THE EFFECT OF AUTHENTICITY PERCEPTIONS, BRAND EQUITY ON BRAND CHOICE INTENTION: A STUDY IN ETHNIC RESTAURANTS IN VIETNAM

Ly Thi Minh Pham – Hong Nga Do – Tuan Minh Phung

Abstract
The purpose of this article is to examine how customer’s authenticity perceptions affect brand equity, from a customer point of view, and the effect of brand equity on brand choice intention to ethnic restaurants. The authors propose a conceptual framework in which authenticity perceptions has a relationship with brand equity and then four dimensions of brand equity including brand awareness, brand association, perceived quality, brand loyalty are related to brand choice intention. After designing questionnaire content and sampling, 232 samples gathered from several ethnic theme restaurants around Vietnam was utilized for the structural equation modeling (SEM) analysis. The results show that authenticity does have strong impact on brand equity. Additionally, brand equity has shown a significant effect on brand choice intention. Finally, managerial implications are provided based on the research findings.

Keywords: authenticity, brand equity, brand choice intention, ethnic restaurant

JEL Code:

Introduction
In recent years, cultural diversity has been grown dramatically and companies doing business in the hospitality and tourism industry have a desire to provide authentic and unique experiences for customers (Gilmore and Pine, 2007). For instance, Okumus et al. (2007) have provided a discussion on how experts and marketers can apply marketing tools when bringing original food to destinations in order to differentiate themselves through using their unique cuisines. Going upward with this remarkable trend over the world, people making marketing strategy have used authenticity as a critical determinant for brand-positioning with differentiation as perceived authenticity may affect revisititation intentions of visitor’s foodservice according to Robinson and Clifford (2012). As a result, marketers have been
using the concept of “authenticity” as a competitive advantage compared to other rivals for many years (Sedmak and Mihalic, 2008).

The literature on ethnic theme restaurants has already shown that patrons of such restaurants often wish to experience authentic ethnic culture (Tsai and Lu, 2012); therefore, enterprises in restaurant service frequently utilize authentic settings, interior design, music, employee costumes and others feature associated with the culture so as to create an “authentic” experience for dining environment. In research findings of Tsai and Lu (2012), they concluded that in order to attract more customers through their revisit intention, ethnic theme restaurants should improve their performance of authenticity such as service, settings, and food to provide customers a more authentic dining experience. Consequently, the brand which is rated as more authentic by customers can be easily recognized and highly recommend compared to that of the less ones (Tsai and Lu, 2012).

In addition to the differences in nature between products and services, service brand differs from product brand in terms of forming the basis lodging in customer mind. In service marketing, corporate brand is the basic brand formed and stored in customer's mind, while in product market, product brand is the basic brand kept in customer memory (Low and Lamb, 2000). In the service sector, regular customers will choose or reject a decision based on corporate/ company brand, so the business will focus on developing brand associated with the company rather than product performance.

Muller and Woods (1994) has emphasized the focus on brand management rather than product management in the restaurant industry, the researchers stressed out the necessity of having a clear concept for your restaurant, the credibility of the brand name, and the brand image development. Muller (1998) launched three major problems that a service brand should focus in order to build brand equity and customer acceptability in the market, including: (1) the quality of products and service; (2) the expression of services in the implementation process; (3) established a unique image. The authors assert that the combination of the above three issues in the development of restaurant brands will bring a chance for businesses in setting premium price and increase customer loyalty.

In the hospitality and tourism industry, one of the most important assets of restaurant–hotel businesses are the brand name and what that brand represents (Kotler et al., 2006). And there are a large number of studies relating to branding. For instance, Kim and Kim (2004) have figured out a significant relation between quick-service restaurant brand equity and enterprise’s financial efficiency especially revenues. Prasad and Dev (2000) found that strong
brand is critical for hotel chains to indentify and differentiate themselves from other rivals. In addition, researchers also found the relationship between brand equity, perceived value and customer revisit intention. Butcher (2005) revealed that perceived quality, perceived value, brand equity, brand preference have effect on customer repurchase intention. Kim et al. (2008) indicated that a strong brand equity may affect significantly customer revisit intention to mid-priced hotel chains in America. Moreover, this relation is mediated by perceived value. Zhou (2011) have proven the research model of Kim et al. (2008) in Shanghai hotel environment and also revealed the similar results.

From the preceding discussion, several researchers have recognized the importance of branding and brand management for years. Nevertheless, according to Huyn and Kim (2011) argued, although brand equity has been seen as an important factor in hospitality industry, especially in restaurant service, there is still a little empirical study analyzing the effect of authenticity perceptions on ethnic theme restaurants’ brand equity. Therefore, the aim of this study is to examine the role of customer authenticity perceptions in a relationship with four components of brand equity including brand awareness, brand association, perceived quality, brand loyalty according to Aaker (2009) as well as how these four dimensions interrelate with one another. Moreover, another purpose of this empirical research is to investigate whether brand equity play an essential part in contributing to selection behavior namely brand choice intention in this case. Based on the main purposes of this research, our analysis focuses on two research questions:

1. Do authenticity perceptions have a positive effect on brand equity?
2. Does each dimension of brand equity interrelate with one another?
3. Does brand equity have a positive impact on brand choice intention?

