

## **2. Literature Review**

### **2.1. Advertising spending**

Advertising spending is the cost caused by issuing a certain advertisement. Spending on advertising to develop brand awareness and improves brand loyalty (Nguyen, Barrett and Mill operator, 2011, Clark, Doraszelski, and Draganska, 2009). Aduloju, Odugbesan, and Oke (2009) are of the supposition this advertising spending should be completely integrated into the communication of marketing mix in order to get the best outcomes from it. A decent strategy for advertising should decide the most proper media mix and distinguish the most appropriate path expected to successfully deliver the message wanted by the organizations. This should be a proper budget that is adequate to carry out the occupation (Rotfeld, 2007). Tai (2007) is the viewpoint that organizations having a low market of the market share should develop their advertising spending plan so as to help their competitive advantage and awareness of their product or services endeavors. These endeavors will at last help in extending the market share of the industry.

*H-1a: Consumers' perceptions of a brand's advertising spending have a positive influence on perceived quality*

*H-1b: Consumers' perceptions of a brand's advertising spending have a positive influence on brand awareness*

*H-1c: Consumers' perceptions of a brand's advertising spending have a positive influence on brand associations*

## **2.2. Attitudes toward advertisements**

Attitudes toward advertising are induced more by advertisements (Mehta, 2000). In a comparable vein, we anticipate that people who hold a dominantly positive perspective of advertising are more promptly influenced by the "advertising esteems" than participants with a predominantly negative view.

There are distinctive effects behind foreseeing that attitude toward advertising may affect the extent of the priming impacts of advertising on value-driven behavior. In this study, we conduct attitudes toward advertisements as an indicator to measure whether the advertisement by certain business or entity are considered as how the advertiser desired the target audience to response. How people behave and decide to buy a product or services are affected by some factors. Advertising is considered as one of key factors in the creations of values, beliefs, and behaviors of a certain target audience (Usman et al., 2010).

Several studies also found that the advertisements show how the product or services position themselves in the market, when comparing strength and substitution positioning strategies of certain brand, it is strongly considered that benefit positioning is the most superior positioning strategy (Schiffman and Kanuk, 2007; Wind, 1982).

***H-2a: Individuals' attitudes toward the advertisements undertaken for a brand have a positive influence on perceived quality***

*H-2b: Individuals' attitudes toward the advertisements undertaken for a brand have a positive influence on brand awareness*

*H-2c: Individuals' attitudes toward the advertisements undertaken for a brand have a positive influence on brand associations*

### **2.3. Brand awareness**

Brand awareness defined as “the strength of a brand’s presence in the consumer’s mind” (Aaker, 1996, p. 10). Brand awareness are about the recognize level of certain brand in consumer perspective. However, it assumes that a product that has high level of brand awareness is reflect with the consumer perceived quality of the product. Because, in order to have high level of brand awareness in consumer mind, the product should have a certain characteristic such as number one, initiator in the market, or any other reason that caused the product have high awareness.

Contribution of this study is to empirically compare the impacts of perceived quality, brand awareness, advertising attitudes and store image on brand loyalty in Thailand and Vietnam.

The result shows that manager of international brands in emerging market should recognize the differences between markets in order to design effective loyalty program each market.

*H-3: Brand awareness has a positive influence on perceived quality.*

*H-4: Brand awareness has a positive influence on brand associations.*

#### **2.4. Perceived quality**

As indicated by (Zeithmal, 1988) defined that perceived quality as customer's supposition in subjective recognition about the quality and amazingness of a product or services. (Parasuraman, et al., 1985) in the other hand expressed that perceived quality as an attitude of customers, in view of the relative consequences of purchasing and real execution of a product or services. This perception is the pre-experience of quality (Hamer, 2006). Bahia and Nantel (2011) recognize that all sort of business or entity look-up for quality, regardless of their form of the business. Perceive quality As stated by Kotler (1997, p. 185) that “there is not only physical stimuli that affects, but also the circumstances or surrounding condition within the individual.” Durianto (2001) perceived quality considered as perception of a whole quality of product or services that desired by the customers.

According to the research indicate by Rüşhan & Huseyin (2007), the components of perceived quality impact either direct and indirect to the brand loyalty. In addition, (Saleem et al., 2015) agree when perceived quality appears trough certain brand, there is a

possibility that the customer will loyal to the brand and showing brand loyalty.

