

SUFFICIENCY ECONOMY PHILOSOPHY-BASED SUSTAINABILITY DIMENSIONS IMPACT ON CUSTOMER EQUITY AND BRAND LOYALTY

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Abstract

Sustainability has many dimensions; thus, this study proposes the use of the Sufficiency Economy Philosophy (SEP) of His Majesty King Bhumibol Rama IX, which strikes a balance between profitability and ethical considerations in defining the concept. This study aims to develop a theoretical model wherein sustainability perception impacts customer equity and brand loyalty. The findings could be used to develop branding guidelines. The study had two stages. First, qualitative research was used to develop brand indicators based on the Sufficiency Economy Philosophy. In-depth interviews were used to collect data from 30 respondents to supplement the literature review and develop a quantitative research data collection tool (questionnaire). This survey method was used to collect data from 568 respondents. The research findings revealed that brand sustainability indicators based on the SEP included the existing dimensions of economic sustainability, social sustainability, and environmental sustainability, and the newly added dimension of personal and health related sustainability. The Structural Equation Model revealed that sustainability perception had an impact on customer equity and subsequently brand loyalty. Path analysis revealed that sustainability perception impacts value equity and brand equity but not relationship equity. Consequently, customer value impacts the loyalty dimensions of purchase intentions, and brand effect, but not advocacy. The findings indicate that sustainability is a requirement for customers to consider a brand, based on its effect on purchase intentions. However, sustainability does not lead to any relationship or subsequent advocacy actions. Thus, future studies should incorporate other dimensions such as product quality for a more comprehensive model.

Keywords: Brand Sustainability Indicators, Sufficiency Economy Philosophy, Customer Equity, Brand Loyalty

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INTRODUCTION TO THE STUDY

Sustainability promotes a long-term competitive advantage, which is an asset that ensures future prosperity (Kim et al., 2011; Armstrong, 2018). It refers to a balance between a firm's profitability, customer satisfaction, and society's well-being. Many studies have shown the benefits of sustainability as a marketing strategy (Kang & Hur, 2012; Kasemsuk, 2016; Tungmantaweewat & Homsombat, 2016; Sattayapanich, 2015; Siri wattanawiroj & Kleechaya, 2010; Wiriyapipat, 2009). Consumers today have expressed great concern regarding the environment. Consequently, brands must now integrate this view by developing a long-term plan that balances business growth, profits, and the impacts of the business on society in various dimensions. Thus, marketing can gain a higher purpose and result in improvements to the economy and society (Kotler, 2015).

According to Kim et al. (2015) sustainable marketing includes marketing activities that support the public in a positive way in terms of the economics, environment, and society. Measures of perceived sustainability include economic, social, and environmental sustainability. Thus, it

must be defined as the holistic adoption of sustainability principles. It is a position where all stakeholders must develop a common language, trust, and shared vision, requiring transparent business activities and processes with clear communication. Schultz and Block (2015) explained that consumers adopt sustainable attitudes and behaviors through using sustainable brands. This enables a balance between interests that were typically not aligned, which refers to consumers, companies, and society, by analyzing and understanding the society's needs. There is a symbiotic relationship between consumers and brands, an interdependence where the success of the brand depends on the consumers. Likewise, consumers use brands to express their interests, attitudes, preferences, and personality (Erdil, 2013).

Based on this interdependence, Porter and Kramer (2011) proposed the idea of creating shared value (CSV). Past researchers reasoned that CSV makes "doing good" for society, part of the profitability of the firm. It can be achieved by realigning the company's resources to innovate products or markets, rethinking the value chain, and enabling clusters. They also explained that shared value is the key to the next wave of innovation and business growth. Wantame (2018) explained that the Sufficiency Economy Philosophy could be applied to sustainable marketing. It is a systematic process that increases the firm's competitiveness at the local, regional, and global level (Chantamas, 2019).

The key concept is keeping the business operations profitable and yet ethical. The Sufficiency Economy Philosophy developed by His Majesty King Bhumibol Rama IX, embodies many of the sustainability dimensions.