1 Literature review

1.1 Authenticity

The authenticity has been widely conceptualized by several researchers from various aspects, such as original and staged authenticity (MacCannel, 1973), existencial (Wang, 2004), approximate and moral (Leigh et al., 2006), literal or objective (Beverland et al., 2008) and so on. In general, three typical perspectives of authenticity which are usually examined by researchers are objective, constructive and postmodern. These three perspectives can be used to describe and analyze customer’s authenticity perceptions in ethnic themed restaurants.
MacCannell (1973) was the first person who suggested the relationship between tourists’ motivation and authenticity perceptions. In his study, he stated that the first kind of people who are quests for authentic experiences are religious pilgrimages and tourists after that. Tourists present themselves at places of social, historical and cultural importance; whereas nowadays visitor of foodservice usually look for an authenticity experience that hardly be found in modern society or typical days. But in fact, because most consumers can not have an opportunity to travel to the original country of an ethnic theme restaurant, so it seems to be hard for them to distinguish a true authenticity from a “staged authenticity”. Specially, researchers who followed objective aspect argued that authenticity or inauthenticity can be valuated based on individual personal view or objective standards (Reisinger and Steiner, 2006; Wang, 2004). Experts who are knowledgeable about local traditions of a particular country can determine whether an ethnic restaurant provides a true authenticity of products or service or not, whereas diners may hold a believe that the experience they received is authentic, which in fact may not be absolutely true and MacCannell (1973) called as “staged authenticity”.

On the other hand, scholars following constructive perspective argue that authenticity cannot be determined based on objective standards of individuals (Belhassen et al., 2008). Belhassen et al. (2008) argued that the recent conceptual shift in the tourism literature, which tends to view authenticity in a subjective sense, should be rethought due to its lack of consideration of ideological and spatial dimensions. According to Cohen (1988), authenticity is conceived as a negotiable rather than primitive concept, the rigor of its definition by subjects depending on the mode of their aspired touristic experience. The level of authenticity depends mostly on how customers receive, interpret and perceive from service quality (Cohen, 1988). Constructivists represented by Mkono (2012) argued that the concept of constructive authenticity is seen as encapsulating the subjective nature of authenticity evaluations in hospitality experiences. Customers usually believe that their experience in ethnic theme restaurants is authentic even if they know that the settings, design, music or employee’s uniform are purposely schemed and their constructions of what constitutes “real” culture are extremely fluid (Mkono, 2012).

Finally, postmodernists assert that diners visit an ethnic restaurant in order to look for an enjoyable illusion (Ebster and Guist, 2005), the matter is not authentic or inauthentic, it is just about how much enjoyable customers receive from their meals. In other words, customers
are not likely to examine the authenticity of their experiences based on objective characteristics but based on their emotional feelings.

1.2 Brand equity and authenticity
In branding research, Aaker (2009) defines brand equity as “a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a customer”.

Besides the nature differences between service and product, service brand is different from product brand in term of primary brand established in customer’s mind. Low and Lamb (2000) argued that company brand is the primary brand in service industry; whereas in the packaged goods market, product brand is considered as the primary brand.

Brand equity can be examined through financial or customer perspective. A financial-approach offers greater unbiased insight into the value of the brand for accounting purposes or for merge, acquisition, or divestiture purposes (Keller, 1993). Whereas, the customer brand equity emphasizes customers’ mindset such as awareness, perceived quality, attitudes, preferences, attachments, and loyalty (Aaker, 2009; Blackston, 1995; Yoo et al., 2000). Although a financial method may provide a more exact insight into the valuation of brand, it may not be helpful for brand managers to establish marketing strategies (Keller, 1993). The customer-based brand equity approach is more practical in a sense that the information offers a strategic vision of customer behavior and brand managers can develop many plans and strategies accordingly (Kim, Jin-Sun & Kim, 2008); therefore, in the context of this study, we implement customer-based brand equity perspective as an approach to measure multidimensional brand equity of quick-service restaurants.

Aaker (2009) established five dimensions of brand equity including brand awareness, brand association, perceived quality, brand loyalty and other proprietary brand assets. However, other proprietary comprises trademarks, patents and distribution channel relationship, which is argued that not relevant to consumer perception according to Yoo and Donthu (2001). Therefore, only four dimensions should be considered in measuring customer-based brand equity in this study (Yoo and Donthu, 2001), comprising brand awareness, brand association, perceived quality and brand loyalty.

Keller (1993) first suggested about brand knowledge which is conceptualized as consisting of a brand node in memory to which a variety of association are linked; furthermore, brand knowledge comprises two determinants namely brand awareness and
brand image. He figures out that brand knowledge is formed and changed by several things including customers’ experiences and feelings about a product or service brand received from the brand’s marketing communications campaign, other factors that can be noticed such as word of mouth, online and print media.

Brand awareness plays an essential role in customer-based brand equity. It is defined as “the ability of the potential buyer to recognize and recall that a brand is a member of a certain product category (Aaker, 2009). Brand awareness also contributes a lot to consumer decision making because of three major reasons (Keller, 1993). First of all, it is crucial that customers think of brand when they think about the product category. The higher level of brand awareness for a brand, the higher probability of this brand can be involved in the buying decision making process of a customer (Hoyer and Brown, 1990; Nedungadi, 1990). Secondly, brand awareness can affect decisions about brands in the consideration set, even if there are essentially no other brand associations. Lastly, brand awareness can have impact on consumer decision making by affecting the information and the strength of brand associations in the brand image. In other words, the easier and quicker that a brand can be recognized or recalled by consumers, the higher chance that brand will be selected than less popular ones according to Sun and Ghiselli (2010).

