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The Impact of Brand Orientation on Customer behaviour in Food and Beverage Industry (F&B) in the United Kingdoms (UK)

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ABSTRACT

This research investigates the influence of brand orientations—comprising brand vision, mission, and value—on customer behavior, particularly focusing on purchase decisions within the UK's Food and Beverage (F&B) industry. Utilizing a qualitative methodology, this study employs case studies of well-known entities like Costa Coffee, Greggs, and Domino to provide an in-depth analysis and validate the theoretical framework. The findings underscore the significant positive impact of brand orientations on customer purchasing behavior. Each brand's distinct orientation contributes uniquely to influencing customer decisions, suggesting that managers in the F&B sector should prioritize the strategic development of brand orientations. This study not only advances academic understanding in this field but also offers practical insights for business strategy enhancement, highlighting the importance of brand orientation in customer engagement and purchase behavior.

Keywords: brand orientation, customer behaviour, purchase decision.

1. Introduction

Brand orientations has been one of the raising hot topic recently, especially in the rapidly changing sector like F&B in the UK. It is recognized as one of the key success contributing factors to the survival of a brand, therefore it can be overlooked. Research indicates that brand orientation can influence the business performance in a wide range of index including customer satisfaction, customer loyalty and purchase decision (Balmer & Greyser, 2006). Meanwhile, customer behaviour is what rapidly changing due to the sensitivity towards macro and micro factors like technological enablement and social factor, etc. In any way of interpreting customer behaviour, the key is always to capture customer value through their purchase, which directly contribute to business survival. Meanwhile, there are not a lots of research have looked at these topics, especially the correlation of these two survival factors of businesses especially in F&B sector in the UK. Therefore, this research will look at the impact of brand orientation on customer behaviour in terms of purchase decision in F&B business in the UK.

2. Research aims, objectives, questions and rationales

1. Research aim

The overall aim of this research is identify and confirm/ deny the impact of brand orientation on customer behaviour in food and beverage industry (F&B) in the United Kingdoms (UK).

The specific aims of this research can be: (1) Identify key factors of brand orientation of F&B industry in the UK and (2) analyze the impact of those key factors on customer behaviour through purchasing decisions.

2. Research objectives

The research objectives of this research are:

- (1) Identify the key elements of brand orientation including mission, vision, value and identity in digital marketing setting of F&B brands
- (2) Assess the customer behaviour in the scale of purchasing decisions towards brand orientation elements of F&B brands
- (3) Develop recommendations for F&B brands so they can improve their brand orientations

3. Research questions

The main research questions of this research can be presented as:

- (1) What are the key elements of brand orientations of F&B brands in UK?
- (2) How does brand orientation elements affect customer behaviour in terms of purchase decisions?

4. Research rationales

This research addresses the knowledge gap as previous study only focus on brand orientations in general instead of focusing on the specific elements of brand orientations and its impact on customer behaviour, especially purchase intention. There is even fewer researches of detail brand orientation elements impact on customer behaviour in terms of purchase intention in F&B industry in the UK. Therefore, by being the pioneer in this field, this research tends to set a theoretical base for future researches to look into digital marketing and marketing strategy of F&B businesses in the UK. It is obvious that previous studies mostly consider brand orientations in traditional marketing setting while this research focus more on modern digital marketing landscape, which is largely empowered and accelerated during and after the current Covid-19 pandemic. Therefore, this research is significant to develop theoretical framework which can be used for both scholars and industry practitioners to develop further researches for digital marketing or enhance their business operations.

3. Literature review

It is defined for brand orientation is an overall approach where all the processes of the company is centered around the brand identity which is communicated through all functions of the company (Urde, 1999). This definition emphasizes the central role of brand orientation in terms of brand identity and its cruciality towards business operation. The idea is expanded by Gromark and Melin (2011) that not only the internal operation is involved but also external factors such as market conditions and customer behaviour change which affect the brand identity (Gromark and Melin, 2011). However, these ideas are critiqued and challenged by Bridson and Evan (2004), that the definitions reflect too narrow perspectives without considering broader factors such as market orientations and customer orientations which better reflect the role of brand orientations in modern marketing setting (Bridson and Evan, 2004). Whatever the definition is, it is clear that they all emphasize the importance of brand orientation in business operation beside other contributing factors, highlighting its impact on other business functions as marketing and sales, as well as business strategy and strategic orientations.