Interpretation of the Sufficiency Economy Philosophy in terms of sustainability components can be made based on the congruence of the definitions. The first component of the Sufficiency Economy Philosophy is moderation, referring to sustainability in terms of economics. The firm must be profitable, but in doing so must still be truly mindful of the ethics involved. This leads to the second component, which is being reasonable, or being careful in terms of the environment. Operations must effectively utilize resources with consideration made for all stakeholders, leading to the third component, prudence or being mindful towards society. These principles would enable individuals and organizations to successfully navigate changes in the economy, society, environment, and culture. This can ensure adaptability that would ensure survival based on criteria, including knowledgeable, cautionary, and ethical standards.

Numerous studies (Panomprai, 2015; Chobtamkij & Lakmuang, 2014; Rodsatit, 2013) have explained that branding is created through marketing communications. These studies examine the use of creativity and marketing based on the principles of the Sufficiency Economy Philosophy. However, these studies

focus on the process rather than the indicators for the success of the brand based on the Sufficiency Economy Philosophy. Thus, the analysis would be conducted based on the development of sustainability concept from the consumers' perspective. This is in line with Keller (2001), who explained Customer-Based Brand Equity (CBBE). The measurement of brand strength is based on the thoughts, feelings, and loyalty, expressed by customers. Pinar et al. (2012) explained that the brand must be examined from the perspective of the stakeholder. This information would be critical to success in strengthening the brand and the organization. The connection between the brand and the organization, thus leads to the business success as evidenced in numerous studies (Kim et al., 2015; Jang et al., 2012; Chabowski et al., 2011). One perspective is based on CSR, creating meaningful delivery of relevant initiatives that resonate with the values of consumers (Bhattacharya et al., 2009). In the context of the Thai Generation Z, Boonsart and Chaisuwan (2017) found that consumers, who were aware of the quality, image, and trust, of an organization that shows social responsibility, would have purchase intentions and brand advocacy at a high level. Consequently, Grubor and Milovanov (2017) explained that the effects of sustainability on brand equity and brand loyalty need to be explored further. Thus, this study aims to develop sustainability measures based on the Sufficiency

Economy Philosophy, to provide better theoretical foundations for future studies and formulate guidelines for practitioners.

RESEARCH OBJECTIVES

1. To develop sustainability measures based on the Sufficiency Economy Philosophy.
2. To develop a theoretical model wherein sustainability values impact customer equity and brand loyalty.
3. To develop branding guidelines based on sustainability measures.

THEORETICAL REVIEW

Operations for sustainability mean that the consumer must be aware of the brand's marketing efforts, which are balanced between the economic, social, and environmental dimensions (Kim et al., 2015; Peattie & Belz, 2010). These constructs are matched to the principles of moderation, reasonableness, and prudence, in the Sufficiency Economy Philosophy. Nam et al. (2011) expands the symbolic components of brand equity by introducing three symbolic consumption related dimensions: self-congruence, brand identification and lifestyle-congruence.

The Theory of Self-Congruence states that people consume brands in order to sustain their self-esteem (Sirgy, 1982). Brand identification refers to the degree to which brands help to represent consumers' social identities (Del Rio et al., 2001).

Consumers choose to associate themselves with brands that have good reputations (Long & Shiffman, 2000). Consequently, the integration or disintegration with a social group results from brand identification (Nam et al., 2011). One aspect is lifestyle congruence, which could be defined as the degree reached when consumption of the brand supports a unique pattern of living as expressed by activities, interests, and opinions. These factors assist in differentiating individuals from one another, or to associate an individual with others who have similar interests and activities (Solomon, 2002; Foxall et al., 1998). Thus, consumers develop positive attitudes towards brands and have higher purchase intentions when they feel that those brands help them to achieve their desired lifestyle.

