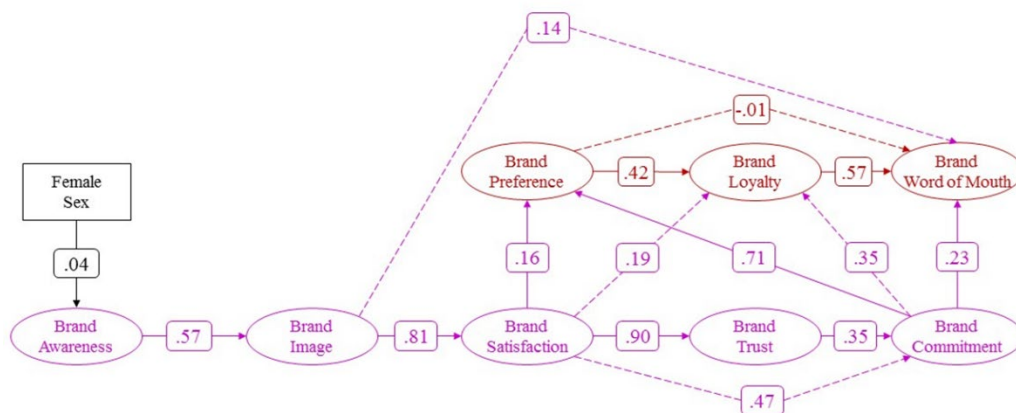
**Table 4** Path coefficients of the selected SME brands

		Hypothesis	Coefficient	
			After You	Cookies Crust
Hypothesized effects				
Brand awareness	→ Brand image	H1	.52	.57
Brand image	→ Brand satisfaction	H2	.66	.81
Brand satisfaction	→ Brand trust	H3	.81	.90
Brand trust	→ Brand commitment	H4	.32	.35
Brand commitment	→ Brand preference	H5	.72	.71
Brand preference	→ Brand loyalty	H6	.35	.42
Brand loyalty	→ Word of mouth	H7	.41	.57
Brand satisfaction	→ Brand preference	H8	.12	.16
Brand trust	→ Brand loyalty	H9	NA	NA
Brand commitment	→ Word of mouth	H10	.29	.23
Other effects				
Female sex	→ Brand awareness		.24	.04
Brand satisfaction	→ Brand commitment		.48	.47
Brand satisfaction	→ Brand loyalty		.27	.19
Brand commitment	→ Brand loyalty		.37	.35
Brand image	→ Word of mouth		.08	.14
Brand preference	→ Word of mouth		.15	-.01

Notes: All coefficients are significant ( $t$ -value > 1.96,  $p < .05$ )



**Figure 2** Model of best fit for the high visibility brand, After You



(RMSE = .054:  $\chi^2(21, 400) = 21.61, p = .12$ )

Figure 3 Model of best fit for the low visibility brand, Cookies Crust

As shown in figure 2 and figure 3, brand awareness affected the brand image of After You ( $p = 0.24$ ) and Cookies Crust ( $p = 0.57$ ), so hypothesis 1 was supported. Hypothesis 2, which analyzed the effect of brand image on brand satisfaction, was also fully accepted, as brand image increased brand satisfaction by a considerable amount in both After You ( $p = 0.66$ ) and Cookies Crust ( $p = 0.81$ ). Brand satisfaction, in turn, had a large effect on the brand trust of After You ( $p = 0.81$ ) and Cookies Crust ( $p = 0.90$ ). Hence, it confirmed hypothesis 3. The next path showed that brand trust increased brand commitment in After You ( $p = 0.32$ ) as well as Cookies Crust ( $p = 0.35$ ). Therefore, hypothesis 4 was supported. Hypothesis 5 which assessed the impact of brand commitment on brand preference was also accepted in both After You ( $p = 0.72$ ) and Cookies Crust ( $p = 0.71$ ). Brand preference,

then, increased the brand loyalty of After You ( $p = 0.35$ ) and Cookies Crust ( $p = 0.42$ ), confirming hypothesis 6. Brand loyalty had an effect on word of mouth in both After You ( $p = 0.41$ ) and Cookies Crust ( $p = 0.57$ ) hence, hypothesis 7 was supported. Hypothesis 8, which considered the effect of brand satisfaction on brand preference was also accepted in After You ( $p = 0.12$ ), and Cookies Crust ( $p = 0.16$ ). However, hypothesis 9 was rejected, as brand trust had no significant impact on brand loyalty in the two SME brands. Lastly, a positive effect was found for the effect of brand commitment on word of mouth, for both After You ( $p = 0.29$ ) and Cookies Crust ( $p = 0.23$ ). Hence hypothesis 10 was also confirmed.