In the ethnic theme restaurant context, ethnic experiences and feeling are formed based on a natural settings of the original country culture, which not only creates a unique and exclusive characteristics that have been know as differentiation from their rivals, but also sets up an enjoyment and excitement for dining experiences of customers (Ebster and Guist, 2005). With many local residents, ethnic restaurants can be the only way to try and experience foreign cuisines and cultures (Jang et al., 2011); hence, customers’ authenticity perceptions play an essential part in ethnic restaurant field (Wood and Munoz, 2007), and this factor may contribute a lot to increase ethnic restaurant’s brand awareness. As can be seen clearly, an ethnic restaurant which has some unique and distinctive attributes in their authenticity may yield in customer’s mind high level of awareness; therefore, when customers in their purchasing process with various alternatives, authenticity perceptions may support them to recognize and recall the brand that they consider unique, exclusive and authentic. As a result, the higher authenticity perception customers receive from an ethnic theme restaurant, the higher brand awareness they may have toward that restaurant which has been confirmed in an empirical research of Lu and et al. (2015). Hence, the below hypothesis has been drawn:
H1: For ethnic restaurants, customer’s authenticity perception will have a positive impact on their brand awareness.

Brand association is another dimension of customer-based brand equity and defined by Aaker (2009) as “anything linked in memory to a brand”, which forms different perceptions of the brand to customers and provides the basis of purchase decisions making. According to Keller (1993), understanding brand equity means identifying the network of strong, favorable, and unique brand associations in lodging in consumer mind. Consumers might associate a brand with a particular attribute or feature, usage situation, product spokesperson, country of origin, or logo (John et al., 2006). Brand associations are complicated and connected to one another, and consist of multiple ideas, episodes, instances and facts that establish a solid network of brand knowledge. The associations are stronger when they are based on many experiences or exposures to communications, rather than a few (Alba and Hutchinson, 1987; Aaker, 2009). The unique, favorable and strong brand association forms a specific brand image, which is one of the major drivers resulting in brand equity (Keller, 1993; Xu and Chan, 2010; Qu et al., 2011). According to Aaker (2009), brand image is defined as “a set of associations, usually organized in some meaningful way”; whereas Keller has defined brand image as perceptions about a brand as reflected by the brand associations held in consumer memory. Therefore, most research examining brand association mainly concentrates on brand image (Kim and Kim, 2004; Sun and Ghiselli, 2010). In case of ethnic restaurant, customers’ authenticity perceptions might be an outstanding determinant in brand association that creates and builds valuable brand image to customers.

Beverland and Farrelly (2010) argued that the need of customers for authenticity is usually influenced by their desire for searching something that exclusive and creates differentiation in their dining experiences. In the ethnic restaurant context, exterior settings and interior design, music, employee uniforms are the main channels to communicate the exclusive values of this restaurant. In the research of Lu et al. (2015), they assert that when diners’ requirement to looking for authenticity can be satisfied, anything related to direct and indirect authenticity perceptions to consumers should enhance brand association which contribute a lot to creating specific brand image in customers mind. Hence, according to their research result, customers’ authenticity perceptions do have significant effect on brand image of ethnic restaurant and based on this result the following hypothesis is proposed:

H2: For ethnic restaurants, customers’ authenticity perception will have a positive impact on their brand image.
Xu anh Chan (2010) argue that perceived quality is considered as the primary dimension in customer-based brand equity. Zeithaml (1988) defines perceived quality as “the consumer’s subjective judgment about a product’s overall excellence or superiority”, whereas Aaker (2009) has considered perceived quality as an intangible, overall feeling about a brand and is considered as an important component generating firms’ values. Perceived quality can be considered as personal customer’s perception about product experience, unique needs and consumption situations; therefore, their perception will be involved in their decision making process. High perceived quality means that this brand has more probability of choosing instead of other competitor’s brand, supporting a premium price, which in turn can create more profits for a firm to reinvest in brand equity (Yoo et al., 2001). Keller (2003) suggested seven components of product quality in his customer-based brand equity model namely performance, features, conformation quality, reliability, durability, service ability, style and design as well. However, just some of the above factors can be used to analyze restaurant service quality. For instance, the level of customer authenticity perception may vary based on how much their experience is satisfied in case of attitude of service providers, exterior settings and interior designs, employee appearance, physical facilities. Therefore, the following hypothesis is suggested:

\( H3: \text{For ethnic restaurants, customers’ authenticity perception will have a positive impact on their perceived quality.} \)

Even though components of brand equity have been recognized and examined for years in the theory, there are still few empirical studies about their interrelations with one another (Kayaman and Arasli, 2007). Scholars have argued that brand loyalty is the core component of customer-based brand equity because establishing strong brand loyalty can generate a lot competitive advantages for companies (Keller and Lehman, 2006) such as loyal customers are willing to pay at premium price and less sensitive about the price (Tanford et al., 2012), the cost of maintaining the existing customers is always less than that of attracting and looking the new ones (Alonso-Almeica and Bremser, 2013). According to Hsu et al. (2011), brand awareness is considered as a priority factor creating brand loyalty because consumers have a tendency to consider in their purchasing process and select a product or service that can be recognized and have a high-awareness; furthermore, when customers are aware and more familiar with a symbol or logo of a brand, they usually highly recommend that brand and willing to pay at high price (Huyn and Kim, 2011). In their research, Huyn and Kim (2011) conducted a test based on data collected from patrons of five chain restaurant
brands in Korea. The results demonstrate that the four dimensions of brand equity are interrelated. The model indicates that the foundation of brand equity is brand awareness. However, while brand awareness influences brand loyalty formation, its impact is mediated by the effects of brand image and perceived quality. In addition, researchers have presented in many studies that creating and maintaining a unique, exclusive and positive brand image is crucial for building and sustaining brand loyalty (Kayaman and Arasli, 2007). Scholars have claimed that consumers who note the positive aspects of a brand image frequently have a trend to hold some favorable attitude toward that brand and as a result, are likely to be a loyal customers of these products or service (Buil et al., 2013; Hyun and Kim, 2011; Kandampully et al., 2011).