Stern's Attitude-Behavior Context Theory (ABC Theory) can be used to explain how such attitudes result in behavior. The ABC Theory explains that behavior is a consequence of attitudes with the influence of contextual factors (Stern, 2000). This theory puts particular focus on contextual factors, including monetary incentives and costs, physical capabilities, physical constraints, institutional goals, legal factors, public policy support, interpersonal influences, social norms, or the influence of environmental groups. Thus, it is appropriate to explain how environmental context influences behavior. The structural dynamics between the influence of attitudes and contextual factors is the key dimension of the model.

With sustainable marketing as part of the consumer context, Peattie and Belz (2010) explain that it includes maintenance in respect of customers, society, the environment, and habits to effectively maintain long term relationships. Operations for sustainability mean that the consumer must be aware of a brand's marketing efforts, which balance between the economic, social, and environmental dimensions (Kim et al., 2015; Peattie & Belz, 2010). These constructs are matched with the principles of moderation, reasonableness, and prudence, in the Sufficiency Economy Philosophy. When consumers are aware of the marketing efforts that address the three aforementioned dimensions, they will acknowledge the brand promises that are aligned with their values (Boonsart, 2018; Sangsom, 2016). This is also explained by DeGroot and Steg (2006), who state that the link between the values held by consumers and the environmental concern expressed by brands is important in purchasing decisions. Kang and Hur (2012) found that products with a good reputation in terms of social responsibility and environmental protection will be viewed positively by consumers.

Kim et al. (2015) explained that sustainability has a positive impact on customer equity, which includes value equity, brand equity, and relationship equity. According to Vogel et al. (2008) value equity, which is the perceived ratio of what is received and what must be sacrificed, is the first driver of loyalty. Furthermore, Equity

Theory explains that perceived equity produces positive affective states, which lead to loyalty, which is a positive consequence. In addition, Rust et al. (2000) explained that value equity has an influence on customer loyalty. The second dimension is relationship equity. This refers to the elements that link a customer to a brand or company (Rust et al., 2000). When consumers feel that they have been treated well, the perceived relationship equity will be high, resulting in trust. Relationship equity offers additional value for the customer. The third dimension is brand equity, which is the subjective appraisal of a customer's brand choice. It is the value added to the brand resulting from favorable prior investments in the marketing mix (Keller, 1993). Strong, unique, and desirable brands have high brand equity (Donkers et al., 2007). This leads to increased brand loyalty.

Dick and Basu (1994) explained that loyalty has at least two dimensions – behavioral loyalty and attitudinal loyalty. Repurchasing behavior is defined as behavioral loyalty, while the level of commitment to the brand is attitudinal loyalty (Chaudhuri and Holbrook, 2001). Attitudinal loyalty is not only linked to repurchasing behavior but also favorable word of mouth (Selnes, 1993).

HYPOTHESES DEVELOPMENT

Kang and Hur (2012) posited that products known for being socially responsible and environmentally

friendly would be viewed positively by consumers. Kim et al. (2015) explained that sustainability has a positive impact on customer equity. This is further explained by Schultz and Block (2015), who state that consumers choose sustainable brands that hold values congruent with their own. Thus, the following hypothesis is proposed:

H1: Sustainability perception has an impact on customer equity.

Customer equity has an impact on brand loyalty as evidenced in many studies (Abadi et al., 2013; Violeta et al., 2011; Telles et al., 2008; Lemon et al., 2001). Strong, unique, and desirable, brands have high brand equity leading to brand loyalty (Donker et al., 2007). Thus, the following hypothesis is proposed:

H2: Customer equity has an impact on brand loyalty.

Boonsart and Chaisuwan (2017) found that consumers who were aware of a brand's sustainability reputation, would have positive commitment and engage in brand advocacy. Thus, the following hypothesis is proposed:

H3: Sustainability perception has an impact on brand loyalty.

RESEARCH METHODOLOGY

The study utilized a mixed methods research methodology. The research was done in two stages. The first stage consisted of qualitative

interviews, wherein 30 in-depth interviews were conducted with consumers of sustainable products. This method is in line with Pinar et al. (2012), who explained that brands must be examined from the perspective of the stakeholder. Purposive sampling was used, with a set quota calling for collection of data from 3 generations of consumers, namely Generation Y (aged between 23 – 38 years), Generation X (aged between 39 – 54 years), and Baby Boomers (aged between 55 – 69 years).