In terms of F&B industry, brand orientation 1. Brand orientation

About the key factors of brand orientation, Urde in 1999 has laid the groundwork for brand orientation, proposing that it is a organizational and strategic approach which includes brand identity, brand positioning and brand values expressing through brand mission and vision, brand value and brand culture (Urde, 1999). Meanwhile, Baumgarth and Schmidt (2010) proposed a more synergistic viewpoint of brand orientation components, in which the relationship between brand orientation and market orientation is assessed as complementary strategy for brand. The key elements of brand orientations addressed in the study were brand culture, brand identity management and customer-centric brand communications (Baumgarth and Schmidt, 2010). In more realistic perspective which assesses the financial outcome of brand orientation by Gromark and Melin (2011) identified that brand orientation includes key elements such as brand consistency, brand distinctiveness and brand knowledge management (Gromark and Melin, 2011). This research will take the original idea of Urde in 1999 about brand orientation key elements as it is considered as rooted factors of a brand while other development of brand orientation elements are just the extension of the original idea.

2. Customer behaviour

The term customer behaviour is defined by Solomon et al. (2014) as "the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society" (Solomon et al., 2014). This is a very comprehensive and broadly cover most the cases of customer processes of a wide range of customer types and actions. In a more psychological approach, Schiffman and Kanuk (2010) describe consumer behaviour is the process of searching for, purchasing, using, evaluating, and disposing of products and services which they believe will satisfy their needs (Schiffman and Kanuk, 2010). This definition emphasizes the psychological development of consumer journey but do not take into account its impact on others and on themselves. Earlier in 2006, Blackwell, Miniard, and Engel (2006) defines the customer behaviour involves from need recognition and search for information, through alternative evaluation and purchase decision, to post-purchase behavior and evaluation, which follows exactly the customer journey (Blackwell, Miniard, and Engel, 2006). Whatever the definition is, it can be agreed that customer behaviour is a set of actions revolving around purchase, either before or after or in the purchase process. Therefore, this research will focus on the purchase decision as a stage or an key element of customer behaviour as a measurement of customer behaviour.

In fact, there are a certain of way that previous studies divide the customer behaviour into. It is believed that the traditional decision-making process of customer developed by Engel, Blackwell, and Miniard has a significant impact on customer behaviour. The process encompasses five main stages including recognition of, search for information, evaluation of alternatives, purchase decision, and post-purchase behavior (Engel, Blackwell and Miniard, 1995). While this model of decision-making process of customer is quite comprehensive and laid the foundation for customer behaviour study in many fields and industry, it is critiqued that it is quite linear and one-way process which does not reflect the complexity of customer behaviour especially in digital era where customer decision can go all over places and does not necessarily follow a sequence. An example can be the influence of customer reviews (post-purchase behaviour) which influence all other stages from need recognition to evaluation of alternative options and purchase

decision (Olshavsky and Granbois, 1979). Meanwhile, there is an emphasis on the importance of psychological factor influencing and shaping the customer behaviour, in which customer behaviour is evaluated based on key factors including motivation, perception, attitude, and beliefs (Schiffman and Kanuk, 2004). However, this division is showing its assumption that all customers are buying and making their purchase decision rationally while in fact it is mostly not the case, especially for individual customers which is, by behavioural economics, illustrates that irrational and emotional factors are far more influential to purchasing decision and customer behaviour (Thaler and Sunstein, 2008). Therefore, it can be seen that the customer behaviour theoretical framework are mostly set in traditional setting and based on traditional assumption while modern setting requires much more complexity and it is hard to develop any perfect or one-fit-all framework for customer behaviour. However, what remains unchanged is the purchasing stage in which customer make their purchase decision, which is the key of customer behaviour study and the most important financial outcome of any branding or marketing effort, especially in F&B industry.

In the digital era and digital marketing environment, F&B industry numerous changes in customer behaviour especially in terms of purchase decision. The first one is the change of place (in 4Ps) that customers move from in-store purchase to online purchase through online delivery platform like Uber Eat or GrabFood, which is powered and accelerated by global Covid-19 pandemic (McKinsey, 2020). This leads to the change of other marketing activities such as Promotion (in 4Ps) that moves from in-store sales to online sales, as well as the re-evaluation and adjustment of branding activities and brand orientation, such as re-positioning the brand from higher segment to lower segment to fit with the population of customer of online delivery platforms. Customer behaviour in digital era is also more complicated due to high competition from direct competitors as well as substitute products, in addition to the massive amount of accessible information which leads to so much complexity in customer purchase decision.