The previous discussion points out that brand awareness and brand image are essential determinants contributing to brand loyalty; nevertheless, not too much attention is paid to the relationship between brand awareness/brand association and brand loyalty in the hospitality context (Sun and Ghiselli, 2010). One of the typical empirical studies examining the above relationship is the research of Kim et al. (2008) found out the significant impact of brand awareness combined with brand association on consumers’ behavior loyalty namely customers’ revisit intention to hotels. In the research of Romaniuk and Nenycz-Thiel (2013), it si also claimed that consumer brand association does have remarkable effect on behavior brand loyalty; however, there is still a few studies supporting their findings in service industry, and the same results are presented in the study of Alexanderis et al. (2008). Based on the above discussion and previous research findings, two following hypotheses are presented:

- **H4**: For ethnic restaurants, brand awareness will have a positive impact on their brand loyalty.
- **H5**: For ethnic restaurants, brand image will have a positive impact on their brand loyalty.

Several studies have presented the empirical evidences for the positive influences of perceived service quality on customer loyalty. For example, Gallarza and Gil Saura (2006) have explored the relations between consumer perceptual constructs such as perceived value, satisfaction and loyalty. The results confirm the existence among perceived quality, customer satisfaction and customer loyalty. Another empirical research is conducted by Kayaman and Arasli’s (2007) contributing to the relation between service quality and brand loyalty. They propose the model which contain perceived quality in a relationship with brand image and band loyalty. The results revealed that two among five dimensions of service quality namely
tangibility and responsiveness positively affect brand loyalty. Whereas Nam et al. (2011) in their study, they investigate the mediating effects of consumer satisfaction on the relationship between consumer-based brand equity and brand loyalty in the hospitality industry. The research findings imply that consumer satisfaction partially mediates the effects of staff behavior, ideal self-congruence and brand identification on brand loyalty, while the effects of physical quality and lifestyle-congruence on brand loyalty are fully mediated by consumer satisfaction. Based on the above literature, the following hypothesis is presented:

**H6: For ethnic restaurants, perceived quality will have a positive impact on their brand loyalty.**

Brand loyalty is considered as the core dimension of consumer-based brand equity for management (Keller, 1993) since it regards a customer’s “deeply held commitment to rebuy or a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior” (Oliver, 1999). According to Oliver (1999), brand loyalty shows the strong trust of customers in a specific product or company brand, and it may reduce the probability of customers to switch to another brand. Brand loyalty is the key component of customer based brand equity according to Aaker (2009); however, in several empirical research, the results proposed that brand loyalty is a consequence of other dimensions such as brand awareness, perceived quality or brand image (Brunner et al., 2008; Lai et al., 2009). Hence, Hsu et al. (2011) argued that brand loyalty may play a role as key summary factor of brand equity and used it as represent variable for brand equity and examine whether it has a significant impact on customer’s brand choice intention. For all the above theory, the below hypothesis is drawn:

**H7: For ethnic restaurants, brand loyalty will have a positive impact on customer’s brand choice intention.**

The research model is adapted from the study of Lu et al. (2015) which conducted in some authentic theme restaurant such as Chinese, Mexican, Vietnam, Thai, Italian, etc located in the northwestern United States. There are two reasons for choosing this model. First of all, this model is applied in the context of authentic restaurants in United State and secondly, authors believe this research is reliable based on their method and analytical techniques to confirm the reliability of the model through cronbach alpha, EFA, CFA and SEM. Below is the proposed model:

![Fig. 1: Proposed research model](image-url)
2 Research methods

This article applies two research methods namely quality research and quantity research. First of all, quality research begins with group interview which aims to find out whether the translation from English to Vietnamese of all scales is suitable for context of authentic theme restaurants in Vietnam or not. 24 interviewees divided into 4 groups are asked to provide ad hoc advice and revisions for scale items. After that, quantity research was put into action. The survey was conducted for about one month in Ho Chi Minh city, Vietnam. A convenience sampling method was used with self-administered questionnaires which were distributed online and through surveyors at schools and universities, officers. Survey administrators asked whether the customers had visited any authentic restaurant in Ho Chi Minh city during the latest two months.

The questionnaire comprises three major sections. In the beginning part, the participants are required to indicate the type (for instance Korean, Japanese, Chinese, French,
etc) of the ethnic restaurant that they have visited during two months. The second section involves all 21 items of research including variables for authentic perception, brand awareness, brand image, perceived quality, brand loyalty and brand choice intention as well. The last section collected demographic information such as gender, age, monthly income, occupation.

All variables used in this research are adapted from various previous studies and modified to fit in the ethnic restaurant context from the original format. Specially, 3 items of authenticity perception are adopted from Lu et al. (2015) because they have identified three major elements to measure diners’ authenticity perception. When it comes to brand equity of an ethnic restaurant, 3 items for brand awareness and 3 items for perceived quality are derived from the prior study of Sun and Ghiselli (2010); whereas the scale for 4 items of brand image and 4 items of brand loyalty are utilized from the research of Kim and Kim (2004) which conducted in restaurant industry in Korea. All items in this study are rated based on 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

Regarding to data analysis, construct reliability of authenticity perception, all four dimensions of brand equity and brand choice intention as well are assessed with Cronbach’s alpha coefficient value. Next, explanatory factor analysis (EFA) is used with SPSS 16.0 before confirmed factor analysis (CFA) and structural equation modeling (SEM) are implemented through AMOS 18.0 to evaluate proposed research model and test hypotheses.

3 Research findings

After of month of survey period, 256 answer sheets are collected; however, there are only 232 are eligible for statistical analysis. First, the table 1 presents the demographic breakdown of the customer sample. As can be seen clearly, Korean and Japanese are the popular types of ethnic restaurants in Vietnam beside others, which account for 45.3% and 25% respectively. Up to 61.6% of respondents are women; whereas men comprise just a little bit more than one third of the sample. The majority of participants have the age from fifteen to thirty; hence, up to 65.5% of participants’ monthly income is ranging from zero to below 5 million per month.