Qualitative Data were gathered through semi-structured interviews, the most common method in qualitative research (Tracy, 2013). The interviews lasted on average 40 minutes and took place in private so that interviewees could speak without interruption. The findings were used in combination with a review of the relevant literature and theory to develop the questionnaire that would be used in the second stage of the study. In this stage of the research, the Sufficiency Economy Philosophy was used as the foundation for the development of the definitions of the sustainability constructs.

The second stage of the research was quantitative data collection. Quantitative data were collected using a survey method, administered via an online questionnaire containing closed-ended questions. Respondents were drawn from consumers who were concerned about sustainability and purchased products that made sustainable claims. In an infinite population, each sample has zero probability for an equal chance of

being chosen. The respondents were therefore selected by convenience sampling (Cavana et al., 2001). The sample size was determined based on the number that would be sufficient for conducting the Structural Equation Model (SEM). Regarding sample size calculation, Hair (2014) recommends a minimum of at least five times as many observations as the number of variables examined in the research. This study comprised of 88 items therefore, the minimum sample size was calculated to be 440 respondents. However, to ensure that the usable data would be sufficient, a total of 600 questionnaires were collected, of which 568 were deemed usable. A proposed Structural Equation Model (SEM) addressing the study objectives was evaluated using LISREL 9.1 (Joreskog & Sorbom, 2012).

RELIABILITY AND VALIDITY OF THE RESEARCH TOOL

Content validity was verified through construct validity in conjunction with a Confirmatory Factor Analysis using the Measurement Model in a Structural Equation Model, examining all of the latent variables. In terms of reliability testing, the questionnaire was pre-tested with 30 respondents. The resulting Cronbach-Alpha Coefficients ranged from 0.921 to 0.965, which is considered good (Nunnally, 1978).

DATA ANALYSIS

The data was analyzed using descriptive statistics including

frequency distribution, percentage, mean, and standard deviation, to explain the findings from the questionnaire. Inferential statistics were conducted using the Structural Equation Model. The model parameters were set using Maximum Likelihood Estimates and other criteria to determine the model fit to the empirical data.

RESEARCH FINDINGS

Summarization of the Qualitative Study to Develop the Sustainability Awareness among Consumers

Data were collected from 12 Generation Y informants, 12 Generation X informants, and 6 Baby Boomers. In terms of the qualitative study, informants explained sustainability as the balance between economic, social, and environmental concerns. When this is considered together with the literature review, the result is a model of brand sustainability based on the Sufficiency Economy Philosophy from the perspective of consumers. Therefore, sustainability has four observable constructs, which are economic sustainability, social sustainability, environmental sustainability, and personal and health related sustainability. These yield 26 item measures.

The health-related sustainability construct was discovered in this study. It is rooted in the Sufficiency Economy Philosophy as a consideration, which supports the concept of shared value. The

interdependence of the brand and the consumer relates to the idea that customers want some tangible benefit to their own well-being. The second latent variable is customer equity, which has three dimensions, namely value equity, brand equity, and relationship equity. These yielded 47 item measures. The third latent variable is customer loyalty, which is comprised of three observable constructs – purchase intentions, brand affection, and brand advocacy. These yielded 11 item measures. A five-point Likert Scale was used. Data were collected from respondents who had experience in purchasing sustainable products, i.e. those which express sustainability in their branding. This was to ensure that they were familiar with the concept of sustainability and the Sufficiency Economy Philosophy.