The study included several other effects, shown by dashed lines in the models of both brands to improve their overall goodness of fit. It was found that female gender increased

brand awareness for After You ( $\rho = 0.24$ ) but not for Cookies Crust ( $\rho = 0.04$ ). The study also discovered that brand satisfaction played a crucial role in the models of both brands as it affected not only brand trust and brand preference, but also directly affected the brand commitment for both After You ( $\rho = 0.48$ ) and Cookies Crust ( $\rho = 0.47$ ), as well as the brand loyalty for After You ( $\rho = 0.27$ ) and Cookies Crust ( $\rho = 0.19$ ). Brand satisfaction also had an indirect effect on brand commitment through brand trust in both cases. Brand trust could account for more than half of the total effect ( $P_{M \text{ After You}} 0.81 * 0.32 / 0.48 = 0.54$ ) ( $P_{M \text{ Cookies Crust}} 0.90 * 0.35 / 0.47 = 0.67$ ). Moreover, the paths between brand commitment and brand loyalty were added into the models of the two brands, as brand commitment led to brand loyalty in both After You ( $\rho = 0.37$ ) and Cookies Crust ( $\rho = 0.35$ ). Last but not least, it was noticed that the word of mouth for both brands was affected not only by brand loyalty and brand commitment but also other variables. In After You's case, word of mouth was increased by brand image ( $\rho = 0.08$ ) and brand preference ( $\rho = 0.15$ ). For Cookies Crust, word of mouth was enhanced by brand image ( $\rho = 0.14$ ) but unexpectedly decreased by brand preference ( $\rho = -0.01$ ). The effect of brand image on word of mouth could be mediated by brand satisfaction, brand preference, and brand loyalty for After You and Cookies Crust. These three variables accounted for slightly less than a quarter of the total effect ( $P_{M \text{ After You}}$

$0.66 * 0.12 * 0.35 * 0.41 / 0.08 = 0.14$ ) ( $P_{M \text{ Cookies Crust}} 0.81 * 0.16 * 0.42 * 0.57 / 0.14 = 0.22$ ).

## DISCUSSION

### Empirical Findings

As stated by Keller (2009), a brand can be developed gradually by creating brand identity, communicating brand meaning, improving brand response, and preserving the brand's relationships. Hence, the model in this study was conceptualized from Keller's (2009) ideas and studies on SME relationship marketing practice. The model has three main parts. Each part's elements were analyzed separately and were arranged theoretically in the causal model.

The first of these is brand knowledge which includes the two elements of brand awareness and brand image. This group of variables acts as the antecedent of consumer response factors. The third part of the model, consists of brand preference, brand loyalty, and word of mouth. The effect of brand knowledge on consumer response factors is mediated by three variables of brand relationship quality, located in the middle part of the model, which are brand satisfaction, brand trust, and brand commitment. This causal model was empirically tested in the Thai SME branding context. Two SME brands with different levels of brand visibility, After You and Cookies Crust, were selected to examine the model.

The findings of the study illustrated that the conceptualization of the model was largely supported by the empirical results as the models of the two chosen SME brands replicated reality, and all hypotheses except H9 were confirmed. The study showed that branding in SME's started by building consumer's brand awareness, the basis of brand knowledge, which later increased brand image. Brand image, in turn, improved brand satisfaction, the fundamental variable of brand relationship quality. Brand satisfaction then positively affected brand trust which gradually developed brand commitment. Brand preference, the beginning stage of the consumer response factors, is the consequence of brand commitment. Brand preference soon promoted brand loyalty which finally helped the brand to earn more positive word of mouth. Furthermore, brand satisfaction increased brand preference and brand commitment raised the brand's word of mouth. However, brand trust had no impact on brand loyalty, presumably because brand trust alone is not enough to create brand loyalty for young and novel SME brands. Some researchers also noticed that brand trust had a slight effect on attitudinal brand loyalty and no impact on behavioral brand loyalty (Kuikka & Laukkanen, 2012). Other non-hypothesized effects were also included in the models. In both SME brands selected for this study, brand satisfaction boosted not only brand trust but also brand commitment, brand preference, and brand loyalty. These findings are consistent with