For occupation background, students account for more than a half.

Tab. 1: Demographic profile of the sample

<table>
<thead>
<tr>
<th>Category</th>
<th>Sample n=232</th>
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<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Korean</td>
<td></td>
</tr>
<tr>
<td>Japanese</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td></td>
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<tr>
<td>Age</td>
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<tr>
<td>Income</td>
<td></td>
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<tr>
<td>Occupation</td>
<td></td>
</tr>
</tbody>
</table>

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Later, table 2 illustrates descriptive statistic, the reliability through cronbach alpha among all constructs. When Cronbach’s alpha did not reach the cut-off of 0.7 and the corrected item-total correlations was below 0.3 (Nunnally & Bernstein, 1994), the items lowering the construct reliability were deleted to increase alpha and for the parsimony purpose. According to the Cronbach’s alpha results, all the construct reliabilities were above 0.7 and the corrected item-total correlations were above 0.3; therefore, no item was removed from the construct to raise the scale reliability.

Tab. 2: Cronbach’ alpha and the first EFA’s result

<table>
<thead>
<tr>
<th>Items</th>
<th>Mean</th>
<th>Cronbach alpha</th>
<th>Corrected Item-Total Correlation</th>
<th>Cronbach's Alpha if Item Deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authenticity perception (AP)</td>
<td></td>
<td>0.735</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Brand awareness (BA) 0.788
- **BA1**: I can quickly recall the symbol or logo of this restaurant. 4.788793 .610 .731
- **BA2**: I am aware of the brand of this restaurant. 5.060345 .711 .618
- **BA3**: I can recognize this restaurant’s name among other competing ethnic restaurants. 5.228448 .563 .772

### Brand image (BI) 0.721
- **BI1**: This restaurant has a differentiated image compared to other ethnic restaurants. 4.741379 .550 .634
- **BI2**: Employees of this restaurant are very polite. 5.24569 .510 .658
- **BI3**: This restaurant has a very clear image. 4.810345 .574 .624
- **BI4**: I feel comfortable eating in this restaurant. 5.081897 .415 .709

### Perceived Quality (PQ) 0.777
- **PQ1**: overall quality of food/beverage at this restaurant is good. 5.021552 .557 .757
- **PQ2**: The restaurant performs the service right the first time. 5.288793 .662 .645
- **PQ3**: Staffs of this restaurant are always willing to help me. 4.974138 .635 .670

### Brand loyalty (BL) 0.780
- **BL1**: I regularly visit this restaurant. 3.866379 .534 .751
- **BL2**: I will visit this restaurant again. 4.965517 .619 .707
- **BL3**: This restaurant is my first choice compared to other ethnic restaurants. 4.185345 .625 .704
- **BL4**: I am satisfied with my dining experience in this restaurant. 4.948276 .569 .737

### Brand choice intention (BCI) 0.906
- **BCI1**: Even if this restaurant is similar to others, it seems smarter to choose this restaurant. 4.525862 .720 .902
- **BCI2**: This restaurant is always a better choice compared to its rival 4.409483 .793 .876
Then, all items of brand equity are put into explanatory factor analysis. The result indicates that the data is suitable to use in EFA. Another issue is the method of extraction, if the analysis just stops at EFA, the method applied is principal components and the rotation method is Varimax. However, in the situation of this study, after EFA, the data will be put into CFA and SEM; therefore, it would be better if the method utilized are Principal Axis Factoring and Promax, according to Gerbing and Anderson (1988). Hair et al. (2010) argued that factor loading should be more than 0.5 to get the empirical significance; hence, items whose factor loading below that cut off point was deleted from the construct. According to the first EFA result of this study, the item named “BI2: Employees of this restaurant are very polite” in brand image will be deducted from the construct because its factor loading is 0.380 which is smaller than 0.5. After that, 13 remaining items of brand equity will be put into EFA again. Table 3 presents the results of the final EFA. As can be seen, brand equity is divided into only 3 factors according to the empirical data compared to 4 factors as literature. Specifically, brand image is not a separate factor, after item BI2 is eliminated from the scale, item BI1 and BI3 are combined into brand awareness.

<table>
<thead>
<tr>
<th>Items</th>
<th>Perceived Quality</th>
<th>Brand Awareness</th>
<th>Brand Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA1: I can quickly recall the symbol or logo of this restaurant.</td>
<td></td>
<td></td>
<td>.672</td>
</tr>
<tr>
<td>BA2: I am aware of the brand of this restaurant.</td>
<td></td>
<td></td>
<td>.820</td>
</tr>
<tr>
<td>BA3: I can recognize this restaurant’s name among other competing ethnic restaurants.</td>
<td></td>
<td></td>
<td>.683</td>
</tr>
<tr>
<td>BI1: This restaurant has a differentiated image compared to other ethnic restaurants.</td>
<td></td>
<td></td>
<td>.807</td>
</tr>
<tr>
<td>BI3: This restaurant has a very clear image.</td>
<td></td>
<td></td>
<td>.593</td>
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<tr>
<td>BI4: I feel comfortable eating in this</td>
<td></td>
<td></td>
<td>.776</td>
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The 10th International Days of Statistics and Economics, Prague, September 8-10, 2016