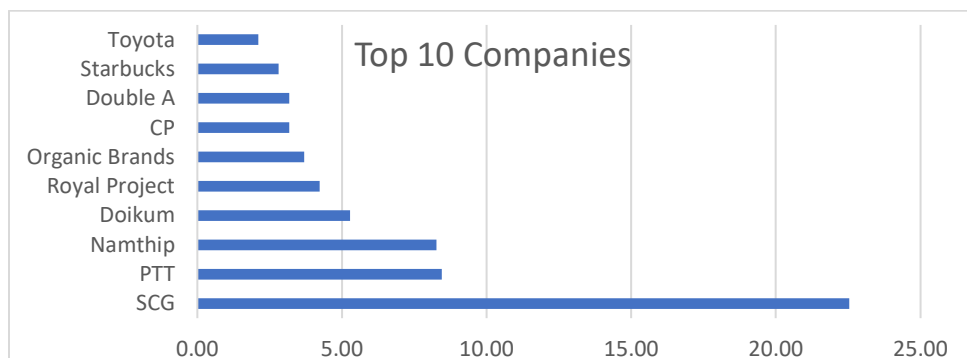
Results of Quantitative Study

The majority of respondents were female, aged between 21 and 30 years,

and followed by those aged 31 – 40 years. Most held a bachelor's degree, followed by those with degrees higher than bachelor's level. It was found that most of the respondents worked as employees in private companies, followed by business owners or freelance workers. The majority had an income between 15,001 and 25,000 baht, followed by those with an income of 25,001 – 35,000 baht.

Findings indicated that companies often perceived as being sustainable, were those that had good reputations resulting from continuous investment in CSR, which is part of marketing communications. This is in line with previous studies (Panomprai, 2015; Chobtamkij & Lakmuang, 2014; Rodsatit, 2013). Both Siam Cement Group (SCG) and PTT Public Company Limited (PTT) are companies that are known to invest heavily in corporate communications and are among the highest valued stocks in the Stock Exchange of Thailand.

Table 1: Companies Perceived as being Sustainable by Respondents.



The means and standard deviations for the perceived sustainability dimension are presented in Table 2. It was found that the dimension with the highest mean was personal and health related sustainability (3.891), followed by environmental sustainability (3.826), economic sustainability (3.587), and social sustainability (3.557) respectively.

Table 2: Means and Standard Deviations of Sustainability Brand Indicators

Perceived Sustainability	Mean	S.D.
Economic Sustainability	3.587	.662
Social Sustainability	3.557	.312
Environmental Sustainability	3.826	.252
Personal and Health Related Sustainability	3.891	.180

Table 3: Means and Standard Deviations for the Consumption Behavior of Sustainable Brands

Sustainable Brands Consumption Behavior	Mean/Interpretation	S.D.
Even one person can have an impact on the environment, community, and economy.	4.33/ (Strongly Agree)	0.807
Sacrifice time and resources to do good for community or country.	4.35/ (Strongly Agree)	0.798
Volunteer to help in various activities.	4.11/ (Agree)	0.809
Purchase products from companies that have sustainability initiatives for the environment, community, and economy.	4.09/(Agree)	0.840
Purchase products from companies that do more for society than their competitors.	3.88/ (Agree)	0.89
Purchase products from companies that practice good governance.	3.81/ (Agree)	0.900
Avoid purchasing products from companies that violate ethical principles.	4.15/ (Agree)	0.93

In terms of the consumption behavior for the sustainable brands presented in Table 3, it was found that consumers rated “Sacrifice time and resources to do good for the community or country.” most highly (4.35). This was followed by “Even one person can have an impact on the environment, community, and economy.” (4.33); “Avoid purchasing products from companies that violate ethical principles.” (4.15); “Volunteer to help in various activities.” (4.11); “Purchase products from companies that have sustainability initiatives for the environment, community, and economy.” (4.09); “Purchase products from companies that do more for society than their competitors.” (3.88); and “Purchase products from companies that practice good governance.” (3.81) respectively.