***H-5: Perceived quality has a positive influence on brand loyalty.***

## **2.5. Brand associations**

Brand associations are a relation among a certain brand, product with the consumer. Brand associations are anything that consumers connect to the brand in their memory (Aaker, 1991). Brand associations also considered as anything deep seated in consumer mind that giving some action, impact, similarity to the brand with their personality (Dreyer, 2012). Simply, brand association is how the consumer think that brand is fit with them. Either with their interest, mindset and their behavior.

Brand associations has some attributes that delivered to the market. In this case is advertisement spent, in order to delivering the attributes of the brands to the consumer, a company or other entity need to communicate with them, normally through the marketing communication tools such as Advertising, Public Relations, sponsorship, event or any other methods (Slabbert, 2012). Bauer et al. (2005) even found a correlation of attitudinal loyalty on behavioral loyalty that give highly significant impact.

***H-6: Brand associations have a positive influence on brand loyalty.***

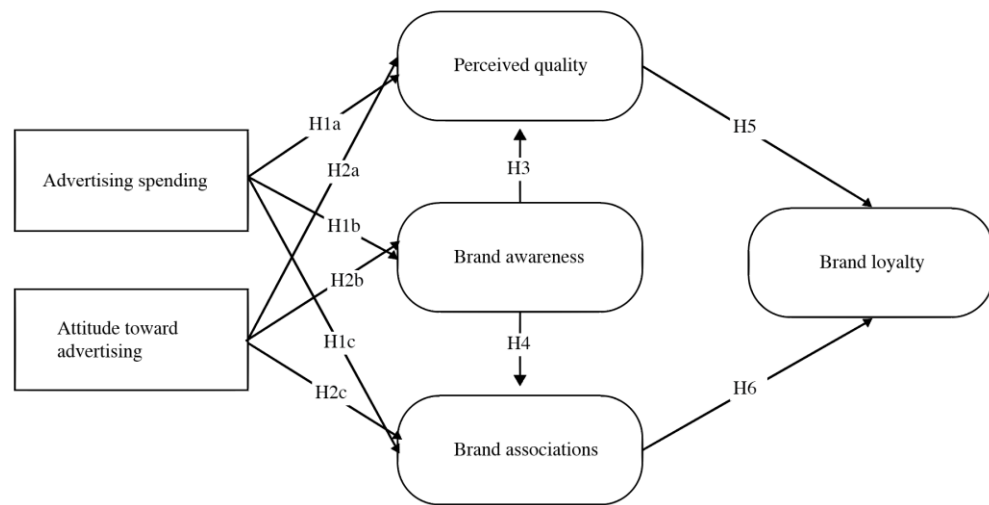
## **2.6. Brand loyalty**

Refer to Oliver (1999) characterizes brand loyalty as a strong point to repurchase a specific item/benefit in certain period time. This rehash purchase intention is not influenced by any significant factor. An examination (Jensen and Hansen, 2006) reasons that loyal customers don't get influenced by the offer of rival product or services. They will probably spread positive informal word-of-mouth regarding a brand to their colleagues and relative. These are the customers walk into the outlet to repurchase the brand when needed. Ha (1998) is of the view that in order to know that whether or not we are dealing with a loyal customer, the attitude causing the purchase decision must be investigated. Advertiser working in multi-social environments have got hold of brand loyalty by modifying the image of a brand to fit the individual cultures (Palumbo and Herbig, 2000). Contrary to this, Oh and Fiorito (2002) are view that brand loyalty is not related to the demographic factors. The repeat purchase behavior of the customers can be improved by increasing customer's relative attitude towards a particular brand. Attitude building marketing strategies can help marketers in this regards (Jensen and Hansen, 2006).

***H-5: Perceived quality has a positive influence on brand loyalty.***

***H-6: Brand associations has a positive influence on brand loyalty.***

## 2.7. Conceptual Framework of the Study



The conceptual framework provides a foundation for research study. The framework consists of 2 independent variables which are Advertising spending and Attitudes toward advertisements, 3 mediating variables which are Perceived quality, Brand awareness, and Brand associations and 1 dependent variable which is Brand loyalty.