<table>
<thead>
<tr>
<th>restaurant.</th>
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<tbody>
<tr>
<td>PQ1: overall quality of food/beverage at this restaurant is good.</td>
<td>.681</td>
</tr>
<tr>
<td>PQ2: The restaurant performs the service right the first time.</td>
<td>.860</td>
</tr>
<tr>
<td>PQ3: Staffs of this restaurant are always willing to help me.</td>
<td>.768</td>
</tr>
<tr>
<td>BL1: I regularly visit this restaurant.</td>
<td>.911</td>
</tr>
<tr>
<td>BL2: I will visit this restaurant again.</td>
<td>.545</td>
</tr>
<tr>
<td>BL3: This restaurant is my first choice compared to other ethnic restaurants.</td>
<td>.590</td>
</tr>
<tr>
<td>BL4: I am satisfied with my dining experience in this restaurant.</td>
<td>.742</td>
</tr>
</tbody>
</table>

Source: Author own calculations

Confirmatory factor analysis was performed to assess the fit of measurement model with AMOS 18.0. As can be seen from figure 1, the measurement model fit was satisfactory: $\chi^2 = 353.311$, $df = 160$, $p=0.000$, $\chi^2/df=2.208$; root mean square error of approximation (RSMEA) = 0.072; goodness-of-fit index (GFI) = 0.872; Tucker & Lewis index (TLI) = 0.910; comparative fit index (CFI) = 0.924. In short, all of the indices demonstrated an acceptable fit for the measurement model.
To assess the convergent validity, Gerbing & Anderson (1988) suggested that the standardized loading values must be over 0.5. As presented in Table 4, all the standardized loading values are over 0.5; therefore, the convergent validity was established. After that, the internal consistency of each latent variable and discriminant validity of each construct are based on the composite construct reliability (CCR) values and the average variance extracted (AVE). Because all constructs displayed the value greater than 0.7, an acceptable level of
composite reliability (Fornell & Larcker, 1981), it was concluded that each construct has internal consistency. In general, the average variance extracted (AVE) should be greater than 0.5 (Fornell & Larcker, 1981) and the results were consistent with the conditions. All the results are presents in the table 4 as follows.

Tab. 4: Construct reliability and variance extracted values

<table>
<thead>
<tr>
<th>Items</th>
<th>Standardized loading value</th>
<th>CCR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Authenticity Perceptions (AP)</strong></td>
<td>0.74</td>
<td>1</td>
<td>0.502</td>
</tr>
<tr>
<td>AP1: the overall settings and interior design of this restaurant look authentic to me</td>
<td>.783</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AP2: the food of this restaurant is authentic.</td>
<td>.724</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AP3: I enjoy the authentic dining experience and service provided by employees in this restaurant.</td>
<td>.582</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Brand awareness (BA)</strong></td>
<td>0.84</td>
<td>2</td>
<td>0.518</td>
</tr>
<tr>
<td>BA1: I can quickly recall the symbol or logo of this restaurant.</td>
<td>.709</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BA2: I am aware of the brand of this restaurant.</td>
<td>.787</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BA3: I can recognize this restaurant’s name among other competing ethnic restaurants.</td>
<td>.691</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BI1: This restaurant has a differentiated image compared to other ethnic restaurants.</td>
<td>.778</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BI3: This restaurant has a very clear image.</td>
<td>.622</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Perceived quality (PQ)</strong></td>
<td>0.88</td>
<td>3</td>
<td>0.558</td>
</tr>
<tr>
<td>BI4: I feel comfortable eating in this restaurant.</td>
<td>.845</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ1: overall quality of food/beverage at this restaurant is good.</td>
<td>.700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ2: The restaurant performs the service right the first time.</td>
<td>.669</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ3: Staffs of this restaurant are always willing to help me.</td>
<td>.719</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BL2: I will visit this restaurant again.</td>
<td>.779</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BL4: I am satisfied with my dining experience in this restaurant.</td>
<td>.757</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Brand loyalty (BL)</strong></td>
<td>0.73</td>
<td>0</td>
<td>0.581</td>
</tr>
<tr>
<td>BL2: I will visit this restaurant again.</td>
<td>.628</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BL4: I am satisfied with my dining experience in this restaurant.</td>
<td>.876</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Brand Choice Intention (BCI)</strong></td>
<td>0.90</td>
<td>7</td>
<td>0.711</td>
</tr>
<tr>
<td>BCI1: Even if this restaurant is similar to others, it seems smarter to choose this restaurant.</td>
<td>.761</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCI2: This restaurant is always a better choice compared to its rival restaurants.</td>
<td>.847</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCI3: It makes sense to choose this restaurant instead of any other ethnic restaurants, even if they are the same.</td>
<td>.869</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCI4: This restaurant is my favorite restaurant among all other</td>
<td>.890</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 5 presents the result after SEM was utilized to test the proposed hypotheses. The overall fit of the structural model was $\chi^2 = 386.875$, $df = 165$, $p=0.000$, $\chi^2/df=2.345$; root mean square error of approximation (RSMEA) = 0.076; goodness-of-fit index (GFI) = 0.861;
Tucker & Lewis index (TLI) = 0.900; comparative fit index (CFI) = 0.913. These findings also indicated an acceptable fit for the structural model. All proposed hypotheses were found to be significant (p<0.01) as can be seen in table 5. The first three hypotheses state that authenticity perceptions have significant impact on three dimensions of brand equity. The t-value of Hypothesis H1 ($t_1 = 8.261$) and H3 ($t_3 = 7.187$) was significant, suggesting that authenticity perceptions do affect on two dimensions of brand equity namely brand awareness and perceived quality. Because brand image was not extracted into a separate factor after conducting EFA, and this dimension was combined into brand awareness; therefore the hypothesis H2 and H5 were not put into the test. Hypothesis H4 and H6 predict that brand awareness and perceived quality will positively have effect on brand loyalty. The results support all two hypotheses that brand awareness ($t_4 = 4.874$, p<.01) and perceived quality ($t_6 = 4.779$, p<.01) significantly affect brand loyalty. Last, hypothesis 7 regarding a positive impact of brand loyalty on restaurant brand choice intention was supported ($t_7 = 8.181$, p<.01).