pre-existing research. Caceres and Paparoidamis (2007) found that relationship satisfaction led to the commitment of customers in the business to business setting. Moreover, the impact of brand satisfaction on brand loyalty was noticed in the world of small business (Russell-Bennett, McColl-Kennedy, & Coote, 2007). Therefore, brand satisfaction positively affected many variables in the study's model.

We also found that brand commitment led to brand loyalty for both After You and Cookies Crust. This result is congruent with the findings of Fullerton (2005) who showed the effect of brand commitment on brand loyalty in the setting of service businesses.

Moreover, the findings of the two brands showed that word of mouth is increased not only by brand commitment but also brand image. This result is consistent with those of previous works. Researchers have noticed that customers are likely to recommend a brand to someone when they have an emotional attachment to that brand (Ismail & Spinelli, 2012).

The models of After You and Cookies Crust are similar. However, there is a subtle difference between the two. Female gender led to greater brand awareness for After You but not Cookies Crust, presumably because After You's marketing targets women in their 20s and 30s ("After You who don't know," 2014). Another distinction between the findings for the two brands is that word of mouth was increased by brand preference for After You, but in the opposite

direction for Cookies Crust. This is maybe due to the fact that After You is more popular and has higher visibility than Cookies Crust, so customers are more willing to admit that After You is their favorite brand and recommend it to others. Cookies Crust fans, in contrast, are possibly too shy to show that they like a brand with lower status.

### **Managerial Implications**

The empirical results of this study illustrated that the effect of brand knowledge on consumer response factors was mediated by brand relationship quality. Therefore, Thai SME owners should manage their brands by building not only brand knowledge but also paying more attention to the relationship between the brand and consumers.

The findings of the study also showed the potential importance of each component of brand relationship quality in Thai SME branding. Brand satisfaction was the antecedent of the other two factors of brand relationship quality and led to consumer responses including brand preference and brand loyalty. Hence, the managers of small brands should set the primary objective of marketing communications, as well as allocate a marketing communication budget and other business resources to enhance customers' brand satisfaction.

Brand commitment is necessary for SME brand building since it affected all consumer response factors. SMEs need to pay attention to creating brand trust as well, as it was found that it plays a mediating role

between brand satisfaction and brand commitment. The evidence from this study certainly helps SMEs, which usually have limited resources, to effectively manage their expenditures on marketing communication activities.

Moreover, the results provide valuable insight into factors encouraging positive word of mouth, the free marketing that is vital for SMEs, as it was found that word of mouth was a function of brand image, brand commitment, and brand loyalty. Accordingly, SMEs should communicate their brands in a way that helps to create strong, favorable, and unique associations for the brand's image as well as develop consumer's commitment and loyalty to the brand in order to encourage their customers to promote the business.

Most importantly, the findings bring an overall understanding to the process of branding in the setting of Thai SMEs, as the tested causal model depicted the antecedents, mediators, and consequences of SME brand development, which can lead to effective brand communication planning and evaluation.

### **Limitations and Suggestions for Future Research**

Although the results of the study are mostly in accordance with the theoretical hypotheses, further research should be conducted to replicate and extend these findings. Since this study focused on just two SME brands in one type of business, it



is suggested that further research is required to replicate the findings with various product categories and SME brands.

Another limitation of the study is regarding differences of language and culture. As the study was carried out in the Thai SME setting, the questionnaire items, adopted from pre-existing work, were translated from English into Thai. However, some words could not be translated such that their meaning was preserved exactly. For this reason, questionnaires regarding the branding of Thai SMEs should be specifically developed for future research.

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