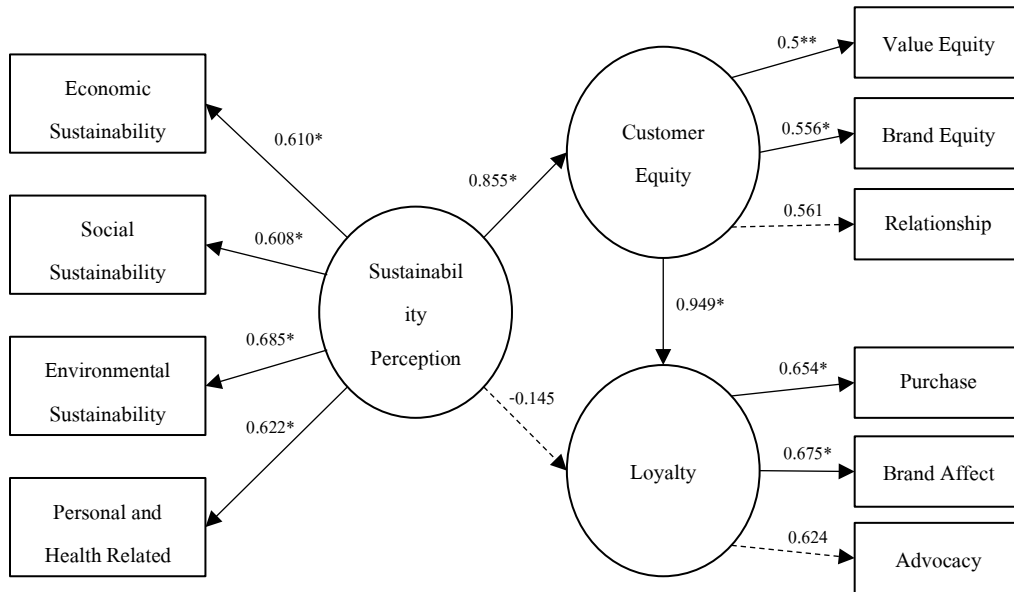
Inferential Statistics

The respondents had the highest awareness in respect of the personal and health dimensions of sustainability. This was followed by environmental sustainability, economic sustainability, and social sustainability, respectively. In terms of customer equity, it was found that brand equity was highest, followed by value and relationship accordingly. Regarding loyalty, it was found that purchase intentions were highest, followed by brand advocacy and brand affection, respectively.

Construct validity was examined using Confirmatory Factor Analysis (CFA). The acceptance criteria used were based on Kline (2011). The

model fit indices passed the criteria based on the recommendation made by Ho (2006) and Hu & Bentler (1999). The Goodness of Fit Index (GFI) was 0.934 (more than 0.90). The CFI was 0.99 (more than 0.95). The Normed Fit Index (NFI) was 0.951 (more than 0.95). The Incremental Fit Index (IFI) was 0.959 (more than 0.95). The Root Mean Square Residual (RMR) was 0.0239 (less than 0.05). These all show satisfactory results for the Confirmatory Factor Analysis (CFA).

Further analysis revealed that the structural model fit the empirical data at the 0.01 significance level. The fit indices passed the criteria based on the recommendation made by Ho (2006) and Hu and Bentler (1999). In addition, the effects were analyzed. The direct effect, indirect effect, and total effects of all constructs in the structural model were examined to test the hypotheses. The first hypothesis “sustainability perception has an impact on customer equity”, was significant at the 0.01 level. The brand sustainability indicators based on the Sufficiency Economy Philosophy from the perspective of the consumer, revealed that the direct effect of sustainability perception has a positive impact on customer value at 0.855. Hypothesis 2, which is “customer equity has an impact on brand loyalty”, was significant at the 0.01 level. Customer value has a positive impact on customer loyalty (0.949). The third hypothesis, which relates to the direct path between sustainability perception and brand loyalty, was not significant.



Note: Statistically Significant _____

Not Statistically Significant - - - - -

*Significant at the .05 level, **Significant at the .01 level

Figure 1: Model Showing Path Coefficients of the Brand Sustainability Model based on the Sufficiency Economy Philosophy

In consideration of the observed variables, it was found that sustainability perception is comprised of economics (ECO), society (SOC), environment (ENV), and personal and health related dimension (PER), all of which were significant at the 0.01 level. On the other hand, customer equity consists of brand equity and value equity, with relationship equity not being statistically significant. Loyalty is comprised of purchase intention (PUR), and brand affect (AFF), both of which were significant

at the 0.01 level, while advocacy (ACT) was not statistically significant.