3. Influence of brand orientation on customer behaviour in F&B industry in the UK

There are a number of previous studies have partly or fully looked at the impact of brand orientation on customer behaviour. A study by Balmer (2010) indicated that brand consistently presentation across different touchpoints can enhance brand visibility and brand recognition, brand loyalty, which eventually increase sales. This emphasize the importance of brand orientation overall towards customer behaviour, especially in digital setting where different customer touchpoints such as website, social media, mobile app, etc are included. However, this idea is very hard to implement as to keep brand consistency at every touchpoint seems out-of-reach due to the diversity in operation of different functions in the organization to some extent. Another study looked at the influence of brand orientation in general to customer behaviour is Homburg, Klarmann, and Schmitt (2010) that evaluate and confirm the impact, that brands that have orientation in terms of value that aligns with personal value is more likely to be chosen and purchased, especially brands that have high level of ethical and environmental concerns (Homburg, Klarmann, and Schmitt, 2010). In addition, it is proposed that brands that use customer-centric orientation through personalization experience is more likely to have higher level of customer engagement and loyalty which eventually increase purchase conversion and sales (Keller, 2013).

In terms of brand vision as a key element of brand orientation as addressed earlier in this research, it has been studied that a strong brand vision can result in deeper connection with customers in terms of emotions and lead to higher tendency of purchasing from customers, especially from a brand that they feel that the visions and their personal value align (Keller, 2003). In specific F&B industry, it has been addressed that brand vision can also help a company or brand to stand out if the products or services are on the same quality and price level (Chernatony & Cottam, 2009). Therefore, in general, based on previous studies, it can be seen that brand vision do have an impact on customer behaviour and purchase decision, despite the assumptions that products and services are similar.

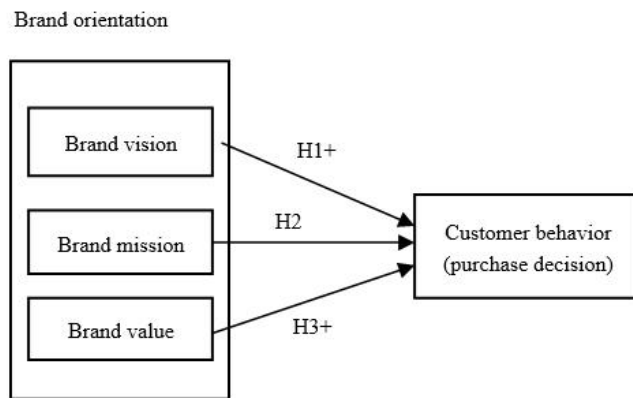
In terms of brand mission, it is also indicated that brands that have their missions align with customers' values are more likely to be purchased, especially for brands that have ethical and environmental commitment (Bhattacharya & Sen, 2003). In addition, Keller (2001) states that brands that have clear communication of their mission are more likely to be perceived and remembered by customers, which contributes to the differentiation factor of a brand (Keller, 2001). In the digital era, it has been examined that digital marketing empowered brands with unique opportunities to communicate their brand mission to customers (Hennig-Thurau et al., 2013) which directly enhance brand differentiation and influence customer behaviour.

In terms of brand value, Aaker (1991) has addressed brand equity which is closely linked with brand value has significant impact on the products since it is considered as an added value for the product, which influence the customer behaviour through enhancing customer perception of the overall product quality and minimize product risk (Aaker, 1991). Despite its originality of this foundation research, it overlook the complex digital marketing environment where there are many other considerable factors such as online reviews or online sales promotions. To support the idea of Aaker, Keller (1993) states that the higher brand value is perceived by customers, the higher their loyalty is which reflects through repeated purchase, explained clearly through brand resonance model of Keller (1993). This is valuable in F&B industry since one of its priority is to build loyalty and capture repeated purchased to secure cashflow. In terms of pricing, it is argued that brand value is especially important for premium brand with premium pricing as brands with higher perceived value more likely to capture higher spending willingness from customers (Monroe, 2003). This is significant for premium brands such as fine dining brands in F&B industry to capture the high average order value (AOV) from customers.