**Tab. 5: Standardized structural equation modeling of the proposed model**

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Standardized estimate</th>
<th>t-value</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP BA</td>
<td>0.792</td>
<td>8.261</td>
<td>***</td>
</tr>
<tr>
<td>AP PQ</td>
<td>0.576</td>
<td>7.187</td>
<td>***</td>
</tr>
<tr>
<td>BA BL</td>
<td>0.419</td>
<td>4.874</td>
<td>***</td>
</tr>
<tr>
<td>PQ BL</td>
<td>0.383</td>
<td>4.779</td>
<td>***</td>
</tr>
<tr>
<td>BL BCI</td>
<td>0.901</td>
<td>8.181</td>
<td>***</td>
</tr>
</tbody>
</table>

*The significant level is p<.01 Source: Author own calculations***

*** means that the p-value is significant at the level of 0.01

**4 Discussions**

As mentioned above, all hypotheses predict the positive relationship between authenticity perceptions and brand equity on ethnic theme restaurant brand choice intention. As expected, all hypotheses are supported; however, there are only three dimensions of brand equity are extracted from the data after conducting explanatory factor analysis compared to the four-factor model as the proposed model. Regarding to this situation, there are some previous research discussing and empirically testing the three-factor model such as the study of Yoo et al. (2000), Washburn and Plank (2002), Kim et al. (2008). According to the research of Yoo et al. (2000), brand equity is measured by three components, in which brand awareness was combined with brand associations as one factor. The given reason is that when brand
awareness comes with a strong brand association, it will form a distinctive brand image. Washburn and Plank (2002) also conducted a research to compare between three-factor model and the four-factor one with the data of 1632 objects in consuming goods with different brands. The results indicate that the three-factor model presents the better model than the other model in the aspect of variance errors. Moreover, the brand equity model with three dimensions is also supported by the study of Kim et al (2008) in hotel industry. Researchers have collected and analyzed data for both models and the findings support the three-factor model. To be more specific, when brand awareness and brand image are divided into two separate constructs, they do not have a significant impact on perceived value and revisit intention of hotel guests. However, when brand awareness is combined with brand association, they do positively effect on guest’s revisit intention, which is correct with the statement of Yoo et al. (2000) that brand awareness combined with brand association can form an exclusive brand image. Therefore, there are evidences of previous research supporting our three-factor brand equity model when brand image is not set up as a separate construct but combined into brand awareness.

From the research findings, the data indicated that guests’ perceptions about an ethnic theme restaurant authenticity do positively affect brand equity and lead to behavioral intention such as brand choice intention. The above relationship, to our knowledge, have not been widely aware and tested in hospitality context. Nevertheless, the book of Mehrabian and Ruseell’s (1974) can serve to explain why some identifies and measures relevant variables such as (e.g., color, heat, light, and sound) can have an effect on emotional responses and lead to behavior toward the environment. Mehrabian and Ruseell’s (1974) argued that environmental stimuli are linked to behavioral responses by the primary emotional responses of arousal, pleasure, and dominance. In accordance with this rationale, an ethnic theme restaurant brings a lot of external environmental elements such as exclusive and ethnic exterior design, interior dining environment, cultural food cuisine, server’s attitude and appearance, these above things can elicit and affect visitors’ emotion and lead to some behavior intention. Moreover, according to Keller (1993), Kayaman and Arasli (2007), when a specific brand set up a strong, exclusive association in customer’s mind, their positive emotion got from all authentic characteristics may contribute to building that restaurant’s brand equity. Hence, it seems to be logical to accept that diner’s perceptions about authenticity of an ethnic restaurant may significantly affect brand awareness and perceived quality of that restaurant.
In line with the above research findings, several studies have also investigated the essential part of authenticity plays for an ethnic restaurant. For instance, George (2000) aimed to determine patrons' perceptions and attitudes towards Chinese restaurant dining. The results indicated that slightly over 60% of the respondents wanted the restaurant to appear somewhat authentic. Bell et al. (1994) also contributed a lot of empirical evidences to the theory about authenticity. They investigated whether a change in the perceived ethnicity of a food can be produced without manipulating the food item itself. These findings reveal that changes in perceived ethnicity and food selection can be accomplished without altering food items, but merely by manipulating the environment, and may imply a unique strategy for increasing perceived menu variety. In addition, research of Jang et al. (2011) wanted to determine how authentic atmospherics affects consumer emotions and behavioral intentions in Chinese restaurants in the USA, in the context of rapid development of ethnic-themed restaurants. Scholars found that authentic atmospherics significantly influences consumers' positive and negative emotions, and both types of emotions acted as full mediators between authentic atmospherics and behavioral intentions. Subsequent regression analyses revealed that menu presentation, furnishings, and music were significant predictors of positive emotions whereas menu presentation and music significantly influenced negative emotions. Furthermore, Jang et al. (2012) conducted an empirical research which intended to identify how dining factors in an ethnic restaurant setting influence customers’ emotions and perceived value and further affect customers’ future behavioral intentions. Data show that in regards to authenticity, authentic aspects of the food induced positive emotions and higher perceived value, while authentic environmental factors led to positive emotions alone. The results regarding the moderating effect of the restaurant segment showed that environmental dining factors were more important for up-scale Korean restaurants, whereas food related attributes appeared more critical for casual-dining Korean restaurants. In short, these above articles assert that the desire of patrons to explore authenticity of an ethnic restaurant would be a critical factor for their perceptions, perceived value, emotional feelings and behavioral intentions. The current study discover a little bit different from previous studies in which the perceptions of customer about authenticity can be a prediction and factor affecting the formation of restaurant brand equity.