DISCUSSION OF RESEARCH FINDINGS

Development of sustainable brand indicators derived from customer-based equity and brand loyalty is in line with the concepts developed in previous research. It is found that a sustainable brand is comprised of four dimensions,

namely economic, social, environmental, and personal and health related. The first three dimensions of economic, social, and environmental sustainability, are in line with previous research that posited the balance between these three components (Kim et al., 2015; Peattie & Belz, 2010; Wantame, 2018). In addition, it is also related to the Sufficiency Economy Philosophy proposed by King Rama IX. The Sufficiency Economy Philosophy concerns the principle of the middle-path, which is congruent to the lifestyle of Thai people. It is comprised of the aspects of moderation, reasonableness, and prudence.

An additional dimension derived from the qualitative findings of the current study, that is part of sustainability perception is personal and health related sustainability. Consumers view this as being important in addition to the dimensions of economics, society, and environment. This means that consideration must be made regarding the well-being and health of the consumer. This is also in line with Leone et al. (2006), who explained that a brand should have a good reputation that is relevant to consumers' needs. It must be accepted among members in the consumers' society.

Additionally, perceived sustainability is found to have an impact on customer equity. This is in line with Belz and Peattie (2012), who explained that sustainability in marketing includes the creation and

maintenance of long-term relationships with customers, society, and the environment. Managing for sustainability is part of the planning on the part of the organization. This includes allocation and control of resources to create marketing activities to serve and create customers, and for customer satisfaction. The activities must be done with consideration for social and environmental impacts, in order to achieve the marketing objectives that have been set. The research indicated that brands capable of communicating their sustainable values would generate long-term customer value.

It is important to note that sustainability perception alone does not have a direct effect on customer loyalty. However, perceived sustainability has an indirect effect on customer loyalty, through customer value. This shows that no matter how much importance the consumer attributes to sustainability, regarding the actual purchase decision there are other factors that must be considered. These include quality or the benefit that would be derived from the product, which is part of the customer value. This is in line with the work of Sattayapanich (2015), which found that social responsibility activities have an indirect effect on the brand and income generation for the firm.

Customer equity does have a direct impact on loyalty, which is in line with Holehonnur et al. (2009). The study found a relationship between value equity and purchase intentions. It could be explained that purchase intentions are built upon the

evaluation of value equity. Thus, an intention would lead to the associated behavior. As such, purchase intentions would increase when value equity increases. This is congruent with Rust et al. (2000), who explained that value equity, brand equity, and relationship equity have positive impacts on loyalty. In addition, loyalty has a positive impact on future sales and past sales. Thus, advocacy (ACT) is not a significant indicator of loyalty.

Relationship equity (RE) was not found to be a significant indicator of customer value. This could be explained since relationship equity (RE) must be created through loyalty programs, affinity programs, community building programs, and knowledge-building programs (Monica et al., 2011). Thus, since the respondents were not specifically customers of the brand, they lacked the relationship component, which is in line with Antariksa (2007), who explained that relationship equity is the perspective of the strength of the customer relationship with the brand.

Theoretical Contribution

The theoretical contribution of this study is the development of Sustainable Brand Indicators based on the Sufficiency Economy Philosophy, which allowed for the identification of the additional dimension of personal and health related sustainability. This expands upon the existing proposition that there are three sustainability perception dimensions: economic, social, and environmental (Kim et al.,

2015; Peattie & Belz, 2010; Wantame, 2018). The newly identified personal and health dimension in this sustainability model is critical to consumers. This study highlights that personal and health related sustainability, is a strong dimension for perceived sustainability. This is because people must consider their personal health before helping others and society. The interpretation that sustainability starts with oneself and radiates outward to the society, economics, and environment, is in line with the Sufficiency Economy Philosophy, which emphasizes mindfulness of one's individual needs.