4. Theoretical framework

Based on the above proposed literature, a theoretical framework can be developed a below:

Brand orientation



5. Methodology

1. Philosophical stance

In this research, the gathering of beliefs and opinions as a basis for inquiry is a common method. Often, ontology and epistemology are used to explore and research this. “Ontology focuses on describing the authenticity of information and how humans understand its existence” (Dudovskiy, 2019a). Meanwhile, “epistemology focuses on describing the authenticity of the information needed for research and how that information is collected” (Dudovskiy, 2019b).

Positivism and interpretivism are two philosophical perspectives commonly applied in academic research. “Positivism holds that knowledge is independent of the subject of study, with the goal being to create objective and visible knowledge” (Park, Konge and Artino, 2020a). Meanwhile, “interpretivism holds that each individual observer has his or her own perspective and interpretation of reality, and that knowledge is relative and depends on the context and the observer” (Park, Konge and Artino, 2020b).

“Interpretivist studies often focus on deeper, qualitative aspects of understanding and meaning, while positivist studies are often more scientific in nature and constitute an examination of phenomena, often through quantitative and experimental methods” (Park, Konge and Artino, 2020c). This helps create a rich and diverse knowledge base for development and advancement in many fields of study.

2. Methodology and methods

“Quantitative approach compares two groups of people. There are all sorts of variables you could measure, and many kinds of experiments to run using quantitative methods.

These comparisons are generally explained using graphs, pie charts, and other visual representations that give the researcher a sense of how the various data points relate to one another” (Bhandari, 2020).

This research will use qualitative method, examined through case studies to provide an in-dept analysis of the topic to answer the research questions.

3. Sample

The population of this research is all the F&B businesses operating in the UK. The sample of this research will be most well-know F&B brands within the UK including Costa Coffee, Greggs and Domino to reflects different kind of F&B businesses (coffee chain, healthy food option and fast food). The range of case studies is aimed to avoid bias for a specific F&B business type and try to grasp an overall view of the F&B sector in the UK.

This is based on case study sampling method to provide specific data from the cases to prove the hypothetical framework, which provide real and reliable evidences for the topic.

6. Analysis of the cases

1. Case 1: Costa Coffee brand vision impact on customer behaviour (purchase decision)

Costa Coffee is one of the biggest coffee chain in the UK and the world, which was established in 1971 by Costa brothers Sergio and Bruno. The company currently operates over 2400 coffee shop in the UK. It has the vision to create an unique and perfect coffee experience for all customers, emphasizing in carftmanship in making coffee (Costa Coffee, 2022). It aims to provide a welcoming space where all of its customers feel welcomed

and create a sense of community there (Costa Coffee, 2022). The brand vision is clearly delivered through tangible and intangible elements, including welcoming decorate with comfortable seatings and warm lighting, etc. (tangible) and skilled, well-trained and professional staffs (intangible) who make people feel welcomed (Costa Coffee, 2022).

The brand vision clearly impacts customer behaviour, including purchase decision. In an annual Allegra World Coffee Portal survey, more than 50% of customer stated their favorite coffee is Costa Coffee (Costa Coffee, 2024), proving the efficiency of brand vision toward customer behaviour in terms of brand love. Meanwhile, the company continuously increasing sales from 2011 to 2018 from 425 million GBP to 1344 million GBP (Statista, 2019) (without the impact of Covid-19 pandemic) proving its efficiency in developing the core brand vision to capture sales from customers. Hence, from the case study, it can be concluded that brand vision does have an impact on customer behaviour in terms of purchase decision, H1+ is accepted.

2. Case 2: Gregg brand mission impacts on customer behaviour (purchase decision)

Greggs plc, is the biggest bakery chain in the UK which was established in 1939 by John Gregg. It has over 2,000 restaurants within the UK (Greggs plc, 2021). The brand is widely known for its affordable and convenient bakery products. It has successfully expanded its menu recently to include healthier, vegetarian, and vegan options, such as the popular Vegan Sausage Roll as an effort to align with current consumer trends (Greggs plc, 2021). Digital innovations and enhancing customer experiences through its loyalty programs is another effort in the adaptation strategy of Greggs (Greggs plc, 2021). The brand mission is to provide good food to everyone, focusing on freshly prepared, high-quality products that offer great value and taste.