Regarding to the internal relationship among three dimensions of brand equity, the research found that brand awareness and perceived quality can be the predictors for brand loyalty. These findings is similar and supported by Aaker’s argument (2009) that customers
who have high level of brand awareness of a specific brand have a tendency to be loyal to this brand and less affected by competitive brands. In Yoo et al. (2001) research, scholars assert that brand associations, which result in high brand awareness, are positively related to brand equity because they can be a signal of quality and commitment and they help a buyer consider the brand in purchasing process, which leads to a favorable behavior for the brand. Furthermore, the model of Huyn and Kim (2011) indicates that the foundation of brand equity is brand awareness. However, while brand awareness influences brand loyalty formation, its impact is mediated by the effects of brand image and perceived quality. In addition, although brand awareness is a prerequisite of brand loyalty, brand image and perceived quality bear a stronger impact on the development of brand loyalty. On the other hand, Yoo et al. (2001) also hold a believe that high perceived quality would drive a consumer to choose the brand rather than other competing brands, because high perceived quality means that, through the long-term experience related to the brand, consumers recognize the differentiation and superiority of the brand. Therefore, brand loyalty would probably appear when a customer positively perceives a particular brand to have a high quality than rival brands which is proven in many prior researches in recent years. One of the typical studies can be noted is the one of Chi et al. (2009) which examines the effects among brand awareness, perceived quality, brand loyalty and customer purchase intention. The findings reveal that the relations among the brand awareness, perceived quality and brand loyalty for purchase intention are significant and positive effect. Moreover, perceived quality has a positive effect on brand loyalty, and brand loyalty will mediate the effects between brand awareness and purchase intention. Lu et al. (2015) in their research also argue that brand loyal, which is the most important dimension of customer-based brand equity, lead to diners’ brand choice intention in the context of Chinese restaurant in USA. In their model, brand loyal plays a mediated role for the relationship between brand awareness and perceived quality to brand choice intention.

5 Implications
Based on the research findings, restaurant managers can apply several results to have the appropriate strategy for restaurant short and long-term development. Results indicate that setting an authentic environment for patrons contributes a lot to the formation of brand equity dimensions namely brand awareness, perceived quality and brand loyalty. Hence, it is critical for restaurant managers and leaders to invest huge amount of time, effort and budget as well
in enhancing service delivery process to guarantee the right and appropriate authentic experience to their guests. This study thus concludes that to attract more customers, ethnic theme restaurants should improve their service, settings, and food to provide customers a more authentic dining experience. For instance, servers in traditional clothes and attitudes of the ethnic culture may create exclusive and authentic feeling for diners. In addition, choosing external restaurant designs, interior furniture or accessories could reflect the ethnic cultural background that may contribute and improve a lot to the perceptions of customers. Similarly, music and artwork also play a role in setting up a refreshing and relaxing authentic atmosphere.

Regarding to brand equity, results reveal that brand awareness and perceived quality affect brand loyalty and after that brand loyalty has an impact on brand choice intention. In other words, brand awareness and perceived quality do have an effect on customer behavioral intention, namely brand choice intention in this study, and brand loyalty plays a mediate role in this relationship. Thus, it is reasonable for restaurant managers to put a lot attention to the formation and improvement of brand equity. Below are some suggestions for managers to put into practice. Social network on the Internet will be the critical way to approach target customers so as to raise the level of brand awareness. Restaurant managers can use website, social network, forum, and other communication methods to keep their brand relationship with customers. Moreover, each brand should have a clear brand positioning and differentiation with competitors to increase brand associations lodging in customers’ mind. For instance, restaurant brands need to build their own characteristics such as taste, product quality, service, attitude in order to establish its own image in customer's mind. On the other hand, the existence of ethnic theme restaurants around the corners is the good practice to set up the high level of brand awareness. For the long-term development, managers should concern about branches expansion because each restaurant in the chain can foster brand awareness of customers. However, it would be better not have an over-expansion because it is difficult to control the brand awareness and service quality as a consistent standard. Another concept study which is also worth discussing is perceived quality, which is one of the key components of service brand equity. Providing high-class authentic service is crucial to setting up and maintaining service quality. For example, most restaurants are constantly striving to meet the requirements for quality to customer satisfaction, including first-class physical facilities, interior and external design, employee’s training.
Brand loyalty has the great influence on brand choice intention, so it is essential to retain and develop loyal customers. For instance, managers can use promotion such as price discounts, point accumulations, special service for loyal customers to attract them to experience their brand. Offering different prices and promotions to different customers at different dining times can make them more loyal and meanwhile bring more profit to the restaurant. Moreover, board of directors can use public relation as a critical tool to retain loyal customers and attract new comers, such as organize events at the restaurant, annual customer conference or program sponsor. The stores should pay much attention to designing specific space such as VIP room for loyal customers only.

6 Limitations

Nevertheless, this study also has some limitations that should be tackled in further researches. First, the findings of this study are from a sample in Ho Chi Minh City as a result of the limitations of time and resources, so generalization of the findings is limited. Future research should gather information in other provinces in Vietnam so as to test the results again. Secondly, this study has not investigated the role of restaurant types (Jang et al., 2012) or dining occasion (Ponnam and Balaji, 2014) in the relationship between authenticity perceptions and brand equity. Hence, further studies should examine whether effect of authenticity on brand equity and brand choice intention leads to different findings among some restaurant types or dining occasion. Next, customers’ responses were based on past memories, which may be no longer valid and clear. For instance, to answer perceived quality items exactly, it may be a little bit difficult for interviewees to recall every service that they received. To surmount this limitation, another survey should be taken into consideration and applied in further research, for example, distributing questionnaires at restaurants when customers just finish their meals.

References


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