The direct path from sustainability perception to customer loyalty is not significant. This means that simply perceiving a brand as sustainable is not sufficient to lead to brand affect, purchase intentions, or advocacy. The indirect path, which is from sustainability perception to customer loyalty through customer equity is significant. This means that the impact of sustainability perception on loyalty must be mediated by customer equity. However, path analysis shows that sustainability perception only impacts value equity and brand equity but not relationship equity. This is because creation of awareness must go through many stages before generating purchase intentions, as explained by the Consumer Response Hierarchy of Effects. Therefore, a strong brand must focus on the long-term, in order to develop customer equity, which eventually leads to loyalty comprising

of purchase intentions, brand feeling, and brand advocacy. Figure 2 explains the indirect effect of sustainability perception on customer loyalty through customer values.

This reinforces that consumers may have knowledge about the brand and its qualities, but they must be able to align these values with their own needs and have the necessary experience in order to develop customer loyalty. Sustainability perception strengthens the brand, leading to action, which is purchase intentions and affect towards the brand.

Managerial Contribution

Organizations could learn from the analysis of strengths and weaknesses in order to develop sustainable operations for long term benefits with effects on economics, society, environment, and customers. Sustainability Perception has become a requirement for brands. It leads to

customer value, but not customer relationship, and sufficiently generates brand affect, and purchase intentions. Thus, these guidelines are suggested for brands to enhance the effectiveness of sustainability perception based on the Sufficiency Economy Philosophy.

1. Brands should clearly communicate their commitment in doing good for the economy, society, environment, and people. They must prove that they are willing to make sacrifices to fulfill their commitment.
2. Brands should empower employees and customers to take action, as consumers believe that even one person can make a difference through their voluntary actions.
3. Brands must show how good governance is practiced in the organization.

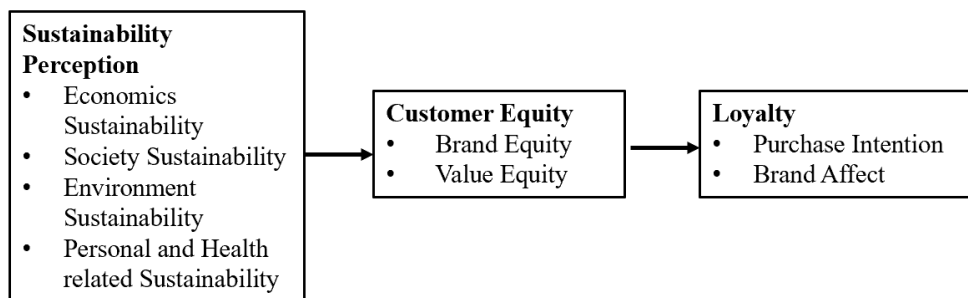


Figure 2: Brand Sustainability Model based on the Sufficiency Economy Philosophy

CONCLUSION AND FUTURE RESEARCH DIRECTIONS

The development of sustainable brand indicators, based on the Sufficiency Economy Philosophy, from the perspective of the customers, is derived in the current study; these are the dimensions of economics, society, environment, and personal and health. Based on the findings it is no longer sufficient to simply consider broad stroke type commitments for the economy, society, and environment; rather, firms should focus on the quality of life of the individual, whether they are consumers, or stakeholders. It is found that sustainability perception is a requirement for brands to be considered. Consumers state that they would avoid buying products from companies that violate ethical principles. However, the creation of a relationship and consequent advocacy requires more than sustainability perception. Thus, brands must maintain a balanced strategy of being sustainable while producing products or services that fulfill the desires of consumers. This balance is the key precept of the Sufficiency Economy Philosophy.

The current research examined three constructs, which are sustainability perception, customer value, and loyalty. However, there might be other variables that affect customer equity such as attitudes and lifestyle resulting from the Sufficiency Economy Philosophy. Characteristics such as social and environmental awareness, or type of

products, as well as consumer behavior variables, might be added to the model to better explain the phenomenon.

The respondents in this study were those who were exposed to sustainability communications and have experience in purchasing sustainable products. However, they were not customers of a particular brand. Having a sample of non-users is a limitation, as this model only explains the perception that leads to trial (purchase intention) and positive affect. However, for a brand to be strong it is important to have a relationship that leads to brand advocacy, which could be further examined in future research.

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