As the response to the current brand mission, the company has seen positive outcome in terms of sales and branding and customer engagement, reflecting change in customer behaviour. It is recorded that in 2022, Gregs witnessed 23% increase in sales from the previous year, to 1.5 billion pound (Baking & Biscuit, 2022). Meanwhile, the brand records a growth in Brand Index Score with an increase from 23.8 in 2021 to 25 in 2022 after the change in brand mission is implemented (Tesseras, 2023). Based on these metrics, it can be agreed that a change in brand mission of Greggs which is to provide good food for everyone, with the real action of adaptive menu leadings to a change in customer behaviour, especially perceived brand index and purchase decision. Therefore, from the case of Greggs, it can be confirmed that brand mission does have an impact on customer behaviour in terms of purchase decision. H2+ is accepted.

3. Case 3: J D Wetherspoon brand value impact on customer behaviour (purchase decision)

Domino Pizza is one of the biggest F&B brand in the UK, which has been long established and presented in the region since 1985. The company currently operates over 1100 restaurants across the UK and Ireland, having a wide range of customers with wide-ranged menu. Domino's brand value is centred around delivering quality pizza fastly, embracing innovations and challenges and boost community engagement. The company committed that "sell more pizza, have more fun," which reflect its concentration in customer satisfaction and excellent operation (Domino, 2021) through convenience, quality, innovation and promotions.

In terms of convenience, the company has been boosting its online presence through numerous online delivery platforms including its own organic website and mobile app, allowing customers to order their pizzas from everywhere, everywhen. It is stated by the CEO that over 75% of their orders are coming from online channels (Clifford, 2024), which proves its success in its success in delivering brand value convenience. In terms of quality, it can be reflect through the campaign "Paving for Pizza" which to fight the downgraded roads in the UK and proving domino pizza quality, has gain 5% gained in customer satisfaction score and 7% increase in system sales for the same year (2018) ((Vedict Food Service, 2024) for delivery service of Domino, proving the impact of brand value through brand message to customer behaviour, in terms of satisfaction and purchase decision. In terms of innovation, Domino plays a the pioneer in technology application, such as AI voice ordering in selected locations result in 30% reduce in processing time and increase customer repeat purchase by 10% as reported in their annual revenue report (Mitchell, 2017).

Based on the presented case and statistics, it can be seen that the impact of brand value of Domino is clear towards customer behavior in terms of satisfaction, loyalty and purchase and repeated purchase decision, proofed via customer satisfaction, customer repeated purchase and sales. Therefore, it can be conclude that H3+ is accepted.

7. Discussion

1. Result

Based on the case studies above, it can be conclude that the brand orientations including brand vision, brand mission and brand value does have impact on customer behaviour in terms of purchase decision.

H1+, H2+ and H3+ are accepted

2. Limitation

This research is not without its limitations. Due to the limited time and resources, this research can only look at three most well-know F&B brands which seem not sufficient to come to a broader conclusion. In addition, all these F&B brands are chains, so this research may not reflect the whole population of F&B industry in the UK since it include significant number of local stores and individual coffee shops. Furthermore, this research has not approached a wide range of different price-range F&B stores from casual to premium, as well as wide range of different F&B services such as bars, pubs, street vendors and so on. Therefore, there is maybe bias in research result due to the nature of research methodology.

3. Significance and implication

This research is significant for scholars as it set a base study for the impact of brand orientation on customer behaviour, especially in terms of purchase decision which is the key outcome of customer journey and especially for F&B industry in the UK. Researchers can base on this study to develop deeper into the same topic or wider into other related topics.

This research is significant for business managers as it provide valuable insights into the brand orientation significance towards business performance which is crucial for any business. Business managers can take into account brand orientation development strategies to capture customer sales.

8. Conclusion

In conclusion, this research has clearly identified the research topic which is “ the impact of brand orientations on customer behaviour in terms of purchase decision in the F&B industry in the UK”. Research aims, objectives, questions and rationales are clearly identified, along with the literature reviews of related topics are clearly proposed to have a better understanding of the topics. In this research, the methodology has been clearly presented, which is to use qualitative method of case study sampling in order to provide precise data on the real case relating to the research topic and grasp an in-depth understanding, proving the structured hypothetical framework. The result of this research indicates that brand orientation including factors as brand vision, brand mission and brand value does have an positive impact on customer behaviour in terms of purchase decision. This research suggest that brands should develop more on brand orientations to capture customer purchase and grow sales.

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